

**SAN JUAN COUNTY UTAH
ORDINANCE NO 2021- ____**

**AN ORDINANCE ESTABLISHING AN INTERNAL ADMINISTRATIVE INVESTMENT POLICY FOR THE
SAN JUAN COUNTY’S TREASURER OFFICE**

WHEREAS, pursuant to Utah Code Annotated §51-7, State Money Management Act, the County Treasurer has determined it is in the best interest of the County to establish an internal policy formalizing the framework for the County’s investment activities that must be exercised to ensure effective and judicious fiscal and investment management of the County’s funds in accordance with the State Money Management Act;

WHEREAS, the policy guidelines are intended to be broad enough to allow the investment officer to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets;

WHEREAS, the County shall comply with the State Money Management Act;

WHEREAS, any revisions or extensions of these sections of the State Money Management Act will be assumed to be part of this Policy immediately upon being enacted;

WHEREAS, this ordinance shall become effective fifteen (15) days after its passage and upon at least one publication of the ordinance or a summary thereof in a newspaper published and having general circulation in San Juan County.

NOW, THEREFORE, BE IT HEREBY ORDAINED BY THE COUNTY LEGISLATIVE BODY OF SAN JUAN COUNTY, UTAH, THAT: the Board of San Juan County Commissioners

PASSED, ADOPTED, AND APPROVED by the Board of San Juan County Commissioners this 19th day of January 2021, by the following vote:

Those voting aye:

Those voting nay:

Those absent or abstaining:

BOARD OF SAN JUAN COUNTY COMMISSIONERS

Willie Grayeyes, Chair

ATTEST:

John David Nielson, Clerk/Auditor

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San Juan County Treasurer Investment Policy

I. Introduction

The intent of the Investment Policy (“Policy”) of the San Juan County Treasurer is to define the parameters within which funds are to be managed. In methods, procedures and practices, the Policy formalizes the framework for the County’s investment activities that must be exercised to ensure effective and judicious fiscal and investment management of the County’s funds. The guidelines are intended to be broad enough to allow the investment officer to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets. The County shall comply with the State Money Management Act. Any revisions or extensions of these sections of the State Money Management Act will be assumed to be part of this Policy immediately upon being enacted.

II. Scope

This Policy applies to activities of San Juan County with regard to investing the financial assets of all funds. Funds held by trustees or fiscal agents are excluded from these rules; however, all funds are subject to regulations established by the State of Utah. Certain funds are exempt from this Policy and may be covered by separate policies. Exempt funds are specified in the State Money Management Act, Utah Code Annotated §51-7-2.

III. General Objectives

The primary objectives, in priority order, of investment activities shall be (as specified in the State Money Management Act, Utah Code Annotated §51-7-17):

1. **Safety of Principal.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal will be to mitigate credit risk and interest rate risk.
2. **Need for Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
3. **Yield on Investments.** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity needs, as regulated by the State Money Management Act and rules of the State Money Management Council, including rules of pertinent bond resolutions or indentures, or other pertinent legal restrictions.
4. **Recognition of the different investment objectives of operating and permanent funds.**

5. Maturity of investments, so that the maturity date of the investment does not exceed the anticipated date of the expenditure of funds.

IV. Delegation of Authority

The Treasurer has authority to invest any funds in the name of the County or as fiduciary for tax collections. The Deputy Treasurer will act as Investment Officer when the Treasurer is not able for any reason to function in that capacity. As allowed by the State Money Management Act, under Utah Code Annotated §51-7-11, the Treasurer may designate a certified investment adviser to make trades on behalf of the Treasurer.

V. Authorized Financial Institutions, Depositories, and Broker/Dealers

The County may conduct investment transactions only through qualified depositories, certified dealers, or directly with issuers of the investment securities as regulated by the State Money Management Act, Utah Code Annotated §51-7-11.

VI. Safekeeping and Custody

Trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis, held in custody basis, or bank safe keeping basis to ensure that securities are deposited in the County's safekeeping institution prior to the release of funds.

Securities will be held by an independent third-party safekeeping institution selected by the County. All securities will be evidenced by safekeeping receipts in the County's name.

The Treasurer shall establish a system of internal controls designed to ensure that the assets of the County are protected from loss, theft or misuse. The Treasurer shall provide all documentation necessary to comply with the required annual audit and evaluation by the independent external auditor, presently, Larson & Company CPA.

VII. Authorized Deposits or Investments of Public Funds

All public funds of the County may be deposited or invested only in assets specified in the State Money Management Act, Utah Code Annotated §51-7-11.

VIII. Performance Standards/Evaluation

The investment portfolio will be managed in accordance with the parameters specified within this Policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken and the benchmarks shall have a similar weighted average maturity and credit profile as the portfolio.

IX. Reporting/Disclosure

The Treasurer will submit to the State Money Management Council reports of all Cash and Investments on a semi-annual basis as required.

The Treasurer will make available to the County Auditor, at any time, reconciliation and bank statement copies of all investments and bank activity. The Treasurer will also inform the County Auditor of any large investment activity over and above warrants, payroll or tax distribution. Investment records will be available for inspection by the County Auditor.

The Treasurer will provide investment information to the Board of San Juan County Commissioners at the end of each month through the monthly financial reports. The Board of San Juan County Commissioners may inspect the investment records of the Treasurer at any time.

Revised: 1/15/2021