

Charter Township of Texas
Investment and Depository Designation Resolution
April 24, 2017
RESOLUTION # 17-08

WHEREAS, the Board of the Charter Township of Texas, Kalamazoo 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, the 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 Charter Township of Texas and in the custody of the township treasurer.

BE IT RESOLVED, that the board approves the following financial institutions as depositories of township funds: *(see attached list of approved institutions)*.

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 is meeting all criteria as a depository of public funds contained under a law or rule of this state or the United States.

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. In accordance with Public Act 20 of the Public Acts of 1943, as amended, the township board may authorize the treasurer to invest the surplus funds of the Charter Township of Texas in the following:

- a) Bonds, securities and other obligations of the United States or an agency or instrumentality of the United States.
- b) Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- 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 one 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 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, PA 7 of 196, Ex.Sess., (MCLs 124.501 to 124.512).
- g) Investment Pools organized under the Surplus Funds Investment Pool Act, PA 367 of 1982 (MCLs 129.111 to 129.118).
- h) The investment pools organized under the Local Government Investment Pool Act, PA 121 of 1985 (MCLs 129.141 to 129.150).

The statute defines "financial institution" to include a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank or credit union whose deposits are insured by an agency of the United States government and that maintains the principle office or branch office located in Michigan under the laws of this state or the United States.

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

Safety: Safety of principal is the foremost objective of Charter Township of Texas' investment practices. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Diversification: The investments shall be diversified by specific maturity dates, individual financial institution(s) or a specific class of securities in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio 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. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, taking into account the investment risk

constraints and cash flow characteristics of the portfolio. 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 sufficient documentation and acknowledgement of the investment instruments held on behalf of the township.

BE IT FURTHER RESOLVED that the treasurer shall quarterly provide a written report to the township board concerning the investment of township funds. (Public Act 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 are void.

NOW, THEREFORE LET IT BE RESOLVED that the Charter Township of Texas board hereby approves the **Investment and Depository Designation Resolution dated April 24, 2017.**

Motion by Loeks, seconded by Hinkle, the Supervisor declared the motion adopted.

The following voted:

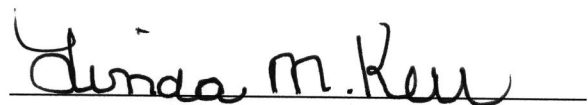
Yeas: Boven, Brown, Loeks, Hinkle, and Kerr

Nays: None

Absent: Mazer and Roberts

CERTIFICATION

I, Linda Kerr, Charter Township of Texas Clerk, hereby certify that the foregoing is a true and original copy of the resolution adopted by the Township Board at a regularly scheduled Township Board meeting on April 24, 2017 at 6:00 PM, which was held in accordance with the Open Meetings Act of the State of Michigan.

A handwritten signature in black ink, reading "Linda M. Kerr", is written over a horizontal line.

Linda M. Kerr, CMC, MPA
Texas Township Clerk