

**VILLAGE OF CASNOVIA**  
**KENT AND MUSKEGON COUNTIES, MICHIGAN**

Minutes of a regular meeting of the Village Council of the Village of Casnovia held at the Village Hall, 141 N. Main Street, Casnovia, Michigan, on the 13th day of November, 2000 at 7:30 p.m.

PRESENT: Koomen, Parcels, Shaw, and Isenhart.

ABSENT: Gardner, Kahrs, and Harrison.

The following preamble and resolution were offered by Council member Isenhart and supported by Council member Parcels.

**RESOLUTION FOR ADOPTION OF INVESTMENT POLICY**

WHEREAS, the Village Council of the Village of Casnovia (the "Village"), in the exercise of its fiduciary responsibilities, desires to provide guidelines for the investment from time to time of public funds of the Village, and for maintaining an acceptable level of safety, liquidity, return on investment, and diversification of such funds; and

WHEREAS, Public Act 196 of 1997 (the "Act") requires that the Village Council, in consultation with the Village Treasurer, adopt a written policy for the investment of Village funds which conforms to the limitations and requirements of the Act,

NOW, THEREFORE, BE IT HEREBY RESOLVED, AS FOLLOWS:

1. The Village hereby adopts the Investment Policy, attached hereto as Exhibit A, as the investment policy of the Village, which shall be applicable to all public funds belonging to the Village and in the custody of the Village Treasurer.

2. The Village hereby designates the Village Treasurer as the investment officer responsible for administration of the Investment Policy in accordance with its terms and the requirements of the Act.

3. All resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

AYES: ~~Koomen, Parcells, Shaw, and Tsenhart.~~

NAYS: 0.

ABSENT: ~~Gardner, Kahrs, and Harrison.~~

RESOLUTION DECLARED ADOPTED.

  
\_\_\_\_\_  
Barbara Bennett, Village Clerk

I hereby certify this is a true and complete copy of a resolution adopted by the Village Council of the Village of Casnovia, Kent and Muskegon Counties, Michigan, at a regular meeting held on November 13, 2000, which was conducted and public notice given in compliance with the Open Meetings Act, Act No. 267, Public Acts of Michigan of 1976, as amended.

  
\_\_\_\_\_  
Barbara Bennett, Village Clerk

## **EXHIBIT A**

### **Village of Casnovia Investment Policy**

#### ***Purpose and Scope***

It is the policy of the Village of Casnovia to safely invest Village funds from time to time, while meeting the periodic cash flow needs of the Village. This Investment Policy is adopted in pursuance of that policy, and in compliance with state statutes governing the investment of public funds, including Public Act 196 of 1997 (MCL 129.91). This Investment Policy supersedes all prior policy statements on this subject matter. This Investment Policy applies to all money and financial assets of the Village.

#### ***Objectives***

The primary objective of the Village in adopting this Investment Policy is to provide guidelines for maintaining an acceptable level of safety, liquidity, return on investment, and diversification of public funds of the Village, with safety of principal being the foremost objective of this Investment Policy.

Authorized investments shall be acquired with a view to providing sufficient liquidity to allow the Village to meet reasonably anticipated operating requirements. Further, authorized investments shall be made with a view to obtaining a reasonable return on investment, taking into consideration the reduced risk associated with the authorized investments and the liquidity requirements of the portfolio. In terms of diversification, the authorized investment officer shall take into consideration the financial integrity of financial institutions with whom investments are made, and the concentration of assets in any one financial institution.

#### ***Delegation of Authority; Safekeeping***

The Village Treasurer derives its authority as an investment officer from MCL 64.9, and is hereby delegated the authority to manage the investment program established by this Investment Policy, subject to the direction of the Village Council as set forth in this Policy. The Treasurer shall establish internal controls for the management of Village funds consistent with this Investment Policy, including procedures for selecting recommended financial institutions, receiving funds, making deposits and investments, safekeeping of securities, and administration of investments in conformance with this Policy. No person may engage in an investment transaction except as provided under the terms of this Policy and the internal controls established by the Village Treasurer.

