



MARQUETTE CHARTER TOWNSHIP

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MARQUETTE TOWNSHIP BOARD - WORK SESSION

WEDNESDAY, JULY 5, 2023 - 4:00 PM

MARQUETTE TOWNSHIP COMMUNITY CENTER

1. Call to order

A. Roll Call

2. Public Comment (3 Minutes maximum) *This Board is conducting a meeting today to take care of Township business. You are allowed to address the Board at least twice tonight, but we will not have back-and-forth conversations between the staff, the Board, and the public during Public Comment. For Public Comment, or if you would like to speak on a particular agenda item, state your name and address and you have three minutes to address the Board. The Board may, but is not required to, respond at Board Member Comment immediately following Public Comment. The Board may also request follow-up with the Township Manager on some matters addressed during Public Comment.*

3. Board Member Comment in Response to Public Comment

4. Policy Discussion, Consideration and Development

A. Discussion of the Township Investment Policy and Depository Designation Resolution

5. Public Comment (3 Minutes maximum)

6. Meeting Wrap-up

A. Announcements

B. Board Member Comment

7. Adjournment

Charter Township of Marquette INVESTMENT POLICY

Purpose:

It is the policy of the Charter Township of Marquette to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the Township and comply with all state statutes governing the investment of public funds.

Scope:

This investment policy applies to all financial assets of the Charter Township of Marquette. These assets are accounted for in the various funds of the Township and include the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, internal service funds, trust and agency funds and any new fund established by the Township.

Objectives:

The primary objectives, in priority order, of the Charter Township of Marquette's investment activities shall be:

Safety—Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Diversification—The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

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 rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Delegation of Authority to Make Investments:

Authority to manage the investment program is derived from MCL 41.76 and Board Resolution designating depositories. Management responsibility for the investment program is hereby delegated to the Township Treasurer per MCL 41.76; who shall establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Township Treasurer. The Township Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Authorized Investments:

The Charter Township of Marquette is limited to investments authorized by Act 20 of 1943, as amended, and may invest in the following:

- a) In bonds, securities, and other obligations of the United States, or an agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States. This subdivision shall include securities issued or guaranteed by the government national mortgage association;
- b) In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union meet all criteria as a depository of public funds contained in state law;
- c) In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. Not more than 50% of any fund may be invested in commercial paper at any time;
- d) In United States government or federal agency obligation repurchase agreements;
- e) In bankers' acceptances of United States banks;
- f) In mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. Investments in mutual funds shall be limited to securities whose intention is to maintain a net asset value of \$1 per share; or
- g) In investment pools organized under the authority of the Urban Cooperation Act of 1967, MCL 124.501, the Surplus Funds Investment Pool Act of 1982, MCL 129.111 and the Local Government Investment Pool Act of 1985, MCL 129.141.

Safekeeping and Custody:

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the Township shall be on a cash basis. Provided, however, that the Treasurer may enter into collateralization and security agreements with authorized depositories for the protection of funds deposited in excess of those limits established by the Federal Deposit Insurance Corporation, the Federal Savings & Loan Insurance Corporation, or the National Credit Union Administration, to the extent permitted under Michigan Law, and to the extent that any such agreement is consistent with the safety, diversification, liquidity, return on investment and any other criteria set forth in this Investment Policy. The market value of any collateral or security for uninsured excess deposits shall at all times equal or exceed 105% of those deposits in excess of applicable FDIC, FSLIC, or NCUA insurance limits. Any collateral shall consist only of instruments, securities, or investments permitted for investment by a charter township under applicable Michigan Law, and of authorized investments under this investment policy. Securities may be held by a third party custodian designated by the treasurer and evidenced by safekeeping receipts as determined by the treasurer.

with board approved

Prudence:

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence would exercise in dealing with the property of

another, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used shall be the “fiduciary” standard and shall be applied in context of managing an overall portfolio.

Amended November 20, 2001 Board Meeting
Amended October 21, 2003 Board Meeting
Amended August 7, 2007 Board Meeting
Amended March 18, 2008 Board Meeting

INVESTMENT AND DEPOSITORY DESIGNATION RESOLUTION

WHEREAS, the Board of the Charter Township of Marquette, Marquette 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 Township 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 the Charter Township of Marquette and in the custody of the Township Treasurer.

BE IT RESOLVED, That the board approves the following financial institutions as depositories of Township funds:

First Merit Bank (FKA: Citizen's Bank) → Huntington (March 2023)
M Bank → Nicolet Bank
Marquette Community Federal Credit Union
Northern Michigan Bank → First Bank
Peninsula Bank → Nicolet Bank
Prime Vest Financial Services, Inc.
Range Bank
Republic Bank
River Valley Bank → Incredible Bank
Soloman Smith and Barney Financial Services, Inc.
Superior Iron Range Federal Credit Union
Wells Fargo Bank → Flegster Bank

By Board action on November 20, 2001 the following financial investment institutions were added: American General Financial Group, Edward Jones, Mommaerts Financial Services, Raymond James Financial Securities, and Standard Federal.

By Board action on October 21, 2003 the following financial investment institution was added: A.G. Edwards & Sons, Inc.

By Board action on August 7, 2007 the following financial investment institution was added: Superior Iron Range Federal Credit Union. Also the following financial investment institution names were changed: North Country Bank and Trust changed to M Bank; First National Bank of Negaunee changed to Range Bank; D&N Bank changed to Citizen's Bank; and National City Bank changed to River Valley 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’ 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:

- 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 two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- Repurchase agreements consisting or instruments listed in subdivision (a).
- Bankers’ acceptances of United States banks.
- 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.
- 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 a 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.
- Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the Urban Cooperation Act of 1967, PA 7 of 1967, Ex.Sess., (MCLs 124.501 to 124.512).

*Amended November 20, 2001 Board Meeting
Amended October 21, 2003 Board Meeting
Amended August 7, 2007 Board Meeting
Amended March 18, 2008 Board Meeting*

- Investment pools organized under the Surplus Funds Investment Pool Act, PA 367 of 1982 (MCLs 129.111 to 129.118).
- The investment pools organized under the Local Government Investment Pool Act, PA 121 of 1985 (MCLs 129.141 to 129.150).

BE IT FURTHER RESOLVED, That decisions and actions involving the Township's investment portfolio shall meet the following criteria:

Safety: Safety of principle is the foremost objective of the Charter Township of Marquette 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. Collateralization and Security Agreements: The Treasurer may enter into collateralization and security agreements with authorized depositories for the protection of funds deposited in excess of those limits established by the Federal Deposit Insurance Corporation, the Federal Savings & Loan Insurance Corporation, or the National Credit Union Insurance Corporation, to the extent permitted under Michigan Law, and to the extent that any such agreement is consistent with the safety, diversification, liquidity, return on investment and any other criteria set forth in the Investment Policy. The market value of any collateral or security for uninsured excess deposits shall at all times equal or exceed 105% of those deposits in excess of applicable FDIC, FSLIC, or NCUA insurance limits. Any collateral shall consist only of instruments, securities, or investments permitted for investment by a charter township under applicable Michigan Law, and of authorized investments under the investment policy. 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 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 sufficient documentation and acknowledgment of the investment instruments held on behalf of the Township.

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.