

JEFFERSON COUNTY, WISCONSIN



REQUEST FOR PROPOSAL 2022-1-FIN INVESTMENT CUSTODIAL SERVICES

CONTACT INFORMATION	
BUYER	Marc DeVries, Finance Director
E-MAIL	Marcde@jeffersoncountywi.gov
FAX	(920) 674-7368
MAILING ADDRESS	Jefferson County Finance Department 311 S Center Avenue, Room 109 Jefferson WI 53549

SCHEDULE OF EVENTS	
The following dates are provided for your information and planning purposes. Although every effort will be made to follow this schedule, we reserve the right to modify the dates as necessary.	
RFP Released	June 22, 2022
Questions Due	June 29, 2022
Proposals Due	July 13, 2022 12:00 PM
Notice of Interviews	N/A
Interviews, if required	N/A
Finance Committee Approval	August 3, 2022
Commencement Date	TBD
Project/Service Completion Date	TBD

**REQUEST FOR PROPOSALS
TABLE OF CONTENTS**

TITLE PAGE	1
TABLE OF CONTENTS	2
PREPARATION, SUBMISSION, AND AWARD	3
PROPOSAL FORMAT AND SUBMISSION	4
SPECIFIC INFORMATION	6
CERTIFICATION FORM	9
INVESTMENT POLICY	10

**REQUEST FOR PROPOSALS
PREPARATION, SUBMISSION, PROCESS AND AWARD**

A. COMMUNICATION

This RFP is issued on behalf of Jefferson County (the County) by the Finance Department. The Buyer point of contact assigned to this RFP, along with contact information, is noted on Page 1. The Buyer is the sole point of contact during this process and no information provided by any other personnel will be considered binding on Buyer.

The County prohibits communication initiated by any Vendor who is evaluating or considering the proposals, to any County official, employee or representative, prior to the time an award has been officially made.

All Vendors must use this written document, its attachments and any amendments as the sole basis for responding.

B. ACCESS TO COUNTY BUILDING

Controlled access screening is mandatory for all Vendors seeking access to the Courthouse. Vendors who will be visiting are to enter and exit the facilities through the main Courthouse public entrance 311 S Center Avenue. Screening will take place in the lobby of the Courthouse. Allow sufficient time to get through the screening process if you are hand delivering your response.

C. CLARIFICATIONS/AMENDMENTS

If you discover any significant ambiguity, error, omission or other deficiency in the RFP, immediately notify the Buyer in writing. All other questions, clarifications or exceptions regarding the RFP document must be raised prior to the submission of the proposal. We encourage you to submit preliminary questions prior to the pre-proposal conference (if applicable). Please note the due dates and times noted on page 1 for both the preliminary and final questions. All questions must be submitted to the Buyer in writing, via fax or email, with the RFP Number and description clearly identified.

If it becomes necessary to clarify or revise any part of this RFP, amendments will be posted to the Jefferson County website: <https://apps.jeffersoncountywi.gov/jc/rfp>, in accordance with the schedule on Page 1. It is the responsibility of prospective Vendors to check the website for any amendments prior to the opening date. All amendments must be acknowledged on the RFP signature page in the area provided. **Failure to do so may result in your response being rejected.**

D. CONTENTS OF PROPOSAL

All attachments, additional pages, addenda or explanations supplied by the Vendor with their proposal will be considered as part of the proposal response.

E. NONCONFORMING TERMS AND CONDITIONS

A response that includes contractual terms and conditions that do not conform to the contractual terms and conditions in the RFP document are **subject to rejection as nonresponsive**. Jefferson County reserves the right to permit the Vendor to withdraw nonconforming terms and conditions from its response or negotiate changes to the contractual requirements prior to making a determination of responsiveness.

F. AMENDMENT/WITHDRAWAL OF PROPOSALS BY VENDOR

After receipt by the Finance Department, Vendor proposals may only be amended by submitting a later dated proposal that specifically states that it is amending an earlier proposal. No proposal may be amended after the opening date unless requested by the Finance Department.

