

# **Indianapolis-Marion County Building Authority Investment Policy**

## **1. PURPOSE**

The purpose of this Investment Policy statement ("Policy") is to set forth the investment and operational policies for the management of public funds available for investment on behalf of the Indianapolis-Marion County Building Authority ("IMCBA"). These policies are designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with those of comparable funds.

## **2. OBJECTIVES**

The primary objectives ("Objectives") of the IMCBA's investment activities, in priority order, are:

- a. to conform with all applicable federal, state and other legal requirements (legal);
- b. to adequately safeguard principal (safety);
- c. to control and minimize administrative and management costs (costs);
- d. to provide enough liquidity to meet all operating requirements (liquidity); and
- e. to obtain a reasonable rate of return (yield).

## **3. DELEGATION OF AUTHORITY**

Management responsibility for the IMCBA's investment program is hereby delegated to the Finance Director. The Finance Director shall be responsible for the implementation of the investment program and the establishment of investment procedures consistent with this Policy. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Finance Director.

## **4. INVESTMENT PHILOSOPHY**

Investments should be made in accordance with the prudent person standard. This standard provides that an investor should act with care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims. Participants in the investment process (i.e., the Finance Director or his or her designee) shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the IMCBA. Participants involved in the investment process

shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair their ability to make impartial investment decisions.

## 5. DIVERSIFICATION OF INVESTMENTS

The IMCBA shall diversify its investments to the best of its ability based on the type of funds invested and the cash-flow needs of the IMCBA. Diversification can be achieved by the type of investments, number of institutions, and length of maturity.

## 6. INTERNAL CONTROLS

Indiana Code § 5-13-6-1 requires that public funds collected by any officer or employee of the government be deposited not later than the business day following the receipt of funds. All funds eligible for investment shall be invested as soon as reasonably possible by the Finance Director or his or her designee. The employees assigned by the IMCBA to be responsible for cash management will: (1) establish and maintain an internal control structure and record keeping system to provide reasonable assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition; (2) ensure that transactions are executed in accordance with management's authorization and recorded properly; and (3) ensure that funds are managed in compliance with applicable laws and regulations. The Finance Director shall monitor and evaluate the performance of all investments made on a periodic basis to ensure that all such investments meet the requirements of this Policy and further the Objectives listed in this Policy. The Finance Director shall report on the performance of all investments to the IMCBA General Manager and/or Board of Directors upon request. The Finance Director shall review the costs and fees associated with each investment on a periodic basis to ensure that all such costs and fees are reasonable and do not conflict with or violate the requirements or Objectives of this Policy. The Finance Director shall report on the reasonableness and compliance of such costs and fees to the IMCBA General Manager and/or Board of Directors on a periodic basis.

## 7. DESIGNATION OF DEPOSITORIES

The banks authorized for the deposits of funds are those that are approved as Public Depositories by the Indiana State Board of Finance and the Marion County Board of Finance.

## 8. PERMITTED INVESTMENTS

The Finance Director or his or her designee shall authorize, and direct funds not required for immediate expenditure for terms not to exceed its projected cash flow needs to be invested in the following types of investments: (a) Any account subject to withdrawal by negotiable orders of withdrawal, unlimited as to amount or number, and without penalty, including:

- (a) Any account subject to withdrawal by negotiable orders of withdrawal, unlimited as to amount or number, and without penalty, including:

- (i) NOW accounts;
- (ii) Passbook savings accounts; (iii) Money market deposit accounts; and
- (iv) Any interest-bearing account that is authorized to be set up and offered by a financial institution during its respective business.
- (b) Certificates of deposit.
- (c) Repurchase agreements.
- (d) Local government investment pools authorized pursuant to Indiana Code § 5-13-9-11.
- (e) Money market mutual funds.
- (f) Participations in loans authorized pursuant to Indiana Code § 5-13-9-3.5.
- (g) Securities backed 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:
  - (i) The United States Treasury;
  - (ii) A federal agency;
  - (iii) A federal instrumentality; or
  - (iv) A federal government sponsored enterprise, in each case authorized pursuant to Indiana Code § 5-13-9-2.
- (h) Any other investment authorized pursuant to the Indiana Code.

Investment obligations shall be payable or redeemable at the option of the IMCBA within such times as the proceeds will be needed to meet expenditures for the purposes for which the funds were provided. In no instance shall any length of maturity of an investment exceed the statutory limitation therefor

## 9. CONCLUSION

This Policy has been promulgated by the IMCBA to formalize prudent investment policies and procedures that will meet investment objectives of the IMCBA. This Policy is to be reviewed by the IMCBA as new investment legislation becomes law, as staff expertise changes, and/or necessitated by other external and internal factors.

**MINUTES OF MEETING OF  
BOARD OF DIRECTORS OF  
INDIANAPOLIS-MARION COUNTY BUILDING AUTHORITY**

Held December 6, 2016

A meeting of the Board of Directors of Indianapolis-Marion County Building Authority was held at the offices of the Authority on Monday, December 6, 2016, at 10:00 a.m., pursuant to notice as required by law.

Directors Donald B. Altemeyer, William S. Sahm, Herman W. Oliver, Vaneeta M. Kumar and R. Thomas Burns were present. Also, in attendance were Trustee John J. White; General Manager Ronald L. Reinking, Assistant General Manager Mark R. Peterson and Finance Director Wanda A. Elliott; and Counselor William R. Neale.

The meeting was called to order by Donald B. Altemeyer, who served as Chair of the meeting, while Herman W. Oliver served as Secretary.

EXCERPT FROM DECEMBER 6, 2016 MINUTES

Finance Director Elliott said that Building Authority annually provides a report of investments and interest earned to the Marion County Board of Finance. During 2016, the Marion County Board of Finance recommended that the Authority should prepare and adopt an investment policy. Ms. Elliott prepared a draft policy for the Authority.

Ms. Elliott requested and received the written policy for the Marion County Treasurer and reviewed other existing agency policies. She used those documents to formulate an investment policy for the Building Authority. A draft copy of same was distributed to the Directors in the mailing for this meeting. The draft has also been submitted to the Authority's legal counsel for review.

After further discussion and upon motion duly made and seconded, the Board of Directors unanimously approved the following resolution:

RESOLVED, that that the Indianapolis-Marion County Building Authority Investment Policy, substantially in the form submitted to this meeting, be, and hereby is approved, and that the General Manager is authorized and empowered to finalize such Investment Policy with such changes as he shall make with the approval of the President.

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