



TOWN OF WALDOBORO INVESTMENT POLICY

SCOPE

The Maine State Statutes authorize the treasurer to deposit or invest municipal funds by direction of the municipal officers. Pursuant to MRSA Title 30A, Section 5706 et seq., the Town of Waldoboro adopts the following investment policy for the management and investment of municipal funds. This policy once adopted applies to all the funds under the Town of Waldoboro's control, but may not be limited to:

- General Funds
- Special Revenue Funds
- Capital Project Funds
- Trust Funds

OBJECTIVES

Safety:

The primary objective with all municipal funds is the preservation of capital and the protection of investment principal. The municipality will diversify its investments to avoid incurring unreasonable risks regarding specific security types or individual financial institutions.

Liquidity:

The municipality's investment portfolio will maintain sufficient liquidity to meet any operating requirement which might reasonably be anticipated.

Return on Investment:

The municipality will strive to maximize the rate of return on the portfolio while avoiding unreasonable investment risks.

DELEGATION OF AUTHORITY

The finance officer shall invest any funds for which there is no immediate need, sell and exchange the securities so purchased and deposit such securities for safe keeping. Any investments should be made considering the investment objectives contained in the previous section and exercising judgment and care under the circumstances then prevailing.

INVESTMENT PRINCIPLES

The finance officer shall follow the investment principles as outlined when conducting the municipality's investment program.

1. The municipality may purchase only legally authorized investments as stated in 30A, MRSA Section 5706 et seq.
2. The maturity date of new investments shall not be further than the time that the municipality anticipates the funds will be needed. To maintain liquidity, new investments of municipal operating funds shall have a maturity of one year or less.
3. No investment for the purpose of trading or speculating shall be made.
4. Deposits and investments of municipal funds can only be made in financial institutions that are insured by the FDIC. Any funds deposited or invested above the \$250,000.00 insurance limit must be collateralized by the financial institution, or place the excess funds with other financial institutions.
5. Cash balances in all demand accounts shall not exceed compensating balances whenever possible. The financial officer should strive to invest at least 95% of all available funds on a day to day basis.
6. The municipality shall invest in financial institutions with significant Maine operations as much as possible and can only invest in out of state financial institutions where a significant interest rate differential exists.
7. The finance officer shall competitively bid municipal investments in excess of \$10,000.00 from qualified financial institutions to insure the best rate of return, subject to the limitations contained in paragraph 6.

REPORTING AND CONTROL

The finance officer shall report monthly to the Town Manager for the purpose of monitoring the performance and structure of the municipal investment.

In addition, the finance officer shall issue an annual report to the Board of Selectmen within 60 days after the fiscal year end. This report shall include an evaluation of the performance of the investment program for the previous year and present a plan for the investment of funds for the ensuing year.

ETHICS AND CONFLICTS OF INTEREST

All personnel involved in the investment program shall refrain from personal business activity that could conflict with proper execution of the investment program, or could impair their ability to make impartial

investment decisions. Such responsibility carries with it the duty to ensure that investments are placed without the appearance of any improper influence or personal gain. Personnel shall disclose to the Treasurer any material financial interests in financial institutions that conduct business within this jurisdiction, and shall further disclose any large personal financial /investment positions that could be related to the performance of the Town's portfolio.

Approved this 26th day of May, 2015.

Board of Selectmen:
Town of Waldoboro, Maine

Clinton E. Collamore, Chairman

Joanne Minzy, Vice-chair

Ronald L. Miller

Theodore M. Wooster

Carl W. Cunningham