



INVESTMENT POLICY STATEMENT

MONEY PURCHASE PLAN FOR GENERAL EMPLOYEES

PURPOSE

The purpose of this Investment Policy Statement (IPS) is to clearly establish the investment goals and objectives and management policies applicable to The City and County of Broomfield Money Purchase Plan for General Employees' ("Plan").

This document specifically outlines the investment philosophy and practices applicable to the Plan. It has been developed to serve as a process for the evaluation of those assets within the Plan.

This IPS will:

1. Establish reasonable expectations, objectives and guidelines in the investment of the Plan's assets; and
2. Create the framework for a well-diversified menu of investment options that can be expected to generate acceptable long-term returns at levels of risk suitable to their objectives. Including:
 - a. establishing the appropriate categories, asset classes and investment styles to be made available to the participants;
 - b. establishing investment guidelines regarding the selection of investment options and diversification of assets;
 - c. specifying the criteria for evaluating the performance of the Plan's assets

THE PLAN

The City and County of Broomfield ("City") sponsors this Plan for the benefit of its employees. It is intended to provide eligible employees with the long-term accumulation of retirement savings through a combination of employee and employer contributions to individual participant accounts and the earnings thereon.

The Plan's participants and beneficiaries are expected to have different investment objectives, time horizons and risk tolerances. To meet these varying investment needs, participants and beneficiaries will be able to direct their account balances among a range of investment options to construct diversified portfolios that reasonably span the risk/return spectrum. Participants and beneficiaries alone bear the risk of investment results from the options and assets mixes that they select.



PRINCIPAL PURPOSE

This IPS is intended to assist the Committee and the City by ensuring that they make investment-related decisions in a prudent manner.

This IPS is intended to be a summary of an investment philosophy and the procedures that provide guidance for the City, the Committee and the Investment Consultant retained by the City. The investment policies described in this IPS should be dynamic. These policies should reflect the City's current status and philosophy regarding the investment of the Plan. These policies will be reviewed at least annually by the Committee and revised periodically to ensure they adequately reflect any changes related to the investment options and any other investments, to the City or the capital markets. The Committee shall have the discretion to amend the IPS at any time.

If any term or condition of the IPS conflicts with any term of condition in the Plan, the terms and conditions of the Plan shall control.

It is understood that there can be no guarantee about the attainment of the goals or investment objectives outlined herein.

ACCOUNT INFORMATION

Plan Name:	Money Purchase Plan for General Employees
Plan Sponsor:	City and County of Broomfield
Authorized Decision Makers:	City and County of Broomfield

DUTIES AND RESPONSIBILITIES

The City and County Of Broomfield

The City and County of Broomfield ("City") shall be responsible for:

1. Approving the investment options of the Plan.
2. Oversight of the Committee and the Investment Consultant.
3. If applicable, reading and understanding the information contained in the prospectus of each investment option.

The Committee

The Committee shall be responsible for:

1. The oversight of the investment options.
2. Reviewing the investment options and policies of the Plan.
3. Approving the investment policies (including the IPS).
4. Making recommendations to the City regarding the selection of a trustee, the employment of actuaries, accountants and professionals (including the Investment Consultant), and investment options to be offered.
5. Maintaining comprehensive written records of all decisions and decision-making processes in order to establish and demonstrate procedural prudence on the part of the Committee.

6. Directing Investment Consultant to make changes in investment policy and to oversee and to approve or disapprove Investment Consultant's recommendations with regards to policy, guidelines, objectives and specific investments on a timely basis.

The Investment Consultant

Strategies LLC ("Investment Consultant") is expected to oversee the investment options in a manner consistent with this IPS and in accordance with applicable State and Federal law and the Uniform Prudent Investor Act. Investment Consultant is a Registered Investment Advisor and shall act as the Investment Consultant and fiduciary to the Plan until the City decides otherwise.

Investment Consultant shall be responsible for:

1. Advising the Committee about the selection of investment options.
2. Monitoring the performance of all selected investment options.
3. Recommending changes to any of the above.
4. Periodically reviewing the suitability of the investments for the City and being available to meet with the City at least annually.
5. Preparing and presenting appropriate reports.

Investment Consultant will not take title to any assets nor shall Investment Consultant exercise discretionary control over any of the Plan's assets. Investment Consultant shall be responsible to make recommendations to the Committee and to implement investment decisions as directed by the City.

ADMINISTRATION

The Plan will have administrative services provided by a service provider. Included in its services are such items as regulatory reporting, general administrative services and participant recordkeeping - contributions, disbursements, loans, etc. Plan and participant account balances are valued on a daily basis.

