

TOWN OF WILLISTON INVESTMENT POLICY

OBJECTIVE:

The objectives of the Town of Williston Investment Policy shall be security of principal, liquidity as needed to meet projected expenditures, and return on investment, in that order of priority.

AUTHORITY

The Treasurer for the Town of Williston shall be authorized to invest and reinvest the funds of the Town of Williston (VSA Title 24, Section 1571(b)).

AUTHORIZED FINANCIAL INSTITUTIONS

The investment of all Town of Williston funds shall be made with financial institutions that have offices in Vermont or are registered to do business in Vermont. The financial institutions shall provide deposit insurance and be regulated by the FDIC.

ACCEPTABLE INVESTMENTS

The Treasurer is authorized to invest and deposit all Town funds into:

- Checking Accounts
- Money Market Accounts
- Obligations of U.S. Treasury (i.e. T-Bills, T-Notes, Bonds, Equities, etc.)
- Certificates of Deposit
- Savings Accounts
- ~~NOW Accounts~~
- ~~Collateralized Repurchase Agreements~~

All investments in excess of F.D.I.C. insurance will be insured or collateralized. The Treasurer of the Town of Williston will make decisions regarding the types of collateralization of deposits. The form of collateral may include, but not be limited to, securities of the United States of America and collateralized re-purchase agreements. Securities may be held by a third-party custodian designated by the Treasurer and evidenced by safekeeping receipts.

The Treasurer shall obtain rate quotes from a minimum of three financial institutions. Preference may be given to invest with a financial institution where the Town's primary operating funds are located. Financial institutions that are locally based may also be given preference.

MAXIMUM MATURITIES

To the extent possible, the treasurer shall attempt to match its investments with anticipated cash flow requirements and whenever possible will not invest funds for a period in excess of one year from the date of purchase.

STANDARD OF PRUDENCE

The standard to be used in making investments and by which investment decisions will be assessed shall be the “prudent person” standard and in a fashion consistent with the “prudent investor” rule, which states, that investments shall be made with judgement 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.

DIVERSIFICATION OF THE INVESTMENT PORTFOLIO

The Treasurer shall maintain sufficient diversification of investments such that the ability of the Town of Williston to continue to do business on an ongoing basis will not be impaired because of a liquidity crisis occurring in any one institution with which the Town of Williston has invested.

ETHICS AND CONFLICT OF INTEREST

Officials who participate in the investment process shall act responsibly as custodians of the funds and shall avoid any transactions that might impair their ability to make impartial investment decisions or impair public confidence. Officials shall disclose any position held with a financial institution in which Town funds are invested.

REVIEW PROCESS

The Treasurer or the Treasurer’s Representative shall report investment activity at least semi-annually~~quarterly~~ to the Selectboard. The report to the Selectboard shall include, at a minimum, portfolio composition, type of investment, earnings, maturity dates and rate of return.

Policy adopted September 23, 1999

Revised 08/18/2009

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