Proposals may be withdrawn only in total, and only by a written request to the Finance Department prior to the time and date scheduled for opening of proposals.

**REQUEST FOR PROPOSALS
PROPOSAL FORMAT & SUBMISSION**

A. Proposal Response Submission –HARD COPY:

Vendor shall be required to mail one (1) original and five (5) copies of the Proposal Response document in a sealed package, box or envelope to arrive no later than 12:00 P.M. CST on July 13, 2022.

Each hard copy must be double-sided and bound, with the exception of the original, which must be double-sided, but not bound. The copies must be bound by staple, binder clip or in a three-ring binder. Spiral, wire or comb bound copies are not acceptable.

Responses must be identified in the lower left corner of the envelope or container as follows:

PROPOSAL RESPONSE, RFP # 2022-1-FIN, Investment Custodial Services

B. Mailing Address

All hard copy submissions are to be mailed to:

Jefferson County
Finance Department, Room 109
311 S Center Avenue
Jefferson WI 53549

C. Hand Delivery

If you are delivering your response in person, you must enter through the main courthouse entrance, 311 S Center Avenue, and deliver it to the Finance Department receptionist in Room 109 to be time stamped no later than 12:00 p.m. on the opening date.

D. Response Receipt/Opening:

Buyer reserves the right to waive any formalities, defects, or irregularities in any proposal, response, and/or submittal where the acceptance, rejection, or waiving of such is in the best interests of the Buyer. Responses received after the due date and time may be rejected.

Proposals will be opened and the name of the Vendors read; however, details of each proposal, including proposed fees will not be announced at the time of opening. Such information shall be made public after an award has been made and all negotiations are completed.

All proposals received in response to this request will become the property of the County and will not be returned to the Vendors.

G. Interviews

Interviews may be required of selected finalists at the Vendor's expense. However, an award may be made without discussion with the Vendors. Therefore, Vendors are cautioned that proposals must be submitted initially on the most favorable terms, from both a technical and cost standpoint.

If an interview is required, the selected finalists will be notified of the date and time of the interview process in accordance with the schedule on Page 1. Vendors not selected will also be notified.

Vendors not selected will be notified that their proposal will no longer be considered unless the evaluation committee finds, after the completion of interviews, that additional Vendors should be interviewed.

H. Evaluation and Award

Proposals will be evaluated in accordance with the criteria listed below. Award will be made to the responsive, responsible Vendor who complies with the requirements and scores the highest total on the evaluation criteria as it pertains to the overall needs of Jefferson County.

Experience of firm in providing similar services	20%
Qualifications of staff assigned to provide service outlined in proposal	20%
Quality and completeness of Proposal including methods used to produce deliverables and adequacy in responding to the scope of services as defined in RFP	30%
Cost	30%

I. Other Considerations

Factors which include, but are not limited to, quantity involved, time of completion, purpose for which required, competency and financial capacity of Vendor, ability to render satisfactory service and past performance will be considered in determining status as a responsible Vendor. The County reserves the right to request additional information as may reasonably be required to make this determination and to further investigate the qualifications of the Vendor as deemed appropriate.

J. Reservations

This RFP does not commit the County to pay any costs incurred in the preparation of a response to this request or to procure or contract for services or supplies. The Buyer reserves the right to accept or reject any or all proposals received as a result of this request, request additional information, waive minor irregularities in the procedure, negotiate with any qualified source, or to cancel this RFP in part or in its entirety.

K. Non-Interest of County Employees and Officials

No County official, employee or representative on the evaluation committee shall have any financial interest, either direct or indirect, in the proposal or contract or shall exercise any undue influence in the awarding of the contract.

L. RFP Tabulations

RFP tabulations are available upon request to the public after contract execution, approximately 60-90 days from the date of the opening.

REQUEST FOR PROPOSALS SPECIFIC INFORMATION

GENERAL INFORMATION

Jefferson County is seeking proposals from qualified professional firms to provide custodial services and monthly investment cost and market value reporting for its investments.