The provider supplies participant statements on a calendar quarter basis. Participants also have daily access to information and may perform various tasks (checking account balances, trading, etc.) via various electronic mediums.

PLAN FEES AND REVENUE SHARING

Mutual funds and other investment vehicles may share a portion of their revenues with retirement plan providers who support a retirement plan that is a fund shareholder.

The City may seek out investment options that pay revenue sharing to a Plan provider. In the event that there is an investment that pays revenue sharing, the provider shall either retain that revenue in addition to its billable revenue or offset it from its billable revenue, as long as that revenue is considered reasonable.

PLAN OBJECTIVES

The City established this Internal Revenue Code Section 401(a) plan to attract and retain quality employees, and to help those employees save and invest for their own retirement goals. The City and the Committee intend to maintain and operate the Plan in a "best practices" manner. The City, Committee and Investment Consultant have a duty to consider the prudence of investment alternatives made available to participants under the Plan.

INVESTMENT OPTIONS

The City and the Committee intend to offer a core menu of mutual fund, collective investment fund and/or other pooled vehicles as available investment options for participants (collectively referred to as the "Core Menu").

The combination of these investment options will give participants in the Plan the opportunity to create diversified portfolios that are unique to each participant's individual situation, time horizon, objective and risk and return requirements.

CORE MENU

Asset Class Investment Category - Participants who want to create their own portfolio:

Cash - 1 Option

Money Market

U.S. Fixed Income - 3 Options

Intermediate Term High Quality

Intermediate Term TIPS

Short-term High Quality

International Fixed Income - 1 Option

Developed Market

U.S. Stock - 4 Options

Large Cap

Small Cap

Multi Cap Growth

Multi Cap Value

International Stock - 2 Options

Developed Market Large Cap

Developed Market Small Cap

Alternatives - 2 Options

Global Real Estate

Commodities

Balanced/Asset Class Combination Category - Participants who want to choose a pre-constructed portfolio:

Target Maturity - Minimum of 5 Options

Currently these products incorporate the following maturities:

Income

2010

2020

2030

2040

2050

It is anticipated other maturities will become available over time. I.e. 2060, etc.

Options that are listed in *italics* should be considered the primary choices within each asset class while the others are designed to complement those options.

All Asset Class investment options provide access to mainstream asset classes and investment styles without significant overlap among the individual choices. This will be communicated as such to the participants while the Balanced/Asset Class Combination choices will be presented as an alternative to individual portfolio construction.

PARTICIPANT CONTROL

The Plan assets are invested as directed by each participant.

Investment Instructions

Participants are able to give instructions regarding the investment of their funds (both money contributed and new money) on a daily basis. This can be accomplished through various electronic media maintained by the plan provider. Instructions on the use of each are provided at the meetings for participants and/or through various media/materials from the plan provider.

Diversification

The investment options offered are intended to provide a diversified range of options. In the case of the asset class options, each of the investment options have different risk and return characteristics. In the aggregate they enable a participant to achieve appropriate risk and return characteristics applicable to their individual situation.

Investment and Fee Information

Information provided to participants may include:

- A description of each investment option, including the investment goals, risk and return characteristics.
- Information about when participants may give investment instructions, restrictions and penalties relating to fund transfers.
- A description of the type of fees that may be charged to the participants' account and any line items fees to be detailed on participant statements.
- A copy of the most recent prospectus if the investment is subject to securities legislation.
- Information on the annual operating expenses of each designated investment option.
- The value of the shares or units held in the particular participant's account.

Investment Liquidity

The Committee intends to offer investment options that provide flexible redemption features to meet participants' immediate cash needs. The Core Menu investment options are either S.E.C. registered mutual funds, collective investment funds or other pooled

vehicles. Each option is priced on a daily basis and is available for contributions and/or withdrawals with one-day advance notice.

PARTICIPANT EDUCATION

Participant education materials, plan information, retirement and investing information and core investment option information may be presented and explained to participants at group meetings.

These meetings, and material, may cover items including as the basics of their retirement plan, general financial and retirement planning, investment education and the specifics of their core investment options. Participants will also have the opportunity to have question and answer sessions during these meetings. Investment advice may also be available on a one-on-one basis.

SELECTION/RETENTION CRITERIA FOR INVESTMENTS

Core Menu Investment Option Criteria

Each investment option must meet certain minimum criteria:

1. It should be a bank/trust company, insurance company, investment management company or an investment adviser under the Registered Investment Advisers Act of 1940.
2. It should be operating in good standing with regulators and other state and federal government authorities, with no material pending legal actions that the Investment Consultant or Committee may be aware of.
3. Detailed information should be readily available on the history of the firm, its investment philosophy and approach, and its principals, locations, fee schedules, performance and other relevant information.
4. It should have a clearly stated objective and ascertainable market value on a daily basis.

