



AGENDA Investment Oversight Committee

February 18, 2020

1:00 pm
www.cityofhemet.org

Sister City Board Room
445 E. Florida Ave

Please silence all cell phones

*Notice: Members of the Public attending shall comply with the City's adopted Rules of Decorum in Resolution No. 4545. A copy of the Rules of Decorum is available from the City.

Notice of Opportunity for Public Comment: Anyone who wishes to address the committee, please provide your name to the Committee Chair before the meeting. Members of the public will be asked to speak regarding items not on the agenda after roll call. Members of the public will be asked to speak on items on the agenda, once the committee is finished with discussion. Presentations are limited to 3 minutes in consideration of others who are here for agenda items. When you are recognized, you may proceed with your comments.

Call to Order

Roll Call: City Treasurer Oltman
Council Member Krupa, Committee Vice Chair
Council Member Meyer, Committee Chair
City Manager Lopez
Finance Director Rocha

Opportunity for Public Comment

Action Items

1. Approval of Minutes – November 18, 2019

Discussion Items

2. Investment Policy Discussion
 - a. Policy Compliance Report: Continue to review Procedure Manual update.
 - b. Decide on the next policy compliance report
 - c. Review Investment Policy for compliance with State requirements and annual adoption by Hemet City Council.

AGENDA

Investment Oversight Committee

3. Review of Maturing Investments for the next 6 months

4. Review options for restructuring the Treasurer's responsibilities to satisfy the accountability that City Council is requesting.

Future Agenda Items

- RFQ process for forensic audit investments as requested by Council.
- Investment Compliance Policy Reports

Next Meeting – To be Determined

Adjournment

Staff reports and other disclosable public records related to open session agenda items are available at the City Clerk's Office or at the public counter located at 445 E. Florida Avenue during normal business hours.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.



MINUTES Investment Oversight Committee

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Meeting called to order at 1:05pm

Roll Call: City Treasurer Oltman, Present
Council Member Krupa, Present
Council Member Meyer, Present
Interim City Manager Lopez, Absent
Finance Director Rocha, Present

Opportunity for Public Comment

Action Items

1. Motion made by Vice Chair Krupa to approve minutes as presented. Seconded by Finance Director Rocha, Approved 4-0

Discussion Items

2. Draft Investment Reports for September 2019 and October 2019 were reviewed by Committee.

MINUTES
Investment Oversight Committee

3. Investment Policy Discussion

a. Committee continued Procedure Manual update to next meeting as there was nothing new to review.

b. Committee continued decision on the next policy compliance report to next meeting when all committee members are present

4. Committee reviewed list of maturing investments. No questions arose.

Future Agenda Items

- Presentation from City Attorney and Interim City Manager on options for restructuring the Treasurer's responsibilities to satisfy the accountability that City Council is requesting.
- Complete RFQ process for forensic audit investments as requested by Council.
- Investment Compliance Policy Reports

Next Meeting – February 18, 2020 at 1:00pm

Adjournment at 1:27pm

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**CITY OF HEMET
Hemet, California
RESOLUTION NO. 4852**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HEMET, CALIFORNIA, ESTABLISHING AN INVESTMENT
POLICY AND RESCINDING RESOLUTION 4805**

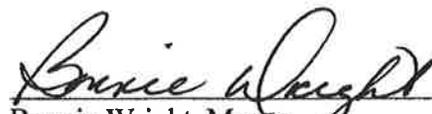
WHEREAS, the City Council of the City of Hemet is desirous of amending the existing policy regarding the investment of city funds, and;

WHEREAS, the City Treasurer is charged with prudent investment of city funds as an elected official of the City of Hemet, an authority so delegated by the City Council of the City of Hemet.

NOW, THEREFORE BE IT RESOLVED, that the City Council hereby amends the existing policy for the investment of City of Hemet fund balances, idle cash and operating cash.

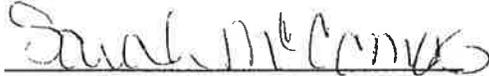
SECTION 1. The Statement of Investment Policy of the City of Hemet is approved and attached as Attachment A.

