

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

INVESTMENT POLICY

Summary Statement:

As required by California Government Code Section 53646(2), the Director of Finance/Town Treasurer shall submit to Town Council the current Investment Policy as updated and amended for consideration, review and approval not less than once annually.

The proposed Fiscal Year 2011-12 Investment Policy is attached for Council's review. The proposed policy includes only ministerial adjustments such as date changes and is effectively the same as the Town's adopted Investment Policy for the current Fiscal Year 2010-11.

The Investment Policy identifies the Town's investment practices for managing temporarily idle cash and the investment practices applied to those cash assets. In applying the investment practices, 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 the overall portfolio. The "prudent investor" standard requires that investment decisions 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.

(continued)

Recommended Action:

Adopt Resolution No. 2011-33 establishing the Town of Apple Valley's adopted Investment Policy for Fiscal Year 2011-12.

Proposed by: Marc Puckett, Director of Finance Item Number _____

T. M. Approval: _____ Budgeted Item Yes No N/A

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The three basic guiding principles and investment objectives applied to management of the investment portfolio are: 1) safety, 2) liquidity and 3) yield, in that order. The Investment function has been performed in compliance with the Fiscal Year 2010-11 adopted investment policy and is in compliance with the adopted policy in all respects.

RESOLUTION NO. 2011-33

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY, CALIFORNIA, ADOPTING THE TOWN OF APPLE VALLEY INVESTMENT POLICY

WHEREAS, pursuant to State law, the treasurer of the Town of Apple Valley shall annually prepare and submit a statement of investment policy and such policy and any changes thereto, shall be considered by the legislative body at a public meeting;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Apple Valley that the Town of Apple Valley Investment Policy for fiscal year 2011-12 is hereby adopted as follows:

1.0 Mission Statement.

It is the policy of the Town of Apple Valley to invest public funds in a manner which will provide the maximum security with best investment return, while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

2.0 Scope.

This investment policy applies to all financial assets of the Town of Apple Valley. These funds are accounted for in the Audited Annual Financial Report of the Town. Policy statements outlined in this document focus upon the Town of Apple Valley's pooled funds, but will also apply to all other funds under the Town Treasurer's span of control unless specifically exempt by statute or ordinance. This policy is applicable but not limited to all funds listed below:

2.1 Funds:

- 2.1.1 General Fund**
- 2.1.2 Special Revenue**
- 2.1.3 Debt Service**
- 2.1.4 Capital Projects**
- 2.1.5 Enterprise**
- 2.1.6 Trust and Agency**
- 2.1.7 General Fixed Asset**
- 2.1.8 General Long Term Debt**
- 2.1.9 Any new fund created by the Town, unless specifically exempted**

2.2 Funds Excluded From This Policy:

2.2.1 Public Employees Retirement System

2.2.2 Deferred Compensation

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 credit 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.

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

- 4.1 Safety: Safety of principal is the foremost objective of the investment program. Investments of the Town of Apple Valley shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- 4.2 Liquidity: The investment portfolio will remain sufficiently liquid to enable the Town of Apple Valley to meet all operating requirements, which might be reasonably anticipated.
- 4.3 Return of 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.

Delegation of Authority.

Authority to manage the Town's investment program is derived from the following: California Government Code Sections 53600, et. seq., Town of Apple Valley Municipal Code Chapter 3.08, and this Town of Apple Valley Resolution as amended and adopted each year. Management responsibility for the investment program is hereby delegated to the Director of Finance/Town Treasurer, who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, and their procedures in the absence of the Director of Finance /Town Treasurer (herein referred to as "Treasurer").

- 4.4 The Treasurer shall establish a separate written investment procedures manual for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, PSA repurchase agreements, wire transfer agreements, banking service contracts, cash flow forecasting and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer.

5.0 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Town Clerk any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Town of Apple Valley.

6.0 Authorized Financial Dealers and Institutions

The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers, selected by credit worthiness, who are authorized to provide investment services in the State of California. These may include primary dealers, or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule), and that are licensed and in good standing with the California Department of Securities, the National Association of Securities Dealers or other applicable self-regulatory organizations. No deposit shall be made except as established by California laws. All financial institutions and broker/dealers for investment transactions

must supply the treasurer with the following: audited financial statements, proof of National Association of Security Dealers certification, trading resolution, proof of registration in the State of California, complete broker/dealer questionnaire, certificate of having read the Town's investment policy and depository contracts.

7.0 Authorized and Suitable Investments

From the governing body perspective, special care must be taken to ensure that the list of instruments includes only those allowed by law and those that local investment managers are trained and competent to handle.

The Town of Apple Valley is empowered by statute to invest in the following types of securities:

- A. Bonds issued by the Town of Apple Valley
- B. United States Treasury Bills, Notes and Bonds
- C. Registered State warrants or treasury notes or bonds issued by the State of California
- D. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Power Agencies
- E. Obligations issued by Agencies or Instrumentality of the U. S. Government
- F. Bankers Acceptances with a term not to exceed 180 days. Not more than 40% of surplus funds can be invested in Bankers Acceptances and no more than 30% of surplus funds can be invested in the Bankers Acceptance of any single commercial bank.
- G. Prime Commercial paper of U. S. Corporations with assets greater than \$500 million with a term not-to-exceed 180 days and the highest ranking issued by Moody's Investors Service or Standard & Poor's Corporation. Commercial paper cannot exceed 15% of total surplus funds, provided, that if the average maturity of all commercial paper does not exceed 270 days, up to 25% of surplus funds can be invested in commercial paper, with no more than 10% of outstanding commercial paper of any single corporate issue.
- H. Negotiable Certificates of Deposit issued by federally or state chartered banks or associations. Not more than 30% of surplus funds can be invested in certificates of deposit.
- I. Repurchase/Reverse Repurchase Agreements of any securities authorized by this Section. Investment in Repurchase Agreements may not exceed a term of one year and the market value of the securities that underlay a Repurchase Agreement shall be no less than 102% of the funds borrowed against those securities because Repurchase Agreement limitations are set forth in California Government Code 53601(i)1.

