

**Town of Barre, Vermont Sewer Capital Improvement Fund  
INVESTMENT/FINANCE POLICY**

**OBJECTIVE:**

The primary objectives of the Town of Barre investment/finance policy shall be: 1) security of principal, 2) liquidity as needed to meet projected expenditures, 3) return on investment, in that order of priority, and 4) to allow a method for obtaining funding for day to day operations as needed.

**AUTHORITY:**

The Treasurer for the Town of Barre, in accordance with this policy, shall be authorized to invest and reinvest the funds of the Town of Barre. The Manager for the Town of Barre, upon Selectboard authorization, shall be authorized to seek financing for the purchase of equipment, real estate, and other assets of the Town.

**AUTHORIZED FINANCIAL INSTITUTIONS:**

The investment of all Town of Barre funds shall be made with financial institution(s) that have offices in Vermont and are registered to do business in Vermont.

**ACCEPTABLE INVESTMENTS:**

The Treasurer is authorized to invest and deposit the Sewer Capital Improvement Fund as follows:

- Checking Accounts
- Certificates of Deposit
- Collateralized repurchase agreements
- Government-Sponsored Enterprise Notes (Fannie Mae, Freddie Mac)
- Money Market Accounts
- Municipal and State Bonds
- Obligations of U.S. Treasury (T. Bills, T. Notes, Bonds)
- Savings Accounts

To invest any funds in an option not listed above will require Selectboard approval and an amendment of this policy. The Treasurer of the Town of Barre will make decisions regarding the types of collateralization of deposits when needed. The form of collateral may include, but not be limited to, securities of the United States of America. Securities may be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts. *The Sewer Capital Improvement Fund investment will not contain any proceeds of municipal securities or municipal escrow investment (bond sales) proceeds.*

**ACCEPTABLE FINANCING**

The Treasurer/Town Manager, as authorized, may seek financing for day to day operations and/or for the purchase of equipment, as outlined in the section Authority, using one or more of the following methods:

- Lease financing
- Line of Credit
- Municipal and State Financing
- Tax Anticipation Borrowing
- Mortgages

**STANDARDS OF PRUDENCE:**

The standard to be used in making investments and by which investment decisions will be assessed shall be made with judgement and care under circumstances then prevailing. Investments will be made whereby the person(s) shall use discretion and intelligence to consider the probable safety of the capital as well as the probable income to be earned.

**DIVERSIFICATION OF THE INVESTMENT PORTFOLIO:**

The Treasurer shall maintain sufficient diversification of investments such that the ability of the Town of Barre to continue to do business on an ongoing basis will not be impaired because of a liquidity crisis occurring in any one institution with which the Town of Barre has invested.

**ETHICS AND CONFLICT OF INTEREST:**

Officials who participate in the investment process shall act responsibly as custodians of the funds and shall avoid any transactions that might impair their ability to make impartial decisions or impair public confidence. Officials shall disclose any position held with a financial institution in which Town funds are invested.

**REVIEW PROCESS:**

The Treasurer will report investment activity quarterly to the Selectboard and annually in the Town Report. The report to the Selectboard shall include, as a minimum, portfolio composition, type of investment, earnings and rate of return for the reporting quarter.

Adopted by the Barre Town Selectboard this 28<sup>th</sup> day of July, 2015.

X *John C. Beers*  
Chairperson

X *Thomas U. [unclear]*

X *Jack Mitchell*

X *Robert S. Lallier*

X *Russell [unclear]*

**BARRE TOWN SELECTBOARD**

X *Donna J. Kelty*  
Donna J. Kelty, Town Clerk/Treasurer