

CITY OF ROCKLEDGE, FLORIDA
INVESTMENT POLICY STATEMENT
JULY 22, 2010

1. PURPOSE AND SCOPE

This investment policy statement shall establish the policy governing the investment of surplus funds of the City of Rockledge, Florida. This investment policy applies to all funds except the employees' pension funds, which are invested and administered separately. The funds included within this policy are:

General Fund

Waste Water Treatment Plant Fund

Storm Water Utility Fund

Sanitation Fund

Redevelopment Agency

Any new fund created by the City Council, unless specifically exempt

2. RISK TOLERANCE

The City of Rockledge shall have a low tolerance for risk. Preservation and safety of assets shall be the highest priority for the investment of all City surplus funds. Investments shall be diversified to the extent possible to prevent potential losses resulting from over concentration of assets with a specific maturity, issuer, instrument, dealer or financial institution. No more than \$5,000,000 of any single City fund shall be held by a single qualified public depository, unless approved by the City Council.

No funds shall be invested in the Local Government Surplus Funds Trust Fund administered by the State Board of Administration as defined by FS 218.

3. LIQUIDITY REQUIREMENTS

The second highest priority for investment of City funds is liquidity. Funds invested for the City of Rockledge shall be liquid to the extent required to meet the anticipated cash needs of the City, such as payroll, debt service payments and capital project needs. Investment maturities shall be staggered where possible to provide sequential maturities.

4. RETURN REQUIREMENTS

The third highest priority for investment of City funds is yield or return on investment. The City of Rockledge shall obtain the highest rate of return on all investments while maximizing the safety of the assets and meeting the City's liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above.

5. TIME HORIZON

Funds shall be invested in securities having a maturity of less than five (5) years, unless specific prior approval is obtained from the Rockledge City Council.

6. TAX CONSIDERATIONS

The City of Rockledge is exempt from State of Florida or Federal income taxes.

7. LEGAL CONSTRAINTS

The following Florida State Statutes apply to this investment policy and the investment of City funds:

- ° Chapter 218, Part IV - Investment of Local Government Surplus funds
- ° Chapter 280 - Security for Public - Qualified Public Depositories

8. UNIQUE NEEDS/PREFERENCES

Public Depositories: Investment of funds shall only be made in financial institutions designated as "qualified public depositories" pursuant to FS 280.

Brokers and Dealers: The City may utilize dealers or brokers designated "Primary Securities Dealers" by the Federal Reserve for purchases and sales of securities.

Authorized Investments: City government funds shall have no asset allocation, but may be invested in one or more of the following:

- ° Savings accounts in State of Florida qualified public depositories such that the account is insured by the Federal Depository Insurance Company for the entire amount invested therein.
- ° Insured or fully collateralized Certificates of Deposit (CD) from State of Florida qualified public depositories.

- Money market funds registered by the Federal Securities and Exchange Commission (SEC) with the highest credit quality rating from a nationally known rating agency.
- Direct obligations of the United States Treasury.
- Direct obligations of United States Federal Agencies and sponsored instrumentalities such that the obligations are backed by the full faith and credit of the United States Government.

Delegation of Authority: The City of Rockledge Finance Director shall be designated as the investment officer for the City and is responsible for investment decisions and activities as defined in this investment policy, under the direction of the City Manager. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established thereto. The investment officer shall routinely monitor the investments of the City, the available markets and the relative values of competing instruments and will adjust the portfolio accordingly. The City may appoint an outside investment manager who shall be governed by this investment policy.

Exceptions: Any debt service requirements or bond covenants will supersede this investment policy.

Accounting: Investments shall be carried at cost or market value. Gains or losses from investments shall be credited or charged to investment income at the time of sale. The City shall comply with Government Accounting Standards Board (GASB) requirements.

Review Procedures: The performance of the City's investments shall be reviewed quarterly, as a minimum, by the City Council Finance and Budget Committee. The investment policy shall be reviewed annually, as a minimum, by the City Council Finance and Budget Committee, which shall make recommendations to the City Council for changes to this policy as appropriate.

8. APPROVAL

This investment Policy Statement was reviewed and approved by the Rockledge City council Resolution No. 2010-681 this 4th day of August 2010.