



**FINANCE COMMITTEE
THURSDAY, MAY 19, 2016 - 7:30 A.M.
CONFERENCE ROOM N-1 – FIFTH FLOOR
ROCK COUNTY COURTHOUSE-EAST**

AGENDA

1. Call to Order and Approval of Agenda
2. Citizen Participation, Communications and Announcements
3. Approval of Minutes – May 5, 2016
4. Transfers and Appropriations
 - A. Human Resources
5. Review of Payments
6. Resolution
 - A. Transferring Central Duplicating and Mail Functions and Staff from the Facilities Management Department to the Finance Department and Amending the 2016 Budget
7. Review and Possible Action Pertaining to Investment Policy
8. Report on Cash Balances and Investments
9. Adjournment

Rock County Transfer Request - Over \$5,000

TO: FINANCE DIRECTOR Date May 11, 2016 Transfer No. 16-18
 Requested By Human Resources Department Department Head

FROM:	AMOUNT	TO:	AMOUNT
Account #: 19-1922-0000-64904 Description: Contingency Fund Current Balance: \$100,000	\$10,000	Account #: 08-1420-0000-64216 Description: Cultural Competency	\$10,000
Account #: Description: Current Balance:		Account #: Description:	
Account #: Description: Current Balance:		Account #: Description:	
Account #: Description: Current Balance:		Account #: Description:	

REASON FUNDS ARE AVAILABLE FOR TRANSFER - BE SPECIFIC

Use of Contingency Budget

REASON TRANSFER IS NECESSARY - BE SPECIFIC

To provide \$5,000 to hire an outside consultant to survey staff of color (individual and/or focus groups) on challenges and opportunities for improvement in making the workplace more inclusive and welcoming; The \$5,000 balance to be used to continue work on diversity and inclusiveness programming (e.g., departmental trainings, participation in the 2nd YWCA Racial Justice conference, revisions to Human Resources processes in order to reduce barriers, etc.)

FISCAL NOTE:

Sufficient funds are available for transfer. *SS 5-11-16*

ADMINISTRATIVE NOTE:

Recommended *[Signature]* 5-11-16

REQUIRED APPROVAL

DATE

COMMITTEE CHAIR

- Governing Committee _____
- Finance Committee _____

Diversity – Inclusiveness Budget Transfer Request

Rock County has been active in efforts to improve the organization's diversity and inclusiveness and the budget transfer of \$10,000 from the Contingency account to Human Resources would continue these activities. No funds were budgeted in 2016 for these efforts.

At the March 24, 2016 County Board meeting, a presentation was given by County staff that highlighted:

1. The need for addressing the wave of retirements and normal attrition and the resulting impact on work culture.
2. How we are going to recruit and retain staff by improving the staff diversity of our workforce.
3. The County's role in the YWCA Racial Justice Conference in November, 2015. The County was a major sponsor and nearly 50 staff members were able to attend the event offered by the YWCA to learn about approaches to improving the diversity and cultural competency of our staff.
4. Several action steps identified by county staff that attended the November conference. Participants met in focus groups to discuss possible actions the County can take to address this issue. From 70 preliminary areas, the following five issues were prioritized as the most important:
 - a. Talk to Community Action about how they addressed these issues
 - b. Survey entire workforce on climate
 - c. Conversations with employees of color on climate
 - d. Replace current diversity training
 - e. Review ways Human Resources can promote diversity and cultural competency through its processes

To date we have completed several priorities, including:

- Meetings with Community Action to begin the dialogue of how they approached diversity and inclusiveness.
- County staff have been surveyed and the results are being analyzed. Survey results are being provided to County employees.
- A half-day training was held on April 11. Alonzo Kelly, (a featured speaker from the November conference) facilitated 150 County staff at the Pontiac Convention Center on how to make the organization more welcoming and inclusive.
- A locally-based outside consultant has been identified to conduct a survey of staff of color. A written report will conclude the consultant's work and identify ways the county can further progress on diversity and inclusiveness.
- Human Resources taking feedback from various groups including the Behavioral Health Steering Committee's Cultural Competency workgroup is looking at alternative diversity training programs to replace the on-line version.
- Finally, Human Resources is continuing to look into ways to promote diversity and inclusiveness through its processes.

