

ORDINANCE 2022-41

AN ORDINANCE ADOPTING AN INVESTMENT POLICY FOR THE CITY OF LAFAYETTE, INDIANA

WHEREAS, on August 1, 2016, the Common Council adopted Resolution 2016-12 and Ordinance 2016-16 establishing an Investment Policy which has since expired; and

WHEREAS, it is appropriate for the City of Lafayette to establish a new Investment Policy that complies with state statutes, yields a reasonable rate of return and safeguards taxpayers funds.

NOW THEREFORE, be it Ordained by the Common Council for the City of Lafayette as follows:

Section 1. Purpose. The purpose of this policy is to provide investment objectives and guidelines for the management of public funds, to safeguard funds on behalf of the City, to assure the availability of funds when needed, to encourage investments that earn a competitive rate of return and, at all times, investment according to and consistent with Indiana Code § 5-13-9 *et seq.* as amended.

Section 2. Investing Officer. The City Controller is hereby designated, for the limited purpose of this Ordinance, as the City's Investing Officer and is authorized to invest City funds in accordance with this Investment Policy and state laws.

Section 3. State statutes. All investments made by the City's Investing Officer shall be made in accordance with Indiana Code § 5-13-9 *et seq.*

Section 4. Permitted Investments. Consistent with Indiana Code § 5-13-9 *et seq.*, the following investments are permitted by this policy:

- (1) Securities back by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by any of the following:
 - a. The United States Treasury.
 - b. A federal agency.
 - c. A federal instrumentality.
 - d. A federal government sponsored enterprise.
- (2) Securities fully guaranteed and issued by any of the following:
 - a. A federal agency.
 - b. A federal instrumentality.
 - c. A federal government sported enterprise.
- (3) 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 in accordance with Indiana Code § 5-13-9-2.

- (4) Money market mutual funds rated AAA, or its equivalent, by Standard and Poor's Corporation or Aaa, or its equivalent, by Moody's Investors Services, Inc, in accordance with Indiana Code § 5-13-9-2.5
- (5) Repurchase agreements in accordance with Indiana Code § 5-13-9-3.
- (6) Transaction accounts, certificates of deposit and deposit accounts designated by the local board of finance or designated by the state board of finance for state deposits in accordance with Indiana Code § 5-13-9-5.
- (7) Certificates of Deposits under certain conditions in accordance with Indiana Code § 5-13-9-5.3 as follows:
 - a. The funds are initially invested through a depository that is selected by the Investing Officer.
 - b. The selected depository arranges for the deposit of the funds in certificates of deposit in one (1) or more federally insured banks or savings and loans associations, where located, for the account of the City.
 - c. The full amount of the principal and any accrued interest of each certificate of deposit are covered by insurance of any federal deposit insurance agency.
 - d. The selected depository acts as a custodian for the City with respect to the certificates of deposit issued for its accounts.
 - e. At the same time that the City's funds are deposited and the certificates of deposit are issued, the selected depository receives an amount of deposits covered by insurance of any federal deposit agency from customers of other institutions, wherever located, at least equal to the amount of funds invested by the City through the selected depository.

Section 5. Maturity Date. The City's Investing Officer is authorized to make investments up to five years in maturity. Investments with a stated maturity of more than two years but not more than five years are permitted, however, the total of such investments may not exceed twenty-five (25%) of the total portfolio of public funds invested by the City, including balances in transaction accounts.

Section 6. Approval of Investment Officer. All investments made pursuant to this Investment Policy must be approved by the Investing Officer.

Section 7. Investment advisor. The Investing Officer is hereby authorized to contract with a federally regulated investment advisor or other institution to make investments under this Investment Policy.

Section 8. Prudence. The standard of prudence to be used by the Investment Officer shall be the "prudent person" standard and shall be applied in the context of managing all funds of the City. The "prudent person" standard states that, "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."

Section 9. Ethics and Conflicts of Interest. The Investment Officer and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of this investment policy, or that could impair the ability to make impartial decisions. The Investment Officer and employees shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

Section 10. Adoption and Expiration. This Investment Policy has been adopted at a public meeting and shall expire one year from the date of adoption. Investments made in accordance with this Investment Policy that are outstanding on or after the expiration date remain valid investments, and nothing herein shall be construed to render such investments improper or unlawful.

ADOPTED AND PASSED BY THE COMMON COUNCIL of the City of Lafayette, Indiana this _____ day of _____, 2022.

Perry E. Brown, President

ATTEST:

Cindy Murray, City Clerk

Presented by me to the Mayor of the City of Lafayette, Indiana, for his approval and signature this _____ day of _____, 2022.

Cindy Murray, City Clerk

This Ordinance approved and signed by me on this _____ day of _____, 2022.

Tony Roswarski, Mayor

ATTEST:

Cindy Murray, City Clerk

Sponsored by: Jacque Chosnek, Corporation Counsel