Market valuations must be performed in accordance with Governmental Accounting Standards Board Statement No. 72.

BACKGROUND

Jefferson County was incorporated in 1836 as a municipal corporation. The County is located approximately 51 miles west of the City of Milwaukee and 33 miles east of the City of Madison, occupies a land area of 583 square miles and services a population of approximately 82,000. The County's Adopted Budget for fiscal year 2022 totals \$101.1 million and includes a General Fund budget of \$44.5 million. On December 31, 2021 the County's investment balances totaled \$38.7 million.

SCOPE OF SERVICES

Jefferson County requires the following services:

1. Minimum Requirements

- a. Maintain appropriate control of securities through its own independent safekeeping department, through any corresponding bank with which it regularly deals, or through the Federal Reserve Bank.
- b. Must be a member in good standing with the Federal Reserve Bank, with comparable institutions and with the community.
- c. Maintain standing as a state or Federally chartered bank with account insurance through an appropriate Federally insured agency of the United States.
- d. Maintain minimum requirements as specified under the RFP during the life of the Contract.
- e. Upon Contract award, securities owned by the County will be delivered free of charge into the safekeeping of the Custody/Safekeeping Bank. Clearing securities will be on a "Delivery versus Payment" basis.
- f. Jefferson County engages an investment manager to order the purchase and sale of investments. This investment manager may coordinate with the custodial bank on the settlement of transactions.
- g. Maintain all Jefferson County assets in the County's name in the institution's vault, the institution's account at the Federal Reserve, or a correspondent depository acceptable to the County.
- h. Collect and receive interest income, maturity and sale proceeds from held securities.
- i. Capable of wire transfer and wire funds receipt, for use as instructed by the County's authorized staff or investment manager. If security transactions are not wire-able, arrange for safekeeping services with a corresponding bank.
- j. At Contract award, provide Custody/Safekeeping Bank cutoff times for security and wire transfers to the investment manager.
- k. New or Alternate Technologies. During Contract period of performance, the County reserves the right to identify and determine the appropriateness of using new technologies and negotiating the implementation of such technologies into the performance of the Contract.

2. Custody, Safekeeping, and Settlement Services

- a. Maintain a custody account in the bank's Trust Department for the cash and securities owned by the County.
- b. Segregate all securities and cash from the assets of others. The custodian shall have only the bare custody thereof and securities shall be and remain the sole property of the County. The securities held by the custodian shall, unless payable to the bearer, be registered in the name of the County.
- c. Initiate wire transfers of funds from County's account upon receipt of instructions from authorized persons.

- d. Collect all coupons and other periodic income on securities held.
- e. Settle purchases, sales and other transactions upon receipt of instructions from an authorized person.
- f. Create, maintain and retain all records relating to securities held in custody in the County's account to meet the requirements and obligations under generally accepted accounting principles.

3. Reporting

- a. Provide on-line reporting of portfolio activity and holdings on a real-time (ideally) or next day basis.
- b. Provide on-line monthly activity statements and reports including the market value of all portfolio holdings.
 - i. Monthly, provide a Microsoft Excel compatible (downloadable) file containing the market value of portfolio holdings.
 - ii. The custodial agent must provide the County each month with a complete inventory of all securities held in safekeeping as of the last day of the previous month, whether in book-entry or physically delivered form, showing for each security its CUSIP number, issuer name, coupon/interest rate, settlement and maturity dates, type of security, S&P rating, par value, book value, and full market value as determined by Government Accounting Standards Board Statement No. 72. In addition, the custodial agent must provide confirmation of each trade of a safekeeping item by the following business day. On-line availability of these reports is preferred.

4. Collateralization

Collateralization is required on certificates of deposits and sweep checking accounts. Provide a collateralization level of at least 100% of market value of principal and accrued interest.

