



**IMU Board of Trustees of the  
Electric, Water and Communications Utilities  
February 8, 2016  
City Hall Council Chambers  
5:30 p.m.**

**Agenda**

1. Call to Order
2. Roll Call
3. Public Comments
4. Consent Agenda
  - A. Claims List for February 2, 2016
  - B. Minutes from the January 25, 2016 Board of Trustees Meeting
  - C. Quarterly Write-Offs to State Offset Program
  - D. Salaries, Line Apprentice
  - E. Salaries, Line Apprentice
5. Electric Utility Informational Items
6. Water Utility Informational Items
7. Communications Utility Informational Items
8. Combined Electric, Water and Communications Utility Informational Items
  - A. Consider Moving the February 22, 2016 Trustee Meeting to February 29, 2016
  - B. Discuss Trustee Meeting Schedule
9. Combined Electric, Water and Communications Utility Action Items
  - A. Consider Setting February 29, 2016 as the Public Hearing for the FY 2016-17 Budget
  - B. Annual Adoption of the Investment Policy

- C. Resolution Naming Depositories
- 10. Other Business
- 11. Adjourn

**Information**

**Subject**

Claims List for February 2, 2016

**Information**

The claims List for February 2, 2016 is attached for formal approval.

**Financial Impact**

N/A

**Staff Recommendation**

Simple motion is in order.