#### ***Authorized Investments***

The Village Treasurer shall maintain in a demand depository account at an approved financial institution an amount of cash sufficient to meet the reasonably anticipated operating requirements of the Village.

At the direction of the Village Council in regular or special session, and in accordance with the objectives of this Policy, the Village Treasurer shall invest all other money and other financial assets of the Village in certificates of deposit of one or more financial institutions approved by the Village Council from time to time.

All financial institutions approved for deposit of Village funds must be either state or nationally chartered banks or state or federally chartered savings and loan associations, savings banks, or credit unions whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office in Michigan under state or federal law. No funds may be invested in any financial institution that is not eligible to be a depository of State funds under any state or federal law or rule. Before making an investment or deposit with any financial institution, the Village Treasurer shall confirm with the State Commissioner of Financial Institutions that the institution is not then on the list of ineligible institutions.

### ***Prudence***

In selecting and making investments, the Village Council and the Village Treasurer shall exercise ordinary business judgment, care and prudence under the circumstances then prevailing.

### ***Reporting***

The Village Treasurer shall advise the Village Council from time to time as to the status of the then-current investments and financial institutions. Upon request of the Village Council, or when warranted in the judgment of the Village Treasurer, the Village Treasurer shall prepare and make recommendations to the Village Council with regard to future investments and alternative financial institutions. Recommendations of future investments shall be consistent with the limitations and objectives of this Policy. Recommendations of alternative financial institutions shall be based upon an evaluation of the performance and solvency of the institution, as well as past performance in exercising due care and prudence in the custody of Village funds.

The Village Treasurer shall annually examine the financial condition and qualification of financial institutions in which Village funds are on deposit. The Village Treasurer shall annually provide a written report to the Village Council concerning the investment of Village funds.

Prior to making any deposit or investment with any financial institution, the Village Treasurer shall provide a copy of this Investment Policy to the financial institution, and obtain its acknowledgment of receipt and its agreement to comply with the terms of this Policy regarding the buying and selling of securities.

**MIKA, MEYERS, BECKETT & JONES, PLC**  
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ALSO ADMITTED IN  
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†† DISTRICT OF COLUMBIA  
\*\* ILLINOIS  
† WISCONSIN

November 9, 2000

Ms. Lois Bull  
Village Treasurer  
Village of Casnovia  
141 N. Main St.  
Casnovia, MI 49318

Re: Proposed Investment Policy

Dear Lois:

At your request, I have prepared the enclosed resolution and investment policy for consideration by the Village Council.

As indicated by the Village Auditor, P.A. 196 of 1997 requires municipal entities to adopt a written policy for the investment of public funds. The Act restricts investment of public funds to certain permitted investments, and requires that each policy specify which of those investments are permitted under the policy. The Act also requires that each policy include a statement regarding its purpose, scope and objectives, and a delegation of authority for making permitted investments.

The enclosed investment policy complies with the requirements of the Act. Based on your indication that the Village invests all of its surplus cash in the form of CDs at Valley Ridge Bank, the policy limits the permitted investments to certificates of deposit of qualified financial institutions. Under the Act, financial institutions holding public funds must be federally insured banks, savings and loan associations, savings banks, or credit unions, and must be approved for investment funds of the State. The Village Treasurer can confirm a bank's approved status by calling the Commissioner of Financial Institutions.

The Village Council can consider the policy at its November 13, 2000 meeting, and should adopt it in its present form or with desired changes. Once adopted, a copy of the policy must be given to all financial intermediaries, brokers and dealers doing business for the Village, each of

Ms. Lois Bull  
November 9, 2000  
Page 2

whom must acknowledge in writing its receipt of the policy and its agreement to comply with its terms.

Very truly yours,

  
James R. Brown

JRB:bjb  
Enclosure

cc w/encl: Mr. Wayne Koomen  
Ms. Barbara Bennitt