PROPOSAL REQUIREMENTS

1. General description and corporate overview.

- a. Include size, years in business, location of home office and/or branch facility, corporation (other), and organizational chart with principal officers.
- b. Include information on capitalization, quality of assets, management practices, earnings history, and liquidity trends.
- c. State whether independently operated as a bank/institution or as a holding company affiliate.
- d. A disclosure should be made if there has been a change in the Custody/Safekeeping Banks ownership or managerial control during the last three (3) years. Include the state and date where incorporated.

2. Financial strength and capacity.

- a. Provide the most recent documentation demonstrating the level of unimpaired capital and surplus, and other information such as Federal or State regulatory reports. Information provided by independent bank rating services will be considered.
- b. Provide the Dun and Bradstreet Number and rating.
- c. Provide certified financial statements and other indicators regarding firm's capitalization. (These statements are not included in the 25 page maximum proposal submittal length.)
- d. Has the firm ever been subject to a regulatory or state or Federal agency investigation for alleged improper, fraudulent, disreputable, or unfair activities related to Government securities or money market instruments? Have any employees ever been investigated. Explain.
- e. State fidelity coverage, errors and omission or other insurance coverage which the bank carries.

3. Ability to meet minimum requirements

Provide a detailed description in 2 pages or less to demonstrate how the institution meets the 11 Minimum Requirements.

4. Ability to meet Scope of Services requirements

- a. Provide a detailed description of proposed plans, approaches, and procedures to accomplish the 11 items in Scope of Services. Include investment instruments and safekeeping practices.
- b. Explain the custody and delivery process.
- c. Has a contract ever been “defaulted”? If so, where and why? How was it resolved?

5. Report Analysis and Capability

- a. From time to time, analyses of earnings, other performance areas for the various funds invested and controlled by the County, and detailed performance computations may be requested. State capability and experience in providing such requests and include sample(s).
- b. What reports, transactions, confirmation, and paper trail are provided to clients? Please provide examples.

6. Public Sector Experience

- a. Describe public sector service experience. Include resources dedicated exclusively to public sector work.
- b. List the number and market value of public custodial accounts currently handled by your bank.
- c. Has a Public-Sector Client ever claimed in writing that the firm was responsible for investment losses? Explain.
- d. List at least three (3) Public Sector clients currently under contract whose safekeeping, clearance, and reporting services are comparable to or greater in size than the County's holdings. Include the contract value, scheduled contract completion date, and the contact person and telephone number.

7. Fee Schedule

Please provide a schedule of fees, by monthly rate/amount and annual rate/amount, for a minimum of three and maximum of five years.

8. Certification

Please certify the following in your response:

I hereby certify that I have personally read the Jefferson County, Wisconsin Investment Policy included in the Request for Proposals and have implemented reasonable procedures and a system of controls designed to preclude imprudent custody and safekeeping of investment activities arising out of transactions conducted between our firm and Jefferson County, Wisconsin. All applicable personnel will be routinely informed of the custody and safekeeping investment objectives, horizon, outlook, strategies and risk constraints of Jefferson County, whenever we are so advised.

I will immediately notify Jefferson County, Wisconsin by telephone and in writing in the event of a material adverse change in our firm's financial condition.

I pledge to exercise due diligence in informing Jefferson County, Wisconsin of all foreseeable risks associated with financial transactions conducted with our firm.

I attest to the accuracy of the responses to the Proposal Submittal.

**REQUEST FOR PROPOSALS
CERTIFICATION FORM**

Name of Firm	
Name of Person in Charge of Government Securities Operation	
Title	
Signature	
Date	
Name of Principal or Manager assigned to County	
Title	
Signature	
Date	

Jefferson County, Wisconsin Investment Policy

Introduction

The timely deposit and investment of public funds is an important and integral part of any cash management program. In order to maximize cash available for investments, all county departments shall remit funds at least weekly to the County Treasurer's Office.

