



Common Council Chambers
8040 S. 6TH Street
Oak Creek, WI 53154
(414) 766-7000

COMMON COUNCIL MEETING ADDENDUM

TUESDAY, JUNE 20, 2017

7:00 P.M.

Daniel Bukiewicz - Mayor
Steven Kurkowski - 1st District
Greg Loreck - 2nd District
Richard Duchniak - 3rd District
Michael Toman - 4th District
Kenneth Gehl - 5th District
Chris Guzikowski - 6th District

The City's Vision

Oak Creek: A dynamic regional leader, connected to our community, driving the future of the south shore.

31. **Resolution:** Consider *Resolution* No. 11830-062017, rescinding Resolution No. 11179-120611 and the subsequent policies approved by the common council on July 21, 2014, October 7, 2014 and February 2, 2016, and restating the Investment Policy for the City of Oak Creek.

Adjournment.

Public Notice

Upon reasonable notice, a good faith effort will be made to accommodate the needs of disabled individuals through sign language interpreters or other auxiliary aid at no cost to the individual to participate in public meetings. Due to the difficulty in finding interpreters, requests should be made as far in advance as possible preferably a minimum of 48 hours. For additional information or to request this service, contact the Oak Creek City Clerk at 766-7000, by fax at 766-7976, or by writing to the ADA Coordinator at the Oak Creek Health Department, 8040 S. 6th Street, Oak Creek, Wisconsin 53154.

It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information; no action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice

City of Oak Creek Common Council Report

Meeting Date: June 20, 2017

Item No.: 31

Recommendation: That the Common Council approve Resolution No. 11830-062017 a resolution rescinding Resolution No. 11179-120611 and the subsequent policies approved by the common council on July 21, 2014, October 7, 2014, and February 2, 2016 and restating the investment policy for the City of Oak Creek

Background: The Finance Committee and Common Council last reviewed the Investment Policy in February of 2016. The City Treasurer and myself have worked together on the attached draft policy and are asking for your review and approval.

Attached to the memo you will find the Investment Policy in tracked changes mode as well as 2 new documents that will be attached to our policy. After meeting and speaking with our investment individuals, it became clear that we have made our policy more detailed then it needed to be. Therefore, the Staff is taking the approach of allowing the state statutes to really guide our allowed investments.

In summary the changes we recommend to the policy are as follows:

- Introduction (page 1):
 - o Updated to state that the investment policy will be reviewed every other year or sooner if needed.
- Statement of Purpose (page 1):
 - o Updated the language to be minimalistic
- Delegation of Authority (page 2-3):
 - o Removed the policy requirement to have all investment agreements reviewed by Council by July, to give us more time.
 - o Removed the detailed description of procedures. This will now be addressed in the attachment to the policy, "Designated City Officials with Investment Authority."
- Permitted Investments (page 3):
 - o Removed all of the detailed language in the policy which was word for word from the State Statutes.
 - o Refer to the attached document detail of the State Statute Section 66.0603 for permitted investments.

- Maturities (page 3):
 - o Removed all of the detailed language in the policy which was word for word from the State Statutes.
 - o Refer to the attached document detail of the State Statute Section 66.0603 for permitted investments.

- Safekeeping and Custody (page 4):
 - o Removed redundant language covered in the State Statutes and the job duties of the City Treasurer and Finance Director/Comptroller

- Investment Advisor/Broker/Dealer (page 4-5):
 - o Removed the detailed description of procedures. This will now be addressed in the attachment to the policy, "Designated City Officials with Investment Authority."
 - o Removed redundant language about reporting that is covered under "reporting."
 - o Removed redundant language about maturities that is covered under "maturities."
 - o Added language that all investment individuals are required to sign an agreement stating they will abide by our policy each time it is updated.

- Reporting (page 5):
 - o Added language detailing the current process and reporting of investments from the City Treasurer.
 - o Added language requiring the investment individuals to regularly report to us the quality rating of each investment and the rating agency used.

- Procedures (page 6):
 - o Reflect current process which is addressed in the attachment.

- List of Attachments (page 6):
 - o Add a new section regarding the attachments to the policy

Fiscal Impact: This policy sets guidelines for ensuring City funds are invested safely while generating a prudent return.

