City of Dana Investment Policy

The investment policy of the City of Dana is adopted to ensure that funds are are invested for the public's best interest. The highest priority of the investment policy is the safety of the funds. They are to be invested only in investment vehicles that provide the maximum level of safety. A second priority is to invest the funds to earn a resonable interest rate. The third priority is to invest the funds in local banks to promote economic activity in Dana.

The investment officer, using the guidelines below, has the discretion to determine which investment vehicle to use, and the length of the maturities for each investment. This is done considering the future needs of the funds and the status of the current interest rate market.

Checking Account

Funds required on a short term basis are to be deposited in the City checking accounts at Peoples Trust and Savings Bank. The balance is to be sufficient to cover any short term needs and not excessive as to sacrifice the opportunity for a higher interest rate return for a longer term investment.

Non-checking Investments

Funds that are not deposited in the checking account are to be deposited one of two alternative investment vehicles. They are certificates of deposits and the Iowa Public Agency Investment Trust.

1. Certificates of Deposit

Investments in certificates of deposit are to be made in one of the local banks. For CD's of $50,000.00 or less, it is at the discretion of the investment officer to determine from which banks the CD's are to be purchased. For CD's over $50,000.00, the investment officer is to request bids from each of the local banks.

2. Iowa Public Agency Investment Trust

The IPAIT investment vehicle is used to supplement the investment of CD's in local banks with a more flexible investment alternative. Investments are made in the IPAIT for the following reasons:

A. A higher level of liquidity than CD's is required and IPAIT interest rate is higher than the checking interest rate.

B. The short term interest rate is significantly higher than the rate for CD's.

C. Funds are received in intervals where it is more efficient to invest them in the IPAIT than in CD's.

This policy is adopted by the Dana City Council on this 20th day of May, 1992.

George Brabbe

City Clerk/Treasurer