

**CITY OF SUNBURY
INVESTMENT POLICY
Revised 3/1/2023**

The City of Sunbury hereby directs that the Investing Authority of the City of Sunbury shall reside with the Director of Finance in accordance with this Investment Policy. This Policy is designed to cover all monies under the control of Director of Finance and those that comprise the core investment portfolio. Notwithstanding the policies detailed below, Chapter 135 of the Ohio Revised Code will be adhered to at all times. In addition, the Director of Finance shall follow all other applicable laws and regulations at all times.

Management responsibility for the investment program is with the Director of Finance and the Director of Finance shall be responsible for the implementation of the investment program and the establishment of investment procedures consistent with this policy.

I. OBJECTIVE AND GUIDELINES

- A. The primary objective shall be the preservation of capital and protection of principal while earning investment interest. Safety of principal is the foremost objective of the investment program. Investment of the City of Sunbury shall be undertaken in a manner to ensure the preservation of capital in the overall portfolio.
- B. The investment portfolio shall remain sufficiently liquid to enable the Director of Finance to meet reasonable anticipated operating requirements.
- C. In investing public funds, the Director of Finance will strive to achieve a fair and safe average rate of return on the investment portfolio over the course of budgetary and economic cycles taking into account state law, safety considerations and cash flow requirements. Bids will be taken to achieve a competitive basis as needed.
- D. Investments shall be made with the exercise of that degree of 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.
- E. All investments should be made with the intention to hold to their stated final maturity date. The maximum final maturity date on any investment shall be five years from the original settlement date.
- F. Bank account relationships will be managed in order to secure adequate services while minimizing costs. The City of Sunbury enters into contracts with various financial institutions to serve as public depositories for the City of Sunbury's active and interim deposits. The most current legislation designating a public depository for active funds is Resolution 2022-01 for a period of five years, commencing February 21, 2022.

II. ELIGIBLE INVESTMENTS:

The following investments constitute a nonexclusive list of appropriate investments.

- a. The Ohio Subdivision fund (STAROhio) set forth in O.R.C sec. 135.45.
- b. Bills, notes, bonds, and other securities issued by the United States Treasury.
- c. Obligations guaranteed by the United States.
- d. Securities issued directly by federal agencies or instrumentalities.
- e. Repurchase Agreements which are transacted only through banks located within the State of Ohio with which the Director of Finance has signed a Master Repurchase Agreement as required in Chapter 135 O.R.C.
- f. Bonds and other obligations of the State of Ohio and municipalities located within the State of Ohio of investment grade.
- g. Certificates of deposit, savings accounts, and deposit accounts in any public depository.
- h. No-load money market mutual funds consisting exclusively of obligations described in division (B)(1) or (2) of section 135.14 of the Ohio Revised Code and repurchase agreements secured by such obligations, provided that investments in securities described in section 135.14 of the Ohio Revised Code are made only through eligible institutions mentioned in section 135.03 of the O.R.C.
- i. Commercial paper notes issued by an entity that is defined in division (D) of ORC Section 1705.01 and that has assets exceeding five hundred million dollars. ORC 135.14 (B)(7) requirements apply. The maturity is limited to two hundred seventy days.
- j. Any other investments that are explicitly named within Ohio Revised Code section 135.14 as eligible for investment or deposit.

A list of authorized institutions and dealers shall be maintained with the Director of Finance. Additions and deletions to this list shall be made when deemed in the best interest of the Director of Finance and City of Sunbury.

III. PROHIBITED INVESTMENTS

The following investments and investment practices are prohibited:

- a. Investment in derivatives or in no-load money market mutual funds that invest in derivatives. Derivative is defined by O.R.C. sec. 135.01(0) as any financial instrument based upon or linked to another asset or index that is separate from the financial instrument itself. Any security that is based upon an issue of the United States Treasury or an obligation of a federal agency or instrumentality, the State of Ohio, or any political subdivision of the State is not considered to be a derivative even though it has a variable interest rate based upon a single interest payment or single index consisting of other securities issued or guaranteed by the United States, provided that such variable interest rate investment has a maximum maturity of two years.

- b. Investments in stripped principal or interest obligations.
- c. Investments in a fund established by another county, subdivision, treasurer, or governing board for the purpose of investing the public funds of other subdivisions, other than STAR Ohio and funds established to acquire, construct, lease or operate a municipal utility.
- d. Investments in a fund established by another county, subdivision, treasurer, or governing board for the purpose of investing the public funds of other subdivisions, other than STAR Ohio and funds established to acquire, construct, lease or operate a municipal utility.
- e. Repurchase agreements whereby the Director of Finance agrees to repurchase securities (reverse repos).
- f. Sale of taxable notes for the purpose or arbitrage.
- g. Use of current investment assets as collateral to purchase other assets.

VI. COLLATERAL:

All deposits of public funds will be collateralized pursuant to O.R.C. sec 135.18, 135.18.1 and 135.37

VII. CONTINUING EDUCATION:

The Director of Finance and those staff delegated authority by the Director of Finance to buy and sell securities shall complete continuing education course work including, but not limited to, that required by O.R.C. 135.22.

VIII. REPORTING:

The Director of Finance shall establish and maintain an inventory of all obligation and securities acquired. The inventory shall include the description of the security, type, cost, par value, maturity date, and settlement date and coupon rate, if applicable.

IX. COMMITTEE MEETINGS:

The Finance Committee will meet at least once every quarter to review the portfolio in detail, including the term of security, type, risk and investment return. The Director of Finance shall be responsible for maintaining records of all investments and deposits and preparing reports for the Finance Committee meeting.

X. ACKNOWLEDGEMENT BY FINANCIAL INSTITUTION

All brokers, dealers and financial institutions initiating transactions with the Investment Authority by giving advice or making investment policy or executing transactions initiated by the Investment Authority, must acknowledge their agreement to abide by the investment policy's content.