Account Number	Account Name	PO#	Inv Date	Vendor Name	Inv/Enc Amt
07-1430-0000-62421	COMPUTER EQUIP				
		P1600898	04/05/2016	PRINTER PARTS EXCHANGE LLC	245.00
07-1430-0000-63100	OFC SUPP & EXP				
		P1601037	04/02/2016	STAPLES BUSINESS ADVANTAGE	158.29
07-1430-0000-63407	COMPUTER SUPPL				
		P1600213	04/07/2016	HARRIS ACE HARDWARE LLP	29.77
		P1601609	04/12/2016	CDW GOVERNMENT INC	129.80
				INFORMATION TECHNOLOGY PROG TOTAL	562.86
07-1438-0000-62491	SOFTWARE MAINT				
		P1601504	04/04/2016	CDW GOVERNMENT INC	8,540.00
				LAW RECORDS PROG TOTAL	8,540.00
07-1444-0000-64701	SOFTWARE PURCH				
		P1601555	04/11/2016	CDW GOVERNMENT INC	481,403.74
07-1444-0000-67131	OTHER COMP HARDW				
		P1601504	04/04/2016	CDW GOVERNMENT INC	57,685.00
				IT CAPITAL PROJECTS PROG TOTAL	539,088.74
07-1450-0000-64701	SOFTWARE PURCH				
		P1601564	05/15/2016	PICTOMETRY INTERNATIONAL CORP	64,146.75
07-1450-0000-67130	TERMINALS/PC'S				
		P1601532	03/31/2016	CDW GOVERNMENT INC	480.00
		P1601557	04/05/2016	CDW GOVERNMENT INC	15.14
07-1450-0000-67143	IT CROSS CHARGES				
		P1601037	04/02/2016	STAPLES BUSINESS ADVANTAGE	34.30
		P1601540	04/01/2016	CDW GOVERNMENT INC	638.85
		P1601570	01/06/2016	MAGNET FORENSICS USA INC	700.00
		P1601573	04/11/2016	CDW GOVERNMENT INC	4,530.84
		P1601578	04/08/2016	CDW GOVERNMENT INC	4,992.06
		P1601581	04/12/2016	CDW GOVERNMENT INC	2,261.44
				IT-CROSS CHARGES PROG TOTAL	77,799.38

COMMITTEE REVIEW REPORT

<u>Account Number</u>	<u>Account Name</u>	<u>PO#</u>	<u>Inv Date</u>	<u>Vendor Name</u>	<u>Inv/Enc Amt</u>
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I have reviewed the preceding payments in the total amount of **\$625,990.98**

Date: **MAY 19 2016**

Dept Head _____

Committee Chair _____

COMMITTEE REVIEW REPORT

Account Number	Account Name	PO#	Inv Date	Vendor Name	Inv/Enc Amt
14-1411-0000-62114	TAB/CANVASING				
		P1601590	04/15/2016	MOLLAND, ELLEN MARIE	50.00
		P1601613	04/05/2016	MATHEWS, STEPHANIE	50.00
ELECTIONS PROG TOTAL					100.00

I have reviewed the preceding payments in the total amount of **\$100.00**

Date:

MAY 19 2016

Dept Head _____

Committee Chair _____

Account Number	Account Name	PO#	Inv Date	Vendor Name	Inv/Enc Amt
15-1540-0000-64200	TRAINING EXP	P1601575	04/07/2016	WISCONSIN COUNTY TREASURERS A	125.00
		P1601610	04/12/2016	THE RIDGE HOTEL	164.00
		COUNTY TREASURER PROG TOTAL			
15-1541-0000-64901	TAX DEED EXP	P1601665	04/19/2016	TOWN N COUNTRY TITLE LLC	10,080.00
		TAX DEED EXPENSE PROG TOTAL			

I have reviewed the preceding payments in the total amount of \$10,369.00

Date: MAY 19 2016

Dept Head _____

Committee Chair _____

Account Number	Account Name	PO#	Inv Date	Vendor Name	Inv/Enc Amt
17-1710-0000-63100	OFC SUPP & EXP	P1600733	04/09/2016	STAPLES BUSINESS ADVANTAGE	59.04
REGISTER OF DEEDS PROG TOTAL					59.04