This Investment Policy is intended for the use and guidance of the designated officials with investment authority. [am. 09-08-15, Res. No. 2015-44]

Delegation of Authority

Responsibility for the operation of the investment program is hereby delegated to the Investment Team, which consists of the County Treasurer, County Administrator and the County Finance Director and shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. At least two of the three members of the team must agree before any decision can be made. Pursuant to Section 59.62(1), Wis. Stats., the Jefferson County Board of Supervisors has the authority to invest and reinvest money of the County, to sell or exchange securities so purchased and to provide for the safekeeping of such securities. [am. 09-08-15, Res. No. 2015-44]

This policy shall be periodically reviewed by the Finance Committee, and recommendations to amend the existing ordinance shall be presented to the County Board for its consideration. [am. 03-08-11, Res. 2010-105]

Statement of Purpose

The purpose of this Investment Policy is to establish guidelines for investments which are broad enough to allow the Investment Team to function properly within the parameters of its responsibility and authority. It is also intended to be specific enough to establish a prudent set of basic procedures to assure that investment assets are adequately safeguarded. It assures that the fundamental principle concerning any investment program involving public moneys has four basic ingredients: legality, safety, liquidity and yield. [am. 09-08-15, Res. No. 2015-44]

General Objectives

The primary objective, in priority order, of investment activities shall be:

1. **Safety.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal will be to mitigate credit risk and interest rate risk.
2. **Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

3. **Return.** The investment portfolio shall be designed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity needs.

[09-08-15, Res. No. 2015-44]

Standards of Care

1. **Prudence.** The standard of prudence to be used by investment officials shall be the “prudent person rule” standard and shall be applied in the context of managing an overall portfolio.
 - a. Prudent Person Rule-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.
2. **Ethics and Conflicts of Interest.** Investment officials and employee involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.
 - a. Investment Officials and employees involved in the investment process shall further disclose and personal financial/investment positions that could be related to the performance of the investment portfolio.

[09-08-15, Res. No. 2015-44]

Overall Responsibility for Cash Management and Investments

Effective cash management involves controlling cash from the time it is received until it is disbursed. It requires the availability of accurate information on a timely basis. One person shall be delegated the day to day responsibility for the overall financial operation to determine cash availability and needs.

1. **Internal Controls.** The investment team shall establish a system of internal controls which shall be reviewed by the independent auditor on an annual basis. The controls shall be designed to prevent loss of public funds due to fraud, error and misrepresentation by another party or imprudent actions by an employee or employees of the County. [am. 09-08-15, Res. No. 2015-44]
2. **Investment.** The Investment Team may purchase securities that are permissible investments from money in the Investment Team’s custody, which is not required for the immediate needs of the County, as the Investment Team deems wise and expedient. The investment activity of Wisconsin public funds is governed by Section 66.0603(1m) and other sections of the Wisconsin Statutes as follows: “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 . . .” in accordance with Section 66.0603(1m) . [am. 09-08-15, Res. No. 2015-44]

The Finance Committee shall consult quarterly with the Investment Team regarding such investments. The Investment Team shall provide the Committee with a quarterly detailed list of all the investment portfolio holdings. [am. 09-08-15, Res. No. 2015-44]

The Investment Team shall communicate with financial institutions and/or investment advisors and avail itself of other financial information on current or pending market conditions in making its decision on rates and maturities as well as the securities to be purchased. In making all investment decisions, the Investment Team shall endeavor to achieve the overall investment objectives of the County. [am. 09-08-15, Res. No. 2015-44]

3. **Redemption.** The Investment Team shall periodically redeem the securities in which County money has been invested pursuant to section (2) Investment so that the proceeds may be applied to the purpose for which the original purchase money was designated or placed in the County Treasury. [am. 09-08-15, Res. No. 2015-44]
4. **Deposits.** Any federal or state chartered bank or credit union with offices located in the City of Jefferson, Jefferson County, Wisconsin, shall be the working financial institutions. [am. 03-08-11, Res. 2010-105]
5. **Investment Advisors.** The Investment Team may utilize investment advisors/brokers as approved by the Finance Committee. [am. 09-08-15, Res. No. 2015-44]
6. **Safekeeping.** For portfolios with outside investment advisors, the County will use an independent third-party custodian, in order to segregate the functions of choosing investments from physical custody and record-keeping. The custodian shall keep possession of all funds and securities; collect income and the proceeds of sales, maturities and redemptions; transact purchases; and distribute funds as directed by the County. [am. 09-08-15, Res. No. 2015-44]

Accounts and Records

It shall be the responsibility of the designated Investment Team in consultation with the Finance Committee to establish sufficient records and accounts to: [09-08-15, Res. No. 2015-44]

- detail each investment as to purchase date, cost, maturity date, yield and market value,
- provide any necessary internal controls,
- any other records that may be required to accurately reflect all investment transactions.