PASSED, APPROVED AND ADOPTED this 12th day of February, 2019

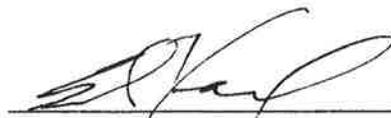


Bonnie Wright, Mayor

ATTEST:



Sarah McComas, City Clerk



Eric S. Vail, City Attorney

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1 State of California)
2 County of Riverside)
3 City of Hemet)
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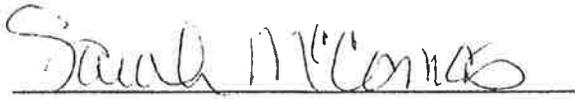
5 I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing
6 Resolution is the actual Resolution adopted by the City Council of the City of Hemet and was
7 passed at a regular meeting of the City Council on the 12th day of February, 2019 by the
8 Following vote:
9

10
11 AYES: Council Members Krupa, Meyer and Perciful, Mayor Pro Tem Brown and Mayor
12 Krupa

13 NOES:

14 ABSENT:

15 ABSTAIN:
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Sarah McComas, City Clerk

**STATEMENT OF INVESTMENT POLICY
OF THE CITY OF HEMET**

I. INTRODUCTION:

The City Council of the City of Hemet (City) and its related authorities and agencies recognizes its responsibility to properly direct the investments of funds under its care. The purpose of this Statement of Investment Policy (Policy) is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment process.

The initial step toward a prudent investment policy is to organize and formalize investment-related activities. Related activities which comprise good cash management include accurate cash projection, the expeditious collection of revenue, the control of disbursements, cost-effective banking relations, and a short-term borrowing program which coordinates working capital requirements and investment opportunity.

In concert with these requirements are the many facets of an appropriate and secure short-term investment program. The City shall conform to all applicable California laws pertaining to the investment of surplus public funds. In instances in which this Policy is more restrictive than Federal or State law, the Policy supersedes.

II. SCOPE:

A. This Policy covers all surplus funds and related investment activities under the direct authority of the City of Hemet. These funds are accounted for in the City's Comprehensive Annual Financial Report (CAFR) and include:

1. General Fund
2. Special Revenue Fund
3. Debt Service Fund
4. Capital Project Funds
5. Internal Service Funds
6. Agency Funds
7. Enterprise Funds

B. The City Council has the authority to allow investments that do not follow this Policy provided such investments are recommended by the Investment Oversight Committee, expressly authorized by the City Council, and in compliance with applicable law.

- C. At the time this Policy is adopted, the portfolio may hold investments which were made in the past and in accordance with previous and existing law, but do not meet the provisions of this Policy. These past investments are grandfathered as permissible investments under this Policy. The City Council, may, by express authorization, decide to hold these investments until maturity, unless otherwise prohibited by law.
- D. Funds excluded from this Policy:
 - 1. Bond Proceeds. The investment of bond proceeds will be dictated by the bond documents governing such funds provided the documents are approved by the City Council. To the extent consistent with the bond documents, it is the preference of the City that the proceeds be invested in compliance with this Policy.
 - 2. Employee Deferred Compensation. Investments related to the City's deferred compensation plans are not subject to this Policy since third party administrators manage them and the individual plan participant's direct investment and mutual fund selection. Deferred compensation plans must be approved by the City Council.

III. OBJECTIVES:

- A. Safety. The primary objective of this Policy and the responsibility of the Treasurer are to safeguard the principal of the City funds placed in his or her trust on behalf of the citizens of the City of Hemet.
- B. Liquidity. The secondary objective of this Policy and the responsibility of the Treasurer are to meet the liquidity needs of the City. An adequate percentage of the portfolio should be maintained in liquid short-term investments which can be converted to cash if necessary to meet the City's liquidity requirements. Since all cash requirements cannot be anticipated, investment in securities with active secondary or resale markets is highly recommended. Emphasis should be on marketable securities with low sensitivity to market risk.
- C. Return on Investment. The tertiary objective of this Policy and the responsibility of the Treasurer are to obtain a return on public funds subject to this Policy. Yield and return on investment should become a consideration only after the basic requirements of safety and liquidity have been met.
- D. Rate-of-Return. The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the agency's risk constraints, the cash flow characteristics of the portfolio, State and local laws and City Policy that restrict investments.