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**Attachments**

APPROVAL OF CLAIMS - IMU 02-02-16

Vendor Name	GL Account Number	Description	Invoice Date	Net Invoice Amount
<b>WATER OPERATING FUND</b>				
AUTOMATIC SYSTEMS CO.	600-8120-63410	REPAIRS	01/11/2016	667.50
CASUAL RAGS	600-8110-65500	IMU SHIRTS - ELBERT	01/12/2016	51.96
CUNNINGHAM, GARRY	600-8110-62300	GRADE 1 DISTRIBUTION TEST	01/26/2016	30.00
DES MOINES WATER WORKS	600-8150-63453	PINPOINT LEAK E IA AT N JEFFERSON	01/11/2016	386.00
DITTMER, GREGORY	600-8110-62300	GRADE 1 DISTRIBUTION	01/26/2016	30.00
DUST PROS JANITORIAL	600-8120-64090	MONTHLY CLEANING (JAN) - WATER DEPT.	01/22/2016	180.00
DUST PROS JANITORIAL	600-8120-64090	JANITORIAL SUPPLIES - TOWELS	01/22/2016	55.58
GRAYMONT WESTERN LIME IN	600-8110-65010	HIGH CALCIUM QUICKLIME	01/20/2016	4,252.67
IOWA ASSOC OF MUN UTILITIE	600-8110-62300	NOV. SAFETY TRAINING - WATER	12/31/2015	131.76
POWERS, ROD	600-8110-62300	GRADE 1 DISTRIBUTION TEST	01/26/2016	30.00
U.S. CELLULAR	600-8110-63730	CELL PHONE - 4	01/12/2016	170.18
WARREN COUNTY ENGINEER	600-8160-65050	FUEL DISTRIBUTION	01/08/2016	463.43
Total WATER OPERATING FUND:				6,449.08
<b>IMU ADMINISTRATION FUND</b>				
CASUAL RAGS	620-8090-65070	IMU SHIRTS - STANGEL & KLOOTWYK	01/12/2016	173.90
INFOMAX OFFICE SYSTEMS IN	620-8090-64990	OVERAGE CHARGES (336)	01/21/2016	23.97
INFOMAX OFFICE SYSTEMS IN	620-8090-64990	SAVIN - IMAGING UNIT CONTRACT	01/21/2016	58.68
IOWA ONE CALL	620-8090-63730	ADDITIONAL VOICE CALL FOR DECEMBER 2	12/08/2015	1.00
IOWA ONE CALL	620-8090-63730	EL-LOCATING NOTIFICATION/108 TICKETS	01/13/2016	97.20
IOWA ONE CALL	620-8090-63730	WA-LOCATING NOTIFICATIONS/116 TICKET	01/13/2016	104.40
METCALF, MIKE	620-8080-61440	WELLNESS 1/18/16 - 2/17/16	01/18/2016	25.00
PAPER 101	620-8090-65070	PAPER	01/19/2016	215.04
SHULL, DOUG	620-8090-64990	TREASURER CONTRACT	01/26/2016	83.34
SPEE-DEE DELIVERY SERVICE	620-8090-65080	MATERIALS SHIPPED TO SKARSHAUG FOR	01/11/2016	27.04
STANGEL, ROBERT	620-8090-62700	MILEAGE	01/20/2016	462.24
Total IMU ADMINISTRATION FUND:				1,271.81
<b>ELECTRIC OPERATING FUND</b>				
CASUAL RAGS	630-8240-65500	IMU SHIRTS - METCALF	01/12/2016	87.94
CINTAS FIRST AID & SAFETY	630-8250-65072	1ST AID SUPPLIES	01/08/2016	175.14
CITY OF INDIANOLA - REBATE	630-8290-67306	CENTRAL AIR	11/21/2015	200.00
CITY OF INDIANOLA - REBATE	630-8290-67306	GEOTHERMAL HEAT PUMP	01/25/2016	1,000.00
CITY OF INDIANOLA - REBATE	630-8290-67306	COMMERCIAL LIGHTING	01/20/2016	136.00
CITY OF INDIANOLA - REBATE	630-8290-67306	COMMERCIAL LIGHTING	01/22/2016	832.00
DUST PROS JANITORIAL	630-8220-64090	MONTHLY CLEANING (JAN.) - ADMIN & ELEC	01/22/2016	1,568.80
DUST PROS JANITORIAL	630-8220-64090	JANITORIAL SUPPLIES - IMU ADMIN & PLAN	01/22/2016	100.10
DUST PROS JANITORIAL	630-8220-64090	JANITORIAL SUPPLIES - LINE SHOP - PULL	01/22/2016	39.01
DUST PROS JANITORIAL	630-8220-64090	JANITORIAL SUPPLIES - LINE SHOP - ROLL	01/22/2016	36.39
ELECTRICAL ENG & EQUIP	630-8225-63410	MINIATURE CIRCUIT BREAKER FOR BLACK	01/08/2016	66.76
IOWA ASSOC OF MUN UTILITIE	630-8240-62300	NOV. SAFETY TRAINING - ELECTRIC	12/31/2015	329.40
IOWA PLAINS SIGNING INC	630-8250-65072	SAFETY CONES FOR ELECTRIC DEPARTME	01/20/2016	340.00
MC MASTER-CARR SUPPLY CO	630-8250-65072	BATTERY FOR LIGHT TIMER ON BUILDING	01/14/2016	17.87
MID AMERICAN ENERGY CO.	630-8210-63710	80950-24015 PLANT GAS 12/17/15 - 01/21/16	01/22/2016	55.00
MID AMERICAN ENERGY CO.	630-8240-63710	52180-25018 LINE SHOP (1098 THERMS)	01/22/2016	572.56
MID AMERICAN ENERGY CO.	630-8210-63710	52390-25019 BOILER GAS (2682 THERMS)	01/22/2016	1,313.29
MID AMERICAN ENERGY CO.	630-8210-63710	07991-36014 WEST SUB (O KWH)	01/18/2016	10.00
MIDWEST ALARM SERVICES	630-8250-64200	FIRE INSPECTION - BRYCER COMPLIANCE	01/20/2016	15.90
U.S. CELLULAR	630-8240-63730	CELL PHONE - 11	01/12/2016	473.76
WARREN COUNTY ENGINEER	630-8260-65050	FUEL DISTRIBUTION	01/08/2016	1,326.57
WARREN COUNTY TREASURE	630-8255-65990	PROPERTY TAXES IMU	01/19/2016	431.00
WARREN COUNTY TREASURE	630-8240-65990	PROPERTY TAXES - 205 E BOSTON	01/19/2016	534.00
WESCO	630-8260-65072	CLIMBING BELT FOR SCHRIER	01/12/2016	453.30
WESCO	630-8260-65072	FR HOODIE FOR SCHRIER	01/15/2016	119.78