Prepared by:



Bridget M. Souffrant
Finance Director/Comptroller

Respectfully submitted,



Andrew J. Vickers, M.P.A.
City Administrator

Prepared by:



Barbara Guckenberger, CMTW
City Treasurer

RESOLUTION NO. 11830-062017

A RESOLUTION RESCINDING RESOLUTION NO. 11179-120611 AND THE SUBSEQUENT POLICIES APPROVED BY THE COMMON COUNCIL ON JULY 21, 2014, OCTOBER 7, 2014, AND FEBRUARY 2, 2016 AND RESTATING THE INVESTMENT POLICY FOR THE CITY OF OAK CREEK.

BY _____

WHEREAS, S. 66.0603 (1m) Wis. Stats., authorizes the City of Oak Creek to invest funds not immediately needed, in accordance with said statutes; and,

WHEREAS, the Common Council is authorized to delegate responsibility to invest said funds to its employees or officers, provided that guidelines are established for the investment of said funds; and,

WHEREAS, the City's investment policy was previously set forth in Resolution No. 11179-120611, and all subsequent policies approved by the Common Council on July 21, 2014, October 7, 2014 and February 2, 2016, and now needs to be updated to change the requirement date for reviewing the policy and investment agreements; replace detailed and redundant language and internal procedures within the policy with separate attachments of the Wisconsin Statute 66.0603 and the Designated City Officials with Investment Authority; and add requirements for reporting and signed written agreements to abide by the City's Investment Policy from investment advisors; and,

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Oak Creek, Wisconsin, that there is hereby established an Investment Policy with all of its attachments, as attached to and made a part of this resolution in its entirety, to ensure continuous, prudent investment of available city funds not immediately needed.

BE IT FURTHER RESOLVED that the Finance Director/Comptroller and City Treasurer be and they are hereby authorized and directed to purchase for the General Fund of the City, investment instruments as set forth within the guidelines of the Investment Policy.

BE IT FURTHER RESOLVED that all ordinances and resolutions and all subsequent policies contravening the provisions of this resolution are hereby repealed.

BE IT FURTHER RESOLVED that a certified copy of this resolution, a copy of the investment policy and a certificate of receipt of investment policy be delivered to appropriate personnel of the public depositories approved by the Common Council, notifying said depositories that they must return the signed certificate of receipt of investment policy to the City of Oak Creek Treasurer within 30 days of receipt, and that they may rely on this resolution until changed by lawful resolution.

Introduced at a regular meeting of the Common Council of the City of Oak Creek held this 20th day of June, 2017.

Passed and adopted this _____ day of _____, 2017

President, Common Council

Approved this _____ day of _____, 2017

**City of Oak Creek
Statement of Investment Policy**

Approved per Common Council action,

Deleted: February 2, 2016

Introduction

The timely deposit and investment of public monies is an important and integral part of any cash management program.

It is the policy of the City of Oak Creek to invest its funds in a manner which will provide maximum security, assures sufficient liquidity for the City's operating requirements and cash flow needs and maximizes investment return with the constraints of safety and liquidity while remaining in compliance with State of Wisconsin statutes governing investment of public funds and related subjects.

This statement of policy is intended for the use and guidance of the designated City official or officials with investment authority and any investment advisers or broker/dealers to whom City officials have delegated investment authority as defined in Section 66.0603(2) of the Wisconsin State Statutes.

This Investment Policy shall be reviewed at a minimum, bi-annually by the City Treasurer, the Finance Director/Comptroller, and the Finance Committee. The Finance Committee shall approve any recommended changes, and the necessary resolution to modify the existing policy shall be presented to the City of Oak Creek Common Council for its action.

Prudence:

The standard of prudence to be used by City officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The "prudent person" standard states that, "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."

Statement of Purpose

The purpose of this Investment Policy is to establish guidelines for investments and establish a prudent set of basic procedures to assure that investment assets are adequately safeguarded.

Deleted: that are broad enough to allow the Finance Director/Comptroller and City Treasurer (and their deputies) to function properly within the parameters of responsibility and authority. It is also intended to be specific enough to

This Investment Policy applies to all financial assets of the City of Oak Creek and includes the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, internal service funds, trust and agency funds and any new fund established by the City of Oak Creek.

