

RESOLUTION 2313

A RESOLUTION OF THE COMMISSIONERS OF OXFORD REPEALING AND REPLACING THE INVESTMENT POLICY OF THE TOWN OF OXFORD IN ACCORDANCE WITH THE CODE OF MARYLAND, LOCAL GOVERNMENT ARTICLE AND THE STATE FINANCE PROCUREMENT ARTICLE § 6-222

WHEREAS, Local Government Article § 17-205 requires local governments 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, Local Government Article § 17-205 requires local governments to submit the policy to the State Treasurer for review; and

WHEREAS, in 1995 and 1996, by Resolutions 9605 and 9607, the Commissioners of Oxford adopted and memorialized the Investment Policy of the Town of Oxford; and

WHEREAS, the Commissioners of Oxford desire to update the Town of Oxford Investment Policy.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF OXFORD AS FOLLOWS:

Section 1. The Town of Oxford Investment Policy dated 1995 and further memorialized in 1996 is hereby repealed and replaced with the Town of Oxford Investment Policy attached hereto as Exhibit A and incorporated by reference herein.

Section 2. The Town Manager shall send a copy of the Town of Oxford Investment Policy adopted herein to the Maryland State Treasurer by certified mail in accordance with Local Government Article § 17-205(b).

Section 3. If the Maryland State Treasurer determines that the Town of Oxford Investment Policy or any portion thereof is not consistent with the local investment guidelines adopted by the State Treasurer, those portions of the Policy that are consistent with such guidelines shall remain in full force and effect pending the preparation and submission of a revised local investment policy that is consistent with the guidelines.

Section 4. This Resolution shall become effective immediately.

ENACTED this ___ day of _____ 2023.

COMMISSIONERS OF OXFORD

Tom Costigan, Commission President

Susan Delean-Botkin, Commissioner

Katrina Greer, Commissioner

I hereby certify that the above Resolution was passed by a yea and nay vote of the Commissioners of Oxford on the _____ day of _____, 2023.

Attest: _____
Cheryl Lewis, Town Manager
Town of Oxford

A RESOLUTION TO CONFIRM AND MEMORIALIZE THE INVESTMENT POLICY OF THE TOWN OF OXFORD IN ACCORDANCE WITH THE CODE OF MARYLAND, LOCAL GOVERNMENT ARTICLE AND THE STATE FINANCE PROCUREMENT ARTICLE § 6-222

It is the policy of the Town of Oxford to invest public funds and manage public obligations in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the town and conforming to all state and local statutes governing the investment of public funds. Consistent with state law, under no circumstances will the Town of Oxford borrow funds for the express purpose of investing those funds.

This investment policy applies to all financial assets of the Town. These funds are accounted for in the Town's Comprehensive Annual Financial Report and include: General Fund, Enterprise Funds and Capital Projects Fund (Ordinance 9402).

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.

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

1. **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. To attain this objective, the Town of Oxford shall limit its investments to insured/secured bank deposits, Certificates of Deposits, Certificates of Deposit Account Registry Services, the Maryland Local Government Investment Pool, and United States Treasury Bills.

2. **LIQUIDITY:** The Town's investment portfolio will remain sufficiently liquid to enable the Town to meet all operating requirements which may be reasonably anticipated.

3. **RETURN ON INVESTMENTS:** The Town's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the Town's investment risk constraints and the cash flow characteristics of the portfolio.

Management responsibility for the investment program is restricted to the Clerk-Treasurer after consultation with the Town Commissioners, who shall establish written procedures for the operation of the investment policy. Procedures

Exhibit A

should include reference to: safekeeping, PSA repurchase agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Clerk-Treasurer. The Clerk-Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Investments will be restricted to Bank Deposits and U.S. Government obligations.

The Clerk-Treasurer and the Commissioners of Oxford are the only Town officials with any authority in connection with the investment decisions of the Town of Oxford. They shall refrain from any personal business activity which could conflict with the proper execution of the Town's investment policy, or which could be construed to impair their impartial judgment. Because the Town's investment policy includes the maintenance of bank deposits, each Commissioner and the Clerk-Treasurer shall disclose any personal investment or management role in any financial institution which conducts business in Talbot County.

The Clerk-Treasurer will maintain a list of authorized depositories for Town funds, which list shall be approved by the Commissioners of Oxford. An annual review of the financial condition of all authorized depositories shall be conducted by the Commissioners and the Clerk-Treasurer. A current audited financial statement shall be kept on file in the Town Office for each financial institution in which the Town deposits its funds.

Collateralization of all deposits and certificates of deposit shall be secured in accordance with § 6-222 of the State Finance and Procurement Article of the Annotated Code of Maryland.. All instruments of deposit or debt shall be maintained by a third party custodian approved by the Commissioners of Oxford and the Clerk-Treasurer. A safekeeping receipt must be supplied by the custodian, and shall be maintained by the Clerk Treasurer. All security transactions shall be conducted on a delivery-versus-payment basis.

The Town will diversify its deposits by institution. Except for its investments in U. S. Treasury securities, no more than 50% of the Town's total investment of funds shall be in a single financial institution.

To protect public funds from market price losses related to fluctuating interest rates, it shall be the policy of the Town of Oxford that the maximum term to maturity of all invested funds and time deposits shall not exceed one year.

The Town's investment and deposit activities shall be audited on at least an annual basis as part of the Town's comprehensive annual audit. There shall be an independent audit of the Town's investment and deposit activities any time that the position of the Clerk-Treasurer shall become vacant, and upon appointment of a new Clerk-Treasurer.