

ENROLLED ORDINANCE 168-17

AMEND WAUKESHA COUNTY CODE OF ORDINANCES TO
MODIFY WAUKESHA COUNTY INVESTMENT POLICY

WHEREAS, Section 11(a) of the Waukesha County investment policy requires banking institutions acting as a depository for the County to pledge collateral to secure amounts over and above the amounts guaranteed by the Federal Deposit Insurance Corporation and the State of Wisconsin Deposit Guarantee Fund, and

WHEREAS, Section 11(b) of the Waukesha County investment policy requires banking institutions to pledge securities meeting specified criteria as collateral for the County's deposits, with said collateral being held by a third party or fully insured by an insurance company with an A rating or better by A.M. Best, and

WHEREAS, the Basel Committee on Banking Supervision has implemented global regulatory standards on bank capital adequacy, stress testing and market liquidity risk, which is requiring banks to hold sufficient, high quality liquid assets to cover its net cash outflows over a 30 day period of stress, and

WHEREAS, the high quality liquid assets being held by the banks under the Basel Committee standards are what the banks historically used to pledge as collateral for public deposits, and

WHEREAS, banks have historically issued letters of credit assuring that a buyer's payment to a seller will be received on time and for the correct amount, or the bank will be required to cover the full or remaining amount of the purchase, and

WHEREAS, as an alternative to pledging high quality liquid assets as collateral, banks are utilizing an irrevocable, unconditional and non-transferrable letter of credit issued by a AAA rated Federal Home Loan Bank as a means for collateralizing public deposits, and

WHEREAS, Waukesha County believes, based on a review by the County's Bond Counsel, that an irrevocable, unconditional and non-transferrable letter of credit issued by a AAA rated Federal Home Loan Bank offers the same level of security for the County's bank deposits as the pledge of high quality liquid assets as collateral that is permitted in the current Investment Policy.

THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA DOES ORDAIN that Section 7-70 (a) of the Waukesha County Code be repealed and recreated to read:

- a. All investment institutions acting as a depository for the County must enter into a "depository agreement" requiring the depository to pledge collateral to secure amounts over and above guaranteed amounts, or to provide an irrevocable standby letter of credit which meets the requirements set forth in subparagraph b. below. All securities serving as collateral shall be specifically pledged to the County (not as part of a pooled fund) and placed in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution. The custodian may not be owned or controlled by the depository institution or its holding company unless it is a separately operated trust

institution. The custodian shall send statements of pledged collateral to the Treasurer's Office on a monthly basis.

THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA FURTHER ORDAINS that Section 7-70 (b) of the Waukesha County Code be repealed and recreated to read:

- b. Amounts in excess of Federal Deposit Insurance Corporation and State Deposit Guarantee Fund guaranteed amounts must be (i) fully collateralized and held by a third party, (ii) fully insured by an insurance company with an A rating or better by A.M. Best or (iii) fully secured by an irrevocable standby letter of credit with a term of at least one year issued by a Federal Home Loan Bank which (A) has a rating of AAA or better from Moody's Investors Service, Standard and Poor's Corporation or other similar nationally recognized rating agency, (B) is in the County's name, (C) is held by the County, and (D) has no restrictions or limitations on draws other than times for draw and a requirement that it be a conforming draw. Acceptable collateral includes the following:
1. Securities of the U.S. Treasury or U.S. Governmental Agency as defined by the Federal Reserve.
 2. U.S. government guaranteed securities such as those issued through the Small Business Administration are acceptable as long as they are fully guaranteed.
 3. Commercial paper which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Service, Inc., or other similar nationally recognized rating agency may be used to the extent that a collateralization level of 125 percent is maintained.
 4. General obligations of municipalities are acceptable to the extent that they are rated second highest or higher by Standard & Poor's Corporation, Moody's Investors Service, Inc., or other similar nationally recognized rating agency.

BE IT FURTHER ORDAINED that this Ordinance shall be in full force and effect upon passage, approval and publication.

