

ORDINANCE NO. 2024-13

ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF ZIONSVILLE, INDIANA, AUTHORIZING INVESTMENTS AND DEPOSITS

WHEREAS, Ind. Code § 5-13-9 *et seq.* authorizes the Zionsville Town Council ("Town Council"), as the fiscal body of the Town of Zionsville ("Town"), to approve and authorize the investment of public funds; and

WHEREAS, Ind. Code § 5-13-6-1(d) authorizes the Town to deposit public funds in depositories approved as depositories in an Ordinance adopted by the Town and approved as depositories for state funds; and

WHEREAS, state statute requires the fiscal body to approve and authorize the investment of public funds; and

WHEREAS, the Town, from time to time, reviews its investment and deposit policies and procedures to ensure the best possible stewardship and oversight of taxpayer funds.

NOW, THEREFORE, BE IT HEREBY ORDAINED AND ENACTED by the Town Council of the Town of Zionsville, Boone County, Indiana:

Section 1. Chapter and Section. The Title of the Section shall be Town Investment and Deposit Policy and shall be placed in Chapter 34: Finance and Revenue.

Section 2. Department in Charge. The Department in Charge shall be the Department of Finance and Records.

Section 3. Purpose. The purpose of this Ordinance is to establish an Investment and Deposit Policy ("Policy") for the Town. The Policy is to provide investment objectives and guidelines for the management of public funds, to safeguard public funds on behalf of the Town, to assure the availability of funds when needed, to encourage investments that earn a competitive rate of return, and at all times, invest according to and consistent with state law, Ind. Code §5-13-9 *et seq.* as amended and Ind. Code §5-13-6-1 *et seq.* as amended.

Section 4. Investing Officer. The Director of the Department of Finance and Records is hereby designated as the Town's investing officer ("Investing Officer") and is hereby authorized to invest Town funds in authorized funds or any fund that state statutes, as amended, may deem or consider an authorized fund prior to the expiration of this Policy.

Section 5. Prudence. The standard of prudence to be used by the Investing Officer shall be the “prudent person” standard and shall be applied in the context of managing all funds of the Town. 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 6. Authorized Depositories. The Investment Officer is hereby authorized to deposit public funds into any and all financial institutions which are reflected on the list of approved depositories maintained by the State Board of Finance, and all such depositories shall be considered selected depositories for purposes of Ind. Code § 5-13-6-1(d).

Section 7. Minimum Rating.

A. Authorized funds in which the Investing Officer invests Town funds shall have attained as least the minimum rating required by state statutes, as amended.

B. In addition, the Town will only use broker/dealers that meet the following requirements:

- Primary dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule);
- Capital of no less than \$10,000,000;
- Registered as a dealer under the Securities Exchange Act of 1934;
- A member of the National Association of Securities Dealers (NASD);
- Proof of state registration

Section 8. State Statutes. All investments made by the Investing Officer shall be made in accordance with Ind. Code § 5-13 *et seq.*

Section 9. Suitable and Authorized Investments. Consistent with Ind. Code § 5-13-9, the following investments will be permitted by this Policy:

A. 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:

1. The United States Treasury.
2. A federal agency.
3. A federal instrumentality.
4. A federal government sponsored enterprise.

B. Securities fully guaranteed and issued by any of the following:

1. A federal agency.
2. A federal instrumentality.
3. A federal government sponsored enterprise.

C. 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 Ind. Code § 5-13-9-2.

D. Money market mutual funds rated AAAm, or its equivalent, by Standard and Poor's Corporation or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor, in accordance with Ind. Code § 5-13-9-2.5.

E. Repurchase agreements in accordance with Ind. Code § 5-13-9-3

F. Transaction accounts, certificates of deposit and deposit accounts issued or offered by a designated depository of the Town's. The Investing Officer making a deposit in a certificate of deposit shall obtain quotes from each designated depository in accordance with Ind. Code § 5-13-9-4.

G. Certificates of deposit authorized by Ordinance of the Town in accordance with Ind. Code § 5-13-9-5 and Ind. Code § 5-13-9-5.3.

H. Local government investment pools in accordance with Ind. Code § 5-13-9-11.

Section 10. Interlocal Cooperation. Consistent with Ind. Code § 36-1-7, the Town may pass a resolution to enter into interlocal cooperation agreements for the joint exercise of powers, including the investment of public funds.

Section 11. Maximum Maturities.

A. The Town's investments must have a stated final maturity of not more than two (2) years pursuant to Ind. Code § 5-13-9-5.6. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

B. The Town, pursuant to Ind. Code § 5-13-9-5.7, authorizes its Investment Officer to make investments having a stated final maturity that is more than two (2) years but not more than five (5) years after the date of purchase. The total investments of the Town with maturities of two (2) to five (5) years outstanding at the time of purchase may not exceed twenty-five percent (25%) of the total portfolio of public funds invested, including balances in transaction accounts.

