

RESOLUTION NO. R-18-02
**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF GEORGETOWN,
INDIANA APPROVING A TOWN INVESTMENT POLICY**

WHEREAS, the Georgetown Town Council is the Fiscal Body of Government in Georgetown, Indiana; and

WHEREAS, I.C. 5-13-9-5.7 allows the Town fiscal body to adopt an investment policy authorizing the investment of public funds of the political subdivision for more than two (2) years and not more than five (5) years; and

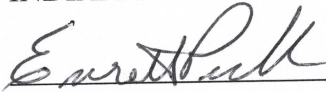
WHEREAS, the Georgetown Town Council elects to adopt an Investment Policy authorizing the investment of public funds of the political subdivision for more than two (2) years and not more than five (5) years; and

WHEREAS, attached as Exhibit A is the written Investment Policy adopted by the Georgetown Town Council; and

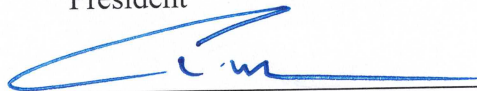
THEREFORE, BE IT RESOLVED, by the undersigned, that the Georgetown Town Council does by resolution, adopt the attached Investment Policy.

This Resolution was passed and adopted this the 30 day of January, 2018.

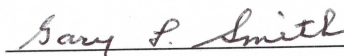
TOWN COUNCIL, GEORGETOWN,
INDIANA



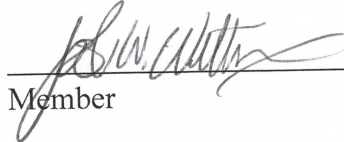
President



Vice President



Member



Member

Member

ATTEST: BA M. FL

Clerk-Treasurer

TOWN OF GEORGETOWN, INDIANA

Investment and Deposit Policy (EXHIBIT A)

1. Policy

It is the policy of the Town of Georgetown ("Town") to invest public funds in a manner which will provide the highest investment return with maximum security while meeting all liquidity and operating demands of the Town. All investments must conform to all applicable state and local statutes governing the investment of public funds. Pursuant to Georgetown Town Council Ordinance No. G-18-02, Resolution No. R 18-02, and I.C. 5-13-9-5.7, the Georgetown Town Council does hereby adopt this written Investment Policy. The investment of Public Funds shall be made in accordance with I.C. 5-13-9-5.7. The investment of Public Funds shall be made with the approval of the investing officer and Town Council, as set forth herein. This Investment Policy shall expire four (4) years from adoption, unless modified or rescinded prior thereto.

2. Scope

This Investment and Deposit Policy ("Policy") applies to all financial assets of the Town. The Town funds subject to this policy are hereinafter referred to as the "Active Portfolio".

The Clerk Treasurer is authorized to pool cash balances from all funds of the Town for investment purposes. All interest earnings will be credited to the fund from which the cash balance was drawn.

3. Objectives

The primary objectives of investment activities, in order of priority, shall be safety, liquidity, and yield:

Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure that preservation of capacity in the overall portfolio. This is accomplished by:

1. Limiting investments to the securities authorized by this policy.
2. Pre-qualifying the financial institutions, brokers/dealers, and advisors with which the County will do business.
3. Diversifying the investment portfolio so that potential losses on individual securities will not significantly affect the safety of the portfolio.
4. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturing.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by:

1. Structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.
2. The portfolio should consist largely of securities with active secondary or resale markets.
3. A portion of the portfolio should be placed in money market funds or local government pools which offer same-day liquidity for short-term funds.

Yield

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 liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

4. Standards of Care

Delegation of Authority

Authority to manage the investment program is hereby delegated to the Town Fiscal Officer/Clerk Treasurer, who shall act in accordance with the established written procedures and internal controls for the operation of the investment program, consistent with this investment policy or as directed from time to time by the Town Council. The Clerk Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Clerk Treasurer.