Goals and Objectives

The primary objectives of the City of Oak Creek's investment activities shall be the following in order of importance:

1. Safety: Investments shall be undertaken in a manner that seeks to preserve capital. To achieve this objective, this policy outlines allowable investments and maximum investment amounts by issuer and financial institution.
2. Liquidity: Funds shall be invested to provide sufficient liquidity to meet all reasonably anticipated disbursement requirements. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).
3. Return: The portfolio shall be designed to obtain a rate of return throughout the budgetary and economic cycles, taking into account risk restraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Funds shall be invested to maximize return consistent with the objectives in Items 1 and 2 and other limitations described in this policy.
4. Diversification: The investments will be diversified by security type and institution in order to minimize the potential for losses on individual securities as to not exceed income generated from the remainder of the portfolio.

Total holdings of any one issuer may not exceed 10% of the market value of the portfolio at the time of purchase, with the exception of U. S. Government issues and issues of U.S. Government agencies and instrumentalities fully guaranteed as to both principal and interest by the U. S. Government and/or the agency/instrumentality.

Delegation of Authority

As defined in Section 66.0603(2) of the Wisconsin State Statutes, the City may delegate the investment authority over any of its funds not immediately needed to a state or national bank, or bank, or trust company which is authorized to transact business in this state, and which public depository has been authorized by the Common Council of the City of Oak Creek if all of the following conditions are met:

- A. The institution is authorized to exercise trust powers under s.221.0316 or ch.223.

B. The City of Oak Creek Common Council, upon recommendation by the Finance Committee, renews annually the investment agreement under which it delegates its investment authority, and reviews annually the performance of the institution with which its funds are invested.

Deleted: by July

B. In the case of non-discretionary investment relationships the Finance Director/Comptroller and City Treasurer shall authorize jointly the purchase of permitted investments and transfer funds between accounts established for investment purposes.

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Deleted: However, the City Clerk shall have approval authority for either the City Treasurer or Finance Director/Comptroller should one of them be out of the office for an extended period of time and the decision is important to meet policy objectives. Such transactions will be signed by the Deputy Clerk and communicated to the absent party via email.

Depository Collateralization Requirements

Funds placed in any one depository institution that exceeds the amount of deposit insurance provided by an agency of the United States including demand deposits, time deposits, and certificates of deposit must be 100% collateralized as to principal and accrued interest with securities that are obligations of the U.S. Government or its agencies and instrumentalities that are fully guaranteed by the U.S. Government or its agencies/instrumentalities. Securities held as collateral shall be delivered for safekeeping to a custodial bank selected by the City of Oak Creek. Securities held as collateral at the custodial bank will be marked to market at least monthly with a minimum value of 102% of deposit, with a monthly statement sent to the City Treasurer detailing all holdings. The Depository must enter into a security agreement with the City of Oak Creek.

When investing in repurchase agreements, the City shall require that collateral be pledged by the depository in an amount equal to or greater than the amount of the repurchase agreement the City has with such depository. The collateral shall be direct obligations of the United States or of its agencies/instrumentalities, if the payment of principal and interest is guaranteed by the federal government, or a commission, board or other instrumentality of the federal government.

Permitted Investments

All investments will be made in accordance with Section 66.0603 of the Wisconsin State Statutes governing the investment of public funds. Permitted investments are attached to this policy as shown in the statutes and as further restricted by this Investment Policy Statement

Deleted: and as further restricted by this Investment Policy Statement

Deleted: <#>Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in the State of Wisconsin if the time deposits mature in not more than three (3) years ¶

<#>Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government ¶

<#>Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the State of Wisconsin ¶

Deleted: Per this section, time deposits may not exceed three (3) years, and debt that is not guaranteed as to principal and interest by the federal government or its Agencies and instrumentalities, or a Wisconsin municipality must have a maturity not more than seven (7) years. For securitized investment instruments, average life shall be used to determine the effective maturity date

Maturities

A. Maturities of individual securities must be in compliance with Section 66.0603 of Wisconsin State Statutes.

Safekeeping and Custody

A. Only financial institutions approved by Common Council resolution shall be considered as public depositories.

B. All financial institutions, broker/dealers, or independent Investment Advisors who desire to become qualified bidders for investment transactions must supply the following as appropriate:

- Financial statements for most recent three year period (audited preferred)

Or

- A completed Form ADV Part 2A and Form ADV, Part 2B and the IARD/CRD/SEC number that you are linked to

- Certification of having received and agreed to the City's Investment Policy.