Vendor Name	GL Account Number	Description	Invoice Date	Net Invoice Amount
Total ELECTRIC OPERATING FUND:				10,234.57
<b>FIBER/COMMUNICATIONS FUND</b>				
IOWA ONE CALL	640-8550-64990	ADDITIONAL VOICE CALL FOR DECEMBER 2	12/08/2015	1.00
IOWA ONE CALL	640-8550-64990	FIBER-LOCATING NOTIFICATION/79 TICKET	01/13/2016	71.10
Total FIBER/COMMUNICATIONS FUND:				72.10
<b>ELECTRIC CAPITAL PROJECTS FUND</b>				
CALIX NETWORKS INC	730-8200-67906	ONT'S & POWER SUPPLY, FIBER BLADE AN	01/12/2016	13,955.92
CR SERVICES	730-8200-67906	SAFETY GLASSES & ELECTRICAL CLEANER	01/11/2016	85.64
KRIZ-DAVIS COMPANY	730-8200-67906	PHOTO CONTROLS 250 WATT LIGHT BULBS	01/08/2016	300.19
KRIZ-DAVIS COMPANY	730-8200-67906	100 AMP FUSES	01/15/2016	135.47
STUART C. IRBY CO	730-8200-67906	MB 12" X 5/8 BOLTS	01/06/2016	31.80
VANDERPOOL PLUMBING	730-8200-67604	1303 NORTH 7TH - ONT	01/12/2016	122.04
WESCO	730-8200-67906	MISC. PARTS FOR OVERHEAD AND UNDER	01/12/2016	2,705.39
WESCO	730-8200-67906	SHRINK TUBES	01/12/2016	364.75
Total ELECTRIC CAPITAL PROJECTS FUND:				17,701.20
<b>CASH ALLOCATION FUND</b>				
BURGE RENTAL, WARREN	999-0000-11005	REFUND CREDIT ON ACCT #6-10001-02	01/21/2016	118.33
CLASSIC BUILDERS	999-0000-11005	REFUND CREDIT ON ACCT #27-28001-01	01/21/2016	193.86
IMPACT COMMUNITY ACTION P	999-0000-11005	REFUND EA FOR BETTY CHRISTENSEN	01/21/2016	440.00
KEEVER, PHYLLIS	999-0000-11005	REFUND CREDIT ON ACCT #17-16809-01	01/21/2016	15.75
SIMONSEN, JESSICA	999-0000-11005	REFUND CREDIT ON ACCT #19-19201-06	01/21/2016	36.22
Total CASH ALLOCATION FUND:				804.16
Grand Totals:				36,532.92

Board of Trustees: \_\_\_\_\_  
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**IMU Regular Downstairs**

**4. B.**

**Meeting Date:** 02/08/2016

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**Information**

**Subject**

Minutes from the January 25, 2016 Board of Trustees Meeting

**Information**

The minutes from the January 25, 2016 Board of Trustees Meeting are attached for formal approval.

**Financial Impact**

N/A

**Staff Recommendation**

Simple motion is in order.

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**Attachments**

[IMU 160125 Minutes](#)

BOARD OF TRUSTEE MINUTES  
REGULAR SESSION – JANUARY 25, 2016

The Board of Trustees met in regular session at 5:30 p.m. on January 25, 2016 in the City Hall Council Chambers. Vice Chairperson Adam Voigts called the meeting to order and on roll call the following members were present: Jim McClymond (via phone), Mike Rozga, and Adam Voigts. Absent: Deb White.

The consent agenda consisting of the following was approved on a motion by Rozga and seconded by McClymond. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

January 19, 2016 claims

January 11, 2016 minutes

Electric, Water and Communications Utilities Combined Informational Items

The December 2015 Treasurer's report and budget variance report were approved on a motion by Rozga and seconded by McClymond. Question was called for and on voice vote the Vice Chairperson declared the motion carried unanimously.

Mike Metcalf presented the 2015 fourth quarter safety report.

Electric Superintendent Mike Metcalf presented the Electric Utility Informational Items.

The Water Utility Information Items was presented by Water Superintendent Lou Elbert.

Electric Superintendent Mike Metcalf reported on the Communications Utility Action Items.

Board member Rozga moved and McClymond seconded to approve Magellan Advisors of Denver, Colorado in an amount of \$39,200.00 as the Consulting Firm for a Fiber-To-The Home Feasibility Study. Question was called for and on voice vote the Vice Chairperson declared the motion carried unanimously.

Meeting adjourned on a motion by McClymond and seconded by Rozga.

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Adam Voigts, Vice Chairperson

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Diana Bowlin, City Clerk

**Meeting Date:** 02/08/2016

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**Information**

**Subject**

Quarterly Write-Offs to State Offset Program

**Information**

Attached are the 4th Quarter (Oct-Dec) 2015 uncollected electric and water billings that will be sent to the state offset program. The amount for the Electric Utility is \$22,012.99 (.75% of quarterly billings) and the amount for the Water Utility is \$4,685.68 (.84% of quarterly billings).

