

City of Sheridan

Resolution 37-19

A resolution of the City of Sheridan adopting the City of Sheridan Statement of Investment Policy pursuant to W.S. § 8-4-831(h) and replacing City of Sheridan Resolution #15-96.

RECITALS

WHEREAS, the City of Sheridan is required pursuant to W.S. § 8-4-831(h) to adopt an investment policy; and

WHEREAS, the City adopted Resolution #15-96 adopting a "Statement of Investment Policy for the City of Sheridan" and subsequently updated the policy on January 6, 2011; and

WHEREAS, the City of Sheridan Governing Body finds it is necessary up date and replace the prior resolution and Statement of Investment Policy.


BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SHERIDAN:

- (1) Resolution #15-96 and subsequent investment policies are repealed.
- (2) The City of Sheridan Governing Body adopts the Statement of Investment Policy which is attached and incorporated herein.

Passed, approved and adopted this 7th day of October 2019.



Roger Miller, Mayor

ATTEST: 

City Clerk



City of Sheridan
Statement of Investment Policy
Revised and Adopted October 7, 2019

1. General:

This Statement of Investment Policy is adopted Pursuant to requirements of W.S. 9-4-831(h). It is the policy of the City of Sheridan to invest public funds in a manner which will provide a reasonable rate of return while assuring the maximum security of principal, meeting the daily cash flow demands of the City of Sheridan and conforming to all federal, state and local laws and regulations governing the investment of public funds.

2. Scope:

This Policy applies to all deposits and investments of the City of Sheridan. All deposits and investments are accounted for in the City's general ledger and subject to the City's system of internal control. Any new deposit or investment account will also be subject to this Policy and to the requirements of W.S. 9-4-831.

3. Objectives:

The primary objectives, in priority order, of the City of Sheridan's investment activities, shall be safety, liquidity and yield:

A. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

i. Credit Risk

The City of Sheridan will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the safest types of securities and those allowed by Wyoming State Statute.
- Diversifying the investment portfolio so that the impact of the potential losses from any one type of security or from any one individual issuer will be minimized.
- Holding a minimum of 5% of the total portfolio in highly marketable short-term treasuries, checking with interest, government pooled accounts, or a combination of all three.

ii. Interest Rate Risk

The City of Sheridan will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Purchasing investments with the intent to hold until maturity.
- Investing operating funds primarily in shorter term securities, WYO-STAR or WGIF, and limiting the duration of the portfolio in accordance with this policy.

B. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds, WYO-STAR or WGIF, which offer same day liquidity for short-term funds. The City of Sheridan will not directly invest in securities maturing more than five (5) years from the date of settlement.

C. Yield (Return on investment)

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

4. Investment Committee:

In order to facilitate direct communication to the Council, the City of Sheridan Finance Committee shall be established. The Committee shall be composed of:

- The City Administrator
- The City Treasurer
- The City Assistant Treasurer
- Two City Council Members

The purpose of the committee as it relates to the investing program shall be:

- The periodic review of and report on the City's investment activities.
- The periodic review of the City's investment policy.
- Review and comment on any amendments of the City's investment policy as proposed by the City Treasurer.

5. Standards of Care:

A. Prudence

The standard of prudence to be used by the investment official shall be the "prudent investor rule" as specified in the Wyoming Uniform Prudent Investor Act, W.S. 4-10-901 through 4-10-913, and shall be applied in the context of managing an overall portfolio. The City Treasurer, acting in accordance with this Policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

The "prudent investor rule" states that "Investments shall be made using the judgment and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital."

B. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and the City Treasurer shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

6. Investment Authority and Responsibility:

A. Delegation of Authority

Responsibility for the operation of the investment program is hereby delegated to the City of Sheridan Treasurer who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the City of Sheridan Treasurer. The City of Sheridan Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

B. Responsibility Assigned

The City of Sheridan Treasurer shall invest all funds for the City in accordance with this Policy. In the absence of the City Treasurer, authority is delegated first to the City Administrator and then to the Assistant Treasurer. All designees shall act in accordance with established policies and internal controls as outlined in the investment policy.

7. Investment Procedures

The City of Sheridan Treasurer shall establish written investment procedures consistent with this investment policy for the operation of the investment program. Procedures shall include: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, internal controls, collateral/depository agreements, daily cash flow review, basis for awarding bids, authorized personnel, and portfolio inventory.

The procedures document is intended to provide guidance for staff and to provide continuity in the event of an interruption of service of the City of Sheridan Treasurer.

8. Authorized Financial Institutions, Depositories, and Broker/Dealers:

All financial institutions, broker/dealers and registered investment advisors who desire to become qualified bidders for investment transactions must supply the City Treasurer with the following.