Section 12. Competitive Quotes. The Investment Officer or its designee shall obtain competitive quotes for investment with financial institutions in accordance with Ind. Code § 5-13-9-4. The Investment Officer or its designee shall obtain quotes from at least two brokers or financial institutions on all purchases of investment instruments on the secondary market. Overnight sweep investment instruments shall not be subject to this section.

Section 13. Approval of Investing Officer. The Investing Officer must approve all investments made pursuant to this Policy. The Investing Officer may invest in certificates of deposits 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 interest bearing deposit accounts in one (1) or more federally insured banks or savings and loan associations, wherever located for the account of the Town.
- 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 Town with respect to the certificates of deposit issued for its account.
- E. On the same date that the Town'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 insurance agency from customers of other institutions, wherever located, at least equal to the amount of the funds invested by the Town through the selected depository.

Section 14. Internal Control/External Review. The Investing Officer is responsible for establishing and maintaining policies and procedures to ensure that Town assets are protected from loss, theft, or misuse. Such policies and procedures shall be discussed with the Mayor. The Investing Officer shall review all proposed investments authorized pursuant to this Ordinance.

Every four (4) years, the Investing Officer shall conduct an independent review by an external auditor to ensure compliance with policies and procedures.

Section 15. Investment Advisor. The Investing Officer is hereby authorized to contract with a federally regulated investment advisor or other institutional money manager to make investments under this Policy.

Section 16. Diversification of Investments. The Town's investment portfolio shall be diversified by institution, investment instruments and maturity schedule to the extent practical and prudent. Maturities shall be time diversified over a schedule determined by known liability to achieve target duration or weighted average maturity for the portfolio based on the judgment of the Investing Officer.

Section 17. Ethics and Conflicts of Interest. The Investing Officer and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or which could impair their ability to make impartial decisions. The Investing Officer and employees involved in the investment process shall complete a Conflict of Interest form provided by the Town Attorney affirming that the Investing Officer or employee does not have a pecuniary interest in the Town's investments.

Section 18. Reporting.

A. The Investing Officer shall maintain an inventory of all obligations and securities and shall provide quarterly investment reports to the Mayor detailing the following types of information: types of investments, depository institutions, principal balances, maturity dates, rates of return, purchases and sales.

B. The Investing Officer shall make an annual written report to the Town Council summarizing the Town's investments during the previous calendar year. The report must contain the name of each financial institution, government agency or instrumentality, or other person with whom the Town invested money during the previous calendar year. The Town Council shall review the report and review the Town's overall investment policy.

C. The Investing Officer shall review this Policy at least annually and propose such changes to safeguard funds on behalf of the Town, to assure the availability of funds when needed, and to provide a competitive investment return.

Section 19. Effective Date and Duration of Policy. This Ordinance shall be in effect upon adoption and publication as required by Ind. Code § 5-13-9-5.7. The policy established under this Ordinance shall be in effect for one (1) year after the date this Ordinance is adopted and shall expire one (1) year after the adoption date ("Expiration Date"). This Ordinance shall be reviewed and re-adopted annually, pursuant to Ind. Code § 5-13-9-5. Investments made in accordance with this 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.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Town Council of the Town of Zionsville, Indiana as follows:

Introduced and filed on the 6th day of May. A motion to consider on First Reading was properly made and seconded and approved by a vote of 6 in favor and 0 opposed, pursuant to Ind. Code § 36-5-2-9.4 and Ind. Code § 36-5-2-9.6.

A motion to consider on Second reading was properly made and seconded and approved by a vote of 7 in favor and 0 opposed, pursuant to Ind. Code § 36-5-2-9.4, § 36-5-2-9.6 or § 36-5-2-9.8 (*as applicable*).

Ordinance 2024-13

DULY PASSED AND ADOPTED this 20th day of May 2024, by the Town Council of the Town of Zionsville, Boone County, Indiana, having been passed by a vote of 7 in favor and 0 opposed.

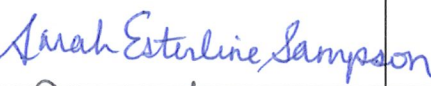
TOWN COUNCIL OF THE TOWN OF ZIONSVILLE,
BOONE COUNTY, INDIANA

YEA

NAY

Signature

Signature

Jason Plunkett, President		
Brad Burk, Vice-President		
Tim McElderry, Member		
Craig Melton, Member		
Evan Norris, Member		
Sarah Esterline Sampson, Member		
Joe Stein, Member		

I hereby certify that the foregoing Ordinance was delivered to Town of Zionsville Mayor John Stehr on the 20th day of May 2024, at 9:00 A m.

ATTEST:  Amelia Anne Lacy, Director,
Municipal Relations Coordinator
MAYOR'S APPROVAL


John Stehr, Mayor

5-20-2024
DATE

MAYOR'S VETO

John Stehr, Mayor

DATE