- E. Diversification. The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.
- F. Prudent Investor Rule. The City of Hemet adheres to the guidance provided by the "prudent investor rule," as stated in California Government Code §53600.3 which obligates a fiduciary to ensure that:

"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."
- G. Public Trust. All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public view and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio it must be recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.
- H. Limitation on Liability. Investment officers acting in accordance with written procedures, the investment policy, and exercising due diligence shall be relieved of personal responsibility for an individual's security credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
- I. Annual Review of Policy. The Investment Oversight Committee will review this Policy annually to ensure its consistency with the primary, secondary and tertiary Policy objectives and its relevance to current law, as well as financial and economic trends.

IV. DELEGATION OF INVESTMENT AUTHORITY:

- A. The Hemet City Council, as permitted under California Government Code section 53607 delegates, the responsibility to invest or reinvest the surplus public funds of the City or to sell or exchange securities so purchased, to the City Treasurer who shall be responsible for all transactions undertaken and

shall establish a system of controls to regulate activities of subordinate officials and their procedures in the absence of the City Treasurer. Authority to manage the City of Hemet's investment program is derived from City of Hemet Council Resolution No. 4588. Subject to review and consultation with the Investment Oversight Committee, management responsibility for the investment program is hereby delegated to the City Treasurer or his/her designee, who may establish written procedures for the operation of the investment program consistent with this Policy. Procedures should include reference to: safekeeping, repurchase agreements, wire transfer agreements, banking service contracts, and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the City Treasurer or his/her designee.

- B. The Investment Oversight Committee will provide periodic oversight to the investment function which includes but is not limited to reviewing monthly investment reports issued by the City Treasurer.
- C. The City Council's primary responsibilities over the investment function include approving the Statement of Investment Policy, reviewing and approving Policy updates recommended by the Investment Oversight Committee, reviewing monthly investment reports issued by the Treasurer, authorizing bond documents and other unique financing transactions, and authorizing in advance any deviations from the Policy.
- D. Only the City Treasurer or Director of Finance is authorized to make investments, make wire or electronic fund transfers, and to order the shipment and delivery of investment securities among custodial security clearance accounts.

V. INVESTMENT OVERSIGHT COMMITTEE

- A. The Investment Oversight Committee ("Committee") for the City of Hemet is established as an advisory body to the Treasurer. The Committee shall consist of 5 members; the City Treasurer and 5 members appointed by the City Council, .
- B. The functions of the Committee shall be as follows:
 - 1. The primary function of the Committee shall be to consult with the Treasurer regarding overall investment strategy and the best methods of obtaining higher rates-of-return on investments and interest yields consistent with the prioritized investment objectives (safety, liquidity, then return) and other requirements of the Policy. The role of the

Committee is advisory with the responsibility remaining with the Treasurer to make and implement investment transactions as provided in Section IV.A of the Policy.

2. Annually review the Policy and periodically the monthly investment report prepared by the Treasurer.
3. Cause an annual audit to be conducted to determine the Treasurer's compliance with the Policy and California law and discuss its findings at an open meeting of the Committee or City Council. The audit may examine the structure of the investment portfolio and risk.
4. The Committee shall meet at least once every 4 months. The Committee may meet more often as deemed necessary to fulfill its functions.

VI. INVESTMENT CONTROLS:

- A. The Investment Oversight Committee shall oversee and ensure that the City Treasurer implements and maintains a system of internal investment controls and segregated responsibilities of the investment function in order to prevent the following:
 1. Fraud
 2. Theft
 3. Loss of principal
 4. Loss of control over funds
 5. Inaccurate reporting
 6. Negligence
 7. Over reliance on single employee for investment decisions
- B. Internal controls should include, but are not limited to:
 1. Segregation of duties (e.g., the purchaser of investments is different than the person recording the transaction).
 2. Reconciliation of investment report and cash balances. and
 3. Dual authorization of transactions.
- C. An external auditor will review the investment program annually in order to provide reasonable assurance that policies and procedures are complied with.

