

Tyler J. Carpenter
Mayor
Sarah E. Merrell
Council Member
Cheryl A. Richwine
Council Member
John T. Carroll, Jr.
Council Member
Jack W. Duhamell, Jr.
Council Member



Marisa R. Pisapia
Town Administrator
Sue M. Bisbee
Finance & Administrative Clerk
Amber E. Englebach
Zoning & Historic Resource Coordinator
Mike R. Gibson
Maintenance & Facilities Coordinator
Kevin J. Best
Town Attorney

RESOLUTION 2025-04: Investment Policy

A RESOLUTION OF THE MAYOR & COUNCIL OF GALENA ("THE TOWN") TO ADOPT AN INVESTMENT POLICY.

WHEREAS, pursuant to Section 5-205(a) of the LG Article of Md. Ann. Code and Article VII, Section 704 of the Town Charter, the financial powers of the Town, except as otherwise provided by the Town Charter, shall be vested in the Council; and

WHEREAS, pursuant to LG Article, § 17-205(a) (Local investment policy), the governing authority of each governmental entity shall adopt by resolution a local investment policy that meets the needs of the governmental entity; and is consistent with the local government investment guidelines adopted by the State Treasurer under § 17-204 of Subtitle 2 (Local Government Investment Guidelines), and promptly after the adoption of a local investment policy, the governmental entity shall mail a certified copy to the State Treasurer for review and approval; and

WHEREAS, the Mayor & Council, a body corporate and politic and a political subdivision of the State of Maryland, hereby declares the policies contained herein to be the official Investment Policy of the Town, and that said body finds it to be in the best interest of the Town to establish and adopt said policy.

NOW, THEREFORE, BE IT RESOLVED that the Mayor & Council of Galena, Maryland hereby establishes and adopts an Investment Policy as follows:

THE INVESTMENT POLICY OF THE TOWN OF GALENA, MARYLAND

I. POLICY

It is the policy of the Town of Galena, Maryland (hereinafter referred to as "the Town") to invest public funds in a manner which will conform to all State of Maryland statutes and regulations and the Town's Charter and ordinances governing the investment of public funds while meeting its daily cash flow demands.

II. SCOPE

This investment policy applies to all financial assets of the Town, except any Town retirement or pension plans for which a separate investment policy shall govern. These funds are accounted for in the Town's Annual Audit report and include:

- A. General Operating Fund,
- B. Sewer Utility Fund,

- C. Water Utility Fund, and
- D. Any new or other funds as provided by ordinance or resolution.

III. PRUDENCE

The standard of prudence to be applied by the authorized officials shall be the “prudent person” rule, which states, “Investments shall be made with judgment and care, under circumstances then prevailing, which person of prudence, discretion, and intelligence exercises 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.” The prudent person rule shall be applied in the context of managing the overall portfolio.

Authorized officials acting in accordance with written procedures and the investment policy and exercising due diligence shall not be held personally responsible for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control any such adverse developments.

IV. OBJECTIVE

The primary objectives, in priority order, of the Town’s investment activities shall be:

- A. **Safety**: Safety of principal is the foremost objective of the investment program. Investments of the Town shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- B. **Liquidity**: The Town’s investment portfolio shall remain sufficiently liquid to enable the Town to meet all operating requirements which might be reasonably anticipated.
- C. **Return on Investment**: The objective in any investment shall be to obtain the maximum yield relative to risk and desired liquidity. Yield will be of secondary importance in consideration of potential investments of safety and liquidity.

V. DELEGATION OF AUTHORITY

Authority to manage the Town’s investment program is derived from state law (State Finance and Procurement Article, Title 6, Subtitle 2 and Title 6 of the State Finance and Procurement Article of the Annotated Code of Maryland) and, under general supervision of the Mayor, is delegated to the Town Administrator with the Town Finance & Administrative Clerk designated as backup should the Administrator not be able to perform his/her/their investment duties. The Mayor & Council further recognizes that their authority to invest the public funds of the Town derives specifically from Section 6-222 of the State of Maryland’s Finance and Procurement Article, as well as State Finance and Procurement Article, Title 6, Subtitle 2 of Md. Ann. Code. Authority to invest Town funds in compliance with provisions of these State statutes is delegated to the Town. The Town Administrator shall be responsible for all of the Town’s investment transactions. The Administrator may delegate his/her/their authority to others, but such designations must be explicitly in writing and shall be approved by the Mayor & Council.

The Town Administrator, the Mayor, and/or the Vice Mayor shall have their names put on all investment accounts and shall be vested with signing authority.

VI. ETHICS AND CONFLICTS OF INTEREST

The Town Administrator and Town Finance & Administrative Clerk shall report to the Mayor & Council any financial interests which he/she/they may have in the institution providing financial services to the town.

VII. AUTHORIZED INSTITUTIONS

The Town shall only deposit public monies in financial institutions that have: (1) at least Three Million Dollars (\$3,000,000.00) in total assets; (2) a core capital-to-total assets ratio of at least five percent; and (3) a federal or state charter. It is recommended, but not required, that the financial institution have a branch office within Kent County, Maryland, or neighboring counties (including New Castle County, Delaware). Municipal investments shall be to institutions located in Maryland unless specific conditions (e.g., FDIC insurance or collateralization) are met and the Mayor & Council specifically approves the investment outside of Md. Furthermore, the Town Administrator is authorized to invest Town funds, with approval of Mayor & Council, in any of the following types of institutions, subject to the provisions of this policy:

- Any FDIC insured institution, trust company, or savings bank,
- Any FDIC insured institution incorporated under the laws of this State or in the State of Delaware, or of the United States as a savings and loan association, or;
- Any FDIC insured institution incorporated under federal law as a bank.
- Banks should have a Bauer Financial Rating of Three and One-Half (3 ½) stars or better, or a Veribanc rating of yellow and Two (2) stars or higher at the time an investment is made. Bank's ratings should be reviewed at least semi-annually to assure ongoing compliance.

