

TOWN OF WATERVILLE VALLEY, NH
INVESTMENT POLICY
ADOPTED APRIL 23, 2008
REVIEWED and AMENDED MARCH 21, 2022

1. PURPOSE AND SCOPE

The investment guidelines that follow provide direction as to our risk tolerance and general preferences. This policy covers all investment of funds of the Town of Waterville Valley, NH including operating funds.

2. DEFINITION OF FUNDS AND AUTHORITIES

The Board of Selectmen and Town Management invest available General Fund monies under their fiduciary responsibilities and authority granted in RSA 32 (Municipal Budget Law), RSA 33 (Municipal Finance Act), RSA 39 (Town Manager Statutes) and RSA 41 (Choice and Duties of Town Officers).

The Board of Selectmen have final authority and responsibility for the proper investment of Town funds. The Town Treasurer, Trustees of the Trust Funds and Town Manager shall have administrative responsibility for the implementation of this policy.

The Trustees of the Trust Funds have custody of Capital Reserve Accounts (CRA) as designated at Town Meeting in accordance with RSA 35:1 and RSA 35:10. The Town of Waterville Valley does not currently maintain any Municipal Trust Funds as defined by RSA Chapter 31:19

As required by New Hampshire state laws, the Trustees of the Trust Funds shall review this policy at a minimum of on an annual basis. As part of the review, the trustees should discuss the investment objective, performance, diversification and general compliance with these guidelines. In addition, the information presented should reflect "where we were", "where are we now" and "where are we going".

3. STANDARD OF PRUDENCE

The standard of prudence to be used by investment officials will be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investments will be made with judgment and care which persons of prudence, discretion and intelligence exercising in the management of their own affairs, not for speculation, but for investment, considering primarily safety and then liquidity of capital.

4. INVESTMENT OBJECTIVES

The overall investment objective, in order of importance, follow the three following principles:

1. Security – Safety of principal is the foremost objective of the Town. Each investment transaction shall seek to protect the portfolio against capital losses.
2. Liquidity – Investments shall not be made that may have an adverse effect on the normal operations of the Town. Therefore, the length of all investments shall be directed by cash flow needs.
3. Return on Investment – Return on investment should be maximized, but never to the extent that security of principal or liquidity of funds are jeopardized.

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5. AUTHORIZED INVESTMENTS

Funds shall be invested in financial institutions and depositories in accordance with New Hampshire RSA 35:9 and 31:25. Said funds shall be invested only in

- a. deposits in any federally or state-chartered bank or association authorized to engage in a banking business in this state, or
- b. in bonds or notes of this state, in such stocks and bonds as are legal for investment by banks and associations chartered by this state to engage in a banking business, or
- c. in participation units in the public deposit investment pool established pursuant to RSA 383:22, or
- d. in obligations with principal and interest fully guaranteed by the United States government

6. MATURITY

The length of all investments shall be directed by cash flow needs. Operating funds shall be invested in maturities of 90 days or less. Capital Reserves shall be invested in maturities of 5 years or less.

7. DIVERSIFICATION

The Town's investment shall be diversified. No more than 10% of the investment portfolio may be invested in any single issuer with the exception of the U.S. Government.

8. MEETINGS

The trustees should meet to review their portfolios at least two (2) times a year. During these meetings, the trustees should obtain a market update, review investment performance and evaluate compliance with this policy.

9. REPORTING

The Town Treasurer shall ensure that monthly records are maintained for all investments. The Trustees of the Trust Funds shall review all records during their meetings. Annual reports as required by state statute shall be completed and filed by the Trustees and the Treasurer. All reports will be reviewed by the Town Auditor and reported as part of the General Financial Statements of the Town.

10. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Officers and employees involved in the investment process shall disclose to the Board of Selectmen any material financial interest in financial institutions that conduct business with the Town of Waterville Valley. Further, they shall report to the Board of Selectmen any large personal financial investment position that could be related to the performance of the Town portfolio. Officers and employees involved in the investment process shall subordinate their personal investment transactions to those of the Town, particularly with regards to the timing of purchases and sales.