I have reviewed the preceding payments in the total amount of **\$59.04**

Date: **MAY 19 2016**

Dept Head _____

Committee Chair _____

RESOLUTION NO. _____

AGENDA NO. _____

**RESOLUTION
ROCK COUNTY BOARD OF SUPERVISORS**

Josh Smith
INITIATED BY



Randy Terronez
DRAFTED BY

General Services Committee
SUBMITTED BY

May 10, 2016
DATE DRAFTED

**TRANSFERRING CENTRAL DUPLICATING AND MAIL FUNCTIONS
AND STAFF FROM THE FACILITIES MANAGEMENT DEPARTMENT
TO THE FINANCE DEPARTMENT AND AMENDING THE 2016 BUDGET**

1 **WHEREAS**, the General Services Department was renamed the Facilities Management
2 Department per Resolution 16-3B-517 in order to reflect an increased focus on facilities
3 management; and,
4

5 **WHEREAS**, transferring the central duplicating and mail operations from the Facilities
6 Management Department to the Finance Department are logical next steps towards the focus of the
7 Facilities Management Department on its role of managing facilities.
8

9 **NOW, THEREFORE, BE IT RESOLVED**, that the Rock County Board of Supervisors duly
10 assembled this _____ day of _____, 2016 does hereby approve the transfer of the
11 central duplicating and mail operation functions from the Facilities Management Department to the
12 Finance Department effective June 6, 2016.
13

14 **BE IT FURTHER RESOLVED**, that 1.0 FTE Administrative Assistant and 0.4 FTE Printing
15 Services Coordinator be transferred from the Facilities Management Department to the Finance
16 Department.
17

18 **BE IT FINALLY RESOLVED**, that the Facilities Management Department and Finance
19 Department 2016 budgets be amended as follows:
20

21 ACCOUNT/ 22 DESCRIPTION	23 BUDGET AT 24 5/1/16	25 AMOUNT OF 26 INCREASE	27 AMENDED 28 BUDGET
29 Source of Funds:			
30 18-1810-0000-61100 31 Wages	723,143	(49,805)	673,338
32 18-1810-0000-61400 33 FICA	56,314	(3,810)	52,504
34 18-1810-0000-61510 35 Retirement	47,727	(2,301)	45,426
36 18-1810-0000-61610 37 Health Insurance	216,912	(12,768)	204,144
38 18-1810-0000-61620 39 Dental Insurance	4,967	(647)	4,320
40 18-1810-0000-61630 41 Life Insurance	516	(16)	500
42 18-1810-0000-62210 43 Telephone	5,000	(250)	4,750
44 18-1810-0000-62400 45 Repair & Maint Services	88,892	(38,040)	50,852
46 18-1810-0000-63100 Office Supplies	3,000	(1,000)	2,000
18-1810-0000-63104 Printing and Duplicating	25,000	(25,000)	-0-
05-1560-0000-68000 Cost Allocations	-0-	(40,555)	(40,555)

Transferring Central Duplicating and Mail Functions and Staff from the Facilities Management Department to the Finance Department and Amending the 2016 Budget

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47	ACCOUNT	BUDGET AT	AMOUNT OF	AMENDED
48	<u>DESCRIPTION</u>	<u>1/1/16</u>	<u>INCREASE</u>	<u>BUDGET</u>
49				
50	<u>Use of Funds:</u>			
51	<u>Mailroom:</u>			
52	05-1500-0000-61100	604,422	34,863	639,285
53	Wages			
54	05-1500-0000-61400	47,041	2,667	49,708
55	FICA			
56	05-1500-0000-61510	40,322	2,301	42,623
57	Retirement			
58	05-1500-0000-61610	174,468	12,768	187,236
59	Health Insurance			
60	05-1500-0000-61620	5,614	647	6,261
61	Dental Insurance			
62	05-1500-0000-61630	396	16	412
63	Life Insurance			
64	05-1500-0000-62210	1,900	175	2,075
65	Telephone			
66	05-1500-0000-65331	-0-	8,350	8,350
67	Equipment Lease			
68	05-1500-0000-63109	-0-	1,000	1,000
69	Other Supplies & Expenses			
70				
71	<u>Central Duplicating:</u>			
72	05-1560-0000-61100	-0-	14,942	14,942
73	Wages			
74	05-1560-0000-61400	-0-	1,143	1,143
75	FICA			
76	05-1560-0000-62210	-0-	75	75
77	Telephone			
78	05-1560-0000-62400	-0-	24,000	24,000
79	Repair & Maint Services			
80	05-1560-0000-62420	-0-	8,000	8,000
81	Machine & Equip R&M			
82	05-1560-0000-62424	-0-	3,245	3,245
83	Office Equip R&M			
84	05-1560-0000-63104	-0-	60,000	60,000
85	Printing & Duplicating			

