

# Oakland County

## Local Government Investment Pool

### The County Treasurer's Commitment to You

The County's Local Government Investment Pool is committed to providing you an additional Investment Opportunity that is safe, easy to use and has a competitive rate of return.

### Who do I Contact?

Andy Meisner, County Treasurer  
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**Andy Meisner**  
**County Treasurer**



## The Oakland County Local Governmental Investment Pool

Oakland County's Local Government Investment Pool, formed under the Local Government Investment Pool Act, Act 121 of 1985, is a short-term fund designed for local units located in Oakland County. The Pool complies with all statutory requirements of Michigan Public Act 20 of 1943, as amended.

The fund is intended to fill the gap between your money market needs and your longer-term investments. The fund should be considered a long-term fund and should not replace your money market fund.

The pool is a well-diversified portfolio of high-quality, investment instruments. Holdings in the Pool may include money market funds, certificates of deposit, U.S. Treasury securities, U.S. Government agencies, commercial paper, bankers' acceptances and repurchase agreements.

### Investment Objective

It is the policy of the LGIP, pursuant to the Investment Policy of Oakland County, to invest LGIP assets in a manner which will seek the highest investment return consistent with the preservation of principal; to manage the LGIP portfolio to meet the liquidity needs of its participants; to ensure compliance with all Michigan statutes governing the investment of public funds; and to administer the LGIP in a manner which enables localities to comply with generally accepted accounting principles and the Governmental Accounting Standards Board's (GASB) reporting requirements. LGIP is offered exclusively and continuously to Oakland County local units.

The Treasurer of Oakland County and the Investment Unit of the County Treasurer's office serve as investment adviser to the portfolio. The Treasurer and his staff are responsible for the direct management of the investments; the development of cash management policies; forecasting of cash receipts and disbursements; procurement of banking services, and the issuance and management of the County's debt.

The Treasurer's investment staff, subject to approved policies and guidelines issued by the Board of Commissioners, make investment decisions for the portfolio and execute orders for the buying and selling of securities on behalf of the portfolio. The County Treasurer has contracted with a third party safe-keeper to provide Custody services for the portfolio.

The County Treasurer is committed to managing the portfolio in accordance with certain risk limiting provisions which help maintain a stable net asset value (NAV) of \$1.00 per share. Although the LGIP cannot guarantee a \$1.00 share price, this goal is facilitated as follows:

- The LGIP is managed in accordance with the "2a-7 like pool" risk limiting requirements of GASB Statement No. 31.

- The portfolio securities are valued by the amortized cost method, and on a monthly basis this valuation is compared to current market to monitor any variance.
- At the time of purchase, portfolio securities must have a remaining maturity of three years or less.
- Whenever possible, investments are limited to short-term, high quality credits that can be readily converted into cash with little price variation.

### Advantages to Participants

The LGIP offers Oakland County local units investment diversification, liquidity, and professional portfolio management. Through participation in the LGIP, Oakland County local units can take advantage of:

1. **Convenience and Compliance**-Participants own shares of the County's diversified portfolio, which is managed in compliance with Michigan's state statutes.
2. **Cash Management**-Next day liquidity permits flexibility and fine-tuning of cash management needs.
3. **Costs**-All administrative and management fees are deducted from the portfolio earnings prior to distribution of the earnings to participants; therefore, fees are totally transparent to participants.
4. **Statements**-Monthly statements include all transactions, the earnings rate, and the monthly dividend/interest.
5. **Competitiveness**-The LGIP offers a competitive rate of return, which should enhance the rates offered to you on alternative investments.

### Opening an Account

Opening an account is simple. Obtain application documents from the County Treasurer's office. Complete them as outlined and return them to the County Treasurer's office. At that point you're ready to participate.

Shares of the investment portfolio are offered on a continuous basis to local units located in the County of Oakland. Requests can be accepted until 1:00 p.m. on the date of investment; however, participants are urged to contact the County on the prior business day whenever practical.

An account must be opened with an initial investment of \$100,000. Subsequent investments or redemption can be made in any amount. A properly completed application indicating all individuals authorized to transact for the account must be received for each account before redemption can be honored.