

A RESOLUTION ADOPTING AN INVESTMENT POLICY FOR THE VILLAGE AND DECLARING AN EMERGENCY

BE IT RESOLVED by the Council of the Village of Richfield, State of Ohio:

SECTION 1. That the Investment Policy attached hereto as Exhibit "A" and incorporated herein fully as if by reference be, and the same hereby is adopted as the Investment Policy for the Village of Richfield.

SECTION 2. This Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety and welfare and for the further reason that it is necessary to comply with state law; wherefore, provided this Resolution receives the affirmative vote of two-thirds of the members of Council elected or appointed, it shall take effect immediately upon its passage and execution by the Mayor; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

Passed: November 19, 1996

Robert J. Hoyer
President of Council

Ronald W. Larsen
Mayor

Dated: 11/19/96

ATTEST:
Carole Gibson
Clerk of Council

Authorized Investments:

1) U. S. Treasury Bills, Notes, and Bonds maturing up to 5 years from date of settlement unless the investment is matched to a specific obligation or debt of the Village, the investment is specifically approved by Council, and it will be held until its maturity.

2) Certificates of Deposit from eligible institutions.

3) No more than 25% investment funds in No-load money market mutual funds rated in the highest category by at least one nationally recognized rating agency, investing exclusively in the same types of eligible securities as defined under 135.05 ORC.

4) Repurchase agreements for no more than 30 days with any eligible institution mentioned in Section 135.32 ORC. The market value of securities subject to a repurchase agreement must exceed the principal value of the repo amount by at least 2%.

5) STAR Ohio.

Prohibited Investments and Practices:

1) Derivative investments.

2) Reverse Repurchase Agreements.

3) Investment Pools other than STAR Ohio.

4) Contracting to sell securities that have not been acquired on the speculation that bond prices will decline.

5) Leveraging of current investments as collateral to purchase other investments.

Procedures for the Purchase and Sale of Securities:

The Finance Director or his/her designee will verbally authorize the eligible depository to purchase or sell an authorized investment. Confirmation advices, representing the purchase and/or sale of securities, including price, will be issued by the financial institution and sent to the Village.

The Council requires the Finance Director to report to the Treasury Investment Board as investments are made describing each investment, including its cost, par value, maturity date, settlement date, any coupon rate, an estimated market value, or, if available, the current market value. The report shall also list the name of any person effecting transactions on behalf of the Village.

Sale of Securities Prior to Maturity:

The Finance Director, acting in accord with the law, may withdraw funds from approved public depositories or sell negotiable instruments prior to maturity under the following conditions:

- 1) To meet additional liquidity needs.
- 2) To purchase another security to increase yield or current income.
- 3) To purchase another security to lengthen or shorten maturity.
- 4) To realize any capital gains and/or income.
- 5) To increase investment quality.

Earnings on investments for specific funds will be deposited into those funds. All other investment earnings will be deposited into the General Fund unless otherwise specified by law.

Statements of Compliance:

The Investment Policy shall be adopted by the Council of the Village of Richfield and, upon adoption, filed in the office of the Auditor of State.

All brokers, dealers, and financial institutions executing transactions initiated by the Finance Director have signed the approved Investment Policy.

The Policy shall be reviewed on an annual basis by the Treasury Investment Board and any modification made thereto must first be approved by Council and, upon adoption, filed in the office of the Auditor of State.

ADOPTED: November 19, 1996