

## Investment Policy Summary

- Gulf Shores City Council policy is to appoint depositories for the safekeeping of public funds under its discretion and control. Financial Institutions which are a “**Qualified Public Depository**” (QPD) in the **Security for Alabama Funds Enhancement (SAFE) Program** and are designated as eligible depositories for public funds.
- It is the policy of the Gulf Shores City Council to invest public funds in a manner, which will obtain an optimal or reasonable rate of return while meeting the cash-flow demands of expenditures approved through the budgetary process. Also, this policy is intended to ensure adherence to all State and local statutes governing the investment of funds.
- **Certificates of Deposit** -Certificate of Deposits (CD) are purchased with funds available for investment and will be bid on an ongoing basis as **maturities become available** among financial institutions that are a QPD in the Safe Program and provide a quote.
- **Designation of Investment Management:** - The authority to manage the investment program is derived from State statute, local law and these investment policies. Management responsibility for the investment program, including the selection of investments, and transfer and use of such funds for the purchase or deposit therefore is delegated to the Finance and Administration Director.
- **Ethics and Conflict of Interest:** -The Finance and Administration Director and other City employees that may be involved in the investment function shall refrain from personal activity that could conflict with the proper management of the investment program, or that could impair their ability to make impartial investment decisions.

**Objectives:** The objectives of the Gulf Shores City Council’s investment policy are as follows:  
1) **protection of the principal, 2) proper cash flow, and 3) optimal rate of return on investment vehicles.** The City’s Investment Portfolio shall be maintained, keeping all three of these objectives in mind.

- The Gulf Shores City Council generally invests funds with the intent to hold to maturity. Investment portfolios shall consist of investments that are based on State and local law. *Funds designated for immediate expenditure shall be passively invested to allow for liquidity in order to pay for upcoming obligations. Funds that are available for obligations that are not immediate should be invested on a structured laddered basis dependent on market conditions.* The City’s investment program shall utilize investment strategies based upon the unique characteristics of certain fund types and individual funds.

**Maximum Maturities:** - No investment shall be purchased with maturity greater than three (3) years without direct prior approval of the Gulf Shores City Council.

**Credit Quality** - The City will seek investments guaranteed by the federal government and deposits in accordance with the SAFE program and within the limits of FDIC insurance when available. Any investments outside of these parameters must be approved by the City Council.

