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ORDINANCE NO: 9916-2014

INTRODUCED BY: MAYOR COYNE

AN ORDINANCE
AMENDING CHAPTER 136
OF THE BROOK PARK CODIFIED ORDINANCES, ENTITLED
'INVESTMENT AND DEPOSITORY POLICY,'
AND DECLARING AN EMERGENCY.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Brook Park, State of Ohio, that:

SECTION 1: Chapter 136 of the Brook Park Codified Ordinances, passed by Ordinance No. 8265-1996, passed September 17, 1996, and reading as follows:

CHAPTER 136
INVESTMENT AND DEPOSITORY POLICY

136.01 OBJECTIVES AND GUIDELINES.

The City's funds shall be managed and invested according to the following objectives and guidelines:

(a) The primary objective shall be the preservation of capital and the protection of principal while earning investment income.

(b) In investing public funds, the Director of Finance will strive to achieve a fair and safe average rate of return on the investment portfolio, taking into account State law, safety considerations and cash flow requirements.

(c) The investment portfolio shall remain liquid enough to enable the Finance Department to meet reasonably anticipated operating requirements.

(d) The investment portfolio shall be diversified in order to avoid incurring potential losses caused by a change in market conditions.

(e) Investments shall be made with the degree of 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.

(f) In investing public funds, the Director of Finance shall reasonably expect that the investment will be held to its maturity.

**136.02 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS;
DEPOSITORY AGREEMENTS.**

The Director of Finance shall maintain a list of financial institutions authorized to provide investment services. In addition, a list of approved security broker/dealers, selected by credit worthiness, who are authorized to provide investment services in the State of Ohio, shall be maintained. Additions and deletions to this list shall be made from time to time when deemed in the best interest of the City by Council. By January 31 of odd-numbered years, the Director of Finance shall invite all financial institutions within a close proximity of the City to bid on the involvement of active, inactive and interim funds of the City. Council shall adopt depository ordinances authorizing the Director of Finance to deposit funds in authorized depositories of active, inactive and interim funds. The Depository agreements shall last for a period of five years.

136.03 AUTHORIZED INVESTMENTS.

The City of Brook Park is hereby authorized to invest in the following types of investments:

(a) Certificates of deposit transacted through commercial banks with FDIC coverage, which banks are located within the State of Ohio and qualify as eligible financial institutions under Ohio R.C. Chapter 135.

(b) United States Treasury securities or any other obligation guaranteed with the full faith and credit of the United States as to principal and interest.

(c) Securities directly issued by any Federal Government agency or instrumentality.

(d) Bonds and other obligations of the State of Ohio.

(e) Repurchase agreements transacted only through banks located within the State of Ohio with which the Director of Finance has a signed written master repurchase agreement on file, as required under Ohio R.C. Chapter 135.

(f) Investments made through an eligible institution in a no-load money market mutual fund consisting exclusively of securities described in subsections (a), (b), and (c) hereof.

(g) STAR Ohio.

136.04 PROHIBITED INVESTMENT PRACTICES.

Public funds shall not be invested in any of the following:

(a) Derivatives, i.e. a financial instrument, contract or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract or obligation itself.

(b) Contracting to sell securities that have not yet been acquired, on the speculation that bond prices will decline.

(c) Leveraging of current investments as collateral to purchase other assets.

(d) The issuance of taxable notes for the purpose of arbitrage.

(e) A fund established by another public body for the purpose of investing public money of other subdivisions.

136.05 MATURITY OF INVESTMENTS.

To the extent possible, investments shall be matched with anticipated cash flow requirements. Unless matched to a specific cash flow requirement, no investments in securities maturing more than five years from the date of purchase shall be made.

136.06 COLLATERALIZATION OF INVESTMENTS.

All deposits shall be collateralized pursuant to Ohio R.C. Chapter 135. Repurchase agreements must be collateralized with securities authorized in this chapter. The market value of such securities must exceed the value of the agreement by at least two percent and must be marked to market daily.

