

**RESOLUTION NO. 2022-\_\_\_\_\_**

**A RESOLUTION BY THE CITY TO ADOPT AN INVESTMENT STRATEGY  
FOR CITY FUNDS INVESTED IN A CD WITH EDWARD JONES**

**WHEREAS**, the City of Prairie Grove desires to invest funds in a CD with Edward Jones; and

**WHEREAS**, such an investment will require the Council to adopt an Investment Policy; and

**WHEREAS**, the City had developed the attached investment policy for such investment.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF  
THE CITY OF PRAIRIE GROVE, ARKANSAS:**

That the City Council hereby adopts the attached Investment Policy for the investment of City Funds into one or more CDs with Edward Jones.

**PASSED AND APPROVED** on this 19th day of September 2022.

**APPROVED:**

**ATTEST:**

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Charles (Sonny) Hudson, Mayor

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Christine Kelly, Clerk

# City of Prairie Grove

## Investment Policy & Guidelines

### Introduction

This statement of investment policies and objectives of the City of Prairie Grove is hereby adopted as follows:

1. The Council shall clearly define investment policies and objectives as generally set forth below.
2. The assets of the plan shall be invested most productively.
3. The investment consultant shall be given guidance as set forth below and understand what is expected of them by the Council.
4. There will be a basis for evaluation of the performance of the individual managers and the Fund as a whole as generally stated below.
5. The investment policies and objectives may be changed at any time by the Council and shall be reviewed at least annually.

### Fiduciary Responsibilities

The City Council is charged with the responsibility of investing the assets of the Fund. The Council shall discharge their duties solely in the interest of the Fund and for the exclusive benefit of the City. These duties shall be discharged with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and like aims.

### Investment Management

The Council are authorized to engage the services of the investment advisors, as defined under the Investment Advisors Act of 1940, and other investment professionals to provide the specialized research and skilled manpower to meet these investment objectives and guidelines. Accordingly, the Council requires investment advisors to adhere to the “prudent man rule” and/or such other federal and state laws as may be applicable, or which may be applicable in the future to investments of a retirement plan. All investments shall be made in accordance with Arkansas law, particularly Act 364 of the Arkansas Public Acts of

1981, as amended. The Council will select investment advisors, herein identified as investment managers, with the assistance of an investment consultant. The investment consultant will ensure proper reporting is provided to the Council and includes, but not limited to, the results of the investment managers performance versus their respective benchmarks. Such reporting will clearly disclose all of the City's investment-related fees and will occur at least twice annually.

### Delegation of Authority

Any investment manager retained by the Council, with guidance by the investment consultant, will be held responsible for making all investment decisions regarding the assets under their direction. Each investment manager will observe the guidelines and philosophies stated herein and will be required to operate within these guidelines.

### Investment Policy Framework & Performance Goals

The investment objectives were developed, with the guidance of the investment consultant, through a planning and review process, which considered the risk/reward characteristics of various and diversified asset classes in an effort to develop an investment plan designed to accomplish the investment goals below. The investment objectives/goals of the fund represent long term expectations and will be evaluated over three (3) and five (5) year time periods. Performance goals are defined in "real" (in excess of inflation) rates of return and relative rates of return.

1. Achieve a long-term investment return in excess of inflation (protect the purchasing power of the fund).
2. Preserve the principal of the fund.
3. Achieve long-term growth in assets.
4. Achieve above average relative returns on investments. In relative terms, the fund should rank in the top half of a universe of funds with like objectives.

## Investment Guidelines

Policy guidelines will be fixed from time to time by the Council after considering the advice and recommendations of the Plan's professionals retained to render advice to the Plan.

Certificates of Deposit – 100%

All assets selected by the investment managers must have a readily ascertainable market value and must be readily marketable. The following assets and/or transactions are prohibited:

- \*Naked Options – Puts or calls
- \*Short selling
- \*Commodities
- \*Restricted stock
- \*Use of derivatives for speculative purposes
- \*Leveraging without specific prior approval
- \*Securities lending without approval

## Review Procedures

The Council will periodically evaluate the investment strategy and make any desired changes.

APPROVED BY THE CITY COUNCIL OF PRAIRIE GROVE

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Sonny Hudson, Mayor

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Date

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Christine Kelly, City Clerk