- Audited Financial Statements
- Proof of membership with FINRA, the Securities Exchange Commission (SEC), or other authorities
- Proof of State Registration with the State of Wyoming
- Evidence of adequate insurance coverage
- Signed statement of having read and agreeing to abide by the City of Sheridan's Statement of Investment Policy
- Copy of the broker's license for the individuals servicing the account
- Resumes of individuals servicing the account
- Any pending legal or regulatory sanctions

9. Statement of Compliance:

The City's investment portfolio will be managed with a commitment toward the benefit of the City. To this end, investing with local institutions, domestic instruments offered by brokers/dealers, or through approved registered investment advisors or banks authorized to conduct business in the State of Wyoming will be the preferred investment strategy. Brokers/dealers, registered investment advisors, and banks shall act as fiduciaries and are subject to requirements of W.S. 9-4-831 and W.S. 4-10-901 through 4-10-913 and shall sign a statement indicating that they have read this policy and agree to abide by this policy and applicable state law with respect to advice they give and the transactions they undertake on behalf of the City.

10. Investment Parameters:

A. Diversification

The investment shall be diversified by:

- Limiting investments to avoid overconcentration in securities from a specific issued or business sector (excluding US Treasury securities).
- Limiting investment in securities that have higher credit risks.
- Laddering the portfolio.
- Continuously investing a portion of the portfolio in readily available funds such as WYO-STAR, WGIF, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

B. Maximum Maturities

To the extent possible, The City of Sheridan shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, The City of Sheridan will not direct investments in securities more than five (5) years from the date of settlement.

11. Master Repurchase Agreements

A repurchase agreement is a contractual transaction agreement between an investor and an issuing financial institution. The investor exchanges cash for temporary ownership or control of collateral securities with an agreement between the parties that on a future date, the financial institution will repurchase the securities. A signed master repurchase agreement shall be on file with the financial institution with which repurchase transactions are made.

The master repurchase agreement must include the following provisions:

- The underlying collateral shall be limited to the United States Government, agency and instrumentalities.
- Collateral shall be marked to market daily by the custodian and shall be maintained at a value equal to or greater than the cash investment.
- At the time of purchase, the market value of the collateral shall represent 102% of the cash investment.
- All securities purchased under a repurchase agreement shall be held in a custodial arrangement with a member bank of the Federal Reserve System.
- A seller of repurchase securities shall not be entitled or authorized to substitute collateral, except as authorized by the City Treasurer.
- Retail repurchase agreements and reverse agreements shall not be authorized for purchase.

12. Investment Pools

Investment pools are sources for short-term cash management. A thorough investigation of the pool is required prior to investing, and on a continual basis. Before investing in these pools, the following issues must be reviewed:

- The pool must meet the requirements allowed by W.S. 9-4-831(h)
- The pool must provide a written statement of policy and objectives
- The following general topics must be defined by the pool:
 - A description of eligible investment securities, and a written statement of investment policy and objectives
 - A description of interest calculations and how it is distributed, and how gains and losses are treated
 - A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited
 - A description of who may invest in the program, how often, what size deposit and withdrawal are allowed
 - A schedule for receiving statements and portfolio listings
 - A description of how reserves, retained earnings, etc. are utilized by the pool
 - A model of the fee schedule, and when and how it is assessed
 - A description of eligibility and/or acceptance of bond proceeds
- The pool must contain only the types of investment allowed by this policy

Investments in WYO-STAR or WYO-STAR II are exempt from these requirements.

13. Authorized Investments and Requirements:

The City Treasurer is authorized to invest only in those securities allowed by W.S. 9-4-831(a). The City of Sheridan has set maximum maturities and maximum amounts held of each of the following security type to meet its objectives.

Investment	Requirements
U.S. Treasurers and US Agency Obligations (U.S. Treasury obligations are bills, notes and bonds issued by and direct obligation of the U.S. Govt. Agency Obligations are notes and bonds of Federal agencies and government sponsored enterprises, although not direct obligations of the Treasury, they involve federal sponsorship or guarantee).	1. No limit on the amount in the portfolio 2. Must not exceed 5-year maximum term 3. No minimum credit requirement 4. Not to exceed 50% in any one type of agency name
WYO-STAR, WYO-STAR II or WGIF (Investment pool or common fund in which all monies are co-mingled for investment purposes. All investments will conform to Wyoming Statutes W.S. 9-4-831)	1. No limit on the amount in the portfolio
Wyoming State Obligations (General obligations of this state and Other Obligations (revenue bonds of any county, city, or any taxing district of the State of Wyoming))	1. No limit on the amount in the portfolio 2. Must not exceed 5-year maximum term

<p>Commercial Paper (Short-term, unsecured, promissory notes issued by firms in the open market. These notes are generally backed by a bank credit facility, guarantee/bond of indemnity or some other agreement).</p>	<ol style="list-style-type: none"> 1. Not to exceed 270 days 2. Not to exceed 10% of outstanding paper with one issuer 3. Minimum Rating by Moody's P-1 or S&P A-1+, or Fitch A1
<p>Repurchase Agreements (These are agreements between an investor (the pool), who agrees to purchase securities, and a seller (dealer/broker), who commits to repurchase these securities at a later date at the same price, plus interest)</p>	<ol style="list-style-type: none"> 1. Market value of the security must be 102% or greater, and adjusted quarterly 2. Term of Agreement may not exceed one year.
<p>Negotiable Certificates of Deposit (Issued by commercial banks and thrift institutions against funds deposited for specific periods of time and earn specified or variable rates of interest. NCD's differ from other CD's because of their increased liquidity as they are actively traded in the secondary market)</p>	<ol style="list-style-type: none"> 1. No more than \$250,000 invested per institution 2. Must not exceed 5-year maximum term 3. Minimum IDC rating of 150.
<p>Bankers Acceptances - (Domestic Only) (Eligible for purchase by the federal reserve system. A draft or a bill of exchange accepted by a bank or trust company and brokered to investors in a secondary market. Its purpose is to facilitate trade and provide liquidity in the import-export markets).</p>	<ol style="list-style-type: none"> 1. Not to exceed 180 days 2. Not to exceed 40% of portfolio 3. Not to exceed 30% of portfolio if done with one commercial bank

