O'Brien County Resolution No. 2026-10
Investment Policy

April 28, 2026

I. INVESTMENT AUTHORITY: IOWA CODE 12B & 12C

a. All monies attributable to O'Brien County are under the direct authority of the O'Brien County Treasurer, and shall be invested and maintained for the benefit of each Fund, per applicable law and this written policy.

b. Grant of Authority: Section 12C of the Iowa Code requires that the County Treasurer invest or deposit all public funds held by the County.

c. Statutorily Permitted Investments and Constraints on Investment: Section 12B of the Iowa Code states the investments allowed by State law for public funds. Prohibited investments are also set forth.

d. Fund Management and Oversight

1. Responsible Persons: The Treasurer's office under the direction of Marcella (Missy) Hattermann, shall conduct all investment duties associated with the funds of O'Brien County. Contracts shall be obtained from each financial or investment entity with which the fund does business and shall be signed by the Treasurer on behalf of the fund.

2. Reporting and Communications: The Treasurer shall provide a Report to the Board of Supervisors, whenever requested.

a. Activity: The Report shall contain a summary of transactions during the period, by cost. The report shall disclose all losses or gains, and shall discuss the basis for any loss or gain.

b. Summary by Category: The Report shall list the portfolio by type, issuer, and maturity. The average life and yield to maturity of the overall portfolio shall be provided.

c. Market Conditions/Concerns: The Report shall be formally reviewed and approved not more than sixty days after the beginning of each fiscal year.

II: INVESTMENT OBJECTIVES:

These objectives are consistent with the needs and goals of O'Brien County.

A. General Objectives

1. Safety of Principal: Safety of principal is the foremost objective of each Fund. Each transaction shall seek first to insure that capital losses are avoided, whether they be from defaults or from market value erosion.

2. Liquidity: The investment portfolio shall remain liquid to enable the Treasurer to meet all operating requirements that might be necessary.

3. Income: The investment portfolio shall be invested with the limited goal of a reasonable rate of return based on current conditions.

B. INVESTMENTS PERMITTED

The County authorizes the following investments for purchase:

1. Certificates of Deposit
2. U. S. Treasuries, agencies, or instrumentalities.
3. Interest bearing Money-Market accounts and checking accounts.
4. Joint-Investment Trusts pursuant to Chapter 28E
5. IPAIT/PMA-GPS (Public Agency Investment Trust)
6. Drainage Warrants, Bonds, or Improvement Certificates

C. RISK TOLERANCE/AVOIDANCE

The Supervisors and the Treasurer recognize that investment risks can result from issuer defaults, market price changes, or conditions leading to temporary illiquidity. Although such risks or losses cannot always be avoided, the following practices shall be followed in an effort to avoid such risks.

1. Institutional Default / Illiquidity Risk: Selection of Dealers/Institutions

a. Broker dealers: To avoid broker-dealer default risks, the Treasurer shall only use broker-dealers, whom registered with the U. S. Securities and Exchange Commission, as well as the Securities Division of the State of Iowa. A third party under a custodial contract shall maintain custody. The Treasurer shall annually investigate each broker-dealer, with the State Securities Division. All transactions shall be on a delivery versus payment basis.

b. Financial Institutions: To avoid default risks with financial institutions with which the County deposits Fund monies, the Treasurer shall determine, in advance of deposit that each depository bank in which monies of the Fund are to be placed, is an Approved Depositor for purposes of Chapter 12B of the Iowa Code.

2. Market and Transactional Risks – Investment/Trading Practices

a. Speculation: Securities shall be bought and sold in a manner that is consistent with the investment goals of this policy, and shall not be made for the purpose of trading or speculation as the dominant criteria.

b. Margin: At no time will margin transactions or margin loans be allowed.

3. Exposure to Risk -- Diversification of County Portfolio

No investment or trading strategy, which risks the total Fund, shall ever be employed. The Fund's investments shall be diversified to avoid substantial exposure to any one risk. Strategies shall include diversification by:

1. Deposits to various financial institutions.
2. Staggered maturities
3. Variety of investments

4. Portfolio Illiquidity – Maturity Scheduling

Liquidity shall be assured by covering the anticipated expenditures through a variety of maturing investments, marketable U.S. Treasury bills, or Agency discount notes.

5. Prohibited investments: The County shall not purchase or engage in reverse repurchase agreements, nor purchase or sell options, futures contracts, etc.

6. Performance standards – The Treasurer shall exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use to attain the investment objectives.

III. ADMINISTRATION

A. Custody

All assets of the County shall be secured using a custodial arrangement, certificates, or held in the Treasurer's vault. The State Auditor shall review safekeeping procedures annually. The auditor may conduct surprise audits of safekeeping procedures.

B. Settlement

All purchases and sales of investment securities shall be on a delivery-versus-payment basis.

C. Personnel

The Treasurer shall make all investment decisions, or designate a qualified person to make the investments during her absence.

D. Local Investment

The O'Brien County Treasurer is authorized to invest in all the financial institutions as set forth on the Resolution Naming Depositories, as authorized by the Board of Supervisors.

E. Custodians of the Public Trust

All investment officials shall avoid any transaction, which might impair public confidence in the County's ability to govern effectively. Investment officials shall recognize that the Fund is subject to public review, and shall responsibly manage the Fund with a degree of professionalism that is worthy of the public trust.

On April 28, 2026, the Board of Supervisors reviewed the above policy.

Nancy McDowell

Nancy McDowell, Chairman Board of Supervisors

Rhea Schmalen, O'Brien County Auditor