VII. MONTHLY REPORTING:

- A. The Treasurer shall submit a monthly investment report to the Investment Oversight Committee and City Council. This report will describe all

investment transactions during the month, as well as all required elements of the monthly report as prescribed below:

1. Type of investment
2. Institution
3. Date of maturity
4. Amount of deposit or cost of the security
5. Current market value of securities with maturity in excess of 12 months
6. Rate of interest
7. Statement relating the report to the Statement of Investment Policy

VIII. COLLATERALIZATION:

- A. Bank Deposits. Under provisions of the Government Code, California banks and savings and loan associations are required to secure the City's deposits by pledging government securities with a value of 110% of principal and accrued interest. State law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total deposits.
- B. Certificates of Deposit.
 1. The market value of securities that underlay certificates of deposit shall be valued at 110% of the market value of principal accrued interest,
 2. The City Treasurer, at his or her discretion may waive the collateral requirement for certificate of deposit up to the maximum dollar amount which are covered by the Federal Deposit Insurance Corporation.
- C. Repurchase Agreements.
 1. The market value of securities that underlay certificates of deposit shall be valued at 102% of the market value of principal and accrued interest.
 2. The value shall be adjusted no less than weekly. Once the market value of the underlying securities is subject to daily market fluctuations, the investment in repurchase agreements shall be in compliance if the value of the underlying securities is brought back to 102% no later than the next business day.
- D. A clearly marked evidence of ownership, safekeeping receipt, must be supplied to the City and retained.
- E. The City chooses to limit collateral to U.S. Treasuries.

- F. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement.
- G. The right of collateral substitution is granted based in the approval of the City Treasurer and City Manager.

IX. SECURITY CUSTODY AND DELIVERIES

- A. All security collateral shall be deposited for safekeeping with banks contracted to provide the City Treasurer with custodial security clearance services. These third party trust department arrangements provide the City with a perfected interest in, and ownership and control over the securities held by the custodian on the City's behalf. Securities are **NOT** to be held in investment firm/broker dealer accounts. All security transactions are to be conducted on a "delivery versus payment basis" (DVP). Confirmation receipts on all investments are to be reviewed immediately for conformity with City transaction documentation.
- B. Collateralization will be required on two types of investments: certificates of deposit and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, a minimum collateralization level is required.

X. INVESTMENT INSTRUMENTS:

- A. The City strives to maintain the level of investment of all idle funds as near 100% as possible, through daily and projected cash flow determinations. Idle cash management and investment transactions are the responsibility of the City Treasurer and investments may be made in the following media. These provisions may not apply to pooled investments.
 - 1. **United States Treasury Bills, Bonds and Notes**, or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio which can be invested in this category.
 - 2. **Obligations Issued by the United States Government Agencies** such as the Government National Mortgage Association (GNMA), the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal National Mortgage Association (FNMA), and the Student Loan Marketing Association (SLMA). There is no percentage limitation of the portfolio which can be invested in this category, although a five year maturity limitation is applicable.
 - 3. **Local Agency Bonds** shall be evaluated in terms of the credit worthiness of the issuer. Bonds shall be rated "A" or better and shall

be limited to 5 years maximum maturity. Purchases of bonds may not exceed 30% of the cost value of the portfolio.