Just as an informational item, a total of \$49,661 of previously written off accounts was recovered during the 2015 calendar year.

**Financial Impact**

N/A

**Staff Recommendation**

Simple motion to approve is in order.

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**Attachments**

4th Quarter 2015 Write-Offs

## February 2016

(Billed from October 2015 thru December 2015)

Electric Billed	\$2,951,738.89
Electric Sent to State Offsets	\$22,012.99
Water Billed	\$557,650.12
Water Sent to State Offsets	\$4,685.68

### Total # of accounts wrote off - 84

<u>Service</u>	<u>Total Dollar Amount</u>
Electric	\$22,012.99
Water	\$4,685.68
Sewer	\$5,313.43
Recycling	\$663.76
Disconnect Notice Fee	\$1,376.36
I&I	\$210.00
Stormwater Fee	\$143.91

**Grand Total** \$34,406.13

**Meeting Date:** 02/08/2016

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**Information**

**Subject**

Salaries, Line Apprentice

**Information**

IMU's newest line apprentice, Eric Schreier, was hired in December with electric line experience and training above that of an entry level candidate. Because Eric had been enrolled in an apprenticeship offered by his previous employer, he requested and successfully completed a placement test through the Iowa Association of Municipal Utilities and is now at Year 2, Step 4 in the IAMU State Apprenticeship Program.

In accordance with the union contract, Eric is eligible to move from Range 26-1, \$46,279 to Range 26-2, \$48,594 retro-active to January 1, 2016 which is the date the state committee voted to approve Eric's change in status. IMU's local apprenticeship committee concurs with the recommendation.

**Financial Impact**

N/A

**Staff Recommendation**

Simple motion to approve is in order.

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**Meeting Date:** 02/08/2016

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**Information**

**Subject**

Salaries, Line Apprentice

**Information**

Stephen Clingman has successfully met the requirements of a second year Line Apprentice and IMU Apprenticeship Committee is recommending that he be moved from Range 26-2, \$48,594 to Range 26-3, \$51,023 plus longevity.

**Financial Impact**

N/A

**Staff Recommendation**

Simple motion to approve is in order.

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**Meeting Date:** 02/08/2016

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**Information**

**Subject**

Consider Moving the February 22, 2016 Trustee Meeting to February 29, 2016

**Information**

Staff is recommending moving the regularly scheduled Trustee meeting on February 22, 2016 to February 29, 2016 in order to hold a Public Hearing on the FY 2016-17 budget.

**Financial Impact**

N/A

**Staff Recommendation**

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**IMU Regular Downstairs**

8. B.

**Meeting Date:** 02/08/2016

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**Information**

**Subject**

Discuss Trustee Meeting Schedule

**Information**

Staff will lead a discussion regarding the IMU Utility Board meeting schedule based upon other Iowa municipalities. Trustee input is encouraged.

**Financial Impact**

N/A

**Staff Recommendation**

Discussion item only.

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**Meeting Date:** 02/08/2016

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**Information**

**Subject**

Consider Setting February 29, 2016 as the Public Hearing for the FY 2016-17 Budget

**Information**

A public hearing is required prior to Trustee's final approval of the FY 16-17 budget. Staff is recommending that it be held at the February 29, 2016 board meeting. Iowa Code requires public notice of the hearing not less than 10 nor more than 20 days before the hearing on February 29th. The publication will be in the Record Herald and Indianola Tribune on February 17th to meet notice requirements.

**Financial Impact**

N/A

**Staff Recommendation**

Roll call setting February 29, 2016 as the budget public hearing is in order.

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**Meeting Date:** 02/08/2016

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**Information**

**Subject**

Annual Adoption of the Investment Policy

**Information**

The IMU investment Policy is attached to this agenda item. Approval of this policy is an annual item and no changes are being recommended.

**Financial Impact**

N/A

**Staff Recommendation**

Simple motion to approve is in order.

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**Attachments**

[IMU Investment Policy](#)

**INDIANOLA MUNICIPAL UTILITIES  
INVESTMENT POLICY**

**SECTION 1 -- SCOPE OF INVESTMENT POLICY**

The Investment Policy of the Indianola Municipal Utilities shall apply to all operating funds, bond proceeds and other funds and all investment transactions involving operating funds, bond proceeds and other funds accounted for in the financial statements of the Indianola Municipal Utilities. Each investment made pursuant to this Investment Policy must be authorized by applicable law and this written Investment Policy.