Transferring Central Duplicating and Mail Functions and Staff from the Facilities Management Department to the Finance Department and Amending the 2016 Budget

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Respectfully submitted,

GENERAL SERVICES COMMITTEE

Henry Brill, Chair

Jason Heidenreich, Vice Chair

David Homan

Bob Yeomans

Jeremy Zajac

FINANCE COMMITTEE

Mary Mawhinney, Chair

Sandra Kraft, Vice Chair

Mary Beaver

Brent Fox

J. Russell Podzilni

COUNTY BOARD STAFF COMMITTEE

J. Russell Podzilni, Chair

Sandra Kraft, Vice Chair

Betty Jo Bussie

Eva Arnold

Mary Mawhinney

Alan Sweeney

Henry Brill

Louis Peer

Terry Thomas

Transferring Central Duplicating and Mail Functions and Staff from the Facilities Management Department to the Finance Department and Amending the 2016 Budget

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FISCAL NOTE:

This resolution approves moving the Central Duplicating and Mail functions and staff as well as the applicable budget from the Facilities Management Department to the Finance Department. No fiscal impact to the County's bottom line.



Sherry Oja
Finance Director

LEGAL NOTE:

The County Board is authorized to take this action pursuant to §§ 59.01, 59.51 and 59.22(2), Wis. Stats. As an amendment to the adopted 2016 County Budget, this Resolution requires a 2/3 vote of the entire membership of the County Board pursuant to sec. 65.90(5)(a), Wis. Stats.



Jeffrey S. Kuglitsch
Corporation Counsel

ADMINISTRATIVE NOTE:

Recommended.



Josh Smith
County Administrator

**Transfer of Central Duplicating and Mail Functions
From the Facilities Management Department to the Finance Department
And Amending the 2016 Budget**

Executive Summary

In March, the County Board of Supervisors approved the name change of the General Services Department to the Facilities Management Department and aided the department director recruitment process by making it clearer to potential applicants, the responsibilities of the department.

The March resolution noted that the County's investment in its facilities is significant. The department manages nearly 1.2 million square feet of space valued at about \$285 million. In 2016 the department's budget totaled nearly \$5 million and included 22.6 FTE staff.

This resolution continues the focus of the department on facilities by transferring the functions of central duplicating and mail to the Finance Department. This action would also transfer 1.0 FTE Administrative Assistant and 0.40 FTE Printing Services Coordinator positions.

Rock County Statement of Investment Policy

I. INTRODUCTION

Rock County, Wisconsin (the "County") was incorporated by an act of the Territorial Legislature of Wisconsin in 1836. The County operates under a County Board form of government. The County Board of Supervisors is comprised of 29 members elected to serve 2-year terms. The Finance Committee of the Rock County Board of Supervisors (the "Finance Committee") authorizes Investment Policies for the County.

The purpose of this Investment Policy is to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the funds of Rock County,

This Investment Policy was adopted by the Finance Committee of the Rock County Board of Supervisors on May 5, 2005, as amended on April 6, 2006, amended on October 29, 2008, amended on February 19, 2009, and amended on June 4, 2009.

II. SCOPE

The provisions of this Investment Policy shall apply to all funds and investments of the County. All excess cash, except for cash in restricted and special accounts, shall be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated based upon internal policy of the County.

III. OBJECTIVES

The County's principal investment objectives are:

- Preservation of capital and protection of investment principal.
- Maintenance of sufficient liquidity to meet anticipated cash flows.
- Diversification to avoid incurring unreasonable market risks.
- Attainment of a market rate of return throughout budgetary and economic cycles.
- Conformance with all applicable County Ordinances and State Statutes.
- Support investment in local financial institutions to the extent possible consistent with investment objectives.

