

First Reading: July 13, 2021
Second Reading: dispensed

RESOLUTION NO. 2021 - 055

A RESOLUTION ADOPTING A TOWNSHIP INVESTMENT POLICY

WHEREAS, the Board of Township Trustees wishes to adopt a policy regarding investment of the Township's funds.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Township Trustees of Sycamore Township, State of Ohio that:

SECTION 1. The attached Sycamore Township Investment Policy is hereby adopted for the investment of Township funds.

SECTION 2. The Trustees of Sycamore Township upon at least a majority vote do hereby dispense with any requirement that this resolution be read on two separate days, and hereby authorize the adoption of this resolution upon its first reading.

SECTION 3. This Resolution shall take effect on the earliest date allowed by law.

VOTE RECORD:

Mr. James Y Mr. LaBarbara Y Mr. Weidman Y

PASSED at the meeting of the Board of Township Trustees this 13th day of July, 2021.



Thomas C. James, Jr., Chairman



Jim LaBarbara, Vice Chairman



Thomas J. Weidman, Trustee

AUTHENTICATION

This is to certify that this Resolution was duly passed, and filed with the Sycamore Township Fiscal Officer, this 13th day of July, 2021.



Robert C. Porter, III
Sycamore Township Fiscal Officer

APPROVED AS TO FORM:



Deepak K. Desai, Law Director

**SYCAMORE TOWNSHIP OHIO
INVESTMENT POLICY**

1. Policy Statement

It is the policy of Sycamore Township to invest all public funds in a manner which will provide maximum safety and preservation of principal, while meeting all the liquidity and operating demands, at reasonable market interest rates available. All investments made will conform to all applicable laws and regulations governing the investment of public moneys, including Section 135 of the Revised Code (ORC 135).

II. Objectives

A. To invest all moneys in accordance with the guidelines of ORC 135.14, with the priorities being: Safety, Liquidity, and Yield, in that order. Primary objectives are the preservation of capital and the protection of investment principal.

B. To limit market risk and ensure reliable return on investments through diversity and management of securities held in the investment portfolio.

C. To safeguard repurchase agreement transactions so as to avoid all security risk, and to limit and track the market risk.

D. To ensure that all entities conducting business with the investing authority are knowledgeable of ORC 135 and this investment policy.

E. To ensure that the portfolio remains sufficiently liquid to enable the investing authority to meet operating requirements which might be reasonably anticipated.

F. The portfolio is not for speculation and will not be leveraged under any circumstances.

III. Maturity Guidelines

To the extent possible, the Fiscal Officer will attempt to match its investments with anticipated cash flow requirements to take best advantage of prevailing economic and market conditions. The maximum maturity of any eligible instrument is five years from the settlement date, unless the investment is matched to a specified obligation or debt of the subdivision. Any investment made must be purchased with a reasonable expectation to be held to maturity.

IV. Permissible Investments

The Fiscal Officer may invest in any instrument or security authorized in ORC 135.14, as amended.

Permissible investments include:

A. United States Treasury bills, notes, bonds, or any other obligations or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States. Stripped principal or interest obligations of such eligible obligations are strictly prohibited.

B. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency or instrumentality securities must be direct issuances of the federal agency or instrumentality.

C. STAR Ohio is eligible as long as the fund maintains the highest letter rating provided by at least one nationally recognized standard rating service as outlined in ORC 135.45.

D. Bonds and other obligations of this state or the political subdivisions of this state, provided that, with respect to the bonds or other obligations of political subdivisions, all of the following apply:

(a) the bonds or other obligations are payable from general revenues of the political subdivisions and backed by the full faith and credit of the political subdivision.

(b) The bonds or other obligations are rated at the time of purchase in the three highest classifications established by at least one nationally recognized standard rating service and purchased through a registered securities broker or dealer.

(c) The aggregate value of the bonds or other obligations does not exceed twenty percent of the interim moneys available for investment at the time of purchase.

(d) The Fiscal Officer is not the sole purchaser of the bonds or other obligations at original issue.

(e) The bonds or other obligations mature within ten years from the date of settlement.

No investments are to be made under section IV D unless the Fiscal Officer has completed additional training for making the investments authorized by section IV D. The type and amount of additional training shall be approved by the treasurer of the state and may be conducted by or provided under the supervision of the treasurer of the state.

E. Interim deposits (such as Certificates of Deposit) in the eligible institutions applying for interim moneys as provided in ORC 135.08.