The investment of bond funds or sinking funds shall comply not only with this investment policy, but also be consistent with any applicable bond resolution.

This Investment Policy is intended to comply with Iowa Code Chapter 12B and 12C.

Upon passage and upon future amendment, if any, copies of this Investment Policy shall be delivered to all of the following:

1. The governing body or officer of the Indianola Municipal Utilities to which the Investment Policy applies.
2. All depository institutions or fiduciaries for public funds of the Indianola Municipal Utilities.
3. The auditor engaged to audit any fund of the Indianola Municipal Utilities.

In addition, a copy of this Investment Policy shall be delivered to every fiduciary or third party assisting with or facilitating investment of the funds of the Indianola Municipal Utilities.

**SECTION 2 -- DELEGATION OF AUTHORITY**

In accordance with Section 12B.10(1), the responsibility for conducting investment transactions resides with the Treasurer and Finance Director of Indianola. Only the Treasurer and Finance Director and those authorized by ordinance or resolution may invest public funds and a copy of any empowering ordinance or resolution shall be attached to this Investment Policy.

All contracts or agreements with outside persons investing public funds, advising on the investment of public funds, directing the deposit or investment of public funds or acting in a fiduciary capacity for the Indianola Municipal Utilities shall require the outside person to notify in writing the Finance Director Clerk within thirty days of receipt of all communication from the Auditor of the outside person or any regulatory authority of the existence of a material weakness in internal control structure of the outside person or regulatory orders or sanctions regarding the type of services being provided to the Indianola Municipal Utilities by the outside person.

The records of investment transactions made by or on behalf of the Indianola Municipal Utilities are public records and are the property of the Indianola Municipal Utilities whether in the custody of the Finance Director Clerk or in the custody of a fiduciary or other third party.

The Treasurer and Finance Director shall establish a written system of internal controls and investment practices. The controls shall be designed to prevent losses of public funds, to document those officers and

employees of the Indianola Municipal Utilities responsible for elements of the investment process and to address the capability of investment management. The controls shall provide for receipt and review of the audited financial statement and related report on internal control structure of all outside persons performing any of the following for this public body.

1. Investing public funds.
2. Advising on the investment of public funds.
3. Directing the deposit or investment of public funds.
4. Acting in a fiduciary capacity for this public body.

A Bank, Savings and Loan Association or Credit Union providing only depository services shall not be required to provide an audited financial statement and related report on internal control structure.

The Treasurer of Indianola and all employees authorized to place investments shall be bonded in the amount of \$25,000.

### **SECTION 3 -- OBJECTIVE OF INVESTMENT POLICY**

The primary objectives, in order of priority, of all investment activities involving the financial assets of the Indianola Municipal Utilities shall be the following:

1. Safety: Safety and preservation of principal in the overall portfolio is the foremost investment objective.
2. Liquidity: Maintaining the necessary liquidity to match expected liabilities is the second investment objective.
3. Return: Obtaining a reasonable return is the third investment objective.

### **SECTION 4 -- PRUDENCE**

The Treasurer of Indianola, when investing or depositing public funds, shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use to attain the Section 3 investment objectives. This standard requires that when making investment decisions, the Treasurer shall consider the role that the investment or deposit plays within the portfolio of assets of the Indianola Municipal Utilities and the investment objectives stated in Section 3.

### **SECTION 5 -- INSTRUMENTS ELIGIBLE FOR INVESTMENT**

Assets of the Indianola Municipal Utilities may be invested in the following:

- Interest bearing savings accounts, interest bearing money market accounts, and interest bearing checking accounts at any bank, savings and loan association or credit union in the State of Iowa. Each bank must be on the most recent Approved Bank List as distributed by the Treasurer of the State of Iowa or as amended as necessary by notice inserted in the monthly mailing by the Rate Setting Committee. Each financial institution shall be properly declared as a depository by the governing body of the Indianola Municipal Utilities. Deposits in any financial institution shall not exceed the maximum approved by the governing body of the Indianola Municipal Utilities.