Core Menu Investment Option Selection Criteria

In order for a security to be included as an investment option for the Plan it should pass the following qualitative and quantitative criteria (other criteria may or may not be incorporated):

- Organization evaluation; which may include such criteria as personnel, management and investment philosophy, consistency of process, material events, reasonable fees and expenses, asset flows, etc.
- Length of time the option (or similar strategies) has been in existence and length of time it has been under the direction of the current manager(s).
- Consistent application of its exposure to various asset classes and investment styles: Consistency relative to its peer group.
- The current and historical portfolio statistics should also be relatively consistent.
- Total costs (visible and hidden) should be reasonable relative to its applicable peers.
- The proposed security should complement other securities in the Plan.

- The past performance, relative to applicable indices and peer groups, shall be competitive as defined immediately below. Please note that consideration shall be given to performance over various periods, consistency of performance on a calendar year basis and risk-adjusted performance.
 - Indices: Outperformance or slight underperformance over the majority of measurement time periods will allow a product to be included. It is also recognized that longer time periods will have more influence versus shorter time periods.
 - Peer Group: The proposed investment should preferably be in the top 40% of its peer group over the majority of measurement periods.
 - The proposed security should receive an appropriate ranking via the Investment Consultant's composite scoring system.
- The historical volatility and downside risk of each proposed investment should fall within acceptable ranges relevant to its peer group and indices.
- Turnover of the option.
- Size of the option.
- Its availability within the administrative/custodial universe.

Investment Option Retention

The Committee intends to review the performance of the investment options at least semi-annually. The procedure outlined below creates a watch list of those investment options that meet or fail to meet specific criteria. Investment options on the watch list would become the subject of close and ongoing review by the Committee and the Investment Consultant, until either removed from the watch list or eliminated from the Plan's offerings.

In order for a security to remain as a core investment option in the Plan, it must continue to pass the qualitative and quantitative criteria listed above in addition criteria including, but not limited to, those listed here:

- Items that may make an investment a candidate for immediate removal without first being placed on the watch list may include, but are not limited to, the following:
 - The bank, insurance company, investment management company or investment adviser is perceived to have extreme difficulty either because of regulatory, legal, financial, management or competitive issues.
 - The investment is to be liquidated or merged into another vehicle.
 - The investment undergoes a material change of strategy or philosophy altering its historical asset and/or style allocation.
- Items that may place an investment on the watch list may include, but are not limited to, the following:
 - Receipt of a Poor ranking from the Investment Consultant's composite scoring system.
 - A relative change in its asset and/or style allocation and/or portfolio statistics relative to its historical asset and/or style allocation and/or portfolio statistics.

- A significant increase in its fees or other associated operating expenses.
- Extreme withdrawals of its asset base.
- Past performance: Fall out of the top 40% of its peer group for an extended period of time and trail its applicable index by a significant amount over this same period. Its risk characteristics should also be relatively worse than the applicable index.
- A complete management and organizational change.

The Investment Consultant, the City and the Committee recognize that all investments go through cycles and, therefore, there will be periods of time in which the investment objectives are not met or when specific managers fail to meet their performance targets. Recognizing that no manager is perfect all the time and that good years help to make up for bad ones, the Investment Consultant and Committee acknowledge the principle that managers must be given an opportunity to make up for poor periods. Unless there are extenuating circumstances, patience may prove appropriate when performance has been disappointing.

When a Core Menu investment option is removed, the Committee, City and Investment Consultant will either find a replacement investment that meets the selection criteria or transfer the assets of the investment into another investment already included in the lineup. The Plan participants will be notified as soon as reasonably possible of the decision.

Updated Investment Options

At certain times, it may be necessary to remove an investment category. Additionally, a new investment category may be added to the lineup. When such changes are made, updates will be attached to this IPS as an *Appendix* and will be considered part of this IPS.

INVESTMENT MONITORING

1. Investment Consultant shall provide the Committee with a report, within 30 days after the end of each quarter, and at other times as necessary. Included in this report will be such items as an economic and market review and performance information.
2. Regarding performance, these reports may contain the following information:
 - a. Performance results over various time periods.
 - b. Performance results of comparative benchmarks for the same periods.
 - c. If applicable, performance results of comparative peer groups for the same periods.
3. Periodic analyses of each investment option in the plan lineup - where applicable.