

**TOWN OF KEYSTONE  
Summit County, Colorado**

**RESOLUTION 2025-26**

**A RESOLUTION OF TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO,  
ADOPTING AN INVESTMENT POLICY FOR THE TOWN OF KEYSTONE**

WHEREAS, the Town of Keystone (“Town”) is a home rule municipality governed by the Keystone Home Rule Charter; and

WHEREAS, prudent investment of public funds is an essential component of responsible municipal financial management and is necessary to protect and grow public resources; and

WHEREAS, Colorado Revised Statutes § 24-75-601 et seq. set forth requirements and limitations for the investment of public funds by local governments; and

WHEREAS, the Town seeks to formalize its investment practices by adopting a written Investment Policy that prioritizes safety, liquidity, and reasonable return in alignment with state law and best practices recommended by the Government Finance Officers Association (GFOA); and

WHEREAS, the Town Manager and Finance Director have reviewed the proposed Investment Policy and recommend its adoption to ensure compliance, transparency, and accountability in the management of public funds.

**Now, Therefore, be it Resolved by the Town Council of the Town of Keystone, Colorado, that:**

Section 1. The Town of Keystone Investment Policy, identified as Exhibit A, is hereby adopted as the official investment policy of the Town and shall govern the investment of all financial assets held by the Town.

Section 2. The Town Manager, or designee, is authorized to implement and administer the Investment Policy and take all necessary actions to ensure compliance with its provisions.

Section 3. Effective Date. This Resolution shall take effect upon its approval by the Town Council.

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**ADOPTED by a vote of 7 in favor and 0 against, this 22nd day of July 2025.**

Signed by:  
By: Kenneth D. Riley  
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Kenneth D. Riley, Mayor

ATTEST:

Approved as to Form:

DocuSigned by:  
By: Madeline Sielev  
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Town Clerk

Signed by:  
By: Jennifer Madsen  
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Town Attorney

# Town of Keystone Investment Policy

## I. PURPOSE OF POLICY:

The purpose of this Investment Policy is to establish guidelines for the prudent investment of the Town's funds in accordance with Colorado law (C.R.S. 24, 75, 601 et seq.) and to ensure the preservation of capital, liquidity, and yield.

## II. SCOPE:

This Policy applies to all financial assets of the Town of Keystone including, but not limited to:

- A. General Fund
- B. Special Revenue Funds
- C. Capital Project Funds
- D. Debt Service Funds
- E. Enterprise Funds
- F. Any other funds managed by the Town

## III. DEFINITIONS:

For the purpose of this Policy:

*Fund Balance:* The net position of a governmental fund, representing the difference between assets and liabilities.

*General Fund:* The primary operating fund of the Town, used to account for all financial resources not restricted to another fund.

*Capital Reserve Fund:* A fund set aside to finance future capital projects or large one-time expenditures.

*GFOA:* Government Finance Officers Association, a national association that recommends best practices in public finance.

*GASB:* Governmental Accounting Standards Board, which establishes accounting and financial reporting standards for U.S. state and local governments.

*Unassigned Fund Balance:* Fund balance available for any purpose, typically in the General Fund.

*Restricted Fund Balance:* Resources restricted for specific purposes by external parties or legislation.

*Assigned Fund Balance:* Resources intended for specific purposes but not restricted or committed.

*Committed Fund Balance:* Resources set aside by formal Council action for specific purposes.

*Nonspendable Fund Balance:* Items not in a spendable form, such as inventories or prepaid items.

#### **IV. POLICY:**

##### **A. Introduction**

##### **B. Objectives**

In priority order:

- 1.** Safety – Preservation of principal is the foremost objective.
- 2.** Liquidity – Funds shall remain sufficiently liquid to meet operating needs.
- 3.** Yield – Investments shall seek reasonable market returns after safety and liquidity are addressed.

##### **C. Standards of Care**

The Town's Town Manager is designated as the investment officer.

Investments shall be made with judgment and care, under the prudent investor rule.

No investment shall be made that violates state statute or this policy.

#### **D. Authorized Investments**

In accordance with C.R.S. 24, 75, 601 et seq., the following investments are permitted:

Obligations of the U.S. Treasury and U.S. Government Agencies  
Certificates of Deposit (CDs) in state-qualified public depositories  
Local government investment pools (e.g., COLOTRUST, CSAFE)  
Repurchase agreements with qualified dealers (fully collateralized)  
Municipal securities (investment-grade, Colorado issuers preferred)  
Money Market Mutual Funds (SEC-registered, AAA-rated)  
Prohibited investments include equities, derivative instruments, and securities below investment grade.

#### **E. Diversification and Maturity**

The Town recognizes its current practice of investing exclusively in ColoTrust for operational efficiency and safety of principal. Diversification requirements by institution and type shall not apply while ColoTrust remains the Town's sole investment vehicle.

Maturities will continue to be structured within ColoTrust to meet cash flow needs.

If additional investment vehicles are utilized in the future, the portfolio's weighted average maturity shall not exceed 3 years, unless authorized by Council for long-term reserves.

#### **F. Collateralization**

All deposits exceeding FDIC limits must be collateralized in accordance with the Public Deposit Protection Act (PDPA).

## **G. Safekeeping and Custody**

All securities shall be held by a third-party custodian in the Town's name.

Physical delivery or third-party custody is required for all marketable securities.

This means the Town's investments must be securely held by an independent financial institution (not the broker who sold them), registered to the Town, and protected from misuse or fraud.

## **H. Broker/Dealer Requirements**

All brokers, financial institutions, and dealers must:

1. Be licensed in the State of Colorado
2. Provide annual certification of compliance with the Town's investment policy
3. Meet capital adequacy standards set by the SEC and FINRA

## **I. Reporting and Review**

Quarterly reports will be submitted to the Town Manager and Council showing holdings, market value, and performance.

The policy shall be reviewed annually and updated as needed.

## **J. Ethics and Conflicts of Interest**

Employees involved in the investment process shall avoid any actual or perceived conflict of interest.

Disclosure of any personal financial interest in any institution doing business with the Town is required.

## **K. Glossary**

PDPA: Public Deposit Protection Act

SLY: Safety, Liquidity, Yield (investment priority)

Repurchase Agreement: Short-term borrowing using securities as collateral

Marketable Securities: Financial instruments that can be easily sold or traded

Custodian: Financial institution that holds assets for safekeeping

## **L. Procedures**

The Finance Director shall maintain a list of approved institutions.

All investment transactions must be documented and comply with this policy.

All securities shall be tracked in the Town's accounting system and subject to internal and external audit.

## **V. APPROVAL:**

This Policy was approved by Town Council through Resolution No. 2025-26