

Centerville Township

Investment and Depository Designation

Resolution: 2014-08

WHEREAS, the Board of Centerville Township, Leelanau 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 Centerville Township Board designate the banks or depositories for the money belonging to Centerville 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 Centerville Township Board, in consultation with the Centerville Township Treasurer, to adopt an investment policy, now

THEREFORE BE IT RESOLVED, That this policy is applicable to all public funds belonging to Centerville Township and in the custody of the Township Treasurer.

BE IT RESOLVED, That the Board approves the following financial institutions as depositories of township funds: Chase Bank, Huntington Bank, Northwestern Bank (& N/K/A Chemical Bank), 5/3 Bank, Traverse City State Bank, Citizens Bank, Irwin Union Bank, National City Bank, Republic Bank, Bank of Northern Michigan, Honor Bank, TBA Credit Union, Members Credit Union, PNC Bank, First National Bank of America, East Traverse Catholic Federal Credit Union, mBank, First Community Bank, and State Farm Bank.

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) 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 be meet the following criteria:

Safety: Safety of principle is the foremost objective of Centerville Township's investment practices.

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 Centerville Township Treasurer may elect to have certificates and other evidence of investments held by a financial institution, provided that the financial institution presents to the Centerville 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 Centerville Township will comply with all applicable statutes related to public fund investments. Any provisions of this resolution in conflict with applicable statutes is void.

On June 11, 2014, Motion by Pleva to adopt Resolution 2014-08 Investment and Depository Designation Agreement as proposed, supported by Wurm.

Roll Call Vote:

Peplinski=Yes, Wurm=Yes, Kelenski=Yes, Pleva=Yes, Schwantes=Yes
Yeas=5, Nays=0
Motion Carried (5-0).

The Supervisor declared Resolution 2014-08 adopted.

By: Leonard Kelenski
Leonard Kelenski, Supervisor

Date: 6-11-2014

It was further declared that this resolution be reviewed annually and/or presented to the board as changes are needed.

TOWNSHIP CLERK CERTIFICATE

The undersigned, Clerk of the Township of Centerville, certifies that this resolution was adopted by the Township Board on June 11th, 2014; following the meeting, the synopsis was published in the Leelanau Enterprise and be effective immediately.

By: David Wurm
David D. Wurm, Clerk

Date: 6-11-2014

Original April, 1998

updated January 2007 (as noted in bold text)

Review & Approved last: June 11, 2014