IV. DELEGATION OF AUTHORITY

Pursuant to Wisconsin Statutes Sec. 59.62, the authority to invest County funds is delegated to the County Treasurer. The County Treasurer and the Finance Director have been authorized by the Finance Committee to conduct investment transactions on behalf of the County. The Treasurer may appoint other members of the County staff to

assist in the investment functions. The Treasurer shall maintain a list of persons authorized to transact securities business for the County. No person may engage in an investment transaction except as expressly provided under the terms of this Investment Policy.

The Treasurer shall develop internal controls, consistent with this Investment Policy, for the operation of the County's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the County.

The County may engage the support services of outside professionals in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the County's financial resources.

V. PRUDENCE

The standard of prudence to be used by investment officials shall be the "prudent person rule" in Wisconsin Statutes Section 881.01 and shall be applied within the context of managing the overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The Treasurer and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the Finance Committee and appropriate action is taken to control adverse developments.

VI. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or that could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Finance Committee any material financial interests they have in financial institutions that conduct business with the County and they shall subordinate their personal investment transactions to those of the County particularly with regard to the timing of purchases and sales. Employees and officers shall refrain from undertaking personal investment transactions with the same individuals with whom business is conducted on behalf of the County.

VII. AUTHORIZED SECURITIES AND TRANSACTIONS

All investments shall be made in accordance with applicable State of Wisconsin statutes as follows:

Sec 25.50, Wisc. Stats., Local Government Pooled Investment Fund;

Sec. 34.05, Wisc. Stats, Designation of Public Depositories;
Sec. 66.0301, Wisc. Stats., Intergovernmental Cooperation;
Sec. 66.0603, Wisc. Stats., Investments;
Sec. 219.05., Wisc. Stats., Investments in Savings and Loans and Other Deposits; and
Sec. 881.01, Wisc. Stats., Investments; Prudent Person Rule.

It is the intent of the County that the following list of authorized securities be strictly interpreted. Any deviation from this list must be pre-approved in writing by the Finance Committee.

1. **U.S. Treasury Obligations:** Treasury Bills, Treasury Notes, Treasury Bonds, and Treasury Strips with a final maturity not exceeding five years from the date of trade settlement.
2. **Federal Agency Securities:** Debentures and mortgage-backed securities with a stated final maturity not exceeding five years from the date of trade settlement issued by the Government National Mortgage Association (GNMA).
3. **Federal Instrumentality Securities:** Debentures, discount notes, callable, step-up, and stripped principal or coupons with a final maturity not exceeding five years from the date of trade settlement issued by the following only: Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC) and Federal National Mortgage Association (FNMA).
4. **Repurchase Agreements** with a termination date of 180 days or less collateralized by U.S. Treasury or Federal Instrumentality securities listed above with a final maturity not exceeding 10 years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the PSA Bond Market Trade Association Master Repurchase Agreement as modified by the County's Master Repurchase Agreement Annex. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the transaction. Collateral shall be held in the County's third-party custodian bank as safekeeping agent, and market value of the collateral securities shall be marked-to-the market daily.

Repurchase Agreements shall be entered into only with broker/dealers recognized as primary dealers reporting to the Federal Reserve Bank of New York, or with financial firms that have a primary dealer within their holding company structure. ~~Approved Repurchase Agreement counterparties shall have a short term credit rating of at least A-1 or the equivalent and a long term rating of at least A or the equivalent by at least one rating agency.~~ Repurchase agreement counterparties shall execute a County approved Master Repurchase Agreement with the County. The Treasurer shall maintain a copy of the County's approved Master Repurchase Agreement and a list of the broker/dealers who have executed same.

5. **Prime Commercial Paper** issued on U.S. companies and denominated in U.S. currency with a maturity not exceeding 270 days from the date of trade settlement which is rated at least A-1 by Standard & Poor's, P-1 by Moody's, or F1 by Fitch at the time of purchase by each service that rates the commercial paper. If the commercial paper issuer has senior debt outstanding, the senior

debt must be rated at least A by Standard & Poor's, A2 by Moody's, or A by Fitch by each service that rates the issuer. The aggregate investment in commercial paper shall not exceed 25% of the County's total portfolio, and no more than 5% of the County's total portfolio shall be invested in any one issuer.