14. Investment Strategy and Best Price Execution:

Securities will be purchased with the intent of holding the investment until maturity. Every purchase requires a minimum of three bids to execute at best price. The following are the preferred investment strategies:

- **Laddering the Portfolio** Securities will be purchased with regularly maturing securities. This provides both dollar cost averaging and a regular flow of available liquidity for the account to protect against rapid changes in rates.
- **Targeting Specific maturity dates:** Using projected spending schedules and its estimated cost to purchase securities that will mature at or around the date those funds will be needed. This reduces the amount of lower yielding "buffer" funds (money markets, etc.) that would be needed in the account and helps maximize yield.

15. Collateralization:

In addition to the collateralization requirements found in W.S. 9-4-821, collateralization will also be required on the following types of investments:

- Time deposits; and
- Repurchase agreements.

An authorized independent third party custodian or safekeeping agent shall hold all securities purchased under a repurchase agreement. Collateral shall be marked to market daily by the

custodian and shall be maintained at a value equal to or greater than the cash investment. The underlying collateral shall be limited to the United States Government, agency and instrumentalities.

In order to anticipate market changes, amounts of funds on deposit, and provide an adequate level of security for all deposited funds, the collateralization level will be 102%, or higher as required by law, of the higher of the par or market value of the deposits.

- The market value of deposits will include accrued interest.
- The adequacy of the pledged collateral will be measured by the market or par value of the collateral, whichever is the lesser.
- Authorized instruments for collateralization are those found in W.S. 9-4-821.

16. Reporting:

The investment portfolio shall be reviewed quarterly, at a minimum, by the City Treasurer to determine objectives are being met. The City Treasurer shall provide an investment report semi-annually that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last six months, along with interest earned. The report should be provided to City of Sheridan Governing Body members.

The report will include the following:

- Listing of individual securities held at the end of the reporting period
- Listing of investment by maturity date
- Interest earned for the period

17. Investment Policy Adoption:

The City's Statement of Investment Policy shall be adopted by resolution of the Governing Body. The Policy shall be reviewed annually with the Governing Body. Any changes must be approved by the Governing Body.

PASSED, APPROVED AND ADOPTED the October 7th 2019.

CITY OF SHERIDAN, WYOMING



Roger Miller, Mayor

ATTESTED:



Cecilia Good, City Clerk

GLOSSARY

ADV FORM: A required submission to the Securities and Exchange Commission (SEC) by a professional investment advisor that specifies the investment style, assets under managements and key officers of the firm.

AGENCIES: Federal agency securities and /or Government-sponsored enterprises.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BECHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CALLABLE: Issuers of bonds have the right to buy back the investment at par value. Issuers offer a higher interest rate on callable securities because if interest rates fall, they can get out of paying a higher interest rate.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public monies.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per bank.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FmHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment. (WYO-STAR, WYO-STAR II or WGIF)

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase – reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) – registered securities broker/dealers, banks, and a few unregulated firms.

PRUDENT INVESTOR RULE: An investment standard required under the Wyoming Uniform Prudent Investor Act. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state – the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SECURITY SWAP: Selling one type of security and purchasing another. Swaps can be used to hedge certain risks such as interest rate risk, or to speculate on changes in the expected direction of underlying prices.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g. call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Statement of Investment Officer or Advisor

Pursuant to W.S. 9-4-831 (h), the following statement must be signed by any person who:

- a. Effects any investment transaction on behalf of a political subdivision, or
- b. Offers any investment advice to the governing body of a political subdivision.

"Pursuant to W.S. 9-4-831 and Section 7 of the **Statement of Investment Policy** of the City of Sheridan, I hereby swear and affirm that:

- I have read the **Statement of Investment Policy** of the City of Sheridan and I agree to abide by the policy and applicable state law with respect to advice I give and the transactions I undertake on behalf of the City of Sheridan.
- I agree to submit to the jurisdiction of the courts of the State of Wyoming.
- I agree act as a fiduciary with respect to the investment of public funds by acting solely in the interest of the City of Sheridan and by acting with the care, skill and caution which a prudent person in a like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose. I shall incur only costs that are appropriate and reasonable and shall act in accordance with a good faith interpretation of the law governing the investment of public funds."

Date

Signature

Printed/Typed Name of Signatory

Printed/Typed Name of Firm (if applicable)

Date

Signature

Printed/Typed Name of Signatory

Printed/Typed Name of Firm (if applicable)