VIII. AUTHORIZED AND SUITABLE INVESTMENTS

The Town Administrator is authorized to invest in the following types of securities:

- U.S. Treasury obligations: United States Treasury Bills, Notes, Bonds, Strips, or any other obligation or security issued by or back by the full faith and credit of the United States Treasury;
- Federal Agency Securities: Bonds, notes, certificates of indebtedness or other obligations;
- Money Market Deposit Accounts (MMDA);
- Certificates of Deposit; or
- Maryland Local Government Investment Pool (MLGIP).

It is the intent of the Town that all purchased securities be perfected in the name of "The Town of Galena." The Town Administrator shall be restricted to investing securities that mature no longer than One (1) Year of the date of purchase.

IX. DIVERSIFICATION OF INVESTMENTS

Investments within the portfolio shall be diversified to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. The asset allocation in the portfolio should be flexible depending upon the outlook for the economy, the securities market, and the Town's anticipated cash flow needs.

X. BORROWING

The Town may not borrow monies solely for the purpose of investment and may not invest in a manner inconsistent with the Investment Policy.

XI. COLLATERALIZATION

- A. **Amount**: All deposits in excess of the Federal Deposit Insurance Corporation (FDIC) insurance coverage limits, in any Bank, shall be collateralized at a level of at least 102% of the market value of the principal and any accrued interest thereon.
- B. **Acceptable Collateral**:
 - a. Collateral is required on Three (3) types of investments: Certificates of Deposit, Time Deposits, and Repurchasing Agreements. In order to mitigate market changes and provide an additional level of security, the collateralization level will be at least 102% of market value of principal and accrued interest.
 - b. Collateral will always be held by a third-party with whom the Town has a current custodial agreement.
 - c. Acceptable collateral is that which is specified under Section 6-202 of Title 6 of the State Finance Procurement Article of the Annotated Code of Maryland.
- C. **Custody**: All required collateral shall be pledged to "The Town of Galena" and may be held in an account at the depository institution or in a custodial account. Custodial accounts may be located at:
 - a. Any institution licensed in the State as a bank;
 - b. A federal reserve bank; or
 - c. Any national banking association that is approved by the Comptroller of the Currency to conduct banking business in the State.
- D. **Documentation**: The depository institution shall document the collateralization of the Town's deposits in excess of the FDIC insurance coverage limits and provide copies of such documentation of the Town at least monthly or more frequently if so requested by the Town. Subject to the requirements of this policy, a financial institution may change its collateral from time to time.

XII. SAFEKEEPING AND CUSTODY

All online accounts shall have duo-factor authentication enabled with the Mayor's personal phone number, the Town Administrator and/or Town Finance & Administrative Clerk's personal phone number, and the Town's Email as accepted.

XIII. INTERNAL CONTROLS

Consistent with the Town's Charter & Code, the Town Administrator, with the assistance of the Town Finance & Administrative Clerk, shall establish a system of internal controls, which shall be documented in writing and approved by the Mayor & Council. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees or officers of the Town who are authorized by the Mayor & Council to perform investment functions. An audit of the internal controls of the investment operation shall be part of the annual financial audit conducted by an outside independent audit company or professional.

XIV. REPORTING REQUIREMENTS

The Town Finance & Administrative Clerk shall include all investments in the monthly bank balances report to the Mayor & Council, and any additional reports including data on investment instruments being held, as well as any necessary narrative for clarification.

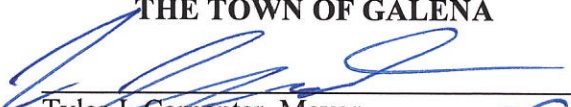
XV. INVESTMENT POLICY ADOPTION

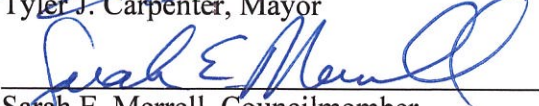
The Town Administrator and/or the Town Finance & Administrative Clerk may institute changes in these policies at any time so long as the changes are in compliance with current federal, state, and local law and the Annotated Code of Maryland, and presented in written form to and approved by the Mayor & Council. Exceptions to this policy may be made by securing written approval of the Town Administrator and ratification by a majority vote of the Mayor & Council.

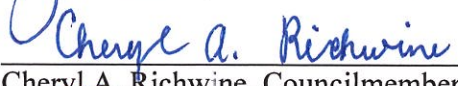
BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon its passage.

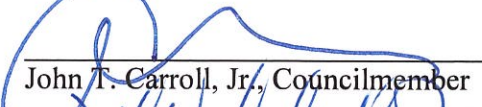
PASSED this 3 day of November, 2025.

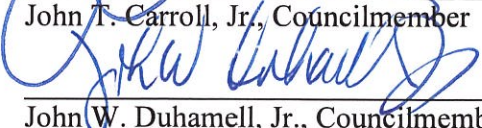
THE TOWN OF GALENA


Tyler J. Carpenter, Mayor

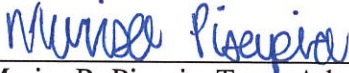

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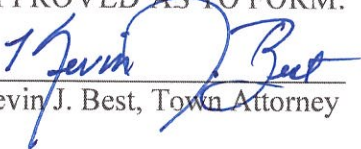

John W. Duhamell, Jr., Councilmember

Attest:



Marisa R. Pisapia, Town Administrator

APPROVED AS TO FORM:



Kevin J. Best, Town Attorney