6. **Eligible Bankers Acceptances** with an original maturity not exceeding 180 days from the date of trade settlement, issued on domestic banks or branches of foreign banks domiciled in the U.S. and operating under U.S. banking law, whose senior long-term debt is AA by Standard & Poor's, Aa2 by Moody's or AA by Fitch at the time of purchase. The aggregate investment in bankers acceptances shall not exceed 25% of the County's total portfolio, and no more than 5% of the County's total portfolio shall be invested in any one issuer.
7. **Local Government Pooled Investment Fund** as created and authorized under Wisconsin Statute Sec. 25.50.
8. **Local Government Investment Pools** established pursuant to Wisconsin Statute Sec. 66.0301 which are "no-load" (no commission fee charged on purchases or sales of shares); have a constant net asset value of \$1.00; limit asset of the fund to securities authorized by Statute; have a maximum stated maturity and weighted average maturity in accordance with Federal Securities Regulation 2a-7; and have a rating of AAAM by Standard & Poor's, Aaa by Moody's, or AAA/V1+ by Fitch.
9. **Money Market Funds** registered under the Investment Company Act of 1940 which are "no-load" (no commission or fee charged on purchases or sales of shares); have a constant net asset value of \$1.00; limit assets of the fund to treasury, agency and instrumentality securities and repurchase agreements on the same; have a maximum stated maturity and weighted average maturity in accordance with Federal Securities Regulation 2a-7; and have a rating of AAAM by Standard & Poor's, Aaa by Moody's, or AAA/V1+ by Fitch.
10. **Time Certificates of Deposit** with a maturity not exceeding two years and interest bearing accounts insured by the Federal Deposit Insurance Corporation (FDIC) in state or national banks, or state or federally chartered savings and loan associations located in Wisconsin which have been designated as depositories for public sector moneys by the State of Wisconsin statutes and have been approved by the County in accordance with this Investment Policy in the Section XII - Selection of Banks and Savings Banks as Depositories and Providers of General Banking Services." Any deposits exceeding the combined federal and state insurance limits per institution shall be covered by a surety bond or collateralized by U.S. Treasury, Instrumentality or Agency securities or Mortgage-backed securities (issued by FNMA, FHLNC, and GNMA) with maturities not exceeding 30 years. The collateral shall have an original minimum market value including accrued interest of 105% of the dollar value of the transaction and the collateral maintenance level shall be 104%. The collateral shall be marked-to-the market as of the last business day of the month and adjusted to at least 105%. The aggregate amount of certificates of deposit purchased through the CDARS program may exceed federal and state insurance limits provided the individual banks participating each have less on deposit than

the current FDIC insurance limit. The aggregate investment in certificates of deposit shall not exceed \$20,000,000, plus accrued interest.

11. Corporate bonds issued by U.S. companies and denominated in U.S. currency with maturities not exceeding three years from the date of trade settlement which are rated at least Aa by Moody's and AA by Standard & Poor's at the time of purchase. The aggregate investment in corporate bonds shall not exceed 25% of the County's total portfolio, and no more than 5% of the County's total portfolio shall be invested in any one issuer.

12. Bonds or other securities issued by Rock County with a maturity not exceeding three years from the date of trade settlement.

The Treasurer/Finance Director shall direct the County's investment advisor to actively monitor the credit quality and credit ratings of all securities held in the County's investment portfolio. The investment advisor shall promptly notify the Treasurer/Finance Director of any negative developments. Investments which have been placed on a negative watch list by any of the rating agencies referred to in this Investment Policy, or which have been downgraded to below the minimum ratings set forth in this Investment Policy will be sold or held at the discretion of the Finance Director, the Treasurer and the Chair of the Finance Committee, except that the sale of an investment resulting in a loss exceeding 5% of the amortized cost of the investment, shall require the prior approval of the Finance Committee.

It is the intent of the County that the foregoing list of authorized investments be strictly interpreted. Any deviation from this list must be preapproved by the Finance Committee in writing.

VIII. INVESTMENT DIVERSIFICATION

It is the intent of the County to diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The asset allocation in the portfolio should, however, be flexible depending upon the outlook for the economy, the securities market, and the County's anticipated cash flow needs.

IX. PORTFOLIO MATURITIES AND LIQUIDITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, the County will not invest in securities maturing more than five years from the date of trade settlement.