Collateralization of Funds

With the passage of Wisconsin Act 25, effective August 1, 1985, there is no longer the overall guarantee of public funds by the State. In effect, Act 25 abolished the state deposit guarantee fund. It will continue to pledge general purpose revenues under Wis. Stats., 20.144(1)(a), for the payment of losses of public deposits until the balance of the appropriation is exhausted. However, no payment for a loss in excess of \$400,000 for any one public depositor in any individual public depository may be made above current FDIC (Federal Deposit Insurance Corporation) levels for deposits in any one institution. [am. 03-08-11, Res. 2010-105]

Chapter 34.07 as amended provides that a surety bond or other security may be required of a given public depository for any public deposit that exceeds the \$400,000 amount guaranteed

by the State. Jefferson County will not require this collateral for any deposit that exceeds the amounts guaranteed by the State and the F.D.I.C. The rationale for not requiring collateralization shall be to either maximize investment returns and/or reduce bank fees. The Finance Committee shall periodically review the need for collateralization. [am. 03-08-11, Res. 2010-105]

Should the policy change regarding collateralization, Certificates of Deposits or other investments exceeding the amounts currently insured by the State and the FDIC shall be fully secured by obligations of the United States Government or its agencies. Such securities shall be delivered to the County or held by an independent third party chosen by the County. Substitution of collateral by the independent third party shall only be allowed with the written approval of the County's Investment Team. The market value of the collateral shall at all times equal or exceed the principal amount of the certificate of deposit. Value of the collateral shall be monitored and market value shall be at or near the bid or closing price of the security as quoted in the Wall Street Journal or other recognized pricing source. The Investment Team shall be authorized to sign agreements with the Custodial Bank and sign for the receipt of any pledged securities. [am. 03-08-11, Res. 2010-105]

Responsibility for the administration of the foregoing rests with the Investment Team. [09-08-15, Res. No. 2015-44]

Custodial Related Risks [am. 09-08-15, Res. No. 2015-44]

1. Custodial credit risk for deposits, when collateralization is required. [am. 03-08-11, Res. 2010-105]
 - a. Definition: Risk that in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.
 - b. Related Policy: For those institutions which the County holds deposits and investments:
 - i. Ensure that security interest in collateral pledged to secure deposits and investments are enforceable against the receiver of a failed financial institution via:
 1. An agreement in writing
 2. An agreement that was approved by the board of directors of the depository or its loan committee, and
 3. An agreement that has been continuously kept as an official record of the depository institution since the time of execution.

[am. 09-08-15, Res. No. 2015-44]
 - ii. All pledged collateral shall be held at an independent third party institution, and evidenced by a written agreement in an effort to satisfy the Uniform Commercial Code (UCC) requirement for control.

2. Custodial credit risk

- a. Definition: Risk that in the event of the failure of a party to a transaction, the County will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. [am. 09-08-15, Res. No. 2015-44]
- b. Related Policy: Accomplished through same policy as Custodial Credit Risk for Deposits as above.