All such financial institutions shall have the appropriate documentation reviewed by the City Treasurer, the Finance Director/Comptroller, and the Finance Committee prior to recommendation to the Common Council.

C. All trades where applicable will be executed by delivery versus payment (DVP). Securities will be held by a third party custodian, evidenced by safekeeping receipts, in a manner consistent with a Category Two ranking as prescribed in GASB 40.

F. The Finance Director/Comptroller and City Treasurer will determine the appropriate market benchmarks in order to measure and manage the portfolio. By establishing a benchmark the City is creating the structure and discipline to implement an investment strategy that is designed to control risk and meet objectives.

1. While selecting an appropriate benchmark, consideration will be given to liquidity needs and the possibility of segmenting the portfolio into two parts: a liquidity segment and a longer-term segment that can be managed to the benchmark.

2. While selecting the appropriate benchmark the Finance Director/Comptroller and City Treasurer will evaluate the return goals and risk tolerance.

Deleted: D. The City Treasurer and Finance Director/Comptroller shall be responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse; the City Treasurer and Finance Director/Comptroller shall maintain written policies and procedures related to internal controls, reporting and standards of care. ¶
E. The Finance Director/Comptroller shall establish an annual process of independent review by an external auditor. ¶

Investment Advisor/Broker/Dealer

Should the City deem it appropriate to retain an investment advisor/broker/dealer, the following procedures will be followed with respect to the relationship.

1. Selection – Finance Director/Comptroller and City Treasurer will review the cost, service, and credentials of the advisors/brokers/dealers and give a recommendation to the Finance Committee for approval by the Common Council.

- Investment Procedures – Once an investment advisor/broker/dealer is selected the City will at all times be responsible for establishing the investment objectives to be accomplished. The investment advisor/broker/dealer will be responsible for providing advice and developing and implementing strategies for carrying out such objectives.

The investment advisor/broker/dealer will have no authority to take possession of City funds or investment securities, nor to execute investment transactions on behalf of the City, except where investment authority may be delegated (e.g., “discretionary” authority) as per Wisconsin Statutes 66.0603(2). For those investments under management in a “non-discretionary” account, all investment transactions shall be approved by the City Treasurer and the Finance Director/Comptroller.

- A copy of the Investment Policy will be provided to all Financial Institutions approved by the Common council as public depositories. A signed Certification of having received and agreed to the City’s Investment Policy will be required for a Financial Institution to be considered for approval. Additionally, all public depositories are required to sign and return a new Certification whenever there is a change adopted to the Investment Policy,

Deleted: However, the City Clerk shall have approval authority for either the City Treasurer or the Finance Director/Comptroller should one of them be out of the office for an extended period of time and the decision is important to meet policy objectives. Such transactions will then be communicated to the absent party via email ¶

- Compensation and Term of Agreement – Fees shall be established in advance and in a written agreement that allows the City the ability to end the contract at their discretion. The City of Oak Creek may eliminate an investment advisor/broker/dealer any time the City of Oak Creek deems it is in the best interest of City funds, prudent reasons or selection of future options. This may also be based on an interview of prospective recommendations.

Deleted: Periodic Reporting – Annually the investment advisor/broker/dealer shall provide a report and presentation to the Finance Committee reviewing the investment portfolio performance

Deleted: <#>Portfolio Maturities – Strategies recommended by the investment advisor/broker/dealer will stay within the seven year maximum maturity. Investments may involve purchase of U.S. Government securities or other eligible securities with stated maturities longer than 7 years, which conflicts with this policy. Specific examples include U.S. Government agencies that have call features and depending on the market environment these agencies have a high likelihood of being called before maturity. For these securities the City Treasurer and Finance Director/Comptroller will be allowed to enter into that investment if the strategy is for the agency to be called. And the intent will be that nothing will be held past the seven years allowed maturity ¶

Reporting

Any individual or firm retained by the City for investment purposes will provide free of cost, detailed monthly statements to the City Treasurer. Such reports will contain at a minimum a description of each security including units held, their current quality rating and the rating agency used, cost, market value, book value, unrealized gain or loss of securities, average maturity and current yield as well as a detailed list, by date, of all transactions executed during the month.

