



**City of Rochester Hills  
AGENDA SUMMARY  
NON-FINANCIAL ITEMS**

**1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)**

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**Legislative File No:** 2006-0200

**TO:** Mayor and City Council Members  
**FROM:** Kurt A. Dawson, Assessor/Treasurer 841-2416  
**DATE:** March 2, 2006  
**SUBJECT:** City Investment Policy

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**REQUEST:**

City Council is requested to adopt the attached resolution approving the revised Investment Policy for the City of Rochester Hills.

**BACKGROUND:**

The City's current Investment Policy requires any and all changes to the policy to be approved by Resolution of City Council. The proposed revisions of our policy are in reaction to recent requirements imposed by GASB 40, the need to update the policy for ordinance reference changes, and our desire to update the policy to conform to requirements necessary to obtain policy re-certification from our national treasurer's association, APT US&C.

The official GASB 40 statement lists a number of disclosures that are required to provide for risk management in the areas of deposits in financial institutions and for investments held by City of Rochester Hills. Our investment policy was modified to address the deposit and investment policies that are related to the risks that GASB 40 requires to be disclosed. More specifically, the policy contains provisions that address the acceptable levels of risk in the following four primary categories: credit risk; concentration risk; interest rate risk; and, foreign currency risk.

The investment policy was also modified to conform to the requirements necessary for APT US&C re-certification. The national association in 1998 last certified the policy. Our policy was redrafted to follow the suggested model investment policy and include any categories and appendix's not already incorporated in our existing policy. In addition to the language changes in the body of our policy, we have also added the three appendixes. Appendix A is an "Investment Procedures Manual" to assist Treasury staff in the day-to-day investment operations. Appendix B is a "Glossary" to assist the readers of the policy in understanding investment terminology. Appendix C is our existing "Acknowledgement of Receipt of the Investment Policy of the City of Rochester Hills and Agreement to Comply" that financial institutions and broker/dealers must complete in order to do business with the City of Rochester Hills.

**RECOMMENDATION:**

Recommend that City Council approve by Resolution the revised Investment Policy as presented.

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**RESOLUTION**

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**

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<b>APPROVALS:</b>	<b>SIGNATURE</b>	<b>DATE</b>
<b>Department Review</b>		
<b>Department Director</b>		
<b>Mayor</b>		
<b>City Council Liaison</b>		

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