X. SELECTION OF BROKER/DEALERS

The Treasurer shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the County to purchase securities only from those authorized firms.

To be eligible, a firm must meet at least one of the following criteria:

1. Be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a primary dealer within their holding company structure, or
2. Report voluntarily to the Federal Reserve Bank of New York, or
3. Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

The County may engage the services of investment advisory firms to assist in the management of the portfolio and investment advisors may utilize their own list of approved Broker/Dealers. Such Broker/Dealers will comply with the selection criteria above and the list of approved firms shall be provided to the County on an annual basis or upon request.

~~Broker/dealers will be approved by the Treasurer/Finance Director with the recommendation of the County's investment advisor on the basis of the broker/dealers' expertise in public cash management and their ability to provide service to the County's account. In the event that an external investment advisor is not used, each authorized broker/dealer shall be required to submit and annually update a County approved Broker/Dealer Information Request form which includes the firm's most recent financial statements. The Treasurer shall maintain a file of the most recent Broker/Dealer Information forms submitted by each authorized firm.~~

The County may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in Section VII, "Authorized Securities and Transactions" of this Investment Policy.

XI. COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded.

If the County is offered a security for which there is no other readily available competitive offering, then the County's investment advisor will document quotations for comparable or alternative securities.

XII. SELECTION OF BANKS AND SAVINGS BANKS AS DEPOSITORIES AND PROVIDERS OF GENERAL BANKING SERVICES

The Treasurer shall maintain a list of banks and savings banks approved to provide depository and other banking services for the County. To be eligible for authorization, a state or national bank, or state or federally chartered savings bank must be located within the State of Wisconsin, be a member of the FDIC, and qualify as a depository for

public sector monies as defined in Wisconsin Statute Sec. 34.05. A credit analysis will be performed at least annually on all approved banks and savings and loans. Banks or savings banks that in the judgment of the Treasurer no longer offer adequate safety to County, will be removed from the list.

XIII. SAFEKEEPING AND CUSTODY

The Treasurer shall approve one or more financial institutions to provide safekeeping and custodial services for the County. A Safekeeping Agreement shall be executed with each custodian prior to utilizing that institution's safekeeping services. To be eligible for designation as the County's safekeeping and custodian bank, a financial institution shall qualify as a depository of public funds in the State of Wisconsin as defined in Wisconsin Statute Sec. 34.05. Custodian banks will be selected on the basis of their ability to provide services to the County's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. Ownership of all securities shall be perfected in the name of the County, and sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All ~~deliverable investment securities, except certificates of deposit, local government investment pools and money market funds purchased by the County will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by the County approved custodian bank, its correspondent bank or the Depository Trust Company (DTC).~~

All Fed wireable book entry securities owned by the County shall be evidenced by a safekeeping receipt or a customer confirmation issued to the County by the custodian bank stating that the securities are held in the Federal Reserve system in a Customer Account for the custodian bank which will name the County as "customer."

All DTC eligible securities shall be held in the custodian bank's Depository Trust Company (DTC) participant account and the custodian bank shall issue a safekeeping receipt evidencing that the securities are held for the County as "customer."

All ~~non-book entry (physical delivery) securities shall be held by the custodian bank's correspondent bank and the custodian bank shall issue a safekeeping receipt to the County evidencing that the securities are held by the correspondent bank for the County as "customer."~~

The County's custodian will be required to furnish the County monthly reports of holdings of custodied securities as well as a report of monthly safekeeping activity.

XIV. PORTFOLIO PERFORMANCE

The County's investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the portfolio shall be compared to the average yield on the U.S.

Treasury security which most closely corresponds to the portfolio's weighted average effective maturity. When comparing the performance of the County's portfolio, all fees involved with managing the portfolio shall be included in the computation of the portfolio's rate of return net of fees.

XV. REPORTING

The Finance Director shall prepare a monthly investment report listing the investments held by the County and the market value of those investments. The report shall include a summary of investment earnings and performance results during the period. The investment report shall be reviewed monthly by the Finance Committee.

XVI. POLICY REVISIONS

This Investment Policy shall be reviewed annually by the Finance Committee, Finance Director and Treasurer, and amended by the Finance Committee as conditions warrant.