

RUSSIAN RIVER CEMETERY DISTRICT

POLICIES & STANDARD PRACTICES

TITLE:	Investment Policy	AMENDED: 11-19-2024
ADOPTED:	11-16-2021	AMENDMENT NO. 2
SIGNATURE:		

1.0 POLICY

WHEREAS; the legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern. (California Government Code Sections 53600.6, et seq.); and

WHEREAS; the governing body of a local agency may invest monies of the local agency in accordance with the provisions of California Health and Safety Code sections 9066, 9067, 9077 and 9078, and Government Code sections 53600, et seq.; and

WHEREAS; the investment policy will be reviewed, updated and adopted by the Board of Trustees of the Russian River Cemetery District annually at a public meeting; (Government Code section 53646(a)(2).),

NOW, THEREFORE; it shall be the policy of the Russian River Cemetery District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and concurrently conforming to all statutes governing the investment of Russian River Cemetery District funds.

2.0 SCOPE

This investment policy applies to selected financial assets of the Russian River Cemetery District. These funds are accounted for in the annual district budget and include:

Endowment Care Fund held with the Stifel, Nicolaus & Company, Inc.
Endowment Care Income Fund held with the Stifel, Nicolaus & Company, Inc
Capital Projects Fund held with Stifel, Nicolaus & Company, Inc.

3.0 PRUDENCE

Investments shall be made with judgment 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. The standard of prudence to be used by investment officials shall be the “prudent investor” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

As specified in Government Code section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

Safety: Safety of principal is the foremost objective of the investment program. Investments of the Russian River Cemetery District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

Liquidity: The investment portfolio will remain sufficiently liquid to enable the Russian River Cemetery District to meet all operating requirements which might be reasonably anticipated.

Return on Investments: 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 the cash flow characteristics of the portfolio.

5.0 DELEGATION OF AUTHORITY

Management responsibility for the investment program is vested solely in the Board of Trustees for the Russian River Cemetery District (the Board). However, the Board at its discretion may delegate to an Investment Committee (Committee) consisting of two Board Members the authority to invest, reinvest, purchase, acquire, exchange and sell investments in accordance with the policy herein. The Committee shall make timely reports of their actions to the Board at its regular scheduled meetings, at which time the Board shall confirm or reject the action taken by the Committee, the Board’s actions taken in an Open Session of the Board.

6.0 ETHICS AND CONFLICTS OF INTEREST

Trustees and employees involved in the investment process shall refrain from personal business activity that conflicts with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

For broker/dealers of government securities and other investments, the Russian River Cemetery District shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Board Secretary shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the Russian River Cemetery District's account with that firm has reviewed the Russian River Cemetery District's Investment Policy. That the individual understands the policy; and intends to present investment recommendations and transactions to the Russian River Cemetery District that are appropriate under the terms and conditions of the Investment Policy.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

The Russian River Cemetery District shall invest only in those financial instruments authorized by Health and Safety Code sections 9066, 9067 and Government Code section 53601.

9.0 SAFEKEEPING AND CUSTODY

All security transactions entered into by the Russian River Cemetery District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the Russian River Cemetery District by book entry, physical delivery or by third party custodial agreement as required by Government Code section 53601.

10.0 SAFETY

The Russian River Cemetery District policy is to safeguard the principal invested and any earned or unearned income. Recognizing that risk is inherent in investing, maximizing earnings shall be secondary to preserving the principal. However, this priority of principal before return would not preclude using or collateralizing the principal, providing the Fund so allows, and debt service is not foreseen as an obstacle to the day-to-day fiscal operations of the District.

11.0 DIVERSIFICATION

It is the policy of the Russian River Cemetery District to diversify its investment portfolio -- invested assets will be diversified by security type and institution. 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. Diversification strategies shall be determined and revised periodically.

12.0 LIQUIDITY

It shall be the policy of the Russian River Cemetery District to ladder maturities of securities and cash reserves in order to capitalize on opportunities and to facilitate debt service, cash flow needs and cash requirements in an emergency.

13.0 RETURN ON INVESTMENTS

The Russian River Cemetery District shall strive to maximize the return, realized or unrealized on investments consistent with Government Code section 53600.5 and in concert with the objective of preserving the principal.

14.0 REPORTING

In accordance with Government Code section 53646(b) (1), the District Manager or Investment Committee shall submit to each member of the Board of Trustees a monthly investment report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for Russian River Cemetery District by third party contracted managers. The report will also include the source of the portfolio valuation.

The District Administrator shall also maintain a complete and timely record of all investment transactions and a report of such transactions shall be prepared and submitted monthly to the governing body as required by Government Code Section 53607.

15.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the Russian River Cemetery District. Moreover, the Policy shall be reviewed on an annual basis and the Board of Trustees must approve modifications there to.

ADOPTED AND APPROVED

Name: _____

Title: Chairman of the Board of Trustees

Date: _____

Broker/Dealer

CERTIFICATION

I hereby certify that I have read the District's Investment Policy and the California Government Code sections pertaining to investments and deposits of the District, and have implemented reasonable procedures and a system of controls designed to preclude imprudent investment activities arising out of transactions conducted between our firm and the District. **I understand, however, that our firm is not obligated to monitor the percentage limits on the investments as described in the policy.** All sales personnel will be routinely informed of the District's investment objectives, horizon, outlook, strategies and risk constraints whenever we are so advised. We pledge to exercise due diligence in informing the District's Investment Officers of all foreseeable risks associated with financial transactions conducted with our firm. I attest to the accuracy of our responses to your questionnaire.

NOTE: Completion of the questionnaire is only part of the District's certification process and DOES NOT guarantee that the applicant will be approved to do business with the District's.

SIGNED: _____ DATE: _____

COUNTERSIGNED: _____ DATE: _____

(Person in charge of government securities operations)

Last Review Date: _____