

## CRYSTAL TOWNSHIP INVESTMENT POLICY

WHEREAS, the Board of Crystal Township, Montcalm 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, 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 Crystal 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: Huntington Bank and Sidney 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 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) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- (c) Repurchase agreements consisting of instruments listed in subdivision (a) above.
- (d) Bankers' acceptances of United States banks.
- (e) 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.
- (f) 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.

(g) 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.

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 Crystal Township's investment practices. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall investment portfolio

**Diversification:** The investments shall be diversified by security type and institution in order to reduce overall portfolio risk while obtaining market average rates of return.

**Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

**Return on Investment:** The investment portfolio shall be designed with the objective of obtaining a reasonable rate of return throughout the budgetary and economic cycles, while taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

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 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 the Township will comply with all applicable statutes related to public fund investments. Any provisions of this resolution in conflict with applicable statutes is void.

BE IT FURTHER RESOLVED, That the Township's investment policy shall be adopted by the Township Board. The policy shall be reviewed annually by the Treasurer and any modifications must be approved by the Crystal Township Board.

The foregoing resolution offered by Mills, seconded by Baker-Marek.

Upon roll call vote the following voted:

Ayes: McCracken, Baker-Marek, Rydahl, Mills, Martin

Nays: NONE

MOTION CARRIED.

CERTIFIED:

Patty Baker-Marek, Clerk  
October, 13, 2021