Prudence

The standard of prudence to be used by the investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this 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 the actions of the investment officer are in accordance with this policy.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make

impartial decisions. Investment officials shall disclose any material interest in financial institutions with which they conduct business on behalf of the Town. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

5. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. All deposit balances must be insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

6. Diversification

To avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, dealers or maturities, the Clerk Treasurer will diversify the Active Portfolio as follows:

<u>Diversification by Instrument</u>	<u>Maximum Percent of Town's Active Portfolio</u>
U.S. Treasury Obligations	100%
Authorized U.S. Federal Agency Securities and U.S. Government-sponsored Corporations	100%
*Maximum Per Single Agency	100%
Indiana Issued Municipal Securities	100%
Certificates of Deposit covered under FDIC or PDIF	100%
Money Market Savings Account	100%
State Government Investment Pool	100%
Repurchase Agreements	100%
 <u>Diversification by Stated Financial Maturity</u>	 <u>Maximum Percent of Town's Active Portfolio</u>
Up to 2 years	100%
More than 2 years, but not greater than 5 years	25%

In accordance with I.C. 5-13-9-5.7, up to twenty-five percent (25%) of the total Town portfolio, including balances in transaction accounts may be invested for terms of more than two (2) years after the date of purchase or entry into a repurchase agreement, but not more than five (5) years. As long as this Investment Policy is in effect when the investment is made, the investment remains compliant with the policy even if:

- (1) The investment policy has expired; or
- (2) A subsequent decrease in the total portfolio, including balances in transaction accounts, causes the percentage of investments outstanding under this

parameter to exceed twenty-five percent (25%) of the total portfolio of funds invested.

An investing officer, with approval of the Town Council, may contract with a federally regulated investment advisor or other institutional money manager to make investments under this section.

7. Authorized Investments

Unless specifically prohibited by law or elsewhere by these Investment Criteria this Policy, monies in the Pool may be invested and reinvested only in investments authorized and within the legal limits required by the Investment Laws for the investment of state funds. Although a number of investment options are authorized in Indiana Code 5-13 for state investments, the predominate asset classes will be considered to comprise the Pool portfolio are:

1. Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by:
 - a. The United States Treasury
 - b. A federal agency
 - c. A federal instrumentality
 - d. A federal government sponsored enterprise.
2. Securities issued by:
 - a. A federal agency
 - b. A federal instrumentality
 - c. A federal government sponsored enterprise.
3. Repurchase Agreements with Indiana designated depositories, fully collateralized with a perfected security interest in the collateral.
4. Certificates of Deposit.
5. Municipal securities issued by an Indiana local governmental entity, a quasi-governmental entity related to the state, or a unit of government, municipal corporation or special taxing district in Indiana, if the issuer has not defaulted on any of the issuer's obligations within the twenty (20) years preceding the date of the purchase.
6. AAA rated (Standard and Poor's (S&P) financial service company) or AAA rated (Moody's Investor Service) money market mutual funds comprised of the foregoing.
7. Trust Indiana – local government investment pool.

8. Derivatives

Investments in derivatives are strictly forbidden. A derivative is defined as a financial instrument, contract or obligation whose value is based upon or linked to another asset or index or both, separate from the financial instrument, contract or obligation itself.

9. Reporting

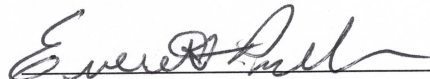
The Fiscal Officer/Clerk Treasurer will be responsible to provide regular reports (at least quarterly) to the Town Council about the Town's investment activities, or as otherwise directed from time to time by the Town Council.

10. Policy Considerations

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

The policies as stated herein may be changed only with the approval of the Georgetown Town Council. The Town Council reserves the right to modify or rescind this policy from time to time at its discretion.

TOWN COUNCIL, GEORGETOWN,
INDIANA



President



Vice President



Member



Member

Member

ATTEST:



Clerk-Treasurer