- Obligations of the United States government, its agencies and instrumentality's.
- Certificates of deposit and other evidences of deposit at federally insured depository institutions approved and secured pursuant to Chapter 12C.
- Iowa Public Agency Investment Trust (IPAIT).
- Prime bankers' acceptance that mature within 180 days of purchase and that are eligible for purchase by a federal reserve bank.
- Commercial paper or other short-term corporate debt that matures within 270 days of purchase and is rated within the highest classification, as established by at least one of the standard ratings services approved by the superintendent of banking. If rated by two services, the highest classification in both.
- Repurchase agreements collateralized at no less than 102% and provided that the underlying collateral consists of obligations of the United States government, its agencies and instrumentality's and the Trustee Clerk takes delivery of the collateral either directly or through an authorized custodian. Broker/dealer must be of highest rating or bank must be on Approved Bank List discussed earlier in this Policy Section.
- An open-end management investment company registered with the Securities & Exchange Commission under the federal Investment Company Act of 1940, 15 U.S.C. Section 80(a) and operated in accordance with 17 C.F.R. Section 270.2a-7, whose portfolio investments are limited to those instruments individually authorized in Section 5 of this Investment Policy.
- Mortgage Backed Securities that are unleveraged, straight fixed or floating rate and are issued directly by a U.S. Government Agency or securitized by Government Agency sponsored mortgages.
- All instruments eligible for investment are further qualified by all other provisions of this Investment Policy, including Section 7 investment maturity limitations and Section 8 diversification requirements.

## **SECTION 6 -- PROHIBITED INVESTMENTS AND INVESTMENT PRACTICES**

### **DERIVATIVES AND STRUCTURED SECURITIES DEFINED**

Financial derivatives are broadly defined as financial instruments which derive their value from the performance of a wide assortment of financial contracts, including structured debt obligations and deposits, swaps, exchange traded futures, exchange traded over the counter options, caps, floors, collars, mortgage backed securities, foreign exchange forwards, tender option bonds, and various combinations thereof.

Assets of the Indianola Municipal Utilities shall not be invested in the following:

1. Any derivative or structured security which does not have a readily available pricing service or broker/dealer quote source.
2. Any derivative or structured security whose duration cannot be modeled effectively.
3. Any derivative or structured security with exposure to the following: borrowing/external leverage, foreign currency, equity, commodity licenses or other non-fixed income instruments.
4. Any other derivative or structured security not specifically named as eligible in Section 5.
5. Reverse repurchase agreements.
6. Futures and options contracts.

Assets of the Indianola Municipal Utilities shall not be invested pursuant to the following investment practices:

1. Trading of securities for speculation or the realization of short-term trading gains.
2. Pursuant to a contract providing for the compensation of an agent of fiduciary based upon the performance of the investment assets.
3. If a fiduciary or other third party with custody of public investment transaction records of the Indianola Municipal Utilities fails to produce requested records when requested by this public body within a reasonable time, the City Treasurer shall make no new investment with or through the fiduciary or third party and shall not renew maturing investments with or through the fiduciary or third party.

#### **SECTION 7 -- INVESTMENT MATURITY LIMITATIONS**

- Operating Funds must be identified and distinguished from all other funds available for investment. Operating Funds are defined as those funds which are reasonably expected to be expended during a current budget year or within fifteen months of receipt.
- All investments authorized in Section 5 are further subject to the following investment maturity limitations:
  1. Operating Funds may only be invested in instruments authorized in Section 5 of this Investment Policy that mature within three hundred ninety-seven (397) days.
  2. The Treasurer may invest funds of the Indianola Municipal Utilities that are not identified as Operating funds in investments with maturities longer than three hundred ninety-seven (397) days. However, all investments of the Indianola Municipal Utilities shall have maturities that are consistent , with the needs and uses of the Indianola Municipal Utilities.
  3. The diversity of fixed income securities shall match cash flow needs with an absolute effective duration range of 2-5 years.

#### **SECTION 8 -- DIVERSIFICATION**

Investments of the Indianola Municipal Utilities are subject to the following diversification requirements:

Prime bankers' acceptances:

1. At the time of purchase, no more than ten percent (10%) of the investment portfolio of the Indianola Municipal Utilities shall be invested in prime bankers' acceptances, and
2. At the time of purchase, no more than five percent (5%) of the investment portfolio of the Indianola Municipal Utilities shall be invested in the securities of a single issuer.

Commercial paper or short-term corporate debt:

1. At the time of purchase, no more than ten percent (10%) of the investment portfolio of the Indianola Municipal Utilities shall be in commercial paper or other short-term corporate debt, and
2. At the time of purchase, no more than five percent (5%) of the investment portfolio of the Indianola Municipal Utilities shall be invested in the securities of a single issuer.