AMEND WAUKESHA COUNTY CODE OF ORDINANCES TO
MODIFY WAUKESHA COUNTY INVESTMENT POLICY

Presented by:
Executive Committee

Approved by:
Finance Committee



Paul L. Decker, Chair



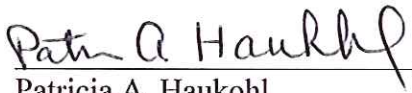
Patricia A. Haukohl, Chair



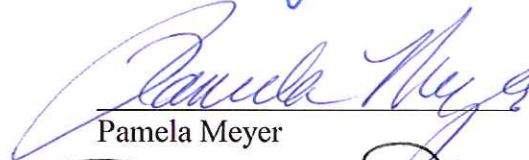
Dave Falstad



Daniel J. Draeger



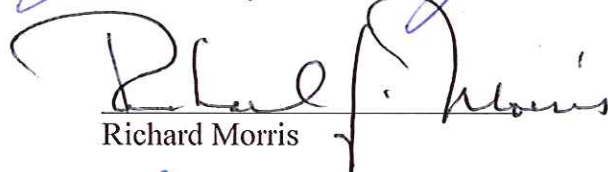
Patricia A. Haukohl



Pamela Meyer



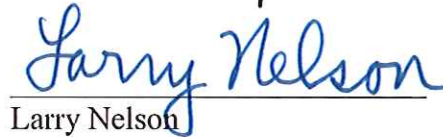
James A. Heinrich



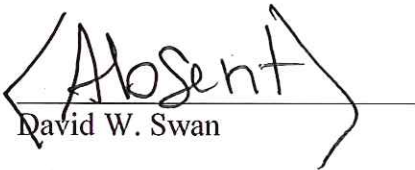
Richard Morris



Duane E. Paulson



Larry Nelson



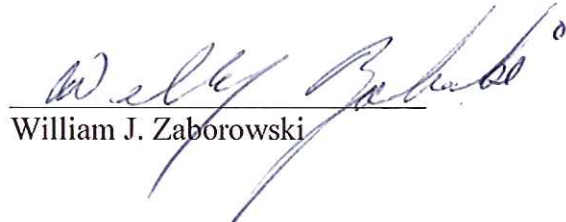
David W. Swan



Cathleen A. Slattery



Gilbert W. Yerke



William J. Zaborowski

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, was presented to the County Executive on:

Date: _____, 
Kathleen Novack, County Clerk

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, is hereby:

Approved: x

Vetoed: _____

Date: 6-3-13 , 
Daniel P. Vrakas, County Executive

WAUKESHA COUNTY BOARD OF SUPERVISORS

V

(ORD) NUMBER-1680017

DATE-05/28/13

- 1 C. SLATTERY.....AYE
- 3 R. MORRIS.....
- 5 J. BRANDTJEN.....AYE
- 7 J. GRANT.....AYE
- 9 J. HEINRICH.....AYE
- 11 F. RUF.....AYE
- 13 P. DECKER.....AYE
- 15 W. KOLB.....AYE
- 17 D. PAULSON.....AYE
- 19 C. CUMMINGS.....AYE
- 21 W. ZABOROWSKI.....AYE
- 23 K. HAMMITT.....AYE
- 25 G. YERKE.....AYE

- 2 D. FALSTAD.....AYE
- 4 J. BATZKO.....AYE
- 6 J. JESKEWITZ.....
- 8 P. HAUKOHL.....AYE
- 10 D. SWAN.....AYE
- 12 P. WOLFF.....AYE
- 14 P. MEYER.....AYE
- 16 M. CROWLEY.....AYE
- 18 L. NELSON.....AYE
- 20 T. SCHELLINGER....AYE
- 22 P. JASKE.....AYE
- 24 D. DRAEGER.....AYE

TOTAL AYES-23

TOTAL NAYS-00

CARRIED X

DEFEATED _____

UNANIMOUS X

TOTAL VOTES-23