

2 **RESOLUTION: Approve Changes to the Winnebago County Investment Policy**

3
4 **TO THE WINNEBAGO COUNTY BOARD OF SUPERVISORS:**

5 **WHEREAS**, there is inconsistent language in the Winnebago County Investment Policy relative to length of
6 duration of Federal agency instruments such as Fannie Mae and Freddie Mac securities; and

7 **WHEREAS**, the language currently states that as long as a security can be “tendered for purchase,” it can
8 extended for five years in duration; and

9 **WHEREAS**, the term “tendered for purchase” has been interpreted to mean that a security can be sold within
10 3 or 5 years; and

11 **WHEREAS**, because of that language, Federal Agency securities have been purchased with seven (7) year
12 durations because they can be tendered for purchase anytime after being purchased; and

13 **WHEREAS**, using seven (7) years as the maximum duration for Federal Agency securities has provided
14 Winnebago County with additional earnings because of the longer duration; and

15 **WHEREAS**, Wisconsin Statutes actually place no length restrictions for Federal Agency securities, and

16 **WHEREAS**, to make the language in the policy less inconsistent, it is recommended that wherever a three
17 (3) or five (5) year duration is mentioned in the policy, it be changed to seven (7) years to make the language more
18 consistent and to proceed with the actual practice that has been followed for purchases.

19 **NOW, THEREFORE, BE IT RESOLVED** by the Winnebago County Board of Supervisors that it hereby
20 adopts the attached modified Winnebago County Investment Policy, which is incorporated herein by reference and
21 made a part of this Resolution.

22 **Fiscal Note:** There is no direct fiscal impact. However, using durations of seven (7) years will provide better
23 investment returns, and since this only applies to US Agency Securities, the risk is minimal.

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25 Respectfully submitted by:
26 **PERSONNEL AND FINANCE COMMITTEE**
27 Committee Vote: **3-0**

28
29 Vote Required for Passage: **Majority of Those Present**

30
31 Approved by the Winnebago County Executive this ____ day of _____, 2013.

32
33 _____
34 Mark L Harris
35 Winnebago County Executive