[am. 05-23-09 Res. 2009-24; 03-08-11, Res. No. 2010-105]

Eligible Investments

- a. Authorized Investments. Subject to restrictions as may be imposed by law (Section 66.0603(1m) of Wisconsin State Statutes), funds will only be invested in the following securities:
 1. U.S. Treasury Obligations and Government Agency Securities. Obligations of the United States of America, its agencies and instrumentalities, provided that the payment of the principal and interest is fully guaranteed by the issuer.
 2. Certificates of Deposit. Certificates of Deposit and other evidences of deposits from credit unions, banks, savings banks, trust companies or savings and loan associations which are authorized to transact business in the state, which time deposits mature in not more than one year. Any Certificate of Deposit invested in excess of the Federal Deposit Insurance Corporation and State Deposit Guaranteed Fund insured amount of \$500,000, whichever is less, are to be fully collateralized under the specific requirements of Section 11.
 3. General Obligation Bonds or Securities. General obligation bonds or securities of any county, city, drainage district, vocational, technical and adult education district, village, town or school district of the state.
 4. State of Wisconsin Investment Board's Local Government Investment Pool.
 5. Repurchase Agreements. Investment agreements pursuant to which a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank, or national bank in the State of Wisconsin agrees to repay funds advanced to it by the issuer, plus interest. Repurchase Agreements are to be secured by investment securities fully guaranteed by the U.S. Government.
 6. Open Ended Money Market Funds. Restricted to investments permitted by Wisconsin Statute Section 66.0603(1m)5, limited to a maximum average maturity of 120 days or less. This limit will not apply to the State of Wisconsin Investment Board's Local Government Investment Pool.
 7. Highly Rated Commercial Paper. Commercial paper which may be tendered for a purchase at the option of the holder within not more than 270 days of the date

acquired as permitted by Wisconsin Statute Section 66.0603(1m)4. These securities must be rated in the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Service, Inc., or other similar nationally recognized rating agency; or senior to or on parity with a security of the same issuer which has such a rating. No more than five percent (5%) of the investment portfolio shall be commercial paper from a single issuer. [am. 03-08-11, Res. 2010-105]

8. Out of State General Obligation Bonds or Securities. General obligation bonds or securities of any county, city, drainage district, vocational, technical and adult education district, village, town or school district, if the bond or security has a maturity of seven years or less from the date on which it was acquired and, if the bond or security is rated in one of the two highest rating categories assigned by Standard & Poor's Corporation, Moody's Investors Service, Inc., or other similar nationally recognized rating agency.
9. Corporate Bonds or Securities. Any bond or security issued by a corporation which has a maturity of 7 years or less on the date on which it is acquired, and if that bond or security has a rating which is in the highest or 2nd highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Service or other similar nationally recognized rating agency. No more than five percent (5%) of the investment portfolio shall be corporate securities from a single issuer.

IMPORTANT NOTE: If the credit rating of a security is subsequently downgraded below the minimum rating level for a new investment of that security, the Investment Team shall evaluate the downgrade on a case-by-case basis, and if applicable, shall obtain the recommendation(s) of the assigned Investment Advisor in order to determine if the security should be held or sold. The Investment Team will apply the general objectives of safety, liquidity, yield and legality in order to make its decision.

[09-08-15, Res. No. 2015-44]

Performance Standards/Evaluation

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken and the benchmarks shall have a similar duration and credit profile as the portfolio. In order to manage interest rate risk, the investment portfolio(s) shall be required to keep an effective duration, which is defined as the present value of the lifetime cash flows of Jefferson County's investments, in close proximity to the assigned benchmark or less if economic conditions merit. [09-08-15, Res. No. 2015-44]

Reports

The Investment Team shall provide the County Board a monthly written report on the general condition of the County's cash and investments. [am. 09-08-15, Res. No. 2015-44]

The Investment Advisor shall provide a twelve month (August 1 – July 31) report to the Finance Committee on the County's investment activity for the reporting period and recommendations for improvement to the County's investment strategy for the next reporting

period. The report shall be presented at the regular Finance Committee meeting in August to aid in the subsequent year budget preparation. [am. 03-08-11, Res. 2010-105]

Adopted October 23, 2007 – Resolution No. 2007-61; Am. 05-12-09 – Resolution No. 2009-24
Am. 03-08-11 – Resolution No. 2010-105; am. 09-08-15 – Resolution No. 2015-44