4. **Bills of Exchange of Time Drafts drawn on and accepted by a commercial bank, otherwise known as Banker's Acceptances.** Banker's acceptances purchased may not exceed 180 days to maturity, or 40% of the cost value of the portfolio.
5. **Commercial Paper** ranked P1 by Moody's Investor Services or A1+ by Standard & Poor's, and issued by domestic corporations having assets in excess of \$500,000,000 and having an AA or better rating on its long term debentures as provided by Moody's or Standard & Poor's. Purchases of eligible commercial paper may not exceed 270 days to maturity nor represent more than 10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 15% of the cost value of the portfolio.
6. **Certificates of Deposit** shall, to the maximum extent possible, be insured by FDIC insurance. A waiver of collateral shall only occur when the Certificate of Deposit is insured through FDIC insurance. Certificates of Deposit exceeding or not covered by the FDIC insurance must be collateralized at 110% if the collateral is in federal securities, 150% if in mortgages. Collateralized Certificates of Deposit may not exceed 25% of the cost value of the portfolio. FDIC insured Certificates of Deposit have no limitation as to the percentage of the portfolio. Certificates of Deposit shall be limited to 5 years maximum maturity.
7. **Negotiable Certificates of Deposit (NCDs)** shall be evaluated in terms of the credit worthiness of the issuer. Only FDIC insured NCDs are allowed and may not exceed 30% of the cost value of the portfolio. Investments in NCDs prohibited by Government Code Section 53635 shall not be made.
8. **Medium Term Notes (MTNs).** The City may invest in MTNs issued by corporations operating within the United States. MTNs eligible for purchase shall be rated "A" or better by Standard and Poor's or by Moody's rating services. MTNs shall be limited to 60 months maximum maturity. MTNs may not exceed 20% of the cost value of the investment portfolio. No more than 5% of the cost value of the portfolio may be invested in notes issued by any one corporation. Commercial paper holdings shall be considered when calculating the maximum percentage in any issuer name.
9. **Repurchase Agreements.** The City may invest in repurchase agreements with banks and dealers with which the City has entered

into a master repurchase contract which specifies terms and conditions of repurchase agreements.

- a. Transactions shall be limited by SB864 and the top twenty-five banking institutions according to asset size. The maturity of repurchase agreements shall not exceed 30 days. The market value of the securities used as collateral for repurchase agreements shall be monitored daily by the investment staff and will not be allowed to fall below 102% of the value of the repurchase agreement.
 - b. No more than 10% of cost value of the portfolio may be invested in repurchase agreements, and a "perfected security interest" shall always be maintained in the securities subject to a repurchase agreement.
10. **Local Agency Investment Fund (LAIF).** The City may invest in the Local Agency Investment Fund established by the State Treasurer for the benefit of local agencies. Combined LAIF accounts may not exceed 90% of the cost value of the portfolio.
 11. **Money Market Mutual Funds** that invest in eligible securities meeting requirements of California Government code and rated "AAA" by Standard and Poor's and "Aaa" by Moody's which are monitored monthly. Funds must be registered with SEC, no NAV adjustments, no front/end loads. Mutual funds shall not exceed 10% of the portfolio.
 12. **Joint Powers Authority (JPA) Investment Pool (Short-Term):** Investment Trust of California (CalTRUST) accounts have been created to facilitate the centralization of the investment management function on behalf of California local agencies through partnership between the California State Association of Counties and the League of California Cities.

XI. RESTRICTIONS ON PURCHASE OF SECURITIES:

- A. The California Government Code sections 53600 et seq. governs allowable investments into which a local government agency can enter. These Government Code sections also stipulate as to the portfolio percentage limits and investment quality standards for some but not all permitted investments. The Government Code sections provide a starting point for establishing the City quality standards, percentage limits and maturity levels. Should the Government Code become more restrictive than this policy, the Government Code restrictions shall prevail.

- B. Government and agency paper are the highest quality investments available in terms of safety and liquidity.
- C. The City operates its investment pool with many state and self-imposed constraints. It does not buy stocks, or deal in futures, options, inverse floaters, range notes, mortgage backed interest-only strips, reverse repurchase agreements or securities that could result in zero interest accrual if held to maturity. Longer term investments (more than one year) are limited by state law, limited to maturities of five years or less, unless the city council grants such authority at least three months prior to the investment.
- D. The City Council has designated that the General Fund's spendable and unrestricted reserves be no less than 20% of the annual expenditures of the General Fund. The Council expressly authorizes the "20% General Fund Reserve" to be invested in any investment otherwise allowed under this Policy with maturities not to exceed 10 years, provided such investment complies with the law.
- E. Money Market Funds 0 to 10%. Investment management advisory services may be utilized to increase the yield on eligible investment instruments. The Treasurer and Director of Finance are authorized to sign the necessary agreements to implement and administer a trading program with an investment broker.
- F. The City attempts to obtain the highest yield possible when selecting investments, provided that criteria for safety and liquidity are met. Ordinarily, through a positive yield curve, (i.e., longer term investment rates are higher than those of shorter maturities), the City attempts to time its maturities to meet anticipated cash needs in such a way that new investment money can be placed in maturities that carry a higher rate than is available in the extremely short market of thirty (30) days or under.

