

**BLACKMAN CHARTER TOWNSHIP
RESOLUTION #25-2019-1216
INVESTMENT POLICY**

WHEREAS, the Board of Blackman Charter Township, Jackson County, in exercising its fiduciary responsibilities desires to safeguard the funds of the Township that may be invested from time to time, and

WHEREAS, Public Act 77 of 1989, MCL 41.77, requires that the Township Board designate the banks or depositories for the money belonging to the Township, including the time for which the deposits shall be made and all details for carrying into effect the authority given in this act, and

WHEREAS, Public Act 196 of 1997, MCL 129.91, *et seq.*, requires Townships Boards, in consultation with the Township Treasurer, to adopt an investment policy, now

THEREFORE, BE IT RESOLVED, that this policy is applicable to all public funds belonging to Blackman Charter Township and in the custody of the Township Treasurer. That the Treasurer shall refrain from personal business activity that could conflict with the proper execution and management of township investments, or that could impair the Treasurer' s ability to make impartial investment decisions.

BE IT RESOLVED, That the Board approves the attached list of financial institutions as depositories of the township funds.

BE IT FURTHER RESOLVED, That the Treasurer may invest Township funds in certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank but only if the bank, savings and loan association, or credit union meeting all criteria as a depository of public funds contained in state law. The standard of prudence to be used shall be the "fiduciary" standard and shall be applied in context of managing an overall portfolio.

BE IT FURTHER RESOLVED, That the prior approval of the Township Board, shall be required for the Treasurer to invest in any other lawful investment instruments. The Township Board's standard of prudence shall be the "fiduciary" standard, which shall be applied in context of managing an overall portfolio. The Township Board may authorize the Treasurer to invest in the following:

(a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.

(b) Repurchase agreements consisting of instruments listed in subdivision (a).

(c) Bankers' acceptances of United States banks.

(d) Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.

(e) Mutual funds registered under the Investment Company Act of 1940, Title I of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:

(i) The purchase of securities on a when-issued or delayed delivery basis.

(ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times

equal to at least 100% of the value of the securities loaned.

(iii) The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.

(f) Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the Urban Cooperation Act of 1967, Public Act 7 of 1967 (*Ex Sess*), MCL 124.501, *et seq*.

(g) Investment pools organized under the Surplus Funds Investment Pool Act, Public Act 367 of 1982, MCL 129. 111, *et seq*.

(h) In Certificates of Deposit, in accordance with all of the following conditions, commonly referred to as CDARS, Amends section 1 of 1943, PA 20, Section 129.91, as amended December 18, 2008:

- i. The funds are initially invested through a financial institution that is not ineligible to be a depository of surplus funds belonging to this state under sect 6 of 1855 PA 105, MCL 21.146.
- ii. The financial institution arranges for the investment of the funds in certificates of deposit in 1 or more insured depository institution, as defined in 12 USC 1813, for the account of the public corporation.
- iii. The full amount of the principal and any accrued interest of each certificate of deposit is insured by an agency of the United States.
- iv. The financial institution acts as custodian for the public corporation with respect to each certificate of deposit.
- v. At the same time that the funds of the public corporation are deposited and the certificate or certificates of deposit are issued, the financial institution receives an amount of deposits from customers of other insured depository institutions equal to or greater than the amount of the funds initially invested by the public corporation through the financial institution.

(i) The investment pools organized under the Local Government Investment Pool Act, Public Act 121 of 1985, MCL 129.141, *et seq*.

BE IT FURTHER RESOLVED, that decisions and actions involving the Township's investment portfolio shall meet the following criteria:

Safety: Funds of the Township will be invested in accordance with Michigan Public Act 20 of the Public Acts of 1943, as amended, and in accordance with the following objectives, procedures and policy.

- 1.1 Safety of Capital - Safety of principal is the foremost objective of the Township. Each investment transaction shall seek to first ensure that capital losses are avoided whether they are from defaults or erosion of market value.
- 1.2 Liquidity - The Township's investment portfolio will remain sufficiently liquid to enable the Township to meet all operating requirements, which might be reasonably anticipated.
- 1.3 Return on Investment - The investment portfolio of the Township shall be designed in a manner to attain a market rate of return throughout budgetary and economic cycles while preserving and protecting capital.
- 1.4 Protection of Purchasing Power - Funds held for water, sewer and capital projects shall be invested so that they can reasonably be expected to produce enough income to offset inflationary construction cost increase. However, such funds shall never be exposed to risks that would jeopardize the assets capital value or be in conflict with state law.
- 1.5 Maintains the Public's Trust - All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall recognize that the

investment portfolio is subject to public review and evaluation. In addition, the overall investment program shall be designed and managed with a degree of professionalism worth of public trust. Investment officials shall also avoid any transaction that might knowingly impair confidence in the Township's ability to govern effectively.

Diversification: The investments shall be diversified by avoiding over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities and insured certificates of deposits).

Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Return on Investment: Return of investment is of secondary importance compared to safety and liquidity objectives. Investments shall be selected to obtain a market average rate of return. The core of investments is limited to relatively low risk securities.

BE IT FURTHER RESOLVED, That the Treasurer may elect to have certificates and other evidence of investments held by a financial institution, provided that the financial institution presents to the Township Treasurer **on a quarterly basis**, sufficient documentation and acknowledgment of the investment instruments held on behalf of the Township. **(PA 213 of 2007 updated)**

BE IT FURTHER RESOLVED, That the Township will comply with all applicable statutes related to public fund investments. Any provisions of this resolution in conflict with applicable statutes is void.

BE IT FURTHER RESOLVED, That the Township Treasurer shall prepare at minimum, a quarterly report on the investment activity for the Township Board.

This policy shall become effective the day following adoption by the Blackman Charter Township Board.

Adopted at the Blackman Charter Township Board of Trustees meeting held on Monday, December 16th, 2019.

Updated December 16, 2019.

Motion to Approve by Phil Preston, Treasurer with Support by Shelly Sercombe, Clerk

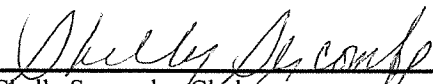
Upon Roll call Vote

Ayes – 7

Nays – 0

CERTIFICATE

I, Shelly Sercombe, the duly elected and acting clerk of Blackman Charter Township, hereby certify that the foregoing resolution was adopted by the Township Board by a roll call vote at a regular meeting of the Board held on December 16, 2019 at which meeting a quorum was present; and that this resolution was ordered to take immediate effect.



Shelly Sercombe, Clerk