

# POLICIES & PROCEDURES COMMITTEE

301 N. Main St. Adrian, MI 49221  
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lenawee.mi.us



## MEMBERS

Nancy Jenkins-Arno, Kevon Martis, Karol "KZ" Bolton

**Minutes:** Monday, March 6, 2023 – 1:30 p.m.

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**Present:** Commissioners Jenkins-Arno, Martis, and Van Doren

**Absent:** Commissioner Bolton

**Also Present:** Kim Murphy and Shannon Elliott

### I. Approval of Minutes

*Motion by Martis, seconded by Van Doren, to approve the minutes of the February 6, 2023 meeting. Motion carried.*

**II. New Business:** A review status of County policies and procedures was available.

**A. Accounts Payable Policy Review:** The Accounts Payable Policy was created to set anti-fraud procedures as required by standard account practices. It is reviewed by the finance team on a regular basis. It was suggested that the amount allowable for lunches be increased to \$25 and the amount allowable for dinner to be increased to \$40. Also, the tip shall not be included in this allowable amount. New language regarding the tip shall read as "Lenawee County will reimburse up to 20% as a tip for meal service."

**B. ACH Policy Review:** This policy was created in 2003 to govern the use of electronic transactions and ACH arrangements for Lenawee County. There are no updates to recommend at this time, however the Committee would like this to go to the full board to acknowledge.

*Motion by Martis, seconded by Van Doren to move the ACH Policy to the full Board of Commissioners for acknowledgement. Motion carried*

### III. Old Business

**A. Depository & Investment Policy:** Last month, Erin VanDyke explained that the Lenawee County Investment Policy is to be adopted by the Board of Commissioners on an annual basis. This investment policy applies to all financial assets of the County. These assets are accounted for in the various funds of the county and include the general funds, special revenue funds, debt service funds and capital project funds, (unless bond ordinances and resolutions are more

restrictive), enterprise funds, internal service funds, trust and agency funds and any new fund established by the County.

She requested that this policy come back to the committee this month. Erin has made a couple of minor changes.

These changes do not change the intent of the policy; therefore, the Policy & Procedures Committee may move it forward without further consideration.

*Motion by Van Doren, seconded by Martis, to recommend adoption of the Investment Policy as amended.*

**IV. Ready for recommendation:** The ACH Policy as well as the Investment Policy are to go to the full Board of Commissioners at their March meeting.

**V. Other Business:** The Committee would like to review the Bidding Policy, Bond and Annexations Policy, Cash Handling Policy and Contracts: Authority / Designate Signatory Policy next month.

In addition, Commissioner Jenkins-Arno will make contact with Mr. Baker about his request to present on Sustainable Strategic Planning.

**VI. Public Comment:** There was no public comment.

**VII. Adjournment**

*Motion by Martis, seconded by Van Doren, to adjourn the meeting at 2:38 p.m. Motion carried.*

KLM/rdb

**LENAWEE COUNTY BOARD OF COMMISSIONERS**

**301 N. Main St. Courthouse ~ Adrian, MI 49221**

(517) 264-4508

[www.lenawee.mi.us](http://www.lenawee.mi.us)

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**POL#2023-0zz**

**LENAWEE COUNTY INVESTMENT POLICY**

To comply with Act 20 PA 1943, AS AMENDED

It is the policy of Lenawee County to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the County and comply with all state statutes governing the investment of public funds.

This investment policy applies to all financial assets of the County. These assets are accounted for in the various funds of the county and include the general funds, special revenue funds, debt service funds and capital project funds, (unless bond ordinances and resolutions are more restrictive), enterprise funds, internal service funds, trust and agency funds and any new fund established by the County.

The primary objectives, in priority order, of the County's investment activities shall be:

**Safety--**Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

**Diversification--**The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

**Liquidity--**The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

**Return on Investment--**The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Authority to manage the investment program is derived from the following: Lenawee County Board of Commissioners' most current resolution designating depositories and M.C.L. 48.40 requiring the County Treasurer to be the custodian of the County's funds. Management responsibility for the investment program is hereby delegated to the Lenawee County Treasurer who shall establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, cash purchase or delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral / depository agreements and banking service contracts. No person shall engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Lenawee County Treasurer. The Lenawee County Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of the subordinate officials.

