

Resolution No.: 3-12-2
Introduced: March 15, 2012
Adopted: April 19, 2012
Effective Date: April 30, 2012

THE VILLAGE OF MARTIN'S ADDITIONS

**SUBJECT: A RESOLUTION TO ADOPT AN INVESTMENT
POLICY**

WHEREAS, Article 95, Section 22F of the Maryland Code requires all municipal corporations within the State to adopt by resolution a local investment policy that is consistent with the local government investment guidelines adopted by the State Treasurer and meets the individual needs of the local government unit; and

WHEREAS, after due consideration, in open meeting assembled on the 19th day of April, 2012, the Village Council found that adopting the Investment Policy attached hereto would assure the good government of the municipality, protect and preserve the municipality's rights, property, and privileges, preserve peace and good order, secure persons and property from danger and destruction, and protect the health, comfort and convenience of the citizens of the municipality.

NOW, THEREFORE, BE IT:

RESOLVED: By the Village Council that the Investment Policy attached hereto and incorporated herein be and the same is hereby adopted as the investment policy of the Village;

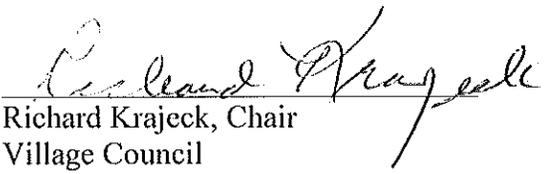
RESOLVED: That any and all prior investment policies adopted by the Village Council are hereby superseded and replaced;

RESOLVED: That to comply with Article 95, Section 22F(c)(3) of the Maryland Code, the Village Manager is hereby authorized to submit a copy of the Investment Policy to the State Treasurer;

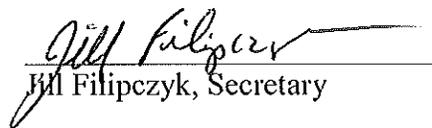
RESOLVED: That this Resolution shall become effective on April 30, 2012;

RESOLVED: That written notice of the adoption of the foregoing Resolution shall be provided to Village residents in accordance with Section 502(d) of the Village Charter; and it is further,

RESOLVED: That the foregoing Resolution shall be permanently filed by the Secretary and kept available for public inspection.


Richard Krajeck, Chair
Village Council

I, Jill Filipczyk, Secretary of the Village Council, hereby certify that the foregoing Resolution was adopted by the Council at its meeting on April 19, 2012.


Jill Filipczyk, Secretary

VILLAGE OF MARTIN'S ADDITIONS

INVESTMENT POLICY

1.0 Policy: It is the policy of the Village of Martin's Additions (the "Village") to invest public funds in a manner which will provide the highest investment return with the maximum security, while meeting the daily cash flow demands of the Village, and conforming to all state and local laws governing the investment of public funds.

2.0 Scope: This investment policy applies to all financial assets of the Village. These funds are accounted for in the Village's Comprehensive Annual Financial Report.

3.0 Prudence: Investments shall be made with 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.

3.1 The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy, and exercising due diligence, shall be relieved of personal responsibility 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 adverse developments.

4.0 Objective: The primary objectives, in priority order of the Village's investment activities shall be:

4.1 Safety: Safety of principal is the foremost objective of the investment program. Investments of the Village shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

4.2 Liquidity: The Village's investment portfolio will remain sufficiently liquid to enable the Village to meet all operating requirements which might be reasonably anticipated.

4.3 Return on Investments: The Village's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the Village's investment risk constraints and the cash flow characteristics of the portfolio.

5.0 Delegation of Authority: Authority to manage the Village's investment program is derived from the following: Maryland Code, Articles 95 and State Finance and Procurement Article, and Section 403(c) of the Village Charter. Management responsibility for the investment program is

hereby delegated to the Treasurer and Village Manager, who may establish written procedures for the operation of the investment program consistent with this investment policy.

5.1 Investments will adhere to the following express requirements:

(1) The Village will invest only in those types of securities described in State Finance and Procurement Article 6-222(a) or Article 95, Section 22-N and 22-O of the Annotated Code of Maryland;

(2) All investments made by the Village will comply with the standards of State Finance and Procurement Article 6-222(d);

(3) The Village is prohibited from borrowing money for the sole purpose of investment; and

(4) The Village is prohibited from investing public funds in a manner inconsistent with this adopted policy and any procedures established by the Treasurer and Village Manager.

6.0 Ethics and Conflicts of Interest: Persons involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Council any material financial interests in financial institutions that conduct business with the Village and shall otherwise avoid conflicts of interest in accordance with Chapter 4 of the Village Code of Ordinances.

7.0 Authorized & Suitable Investments: The Village is empowered by Maryland law to invest in securities described in Article 95, Section 22 and State Finance and Procurement Article, Section 6-222 of the Annotated Code of Maryland (copies of which are attached hereto). Notwithstanding the foregoing, and anything to the contrary contained herein, the Village shall invest in only the following types of securities:

7.1 Any obligation for which the United States has pledged its faith and credit for the payment of the principal and interest; and

7.2 Federally-insured accounts at one or more banks or savings and loan associations.

8.0 Diversification: The purpose of diversification is to reduce overall portfolio risks while attaining market average rates of return. The Village will diversify its investments by maturity and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the Village's total investment portfolio will be invested in a single financial institution.

9.0 Maximum Maturities: To the extent possible, the Village will attempt to match its investments with anticipated cash flow requirements.

10.0 Internal Control: At least once each year, an independent auditor shall review Village investments to determine compliance with this investment policy.

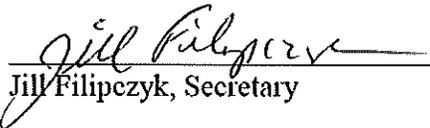
11.0 Reporting: The Village Manager or Treasurer shall include a report on investment activity and returns in the Village's Financial Report. Reports will include performance, interest, earnings and other material information.

12.0 Investment Policy Adoption: The Village's investment policy shall be adopted by resolution of the Village Council. The policy shall be reviewed at least every two years by the Council and any modifications made thereto must be approved by the Council.

Adopted April 19, 2012

Secretary's Certificate

I, Jill Filipczyk, Secretary of the Village of Martin's Additions Council, hereby certify that the foregoing is a true and correct copy of the Investment Policy duly adopted by the Village Council on April 19, 2012.


Jill Filipczyk, Secretary