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ALACHUA COUNTY
BOARD OF COUNTY COMMISSIONERS

ORDINANCE NO. 2024-

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF ALACHUA COUNTY, FLORIDA; AMENDING CHAPTER 30, TITLE 3 OF THE ALACHUA COUNTY CODE OF ORDINANCES; PROVIDING FOR THE INVESTMENT OF SURPLUS FUNDS OF THE COUNTY IN SPECIFIED OBLIGATIONS IN ADDITION TO THOSE SPECIFICALLY AUTHORIZED BY STATE LAW; PROVIDING FOR DIVESTMENT OF UNAUTHORIZED INSTRUMENTS; PROVIDING INVESTMENT AUTHORIZATION TO THE CLERK OF THE BOARD; PROVIDING FOR MODIFICATION; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, it furthers the public interest for Alachua County, Florida (hereinafter the "County"), to invest any monies not immediately required to be disbursed and to maximize the net earnings on such funds; and

WHEREAS, Section 218.415, Florida Statutes, provides certain limitations and regulations applicable to the investment of surplus public funds where not otherwise authorized by law or ordinance; and

WHEREAS, the Board of County Commissioners previously adopted Ordinance 90-8, Ordinance 92-15, Ordinance 95-8, and Ordinance 2017-10, codified in Section 30.2 of the Alachua County Code of Ordinances, which authorizes Alachua County to invest surplus funds of the County in specified obligations in addition to those specifically authorized by state law; and

WHEREAS, the Board of County Commissioners deems it in the best interest of the citizens of Alachua County to provide a revised list of authorized investment opportunities for surplus county funds.

1 **NOW, THEREFORE, BE IT DULY ORDAINED BY THE BOARD OF COUNTY**
2 **COMMISSIONERS OF ALACHUA COUNTY, FLORIDA, AS FOLLOWS:**

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4 **SECTION 1.** Chapter 30 is amended as follows:

5 **Sec. 30.02. - Permitted investment of surplus funds.**

6
7 (a) *Authorized investment instruments.* In addition to the obligations described in F.S. §
8 218.415, and other obligations constituting permitted investments under Florida law,
9 surplus public funds of the county may be invested and reinvested in the following
10 authorized instruments, none of which shall be deemed authorized or permissible if in the
11 form of derivatives:

- 12 (1) U.S. Treasury & Government Guaranteed - U.S. Treasury obligations, and
13 obligations the principal and interest of which are backed or guaranteed by the full
14 faith and credit of the U.S. Government.
- 15 (2) Federal Agency/GSE - Debt obligations, participations or other instruments issued
16 or fully guaranteed by any U.S. Federal agency, instrumentality or government-
17 sponsored enterprise (GSE).
- 18 (3) Supranationals – U.S. dollar denominated debt obligations of a multilateral
19 organization of governments where U.S. is a shareholder and voting member.
20 Obligation must have highest ST or highest LT rating (A-1/P-1, AAA/Aaa, or
21 equivalent).
- 22 (4) Municipals – Obligations, including both taxable and tax-exempt, issued or
23 guaranteed by any State, territory or possession of the United States, political
24 subdivision, public corporation, authority, agency board, instrumentality or other
25 unit of local government of any State or territory. Obligation must have highest ST
26 or three highest LT rating (SP-1/MIG 1, A-/A3, or equivalent).
- 27 (5) Agency Mortgage Backed Securities - Mortgage-backed securities (MBS), backed
28 by residential, multi-family or commercial mortgages, that are issued or fully
29 guaranteed as to principal and interest by a U.S. Federal agency or government
30 sponsored enterprise, including but not limited to pass-throughs, collateralized
31 mortgage obligations (CMOs) and REMICs.
- 32 (6) Asset-Backed Securities - Asset-backed securities (ABS) whose underlying
33 collateral consists of loans, leases or receivables, including but not limited to auto
34 loans/leases, credit card receivables, student loans, equipment loans/leases, or

1 home-equity loans. Obligation must have highest ST or highest LT rating (A-1/P-1,
2 AAA/Aaa, or equivalent).

3 (7) Non-Negotiable Certificate of Deposit and Savings Accounts - Non-negotiable
4 interest bearing time certificates of deposit, or savings accounts in banks organized
5 under the laws of this state or in national banks organized under the laws of the
6 United States and doing business in this state, provided that any such deposits are
7 secured by the Florida Security for Public Deposits Act, Chapter 280, Florida
8 Statutes.

9 (8) Commercial Paper – U.S. dollar denominated commercial paper issued or
10 guaranteed by a domestic corporation, company, financial institution, trust or other
11 entity, only unsecured debt permitted. Obligation must have highest ST rating (A-
12 1/P-1, or equivalent).

