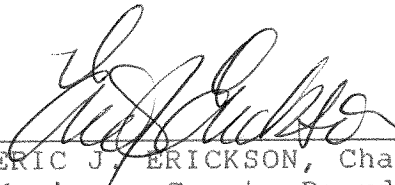


MARIPOSA COUNTY RESOLUTION NO. 88-370  
ADOPTING INVESTMENT POLICY AND GUIDELINES FOR MARIPOSA COUNTY

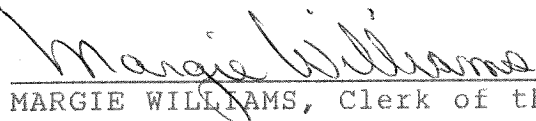
NOW THEREFORE BE IT RESOLVED, by the Mariposa County Board of Supervisors, a political subdivision of the State of California, that the Investment Policy and Guidelines as shown in Exhibit A, attached, be adopted for Mariposa County.

PASSED AND ADOPTED by the Mariposa County Board of Supervisors, this 5th day of July, 1988, by the following vote:

AYES: BAGGETT, DALTON, ERICKSON, RADANOVICH, TABER  
NOES: NONE  
ABSENT: NONE  
ABSTAINED: NONE

  
\_\_\_\_\_  
ERIC J. ERICKSON, Chairman  
Mariposa County Board of Supervisors

ATTEST:

  
\_\_\_\_\_  
MARGIE WILLIAMS, Clerk of the Board

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

  
\_\_\_\_\_  
JEFFREY G. GREEN, County Counsel

Date Proposed: May 16, 1988

MARIPOSA COUNTY

INVESTMENT POLICY/GUIDELINES

Although Government Codes permit a larger spectrum of investments, the following is specifically intended to further restrict and qualify that universe.

I. Investment Committee

Within the broad spectrum of activities of the County it is necessary to provide a framework for the regular and continuous management of investment funds. Because there is currently no formal Investment Committee, the Board of Supervisors will assume this responsibility.

II. Investment Policy

The policy shall be to invest excess cash in short-term and intermediate-term fixed income instruments earning a market rate of interest without assuming undue risk to principal. The primary objectives of such investments in order of importance shall be preservation of capital, maintenance of liquidity, and yield.

III. Investment Responsibility

Investments are the responsibility of the Treasurer/Tax Collector. This responsibility includes the authority to monitor investment advisors, open accounts with brokers, and establish safekeeping accounts or other arrangements for the custody of securities and to execute such documents as may be necessary.

Those authorized to execute transactions include: 1) The Treasurer/Tax Collector and, or 2) An investment advisor approved by the Board of Supervisors 3) A member of the Treasurer/Tax Collector's staff, as designated by him. The Treasurer/Tax Collector shall prepare so that there will continuously be available one qualified individual to execute the County's investments.

IV. Reporting

The Treasurer/Tax Collector shall be responsible for reporting the status of investments to the Board of Supervisors on a quarterly basis. Those reports should include a complete listing of securities held, and this report must be verified (audited) by parties either, inside or outside the County, who have no connection with the investment activities.

corporations that are organized and operating within the United States and having total assets in excess of \$500,000,000. and having an A or higher rating for the issuer's debt, other than commercial paper, if any, as provided for by Moody's Investors Service, Inc., or Standard & Poor's Corporation. Purchases may not exceed 180 days maturity nor represent more than 10% of the outstanding paper of an issuing corporation. Purchases may not exceed 15% of the County's surplus money. An additional 15%, or a total of 30% of the County's surplus money, may be invested. The additional 15% may be so invested only if the dollar weighted average maturity of the entire amount does not exceed 31 days.

**E. Corporate Notes and Bonds**

Instruments of this type are acceptable if rated at least A by either Moody's Investors Service, Inc. or Standard & Poor's credit rating services. Purchases of Medium Term Notes may not exceed 30% of the County's surplus money and a maximum maturity of five years.

**F. Repurchase Agreements**

Repurchase Agreements are acceptable using any of the securities listed above, as long as such instruments are negotiable/marketable and do not exceed other limitations as to exposure per issuer. The firm with whom the "Repo" is executed must be a credit acceptable bank or a "primary dealer" (reporting to the Federal Reserve). Collateral must equal 102% of the dollars invested, and the collateral must be delivered to the County's safekeeping bank and priced to market weekly (to assure correct collateral value coverage) if the "Repo" has longer than a seven-day maturity. Maximum maturity shall not exceed one month.

**G. Safekeeping Accounts**

Securities purchased should be delivered against payment and held in a custodian safekeeping account at the County's safekeeping bank. An exception shall be: (1) Repurchase Agreements made with approved (see above) banks or dealers for one week or less and (2) Time Deposits, for which no instruments are created. This safekeeping account will be audited quarterly by an entity that is not related to the investment function of the County and the results of that audit provided to the Board of Supervisors.

**H. Denomination**

All investments shall be in United States dollars.

**I. Diversification of Investments**

In no case shall more than thirty percent of the total portfolio be invested in obligations of any particular issuer except the U.S. Treasury.