

**AN EMERGENCY RESOLUTION
AMENDING THE INVESTMENT POLICY OF MAYFIELD VILLAGE**

WHEREAS, in 1996 Mayfield Village adopted an Investment Policy through Ordinance No. 96-31 in accordance with Ohio Law; and

WHEREAS, in 2012 Mayfield Village amended the Investment Policy through Ordinance 2011-25; and

WHEREAS, additional amendments are needed to the Investment Policy in order to more accurately reflect what is permitted under Ohio Law; and

WHEREAS, the Finance Director reviewed and revised the Investment Policy and recommends the amendments as set forth in **Exhibit A**, attached hereto; and

WHEREAS, the Council deems it necessary and in the best interest to the health, safety and welfare of all Village residents to adopt the amended Investment Policy.

BE IT RESOLVED BY THE COUNCIL OF MAYFIELD VILLAGE, OHIO, THAT:

SECTION 1. The Investment Policy for Mayfield Village, adopted in 1996, as amended, is hereby further amended and adopted as set forth in **Exhibit A**, attached hereto and incorporated herein.

SECTION 2. The Council finds and determines that all formal actions of this Council relating to the adoption of this Resolution have been taken at open meeting of this Council; and that deliberations of this Council and of its committees, resulting in such formal action, took place in meetings open to the public, in compliance with all statutory requirements including requirements of Section 121.22 of the Ohio Revised Code.

SECTION 3. This resolution is hereby declared to be an emergency measure immediately necessary for the preservation of health, safety and welfare of the residents of Mayfield Village, Ohio because it is necessary to comply with Ohio Law. It shall, therefore, take effect immediately upon the passage by the affirmative vote of not less than five (5) members elected to Council and approved by the Mayor or otherwise at the earliest time allowed by law.

STEPHEN SCHUTT
Council President

First Reading: _____, 2020

Second Reading: _____, 2020

Third Reading: _____, 2020

PASSED: _____, 2020

BRENDA T. BODNAR, Mayor

APPROVED AS TO FORM:

ANTHONY J. COYNE, ESQ.,
Director of Law

ATTEST: _____
MARY E. BETSA, MMC
Clerk of Council

EXHIBIT A

STATEMENT OF INVESTMENT POLICY OBJECTIVES & GUIDELINES Mayfield Village

Investment Policy

It is the policy of Mayfield Village to invest public funds in a manner which will provide the highest investment return with the maximum security, safety and preservation of principal while meeting the daily cash flow demands of the Village and conforming to all applicable statutes governing the investment of public funds. The Director of Finance is the investment officer for the Village, charged with the responsibility for the purchase and sale of investments and carrying out this Investment Policy.

Scope

This Investment Policy applies to all financial assets of the Village. The Director of Finance shall routinely monitor the contents of the Village's investment portfolio, the available markets and relative value of competing investments and will adjust the portfolio accordingly.

Prudence

Investments shall be made with 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.

The standard of prudence to be used by the Director of Finance shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. Acting in accordance with this investment policy and exercising due diligence shall relieve the Director of Finance of personal responsibility for an individual security's credit risk or market price changes.

Objectives

The primary objectives, in order of importance, of the Village's investment activities shall be:

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

Liquidity: The Village's investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated.

Return on Investment: The Village's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account this Investment Policy and the cash flow characteristics of the portfolio.

To the extent possible, the Village will attempt to match its investments with anticipated cash flow requirements.

Delegation of Authority and Responsibilities

The Village may engage the services of an investment advisor to assist in the management of the Village's investment portfolio in a manner consistent with the Village's objectives. Such investment advisor may be granted discretion to purchase and sell investment securities in accordance with this investment policy. The investment advisor must be licensed by the division of securities under section 1707.141 of the Revised Code or registered with the Securities & Exchange Commission, and possess experience in public funds investment management specifically in the area of state and local government investment portfolios, or the investment advisor is an eligible institution as mentioned in section 135.03 of the Revised Code.

Ethics and Conflict of Interest

Persons involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. All employees, officers and investment management consultants to the Village shall subordinate their personal investment transactions to those of the Village, particularly with regard to the timing of purchases and sales.

Authorized Financial Dealers and Institutions

The Director of Finance will maintain a list of financial institutions and approved security broker dealers who are authorized to provide investment services and which qualify under Section 135.14(M)(1) of the Revised Code.

All financial institutions, broker dealers and consultants which desire to conduct investment business with the Village must sign the Investment Policy, certifying they have read it, understand it and agree to abide by its contents.

Authorized Investments

The Village is empowered by statute to invest in the following types of securities as listed in section 135 of the Revised Code as amended:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for payment of the principal and interest thereon but does not include stripped principal or interest obligations of such obligations;
2. Bonds, notes, debentures, or any other obligations or securities issued by a federal government agency or instrumentality;
3. Interim deposits in Village approved depositories which shall be properly insured or collateralized pursuant to the requirements of the Ohio Revised Code. This includes investments in certificates of deposit with FDIC insurance coverage on the full amount of deposit plus accrued interest administered through the Certificate of Deposit Account Registry Service (CDARS). Eligibility of this investment is outlined in Section 135.144 of the Revised Code and would also apply to any other program that is deemed to meet the requirements of such statute;
4. Bonds and other obligations of the State of Ohio or the political subdivisions of this state subject to the restrictions of Section 135.14 (B)(4) of the Revised Code;
5. No-load money market mutual funds consisting exclusively of obligations described in 1 or 2 above or repurchase agreements secured by such obligations, provided such investments are made only through banks and savings and loan institutions authorized by Section 135.03 of the Revised Code.
6. The Ohio Subdivision Fund (STAR Ohio)
7. Commercial paper rated in the highest credit rating by at least two nationally recognized credit rating agencies and subject to the restrictions of Section 135.14 of the Revised Code;
8. Bankers Acceptance subject to the restrictions of Section 135.14 of the Revised Code.

The maximum length of maturity of any allowed Ohio Revised Code investment may not exceed five (5) years.

Under no circumstances may the Village invest in a derivative as defined by the Ohio Revised Code, reverse repurchase agreements or other funds prohibited by law

Reporting

The Director of Finance shall maintain a current inventory of all investments including:

1. Description of each security;
2. Cost (principal);
3. Par value (if applicable);
4. Dates (purchase and maturity)
5. Rate of interest;
6. Seller

The Director of Finance shall also prepare and distribute annually a list of all investments and a report on investment activity and returns.