F. No-load money market mutual funds consisting exclusively of obligations described in Sections IV A or B of this policy and expressly excluding derivatives in accordance with ORC 135.14.

G. Up to forty percent of interim moneys available for investment in either of the following:

(a) Commercial paper notes issued by an entity that is defined in division (D) of ORC 1705.01 or division E of section 1706.01 of ORC that has assets exceeding five hundred million dollars, to which notes all of the requirements of section 135.14 of the ORC paragraphs (B) (7) (a) (i) to (iv) apply.

(b) Bankers acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than one hundred eighty days

after purchase.

No investments are to be made under section IV G unless the Fiscal Officer has completed additional training for making the investments authorized by section IV G. The type and amount of additional training shall be approved by the treasurer of the state and may be conducted by or provided under the supervision of the treasurer of the state.

H. The Fiscal Officer may also enter into a written repurchase agreement with any eligible institution mentioned in section 135.03 of the ORC or any eligible dealer pursuant to paragraph (M) of section 135.14 of the ORC, under the terms of which agreement the Fiscal Officer purchase, and such institution or dealer agrees unconditionally to repurchase any of the securities listed in paragraphs IV A to F above, except letters of credit described in paragraph (D) (2) of section 135.18 of the ORC. The market value of securities subject to an overnight written repurchase agreement must exceed the principal value of the overnight written repurchase agreement by at least two per cent. A written repurchase agreement shall not exceed thirty days and the market value of securities subject to a written repurchase agreement must exceed the principal value of the written repurchase agreement by at least two per cent and be marked to market daily. All securities purchased pursuant to this paragraph shall be delivered into the custody of the Fiscal Officer or an agent designated by the Fiscal Officer. A written repurchase agreement with an eligible securities dealer shall be transacted on a delivery versus payment basis. The agreement shall contain the requirement that for each transaction pursuant to the agreement the participating institution or dealer shall provide all of the information required by paragraph (E, items (1) through (3) of ORC section 135.14.

Reverse repurchase agreements are strictly prohibited.

V. Derivatives

Investments in derivatives are strictly prohibited. A derivative is defined in ORC 135 as a financial instrument or contract or obligation whose value or return is based upon or linked to another asset or index or both, separate from the financial instrument, contract or obligation itself. Any security, obligation, trust account, or other instrument that is created from an issue of the United States treasury or is created from an obligation of a federal agency or instrumentality or is created from both is considered a derivative instrument. However, any eligible investment with a variable interest rate payment based upon a single interest payment or single index comprised of other investments consisting of US government or federal agency or instrumentality obligations is not considered a derivative if it matures in two years or less.

VI. Pooling

The pooling of funds by subdivisions is prohibited except as provided in ORC 715.02 or Sec. IV Article XVIII of the Ohio Constitution, and STAR Ohio.

VII. Eligible Institutions

All investments, except for investments in described in paragraphs IV C and F above shall be made only through a member of the financial industry regulatory authority (FINRA), through a bank, savings bank, or savings and loan association regulated by the superintendent of financial institutions, or through an institution regulated by the comptroller of the currency, federal deposit insurance corporation, or board of governors of the federal reserve system.

VIII. **Investment Advisors**

In making authorized investments, the Fiscal Officer may retain the services of an investment advisor, provided the advisor is licensed by the division of securities under section 1707.141 of the ORC or is registered with the securities and exchange commission, and possesses experience in public funds investment management, specifically in the area of state and local government investment portfolios, or the advisor is an eligible institution mentioned in section 135.03 of the ORC.

IX. **Collateral**

All investments and deposits shall be collateralized pursuant to ORC Chapter 135.

X. **Reporting and Review**

The Fiscal Officer shall establish and maintain an inventory of all instruments and securities acquired by the Township. The inventory shall include the description of the instrument or security, type, cost, par value, maturity date, settlement date and coupon rate. The report shall be reviewed by the Township's Volunteer Citizens Finance Committee on a quarterly basis.

XI. **Acknowledgments**

All brokers, dealers, and financial institutions initiating transactions with the Clerk by giving advice or making investment recommendations must sign the investment policy, thereby acknowledging their agreement to abide by the policy.

All brokers, dealers, and financial institutions executing transactions initiated by the Clerk must sign the investment policy acknowledging their comprehension and receipt of the policy.

Date Adopted: _____

Fiscal Officer

Acknowledgment:

Name of Financial Institution

Authorized Officer

Date