## **Investment Policy**

Date of Original Adoption: February 12, 2003

Date of Amendments: 2/18/04 *Annually reviewed and adopted in January since 2008*

The County of Lenawee is limited to investments authorized by Act 20 of 1943, as amended, and may invest in the following:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a financial institution meeting all criteria as a depository of public funds contained in the state law.
3. Commercial paper rated at the time of purchase within the two (2) highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
4. In United States government or federal agency obligation repurchase agreements.
5. Bankers Acceptances on United States banks.
6. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
7. Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789,15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:
  - a. The purchase of securities on a when-issued or delayed delivery bases.
  - b. The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
  - c. The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
8. Investment pools organized under the surplus funds investment pool act, 1982, PA367, MCL129.11 to 129.118.
9. The investment pools organized under the local government investment pool act, 1985 PA121, MCL 129.141 to 129.150.

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the County shall be on a cash (or delivery vs. payment) basis. Securities may be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts as determined by the Treasurer.

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.

**PASSED BY ROLL CALL VOTE** of the Lenawee County Board of Commissioners at a regular meeting held Wednesday, Octej 8, 2023, in the Old County Courthouse, Adrian, Michigan.

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James E. Van Doren, Chair

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Roxann Holloway, County Clerk

## INVESTMENT POLICY ADDENDUM:

### PROCEDURE FOR INVESTMENT IN FINANCIAL INSTITUTION CERTIFICATES OF DEPOSIT

Investment funds can be allocated to competing Banks, Savings and Loans and Credit Unions who will put these funds to work in the county for their owners--the citizens of Lenawee County.

The primary concern is for the safety of the principal. Only depositories that meet the quality standards described in this policy shall be considered for investments. The highest yield consistent with the above standards shall be assured by following the competitive bidding procedures. No more than 10% of the county's total investments may be in a single institution above the federal deposit insurance coverage amount.

#### BIDDING PROCEDURES

The County Treasurer shall competitively bid all County of Lenawee Investments that are not managed by a professional management firm. He/She shall in all cases attempt to keep all County of Lenawee investments in financial institutions which are located within the County of Lenawee. The following procedures shall be followed:

- A. All financial institutions wanting to be on the "Bidders" list will be notified annually, in writing, by the Lenawee County Treasurer if they qualify to bid on County of Lenawee investments.
- B. Every day that investments are to be made, ~~telephone calls will be made~~ **emails are sent** by the County Treasurer or his/her representative to each financial institution qualified to bid on County of Lenawee Investments detailing the amount and maturity date for each account being invested. ~~This call is to be made no later than 11:00 a.m.~~ **No later than 12:00 p.m.**
- C. ~~At the time of the 11:00 a.m. call, mentioned in "b" above,~~ **E**ach financial institution will notify the County Treasurer's office whether or not they wish to submit a bid on the various amounts. In lieu of this a bank may, in writing, notify the County Treasurer that they wish to be on the bidders list for a certain period of time (monthly, all year, etc) and note any special situations a special call is needed.
- D. Winning bids will be awarded by ~~12:00 a.m. by a telephone call~~ **2:00 p.m. via email** to the winning bidder. Wire transfer instructions will be processed by the County Treasurer's Office from the various accounts to transfer funds to the winning bidder by ~~2:00 p.m.~~ **4:00 p.m.**
- E. Financial institutions will prepare safekeeping receipts or Certificate of Deposit for each investment made and transmit to the County of Lenawee no later than the following day as proof of purchase. (Note: bidding results by financial institutions will be available at the Treasurer's office by telephone at any time).
- F. Bids will be awarded to the highest bidder, except where the bidder already holds 10% or more of county funds. Tie bids will be broken in the following order:
  1. If all parties to the tie bid agree, the total investment will be allocated as equally as possible to all bidders. (All parties must agree to "hold" the quoted interest rate bid to use this method of tie breaking.)
  2. If case (1) above does not resolve the tie bid situation, an investment will be made in an overnight investment and rebid the next day.