136.07 DUTIES OF ASSISTANT FINANCE DIRECTOR RE INVENTORY OF OBLIGATIONS AND SECURITIES.

The Assistant Finance Director shall establish and maintain an inventory of all obligations and securities acquired by the Director of Finance. The inventory shall include a description of the security, its type, cost, par value, maturity date, settlement date and coupon rate, and the anticipated interest earned. The Assistant Finance Director shall produce a monthly portfolio report detailing the current inventory of all obligations and securities, all transactions during the month and income received. Upon its completion, the monthly portfolio report will be approved by the Director of Finance and sent to the Law Director for review.

136.08 ALLOCATION OF INTEREST.

Interest received from investing money on debt issued by the City shall be credited to the improvement fund for which the money was originally borrowed until such time as the project is complete. All other interest, except where otherwise required by law, shall be credited to the General Fund.

136.09 AGREEMENT OF FINANCIAL INSTITUTIONS TO ABIDE BY POLICY.

Pursuant to Ohio R.C. Chapter 135, all brokers, dealers and financial institutions, and any other entity initiating transactions with the Director of Finance by giving advice or making investment recommendations, or executing transactions initiated by the Director of Finance must read the investment policy adopted in this chapter and acknowledge their agreement to abide by the same

is hereby amended to read:

**CHAPTER 136
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136.01 OBJECTIVES AND GUIDELINES.

The City's funds shall be managed and invested according to the following objectives and guidelines:

(a) The primary objective shall be the preservation of capital and the protection of principal while earning investment income.

(b) In investing public funds, the Director of Finance/Taxation will strive to achieve a fair and safe average rate of return on the investment portfolio, taking into account State law, safety considerations and cash flow requirements.

(c) The investment portfolio shall remain liquid enough to enable the Finance Department to meet reasonably anticipated operating requirements.

(d) The investment portfolio shall be diversified in order to avoid incurring potential losses caused by a change in market conditions.

(e) Investments shall be made with the degree of 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.

(f) In investing public funds, the Director of Finance/Taxation shall reasonably expect that the investment will be held to its maturity.

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SECTION 2: Former Chapter 136 of the Brook Park Codified Ordinances, as enacted by Ordinance No. 8265-1996, passed September 17, 1996 is hereby expressly repealed.

SECTION 3: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in

meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 4: This Ordinance is hereby declared to be an emergency measure immediately necessary for the preservation of public peace, health, safety and welfare of said City, and for the further reason to amend Chapter 136 of the Brook Park Codified Ordinances; therefore this Ordinance shall take effect and be in force immediately from and after its passage and approval by the Mayor.

PASSED: June 3, 2014

Dennis P. Patten
PRESIDENT OF COUNCIL

ATTEST: Michelle Blazak
Clerk of Council

APPROVED: [Signature]
MAYOR

6/3/2014
DATE

I HEREBY APPROVE THE WITHIN INSTRUMENT AS TO LEGAL FORM AND CORRECTNESS

[Signature]
DIRECTOR OF LAW

CERTIFICATE

Michelle Blazak, Clerk of Council, of the City of Brook Park, Ohio, do hereby certify that the foregoing is a true and accurate copy of Ordinance/Resolution

No. 9916-2014

passed on the 3rd day of June 2014 by said council.

Michelle Blazak
Clerk of Council

I, Michelle Blazak, Clerk of Council for the City of Brook Park, State of Ohio, do hereby certify that there is no newspaper of general circulation in the municipality and that publication of the foregoing ordinances/resolutions was made by posting true copies at six of the most public places in said municipality as determined by Ordinance No. 4838-1975; location City Hall 8161 Engle Road, Police Station 17401 Holland Road, #1 Fire Station 5590 Smith Road, #2 Fire Station 22530 Ruple Parkway, #3 Fire Station 17401 Holland Road, Brook Park Library 6165 Engle Road, for a period of fifteen days.

commencing June 10, 2014
Michelle Blazak
MICHELLE BLAZAK
Clerk of Council