13 (9) Repurchase Agreements - Repurchase agreements (Repo or RP) that meet the
14 following requirements:

15 (10) Must be governed by a written Securities Industry and Financial Markets
16 Association (SIFMA) Master Repurchase Agreement which specifies securities
17 eligible for purchase and resale, and which provides the unconditional right to
18 liquidate the underlying securities should the Counterparty default or fail to provide
19 full timely repayment. A counterparty must be a Federal Reserve Bank, a Primary
20 Dealer as designated by the Federal Reserve Bank of New York, or a nationally
21 chartered commercial bank. Securities underlying repurchase agreements must be
22 delivered to a third-party custodian under a written custodial agreement and may be
23 of deliverable or tri-party form. Securities must be held in the Clerk’s custodial
24 account or in a separate account in the name of the Clerk. Acceptable underlying
25 securities include only securities that are direct obligations of, or that are fully
26 guaranteed by, the United States or any agency of the U.S., or U.S. Agency-backed
27 mortgage related securities. Underlying securities must have an aggregate current
28 market value of at least 102% (or 100% if the counterparty is a Federal Reserve
29 Bank) of the purchase price plus current accrued price differential at the close of
30 each business day. The final term of the agreement must be 1 year or less.

31 (11) Money Market Funds - Shares in open-end and no-load money market mutual
32 funds, provided such funds are registered under the Investment Company Act of
33 1940 and operate in accordance with Rule 2a-7. Fund must have the highest fund
34 rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent).

35 (12) Florida Local Government Investment Trust (FLGIT) – The Florida Local
36 Government Investment Trust (FLGIT) is a local government investment pool

1 (LGIP) developed through the joint efforts of the Florida Court Clerks and
2 Comptrollers (FCCC) and the Florida Association of Counties (FAC). It is the
3 longest running member-owned and member-governed local government
4 investment pool in the state of Florida. Fund must have the highest fund quality and
5 volatility rating by all NRSROs who rate the fund (AAAm/AAAf, S1, or
6 equivalent).

7 (13) Local Government Investment Pools (LGIP) – State, local government or privately-
8 sponsored investment pools that are authorized pursuant to state law. LGIP must
9 have the highest fund quality and volatility rating by all NRSROs who rate the
10 LGIP (AAAm/AAAf, S1, or equivalent).

11 (14) The Florida Local Government Surplus Funds Trust Funds (“Florida Prime”) A
12 thorough investigation of the Florida Prime is required prior to investing, and on an
13 annual basis. Fund must have the highest fund rating by all NRSROs who rate the
14 fund (AAAm/Aaa-mf, or equivalent).

15 (b) *Investment authorization of clerk.*

16 (3) The Clerk, or his/her designee, is hereby authorized to establish investment procedures,
17 including performance measurements, as well as, maturity, allocation and liquidity limits for
18 investments authorized in this ordinance. To the extent possible an attempt will be made to
19 match investment maturities with known cash needs and anticipated cash flow requirements.
20 Investments of current operating funds shall have maturities of no longer than thirty-six (36)
21 months. Investments of bond reserves, construction funds, and other non-operating funds
22 shall have a term appropriate to the need for funds and in accordance with debt covenants,
23 but in no event shall exceed five and one-half (5.50) years.

24
25 **SECTION 2. Divestment of Unauthorized Instruments.** It is the intent of the Board of
26 County Commissioners that, upon effective date of this ordinance, all investing and reinvesting
27 of surplus public funds of the county shall be of the instruments authorized by this ordinance, as
28 amended. Divestment of instruments not in accordance with this ordinance which are held by
29 the county on the effective date of this ordinance shall take place when prudent but no later than
30 December 31, 2024.

31 **SECTION 3. Modification.** It is the intent of the Board of County Commissioners that
32 the provisions of this ordinance may be modified as a result of considerations that may arise

1 during public hearings. Such modifications shall be incorporated into the final version of the
2 ordinance adopted by the Board and filed by the Clerk to the Board.

3 **SECTION 4. Repealing Clause.** All ordinances or portions thereof in conflict herewith
4 are, to the extent of such conflict, hereby repealed.

5 **SECTION 5. Severability.** If any word, phrase, clause, paragraph, section or provision
6 of this ordinance or the application hereof to any person or circumstance is held invalid or
7 unconstitutional, such finding shall not affect the other provisions or applications of the
8 ordinance which can be given effect without the invalid or unconstitutional provisions or
9 application, and to this end the provisions of this ordinance are declared severable.

10 **SECTION 6. Inclusion in the Code.** It is the intent of the Board of County
11 Commissioners of Alachua County, Florida, and it is hereby provided that Section 1. of this
12 ordinance shall become and be made a part of the Code of Ordinances of Alachua County,
13 Florida; that the section of this ordinance may be renumbered or re-lettered to accomplish such
14 intent and that the word “ordinance” may be changed to “section”, “article”, or other appropriate
15 designation.

16 **SECTION 7. Effective Date.** A certified copy of this ordinance shall be filed with the
17 Department of State by the Clerk of the Board within ten (10) days after enactment by the Board
18 and shall take effect upon filing with the Department of State.

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1 **DULY ADOPTED** in regular session, this ____ day of _____, 2024.

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BOARD OF COUNTY COMMISSIONERS OF

4

ALACHUA COUNTY, FLORIDA

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6 **ATTEST:**

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BY:

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Mary Alford, Chair

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Board of County Commissioners

10 J.K. “Jess” Irby, Esq.

11 Clerk of Court

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APPROVED AS TO FORM

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County Attorney

17 **(SEAL)**