XII. PORTFOLIO ADJUSTMENTS:

Should an investment percentage-of-portfolio limitation be exceeded due to an incident such as fluctuation in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, the Treasurer shall consider reconstructing the portfolio basing the decision in part on the expected length of time the portfolio will be imbalanced.

XIII. QUALIFIED DEALERS:

- A. The Treasurer will maintain a list of approved financial institutions authorized to provide investment services to the public agency in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net

capital rule). A determination should be made to insure that all approved broker/dealer firms, and individuals covering the public agency, are reputable and trustworthy. In addition the broker/dealer firms should have the ability to meet all of their financial obligations in dealing with the Public Agency. The firms, and individuals covering the agency, should be knowledgeable and experienced in Public Agency investing and the investment products involved. No public deposit shall be made except in a qualified public depository as established by the established state laws.

- B. All financial institutions and broker/dealers who desire to conduct investment transactions with the City must supply the Treasurer with the following: audited financial statements, proof of NASD certification, trading resolution, proof of State of California registration, completed broker/dealer questionnaire, certification of having read the City's investment policy and depository contracts.
- C. The City Treasurer will obtain financial information from qualified institutions to determine if the institution markets in securities appropriate to the City's needs, can assign qualified sales representatives, and can provide written agreement to abide by the conditions set forth in the City of Hemet Investment Policy.
- D. The City Treasurer will maintain a list of financial institutions and broker/dealers authorized to provide investment services in the State of California. An eligible designation does not guarantee that the City will do business with the firm or institution.
- E. The following criteria will be used in determining investment providers:
 - 1. Broker/dealers. The purchase by the City of an investment other than those purchased directly from the issuer shall be purchased from a broker/dealer firm designated as a "Primary Government Dealer" by the Federal Reserve Bank of New York or regional dealer that qualifies under SEC Rule 15C3-1.
 - 2. Banks. The City shall purchase securities from banks which meet all of the following criteria:
 - Nationally or State chartered banks
 - a. Registered as investment securities dealers with the Securities and Exchange Commission
 - b. Independently rated "A" or higher by two nationally recognized statistical ranking organizations.
 - 3. Investment Bankers, Underwriters and Financial Advisors. The purchase by the City of any investments from these providers in the

course of completing a bond transaction must be expressly authorized by the City Council after such provider discloses their commission, spread or fee in approximate dollar amount. Otherwise the acquisition of such investments must be procured from the broker/dealers customarily used by the City.

4. The Federal Reserve Bank. Direct purchases of Treasury bills, notes and bonds from the U.S. Federal Reserve Bank branches are allowed and are exempt from quality requirements.

F. The City Treasurer will conduct an annual review of the financial condition and registrations of brokers/dealers on the City's approved list.

G. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which or with which the City invests.

H. Certificates of deposit will not be placed with an institution once it has received a Cease and Desist Order from any bank regulatory agency.

XIV. ETHICS AND CONFLICT OF INTEREST:

A. All officials, staff members and consultants, involved in the investment functions will refrain from personal business activity that could conflict with execution of the investment function or which may impair their ability to make impartial investment decisions. Officials, staff members, and consultants, will disclose to the City Manager any financial interests with a financial institution, provider, dealer or broker that conducts business with the City.

B. Officials, staff members and consultants will further disclose any personal financial positions that could be related to the City's cash investment portfolio.

C. All bond issue participants, including but not limited to, underwriters, bond counsel, financial advisors, brokers, and dealers will disclose any fee sharing arrangements or fee splitting to the City Manager prior to the execution of any transactions. The providers must disclose the percentage share and approximate dollar amount share to the City prior to the execution of any transactions.