

FAIRFIELD TOWNSHIP

RESOLUTION NO. 23-07

**A RESOLUTION ESTABLISHING AN INVESTMENT AND DEPOSITORY POLICY
FOR FAIRFIELD TOWNSHIP**

WHEREAS, the legislative body of Fairfield Township is a three (3) member board established by the laws found in Indiana Code § 36-6-6, *et. al.* (“Township Board”);

WHEREAS, the Township Board, as the governing body, is responsible for overseeing all fiscal matters obligating Fairfield Township;

WHEREAS, the Township Board in exercising its fiduciary responsibilities desires to safeguard the funds of Fairfield Township that may be invested from time to time;

WHEREAS, Indiana Code § 5-13-6 *et. al.* and Indiana Code § 5-13-8 *et. al.* requires 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;

WHEREAS, Indiana Code § 5-13-9-5.7 requires the Township Board adopt an investment policy, which must be (1) in writing; (2) adopted at a public meeting; (3) provide for the investment of public funds with the approval of the investing officer; (4) provide that the investments be made in accordance with this article; (5) limit the total investments outstanding to not more than twenty-five percent (25%) of the total portfolio of public funds invested by the political subdivision, including balances in transaction accounts; and (6) state a date on which the policy expires, which may not be more than four (4) years after the date on which the policy takes effect.

NOW, THEREFORE, BE IT RESOLVED by the Fairfield Township Board as follows:

1. This policy is applicable to all Public Funds belonging to the Township and in the custody of the Township Trustee.
2. The Township Trustee, as the investing officer, is authorized to manage the Public Funds belonging to the Township, including depositing funds in approved

Financial Institutions and the administration of investments in conformance with Indiana Code § 5-13-9-5.7, and policies as set forth in this Resolution.

3. The Township Board approves the following Financial Institution(s) as the depository of Township Funds: **XX**.

4. The Township Trustee may recommend other Financial Institutions to the Township Board and shall do so in conformity with Indiana Code § 5-13-8-1.

5. The Township Trustee shall invest public funds in accordance with Indiana Code § 5-13-9 *et. al.*

6. The Township Trustee shall limit the total investments outstanding to not more than twenty-five percent (25%) of the total portfolio of public funds invested by the political subdivision, including balances in transaction accounts

7. The objective of this policy is to:

A. Maintain safety of principal of Township Funds; maintain a diversified investment portfolio; maintain adequate liquidity; and achieve a market rate of return on relatively safe investment instruments.

8. To accomplish these objectives, the Township's investment portfolio shall meet the following criteria:

- **Safety:** Safety of principal is the foremost objective of the Township's investment practices. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall investment portfolio. The Township Trustee shall minimize credit risk by investing only in the safer types of securities, pre-qualifying Financial Institutions, brokers/dealers, intermediaries, and advisers with whom the Township will do business; and diversifying the investment portfolio so that the impact on the investment portfolio resulting from losses on individual securities will be minimized.
- **Diversification:** The investments shall be diversified by avoiding over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities). Investments shall have varying maturities. Investment instrument selection shall avoid high credit risks

and shall include use of readily available Funds such as local government investment pools or mutual funds to maintain sufficient liquidity.

- **Return on Investment:** The investment portfolio shall be designed to attain a market average rate of return during budgetary and economic cycles while taking into account investment risk constraints and liquidity needs. Return on investments of secondary importance compared to safety and liquidity objectives. The core of investments is limited to relatively low risk securities, and a fair rate of return relative to risk is assumed.

9. The Township Trustee shall make such investments and only such investments as a prudent person would make in dealing with the property of another, having in view the preservation of the principal and the amount regularity of the income to be derived. The standard of prudence to be used shall be the "fiduciary" standard and shall be applied in contest of managing an overall portfolio.

10. The Township Trustee may elect to have certificates and other evidence of investments held by a Financial Institution, provided that the Financial Institution presents to the Township Trustee sufficient documentation and acknowledgement of the investment instruments held on behalf of the Township.

11. The Township Trustee shall refrain from personal business activity that could conflict with the proper execution and management of Township investments, or that could impair the Township Trustee's ability to make impartial investment decisions.

12. The Township Trustee shall annually provide a written report to the Township Board concerning the investment of Township Funds.

13. The Township shall comply with all applicable statutory standards for investment of public funds as they now exist or as they may be subsequently amended. Any provision of this resolution that conflicts with applicable statutory requirements and standard is void.

14. The following terms shall have the following meanings:

Financial Institution. "Financial Institution" means the following:

- (1) A bank, trust company, or mutual savings bank that:
 - (A) was incorporated under the law of Indiana or any other state; and
 - (B) has its principal office or a branch in Indiana.
- (2) A national banking association with its principal office or a branch in Indiana.

- (3) A savings association operating as a deposit association incorporated under Indiana law.
- (4) A federally chartered savings association with its principal office or a branch in Indiana.
- (5) A federally chartered savings bank with its principal office or a branch in Indiana.
- (6) A state chartered credit union in Indiana that is federally insured or privately insured and that has assets of three million dollars (\$3,000,000) or more.

Public Funds. "Public Funds" means all fees and funds of whatever kind or character coming into the possession of any public officer by virtue of that office. The term does not include:

- (1) support payments made to the clerk of a circuit court; or
- (2) proceeds of bonds payable exclusively by a private entity.

Public Corporation. "Public Corporation" means a county, city, village, township, port district, drainage district, special assessment district, or metropolitan district of the State of Indiana, or a board commission, or another authority or agency created by or under an act of legislature of the State of Indiana.

Township. "Township" means Fairfield Township, Tippecanoe County, Indiana.

Township Board. "Township Board" means the Township Board of Fairfield Township, Tippecanoe County, Indiana as provided in Indiana Code § 36-6-6-2.

Township Trustee. "Township Trustee" means that Trustee of Fairfield Township elected under Indiana Code § 36-6-4-2, or appointed by the Township Board to fill a vacancy of Township Trustee if one has occurred prior to the expiration of the Township Trustee's term.

15. This policy will expire March 13, 2027.

RESOLVED by the Board of Fairfield Township, on this _____ day of _____, 2023.

FOR:

AGAINST:

_____ Perry Schnarr _____

_____ Susan Schechter _____

_____ Arissa Beck _____.

ATTEST:

Monica Casanova, Trustee