Deleted: All investment advisers and custodians

The City Treasurer will provide a monthly report on the current condition of the Treasury to the Common Council at their first meeting of every month. The Treasurer will also present this report, as well as an aggregate report of account balances and interest information for the City’s banking and investment accounts, to the Finance Committee at their monthly meetings.

Deleted: Finance Director/Comptroller

Deleted:

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Deleted: and Common Council

The Finance Director/Comptroller and/or City Treasurer will provide all other investment and financial reporting as directed by the Finance Committee or Common Council.

Annually, the investment advisor/broker/dealer shall provide a report and presentation to the Finance Committee reviewing the investment portfolio performance.

Procedures

Withdrawal or disbursement from approved public depositories shall be only by checks and order, as provided in Section 66.0607 of the Wisconsin State Statutes, and a system shall be provided to properly accommodate investment of such funds by wire. All checks and order shall be signed by the City Clerk and the City Treasurer, and countersigned by the Mayor; all electronic transfers shall be completed by the Finance Director/Comptroller or the City Treasurer.

Deleted: and shall be signed by the City Clerk

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the execution of the investment program, or which would impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Finance Director/Comptroller and City Administrator any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City of Oak Creek's portfolio.

List of Attachments

The following documents, as applicable, are attached to this policy:

- Relevant Wisconsin State Statutes
- List of designated City Officials with Investment Authority

Deleted: authorized personnel relating to investments

Designated City Officials with Investment Authority

The Investment Policy states that the City Treasurer and Finance Director/Comptroller must jointly make investment decisions/approvals.

In the event that the City Treasurer and/or Finance Director/Comptroller are not present or cannot be reached and an investment decision cannot wait, authority is granted as follows.

- The Deputy Treasurer has authority for the City Treasurer and Deputy Comptroller/Payroll Coordinator has authority for the Finance Director/Comptroller, and are the first in line to fill the role of investment decisions in their absence
- The City Clerk and then Deputy City Clerk are next in line if there are not 2 people present as stated above
- All outgoing electronic transfer of funds must be signed by the City Clerk or, in his/her absence, the Deputy City Clerk

If anyone outside of the City Treasurer or Finance Director/Comptroller participates in the investment process an email communicating this must go to the parties involved and not present as an internal control communication.

Menu

66.0603 Investments.

(1g) DEFINITION. In this section, "governing board" has the meaning given under s. 34.01 (1) but does not include a local exposition district board created under subch. II of ch. 229 or a local cultural arts district board created under subch. V of ch. 229.

NOTE: Sub. (1g) is shown as renumbered from sub. (1g) (a) by the legislative reference bureau under s. 13.92 (1) (bm) 2.

(1m) INVESTMENTS.

(a) A county, city, village, town, school district, drainage district, technical college district or other governing board, other than a local professional football stadium district board created under subch. IV of ch. 229, may invest any of its funds not immediately needed in any of the following:

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this state if the time deposits mature in not more than 3 years.
2. Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.
3. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of this state.
- 3m. Bonds issued by a local exposition district under subch. II of ch. 229.
- 3p. Bonds issued by a local professional baseball park district created under subch. III of ch. 229.
- 3q. Bonds issued by a local professional football stadium district created under subch. IV of ch. 229.
- 3s. Bonds issued by the University of Wisconsin Hospitals and Clinics Authority.
- 3t. Bonds issued by a local cultural arts district under subch. V of ch. 229.
- 3u. Bonds issued by the Wisconsin Aerospace Authority.
4. Any security which matures or which may be tendered for purchase at the option of the holder within not more than 7 years of the date on which it is acquired, if that security has a rating which is the highest or 2nd highest rating category assigned by Standard & Poor's corporation, Moody's investors service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
5. Securities of an open-end management investment company or investment trust, if the investment company or investment trust does not charge a sales load, if the investment company or investment trust is registered under the investment company act of 1940, 15 USC 80a-1 to 80a-64, and if the portfolio of the investment company or investment trust is limited to the following:
 - a. Bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government.
 - b. Bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government.
 - c. Repurchase agreements that are fully collateralized by bonds or securities under subd. 5. a. or b.