- J. Medium term notes (remaining term not to exceed five years) of U. S. corporations rated "A" or better by Moody's or Standard & Poor's Corporation. Not more than 30% of surplus funds can be invested in medium term notes.
- K. Funds held under the terms of a Trust Indenture or other contract or agreement may be invested according to the provisions of those indentures or agreements.
- L. Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations.
- M. Any mortgage pass-through security, collateralized mortgage obligation, mortgaged backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable backed bond of a maximum maturity of five years. Securities in this category must be rated AA or better by a nationally recognized rating service. Not more than 20% of surplus funds may be invested in this category of securities.
- N. Any other investment security authorized under the provisions of California Government Code 5922 and 53601. Also, see California Government Code 53601 for a detailed summary of the limitations and special conditions that apply to each of the above listed investment securities. California Government Code 53601 is attached and included by reference in this investment policy. Deposits and investments shall not violate any requirement imposed by California Government Code Section 53635.

Under California Government Code 53601.6, the Town of Apple Valley shall not invest any funds covered by this investment policy in: inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

7.1 Master Repurchase Agreement. For any repurchase agreements authorized by this policy, a Master Repurchase Agreement must be signed with the bank or dealer and called for in the investment policy.

8.0 Investment Pools/Mutual Funds.

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.

- A description of how the securities are safeguarded (including the settlement processes), and how often are the securities priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how it is assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

9.0 Collateralization

Collateralization will be required on two types of investments: certificates of deposit and repurchase (and reverse) agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be the amount required under California Government Code 53601 of market value of principal and accrued interest. The entity chooses to limit collateral to the following: All certificates of deposits must be collateralized by U. S. Government and Securities.

Collateral will always be held by an independent third party with whom the Town of Apple Valley has a current written custodial agreement. A clearly marked evidence of ownerships must be supplied to the Town and retained. the right of collateral substitution is granted.

10.0 Safekeeping and Custody.

All security transactions, including collateral for repurchase agreements, entered into by the Town of Apple Valley shall be conducted on a delivery-versus-payment basis. Securities will be held by a third-party custodian designated by the Treasurer and evidenced by safekeeping receipts with a written custodial agreement.

11.0 Diversification.

The Town of Apple Valley will diversify its investments by security type, institution, and maturity. 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. Subject to applicable provisions of law, no more than 75% of the Town's total investment portfolio will be invested in a single security type, a single financial institution, or the Local Agency Investment Fund (LAIF).

13. Diversification Strategies / Maximum Maturities

To the extent possible, the Town of Apple Valley will attempt to match its investments with anticipated cash flow requirements. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- A. Portfolio maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector
- B. Maturities selected shall provide for stability of income and liquidity
- C. Disbursement and payroll dates shall be covered through maturities investments, marketable U. S. Treasury bills or other case equivalent instruments such as money market mutual funds.

Unless matched to a specific cash flow, the Town will not directly invest in securities maturing more than three years from the settlement date. However, the Town may collateralize its repurchase agreements using longer-dated investments not to exceed five years to maturity.

To the extent permitted by law, reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

14. Internal Control

The Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

15. Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs.

- 15.1 The Town's investment strategy is passive. Given this strategy, the basis used by the Treasurer to determine whether market yields are being achieved shall be to identify a benchmark that is comparable to the portfolio's investment duration, e. g. 3-month U. S. treasury Bill, 6-month U. S. Treasury Bill, or one-year constant maturity treasury, etc.

16. Reporting

In accordance with California Government Code 53646d, the Treasurer shall submit to the Town Manager, any internal auditor, and Town Council a monthly

investment report that provides a clear, understandable, summary of the status of the current investment portfolio.

16.1 The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par and dollar amounts, percentage of the portfolio represented by each investment category, benchmark comparison, and the current market values of each component of the portfolio, including funds managed for the Town of Apple Valley by third party contracted managers. The report will also include the source of the portfolio valuation.

16.2 As specified in California Government Code 53646e, if all funds are placed in California's Local Agency Investment Fund (LAIF), FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions.

16.3 The report must also include a certification that 1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, 2) the Town of Apple Valley will meet its expenditure obligations for the next six months, in accordance with the California Government Code sections 53646 (b) (2) and (3) respectively. The Treasurer shall maintain a complete and timely record of all investment transactions.

17.0 Investment Policy Adoption

The Town of Apple Valley Investment Policy shall be adopted by resolution of the Town Council. The policy shall be reviewed annually by the Town Council and any modifications made thereto must be approved by the Town Council.

18.0 Glossary

GLOSSARY*

AGENCIES. Federal agency securities and/or government-sponsored enterprises.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the Town of Apple Valley. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date. **DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of signed receipt for the securities.

*Subject to applicable provisions of law

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, e. g., U. S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S & L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in

Washington, D. C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U. S. Government. Ginnie Mae securities are backed by the FHA, VA or FmHa mortgages. The term “pass-throughs” is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase – reverse repurchase agreements that establish each party’s rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers’ acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve’s most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state-the do-called legal list. In other states, the trustee may invest in a security if it is one, which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables for all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (E.G., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TREASURY BILLS: A non-interest bearing discount security issued by the U. S. treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities from two to ten years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

APPROVED AND ADOPTED this 28th day of June, 2011, by the Town Council of the Town of Apple Valley.

MAYOR

ATTEST:

TOWN CLERK

