RESOLUTION 80- 2

Investment of Funds

BE IT HEREBY RESOLVED by the Common Council of the City of Bloomington, Indiana, that the Controller of said City, without securing any prior approval to do so, may, from time to time, invest any funds on hand held by the Controller not then needed in order to meet current demands nor required for legal reserves; such investments to be for such term as by said Controller is deemed to be prudent and which will yield the highest rate of interest consistent with safety.

PASSED AND ADOPTED this 7th day of January, 1980.

Tomilea Allison
President, Common Council
City of Bloomington

ATTEST:

Nora M. Connors, City Clerk

APPROVED this 8th day of January, 1980, by the Mayor.

Francis X. McCloskey, Mayor
City of Bloomington

SYNOPSIS

This resolution allows the Controller to invest funds at her discretion according to cash balances, cash demand, and best interest rates available at any time rather than submitting each investment to the Council for approval. Funds can then be re-invested in order to maximize the return on temporarily idle funds.

Investment of Funds

This resolution allows the Controller to invest funds at her discretion according to cash balances, current cash demand, and best interest rates available, at any time rather than submitting each and every investment to the Common Council for approval. The City's money can then be constantly invested and re-invested in order to maximize the return on temporarily idle funds.

The investments of the City of Bloomington are limited strictly by State Law in order to protect the City's monies from risk. The City uses four types of investments:

Certificates of Deposit (C.D.'s)-Money is used by local banks for local loans, etc.

Repurchase Agreements (Repos.) -The City buys a portion of a local bank's portfolio for a certain time period.

Treasury Notes and other government agency securities - These are full faith and credit obligations of the United States Government.

Each type has different advantages and disadvantages which must be considered; for instance, resale value or none, different investment periods, and so forth. One obvious advantage of the CD and Repo is that the money stays within the local community.

It has recently become legal also for the City to invest in savings accounts and money market certificates. These are of great advantage to very small communities but are not presently of use to Bloomington.

The City in effect puts its investments out to bid with the four depositories for the highest interest rate, and it has been our experience that the City's investments do spread among the banks throughout a one-year period.