

ORDINANCE NO. 2016-01

AN ORDINANCE OF THE BARTLETT PUBLIC LIBRARY DISTRICT
REAPPROVING THEIR INVESTMENT POLICY

WHEREAS, the Illinois General Assembly enacted the Public Funds Investment Act (“The Act”) (90-688; 30ILCS 235/2.5) requiring all local governments to have a written investment policy by January 1, 2000;

WHEREAS, Section 2.5 of the Act provides, inter alia, as follows:

Investment of public funds by a public agency shall be governed by a written investment policy adopted by the public agency. The policy shall address safety of principal, liquidity of funds and return on investment and shall require that the investment portfolio be structured in a manner as to provide sufficient liquidity to pay obligations when they become due; and

WHEREAS, the Board of Library Trustees, in a good faith effort to comply with the Act, adopt this Ordinance.

NOW, THEREFORE, be it Ordained by the Board of Library Trustees of the Library as follows:

SECTION 1: The policies of the Bartlett Public Library District (“Library”) be and the same are hereby amended with the addition of a policy entitled “Investment Policy” (See Exhibit A).

SECTION 2: The invalidity of a section, part, provision, item or phrase of this Ordinance shall not affect the validity of the remainder of this Ordinance.

SECTION 3: All Ordinances or parts of Ordinances in conflict or which are inconsistent with this Ordinance are repealed to the extent of any such conflict or inconsistency.

SECTION 4: This Ordinance shall be in full force and effect from and after its passage and approval.

Passed and approved this _____ day of _____, _____.

Dave Barry
President, Board of Library Trustees
Bartlett Public Library District

(Seal)
ATTEST:

Francine A. Byron
Secretary, Board of Library Trustees
Bartlett Public Library District

AYES: _____

NAYS: _____

ABSENT: _____

ABSTAIN: _____

EXHIBIT A
INVESTMENT POLICY

Section 100. General Policy: It is the policy of the Library to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library in conforming to all state and local statutes governing the investment of public funds.

Section 101. Scope: This policy includes all funds governed by the Board of Library Trustees.

Section 102. Prudence: The standard of prudence to be used by investment officials shall be the “prudent person” standard. 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.

Section 103. Objective: The primary objective, in order of priority, shall be:

- Legality – conformance with federal, state and other legal requirements.
- Safety – preservation of capital and protection of investment principal.
- Liquidity – maintenance of sufficient liquidity to meet operating requirements.
- Yield – attainment of market rates return.

The portfolio should be reviewed periodically as to its effectiveness in meeting the Library’s need for safety, liquidity, rate of return, diversification and its general performance.

Section 104. Delegation of Authority: Management and administrative responsibility for the investment program is hereby delegated to the Treasurer of the Board of Library Trustees.

Section 105. Ethics and Conflicts of Interest: Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

Section 106. Authorized Financial Dealers and Institutions: The Treasurer shall maintain a list of financial institutions authorized as depositors for funds and to provide investment services.

Should it become necessary to use an investment advisor or money manager, the Treasurer shall establish a policy regarding their selection.

Section 107. Authorized and Suitable Investments: Investments may be made in any type of security allowed for by Illinois statutes regarding the investment of public funds.

Section 108. Collateralization: Funds on deposit (checking accounts, certificates of deposit, etc.) in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent-third party institution in the name of the Library.

Section 109. Safe Keeping and Custody: All security transactions, including collateral for repurchase agreements, entered into by the Library shall be conducted in a manner that ensures safety. The Library is required to keep receipts and a written record of all transactions.

Section 110. Diversification: The Library shall diversify its investments to the best of its ability based on the nature of the funds invested and the cash flow needs of the funds.

Section 111. Maximum Maturities: To the extent possible the Library shall attempt to match its investments with anticipated cash flow requirements. Therefore, the Treasurer shall establish a maximum maturity limit for securities, unless they are matched to a specific cash flow or if the investments' maturity are made to coincide as nearly as practicable with the expected use of the funds.

Section 112. Operational procedures/Internal Control: The investments are perused each month noting when the investments are maturing and what the cash needs are within each fund established by the Library. The Treasurer and Library Director/Head Administrator shall discuss the cash needs within the respective funds and project investment or reinvestment in accordance to the highest rates and terms available at that time. The recommendations will be presented to the Board of Library Trustees at a regular board meeting for approval. The Library Director/Head Administrator executes the trades as approved by the Board of Trustees. No monies from any Library accounts are to be transferred into any accounts other than those accounts belonging to the Library. Bank confirmations are to be received on all investments transactions and all transfers between funds.

Section 113. Performance Standards: This investment portfolio will be managed in accordance with the parameters specified within this policy.

Section 114. Reporting: The Treasurer shall prepare an investment report at least monthly. The report should be provided to the Board of Library Trustees and be available on request. The report should be in a format suitable for review by the general public. An annual report should also be provided to the Board. The report shall include information regarding securities in the portfolio by class or type, book value, income earned and market value as of the report date.

Section 115. Investment Policy Adoption: The investment policy shall be adopted by the Board of Library Trustees. The policy shall be reviewed on an annual or as needed basis. Modifications made to the policy must be approved by the Board of Library Trustees.