(b)

1. A town, city, or village may invest surplus funds in any bonds or securities issued under the authority of the municipality, whether the bonds or securities create a general municipality liability or a liability of the property owners of the municipality for special improvements, and may sell or hypothecate the bonds or securities. Funds of an

- employer, as defined by s. 40.02 (28), in a deferred compensation plan may also be invested and reinvested in the same manner authorized for investments under s. 881.01.
2. Funds of any school district operating under ch. 119, held in trust for pension plans intended to qualify under section 401 (a) of the Internal Revenue Code, other than funds held in the public employee trust fund, may be invested and reinvested in the same manner as is authorized for investments under s. 881.01.
 3. A school district may invest and reinvest funds that are held in trust, other than funds held in the public employee trust fund, solely to provide any of the following benefits, in the same manner as is authorized for investments under s. 881.01:
 - a. Post-employment health care benefits provided either separately or through a defined benefit pension plan.
 - b. Other post-employment benefits provided separately from a defined benefit pension plan.
 4. A school board may not discuss or vote on establishing a trust fund to provide the benefits described in subd. 3. unless the notice of the school board meeting at which the discussion or vote may occur includes the issue as a separate agenda item.
 5. A city, village, town, county, drainage district, technical college district, or other governing board as defined by s. 34.01 (1) may invest and reinvest funds that are held in trust, other than funds held in the public employee trust fund, solely to provide any of the following benefits, in the same manner as is authorized for investments under s. 881.01:
 - a. Post-employment health care benefits provided either separately or through a defined benefit pension plan.
 - b. Other post-employment benefits provided separately from a defined benefit pension plan.
 6. Funds that are held in trust to provide the benefits described in subds. 3. and 5. shall be held in a trust fund that is separate from all other trust funds created by, or under the control of, the local governmental unit.
- (c) A local government, as defined under s. 25.50 (1) (d), may invest surplus funds in the local government pooled-investment fund. Cemetery care funds, including gifts where the principal is to be kept intact, may also be invested under ch. 881.
- (d) A county, city, village, town, school district, drainage district, technical college district or other governing board as defined by s. 34.01 (1) may engage in financial transactions in which a public depository, as defined in s. 34.01 (5), agrees to repay funds advanced to it by the local government plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
- (e) Subject to s. 67.11 (2) with respect to funds on deposit in a debt service fund for general obligation promissory notes issued under s. 67.12 (12), a county having a population of 500,000 or more, or a person to whom the county has delegated investment authority under sub. (5), may invest and reinvest in the same manner as is authorized for investments and reinvestments under s. 881.01, any of the following:
1. Moneys held in any stabilization fund established under s. 59.87 (3).
 2. Moneys held in a fund or account, including any reserve fund, created in connection with the issuance of appropriation bonds under s. 59.85 or general obligation promissory notes under s. 67.12 (12) issued to provide funds for the payment of all or a part of the county's unfunded prior service liability.
 3. Moneys appropriated or held by the county to pay debt service on appropriation bonds or general obligation promissory notes under s. 67.12 (12).
 4. Moneys constituting proceeds of appropriation bonds or general obligation promissory notes described in subd. 2. that are available for investment until they are spent.
 5. Moneys held in an employee retirement system of the county.
- (f) Subject to s. 67.11 (2) with respect to funds on deposit in a debt service fund for general obligation promissory notes issued under s. 67.12 (12), a 1st class city, or a person to whom the city has delegated investment authority under sub. (5), may invest and reinvest

in the same manner as is authorized for investments and reinvestments under s. 881.01, any of the following:

