

**VILLAGE OF WINDSOR
VILLAGE BOARD RESOLUTION 2024-115**

APPROVAL OF INVESTMENT POLICY

WHEREAS, the Village Board of the Village of Windsor has reviewed the Village Investment Policy that was approved on August 4, 2016; and

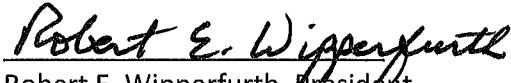
WHEREAS, the Village Board has determined that it is desirable and in the best interest of the community to continue with a written policy to guide the investment of all funds under the authority of the Village; and

WHEREAS, the Village Board has reviewed and recommends approval of the Investment Policy as amended, attached hereto as Exhibit A;


NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village of Windsor that it hereby approves the Investment Policy as set forth in Exhibit A.

The above and foregoing Resolution was duly adopted at a regular meeting of the Village Board of the Village of Windsor on December 19, 2024, by a vote of 5 in favor and 0 opposed.

VILLAGE OF WINDSOR


Robert E. Wipperfurth, President

Attested by:


Christine Capstran, Clerk

Incorporated by Reference:
Exhibit A: Investment Policy

VILLAGE OF WINDSOR

INVESTMENT POLICY

1.0 GENERAL PURPOSE AND POLICY

The Investment Policy sets forth the guidelines and objectives for the investment of public funds held by the Village of Windsor (the "Village"). The primary goal of this policy is to establish a framework to ensure the Village's funds are invested in a prudent, transparent, and efficient manner, maximizing return on investment while minimizing risk and ensuring adequate liquidity to meet the Village's financial obligations. The Investment Policy shall conform with all applicable federal, state and other legal requirements.

2.0 SCOPE

This policy applies to those funds that are under the authority of the Village. Financial assets of funds not under the authority of the Village are administered in accordance with a separate policy. Financial assets of all other funds may be administered in accordance with this Policy, but are not required to.

3.0 GENERAL OBJECTIVES

3.1 Safety

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in individual investments and the overall portfolio. The objective will be to mitigate credit risk, interest rate risk and custodial risk.

3.1.1 Credit Risk

The Village will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities permitted under Wisconsin State Statute 66.0603.
- The Village shall approve, by resolution, the public depositories that are deemed appropriate for use under Wisconsin and Federal law.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

3.1.2 Interest Rate Risk

The Village will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

3.1.3 Custodial Risk

The Village will minimize custodial risk, which is the risk that in the event of a financial institution failure, the Village deposits may not be returned to it, by:

- Maintaining a list of public depositories, financial institutions and broker/dealers authorized to provide deposit and investment services as per Wisconsin State Statute 34.05.
- All public depositories, financial institutions and broker/dealers authorized to provide deposit and investment services must be in good standing with state and federal regulatory agencies.

4.0 LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Investment portfolios will be structured so that securities mature concurrent with cash needs to meet anticipated demands. Alternatively, a portion of any portfolio may be placed in money market mutual funds or local government investment pools authorized and permissible under Wisconsin State Statutes which offer same-day liquidity for short term funds.

5.0 YIELD

Investment portfolios shall be designed with the objective of attempting to attain a market rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit quality may be sold prior to maturity to minimize loss of principal.
- Liquidity needs of the Village require a security or securities to be sold prior to maturity.
- A security swap would improve the safety and yield of the overall portfolio.

With the exception of cash accounts, or investments purchased and managed on behalf of the Village through an approved investment advisor, all investments will be selected on the basis of competitive quotations.

Investments purchased directly through an approved broker/dealer or depository institution should include a minimum of two price quotes/bids to seek best pricing execution. Investments should settle to a custodial safekeeping account titled in the name of the Village.

6.0 STANDARDS OF CARE

6.1 Prudence

The standard of prudence to be used by investment officials shall be the “prudent person” standard, which states “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” and shall be applied in the context of managing an overall portfolio.

Investment officers acting in accordance with written procedures and this Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely manner and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. Notwithstanding any other provision of law, the Finance Director (or designee) who deposits public money in any authorized public depository, in compliance with Wisconsin State Statute 34.05 is, under the provisions of Wisconsin State Statute 34.06, relieved of any liability for any loss of public monies which results from the failure of any public depository to repay the public depositor the full amount of its deposits, thus causing a loss as defined in Wisconsin State Statute 34.01(2).

6.2 Ethics and Conflicts of Interest

Village 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. Officers and employees shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Village.

6.3 Delegation of Authority

Management and administrative responsibility for the investment program of the Village is entrusted to the Finance Director under the direction of the Village Board. Individuals authorized to engage in investment transactions on behalf of the Village are the Finance Director, Treasurer or those individuals designated by the Finance Director or Village Board.

6.4 Authorized and Suitable Investments

Authorized investments include any investment stipulated in Wisconsin State Statute 66.0603 (1m) with limitations noted below:

- Debt service reserve fund investments specifically for use toward General Obligation debt shall be further restricted to those permissible as per Wisconsin State Statute 67.11.

7.0 INTERNAL CONTROLS

The Director of Finance shall establish a system of internal controls designed to prevent losses of Village funds arising from fraud, misrepresentation by third parties, unanticipated changes in financial markets, employee error or imprudent actions by employees.

Internal controls shall address:

- Separation of transaction authority from accounting and record keeping.
- Clear delegation of authority to subordinate staff members.
- Written confirmation of transactions for investments and wire transfers.
- Dual authorizations of wire transfers.
- Development of a wire transfer agreement with the lead bank and third-party custodian.
- Investment and interest earnings will be recorded in the Village accounting records based on generally accepted government accounting procedures.

8.0 COLLATERALIZATION

Depository accounts or Certificates of Deposit that exceed FDIC/NCUA insurance limits and/or coverage limits specified in Wisconsin State Statute 34.08(1)(2) shall require collateral valued at 102% of the principal and accrued interest. Conditions of the collateral arrangement will be detailed in a "Security Agreement" between the depository financial institution and the Village. Collateral pledged for this purpose will be held by a third-party custodian, in the Village's name, and evidenced by a "Tri-Party" agreement between the depository financial institution, the Village, and the custodian. Evidence of ownership must be detailed in a safekeeping receipt supplied to the Finance Director.

Collateral shall be limited to Letters of Credit issued through the Federal Home Loan Bank of Chicago naming the Village as designated beneficiary, or pledged securities of the U.S. Treasury and its agencies. Collateral substitution(s) must be authorized by the Village.

9.0 INVESTMENT PARAMETERS

9.1 Diversification

It is the policy of the Village to diversify its investment portfolio. Investments shall be diversified by:

- Limiting investments to avoid over concentration in securities from a specific issuer, industry or business sector, excluding U.S. Treasury obligations.

- Investing in securities with varying maturities.
- Continuously investing a portion of the investment portfolio in readily available funds such as local government investment pools, money market accounts or money market mutual funds permissible under Wisconsin State Statute.

10.0 REPORTING

The Finance Director shall present a monthly report on the investment program and investment activity to the Village Board. The report shall include a management summary displaying the status of the investment portfolio and shall be prepared in a manner that will allow the Village Board to determine if investment activities during the reporting period conform to this Investment Policy.

11.0 POOLING OF CASH

Except where otherwise provided by the Village Board, the Finance Director is authorized to pool the cash of various funds to maximize investment earnings where it is advantageous and prudent to do so. Investment income will be allocated to the various funds based on the pro rata portion of each fund.