

Investment Policy:

1. This policy establishes guidelines for the investing of the financial assets of all Funds for the City, except as specifically excluded by the Mayor and Council or restrictive covenants.
2. All investments shall conform to the laws of the State of Maryland. Funds are to be managed in such a way that income earned will be maximized and the portfolio capital is preserved, while simultaneously planning for cash flow and budgetary needs.
3. Although the City Administrator must approve each City investment, the Director of Finance is the primary investment officer, with the City Treasurer having authority in his absence, to develop and maintain written administrative procedures consistent with the Investment Policy.
4. All investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
5. Internal controls are established by the City Administrator to prevent loss of funds due to human and market miscalculations.
6. The investment of funds is limited in its term of maturity, and all monies are considered short-term except for those in trust funds or reserved for capital projects. The Policy designates allowable types of investment instruments with restrictions placed on liquidity and amounts in any one institution. The investment dispersion by geographical area is set at a 10% minimum in Washington County and the balance nationwide.
7. Based on their financial condition, a list of institutions qualifying for investment purposes is maintained. Competitive bids are obtained to select investments with the highest return within the parameters of the Policy.
8. An Investment Policy Committee, consisting of the City Administrator, Director of Finance and City Treasurer has been established to develop general direction and guidance for the City's investment activities.
9. The detailed investment policies, which have been approved by the Mayor and Council, are available from the City Administrator.