1. Moneys held in any stabilization fund established under s. 62.622 (3).
 2. Moneys held in a fund or account, including any reserve fund, created in connection with the issuance of appropriation bonds under s. 62.62 or general obligation promissory notes under s. 67.12 (12) issued to provide funds for the payment of all or a part of the city's unfunded prior service liability.
 3. Moneys appropriated or held by the city to pay debt service on appropriation bonds or general obligation promissory notes under s. 67.12 (12).
 4. Moneys constituting proceeds of appropriation bonds or general obligation promissory notes described in subd. 2. that are available for investment until they are spent.
 5. Moneys held in an employee retirement system of the city.
- (2) DELEGATION OF INVESTMENT AUTHORITY.** A county, city, village, town, school district, drainage district, technical college district or other governing board, as defined in s. 34.01 (1), may delegate the investment authority over any of its funds not immediately needed to a state or national bank, or trust company, which is authorized to transact business in this state if all of the following conditions are met:
- (a) The institution is authorized to exercise trust powers under s. 221.0316 or ch. 223.
 - (b) The governing board renews annually the investment agreement under which it delegates its investment authority, and reviews annually the performance of the institution with which its funds are invested.
- (3) ADDITIONAL DELEGATION OF INVESTMENT AUTHORITY.**
- (a) In addition to the authority granted under sub. (2), a school district operating under ch. 119 may delegate the investment authority over any of its funds not immediately needed and held in trust for its qualified pension plans to an investment manager who meets the requirements and qualifications specified in the trust's investment policy and who is registered as an investment adviser under the Investment Advisers Act of 1940, 15 USC 80b-3.
 - (b) In addition to the authority granted under sub. (2), a school district may delegate the investment authority over the funds described under sub. (1m) (b) 3. to an investment manager who meets the requirements and qualifications specified in the trust's investment policy and who is registered as an investment adviser under 15 USC 80b-3.
 - (c)
 1. In addition to the authority granted under sub. (2), a city, village, town, county, drainage district, technical college district, or other governing board as defined by s. 34.01 (1) may delegate the investment authority over the funds described under sub. (1m) (b) 5. to an investment manager who meets the requirements and qualifications specified in the trust's investment policy and who is registered as an investment adviser under 15 USC 80b-3.
 2. If a unit of government described under subd. 1. has established a trust described in sub. (1m) (b) 5., it shall annually publish a written report that states the amount in the trust, the investment return earned by the trust since the last report was published, the total disbursements made from the trust since the last report was published, and the name of the investment manager if investment authority has been delegated under subd. 1.
- (4) INVESTED FUND PROCEEDS IN POPULOUS CITIES, USE.** In a 1st class city, all interest derived from invested funds held by the city treasurer in a custodial capacity on behalf of any political entity, except for pension funds, is general revenue of the city and shall revert to the city's general fund upon the approval by the political entity evidenced by a resolution adopted for that purpose.
- (5) DELEGATION OF INVESTMENT AUTHORITY IN CONNECTION WITH PENSION FINANCING IN POPULOUS CITIES AND COUNTIES.** The governing body of a county having a population of 500,000 or more, or a 1st class city, may delegate investment authority over any of the moneys described in sub. (1m) (e) or (f) to any of the following persons, which shall be responsible for the general administration and proper operation of the county's or city's employee retirement system, subject to the governing body's finding that such person has expertise in the field of investments:

(a) A public board that is organized for such purpose under county or city ordinances.

(b) A trustee, investment advisor, or investment banking or consulting firm.

History: 1999 a. 9 ss. 1607, 1608; 1999 a. 65 ss. 15 to 17; 1999 a. 150 ss. 93, 95, 168; 1999 a. 167 ss. 31, 32; 1999 a. 186 ss. 43, 44; 2001 a. 30; 2003 a. 264; 2005 a. 99, 335; 2007 a. 82, 115; 2009 a. 28; 2015 a. 60; s. 13.92 (1) (bm) 2.

Cross-reference: See also s. 157.50 (6) as to investment of municipal care funds.

Based on the plain meaning of the word "investment," the exchange of surplus county funds for U.S. gold coins would be an investment within the meaning of s. 59.61 (3). This section provides the authorized list of investments that a county can make with county funds, and the statute does not authorize an investment in U.S. gold coins. OAG 2-13.

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