

CITY OF TAMPA
INVESTMENT POLICY
February 28, 2007

Scope – This policy pertains to the City of Tampa’s (the “City”) investment practices employed for the City’s Pooled Cash account which is used for all operating receipts and disbursements. It does not pertain to bond related escrow or pension accounts.

Investment Objectives – It is the policy of the City to invest funds in safe, liquid, minimum risk instruments that will provide the maximum amount of interest earnings.

Performance Measurement – The earnings of these instruments will be measured by comparison to the State of Florida Pool and the Federal Funds rate on a monthly basis.

Ethics – The City will follow the Prudent Person Rule, which states; “Investments should 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 from the investment”.

Authorized Investments – It is the policy of the City, as provided in Section 7.10-Investment of Funds, of the Revised Charter of the City of Tampa of 1975, that the Director of Finance, with the approval and consent of the Mayor, is authorized to invest any funds of the City in United States Government or United States Treasury bonds, certificates, notes or bills, or may arrange interest bearing time deposits with the depositories of the City; and the interest derived from such investments or deposits shall be accrued as revenue to the general fund of the City, except in the case of special funds for which the City is required by agreement or by law to credit such special funds with interest on its invested balances.

Maturity and Liquidity Requirements – The City’s policy is to promote investments that enable it to meet the day to day requirements of the City. Investments will be made in accordance with known/anticipated cash needs and cash flow requirements. All known needs for the upcoming (6) six months will be coordinated with maturing investments or revenues. After all short-term needs have been met, the remaining funds should be invested in minimum risk liquid instruments with the highest yield possible; however preference is given to securities with maturity dates that coincide with debt service and end of quarter payments. The maximum maturity term for a single investment will not exceed five (5) years.

Portfolio Composition – Short-term investments are limited to thirty three percent (33%) of the total portfolio. No more than thirty percent (30%) should be invested in certificates of deposits. All certificates of deposits must be purchased from banks that are collateralized by the State of Florida Pool.

Risk and Diversification – A maximum of twenty percent (20%) of the total portfolio is permitted in a single institution. All securities purchased must be backed by the full faith and credit of the United States Government.

Authorized Investment Institutions & Dealers – The Investment Committee shall establish a list of authorized investment institutions and dealers. Securities must be purchased only from primary dealers, with a maximum of five (5) dealers solicited per transaction.

Third-Party Custodial Agreements – All purchases of securities are to be made on a delivery versus payment basis. Delivery instructions are provided to each institution on the list of authorized investment institutions and dealers. All securities will be delivered to a safekeeping institution that will hold securities under a third party custodial agreement. The safekeeping institution will receive instruction regarding type, description, cost, and authorization for payment of each transaction at the time of purchase.

Master Repurchase Agreement – All authorized institutions or dealers involved in repurchase agreement transactions must execute, and perform transactions in accordance with, a master repurchase agreement in substantially the same form as form of master repurchase agreement approved by the Public Securities Association.

Bid Requirements - Availability of funds, market conditions and City needs must be analyzed in selecting the appropriate type of instrument to purchase. All purchases must be bid competitively.

Internal Controls – The Director of Finance shall establish a system of written internal controls. Such controls will be reviewed on an annual basis by an independent audit firm to ensure that they are being followed to prevent the loss of funds from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

Reporting – The City shall provide an annual financial statement which will include the investment portfolio by class/type, book value, income earned and market value as well as the date of the report.