Where possible, it is the policy of the Indianola Municipal Utilities to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In establishing specific diversification strategies, the following general policies and constraints shall apply:

1. Portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide stability of income and reasonable liquidity.
2. Liquidity practices shall ensure that the next scheduled disbursement is covered through maturing investments, marketable U.S. Treasury bills or cash on hand.
3. Risks of market price volatility shall be controlled through maturity diversification so that aggregate price losses on instruments with maturities approaching one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

## **SECTION 9 -- SAFEKEEPING AND CUSTODY**

All invested assets of the Indianola Municipal Utilities involving the use of a public funds custodial agreement, as defined in Section 12B.10, shall comply with all rules adopted pursuant to Section 12B.10. All custodial agreements shall be in writing and shall contain a provision that all custodial services be provided in accordance with the laws of the state of Iowa.

## **SECTION 10 -- ETHICS AND CONFLICT OF INTEREST**

The Treasurer and all officers and employees of the Indianola Municipal Utilities involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

## **SECTION 11 -- REPORTING**

The Treasurer shall submit annually an investment report that summarizes recent market conditions and investment strategies employed since the last investment report. The investment report shall set out the current portfolio in terms of maturity, rates of return and other features and summarize all investment transactions that have occurred during the reporting period and compare the investment results with the budgetary expectations. A quarterly review of the portfolio shall be received with the emphasis on performance, stress test, etc. The Board of Trustees may approve exceptions to this policy on a short term basis so long as complete compliance remains the ultimate goal.

**SECTION 12 -- INVESTMENT POLICY REVIEW AND AMENDMENT**

This Investment Policy shall be reviewed annually or more frequently as appropriate. Notice of amendments to the Investment Policy shall be promptly given to all parties noted in Section 1.

APPROVED THIS \_\_8th\_\_ day of February, 2016.

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Deb White, Chairperson

Attest:

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Diana Bowlin, City Clerk

**Meeting Date:** 02/08/2016

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**Information**

**Subject**

Resolution Naming Depositories

**Information**

Cities are required to adopt an annual resolution indicating where and what amount of its funds are deposited in financial institutions. Attached to this agenda item is the annual resolution designating Indianola's (city and utility) deposits. Attempts are made to spread the funds locally. The \$24 million in the Bankers Trust account is for the investment portfolio.

**Financial Impact**

N/A

**Staff Recommendation**

Roll call vote is in order.

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**Attachments**

Resolution Naming Depositories

Trustee member \_\_\_\_\_ introduced the following Resolution Naming Depositories and moved its approval. \_\_\_\_\_ seconded the motion. Question was called for and on roll call the Chairperson declared the motion carried.

### RESOLUTION NAMING DEPOSITORIES

BE IT RESOLVED by the Board of Trustees of Indianola Municipal Utilities of Indianola in Warren County, Iowa; That we do hereby designate the following named banks and savings and loans to be depositories of the Indianola Municipal Utilities funds in amounts not to exceed the amount named opposite each of said designated depositories and the City Clerk is hereby authorized to deposit the Indianola Municipal Utilities funds in amounts not to exceed in the aggregate the amounts named for said banks and savings and loans as follows, to wit:

<u>Depository</u>	<u>Location</u>	<u>Maximum Deposit In Effect Under Prior Resolution</u>	<u>Maximum Deposit In Effect Under This Resolution</u>
Bankers Trust	665 Locust St. Des Moines, Ia	\$24,000,000	\$24,000,000
City State Bank	1510 N. 1 <sup>st</sup> Indianola, Ia	\$20,000,000	\$20,000,000
Community Bank	1401 N. Jefferson Indianola, Ia	\$ 1,000,000	\$ 1,000,000
Wells Fargo Bank	509 N. Jefferson Indianola, Ia	\$ 1,000,000	\$ 1,000,000
Peoples Bank	400 E. Iowa Indianola, Ia	\$ 1,000,000	\$ 1,000,000
Regions Bank	114 N. Howard Indianola, Ia	\$ 1,000,000	\$ 1,000,000
Bank of The West	211 E. Boston Indianola, Ia	\$ 1,000,000	\$ 1,000,000

The vote on the Resolution is as follows: AYES: NAYS: None. ABSENT:

Dated at Indianola, Iowa this \_\_8th\_\_ day of February, 2016.

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Deb White, Chairperson

ATTEST:

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Diana Bowlin, City Clerk