

ORDINANCE NO. 288

AN ORDINANCE ADOPTING AN INVESTMENT POLICY FOR THE VILLAGE OF VARNA, MARSHALL COUNTY, ILLINOIS

BE IT ORDAINED by the Village President and Board of Trustees of the Village of Varna, Marshall County, Illinois, as follows below.

SECTION 1: Policy. It is the policy of the Village of Varna 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 of Varna and conforming to all state and local statutes governing the investment of public funds.

SECTION 2: Scope. This policy includes all funds governed by the Village Board of Trustees.

SECTION 3: Prudence. Investments shall be made with judgement 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 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.

SECTION 4: Objectives. The objectives, in order of priority, are:

- (a) Legality - conformance with federal, state and other legal requirements.
- (b) Safety - preservation of capital and protection of investment principal.
- (c) Liquidity - maintenance of sufficient liquidity to meet operating requirements.
- (d) Yield - attainment of market rates of return.

The portfolio should be reviewed periodically as to its effectiveness in meeting the needs for safety, liquidity, rate of return, diversification and its general performance.

SECTION 5: Delegation of Authority. Management and administrative responsibility for the investment program is hereby delegated to the Treasurer who, under the delegation of the Board of Trustees, shall establish written procedures for the operation of the investment program.

SECTION 6: Ethics and Conflicts of Interest. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

SECTION 7: Authorized Financial Dealers and Institutions. The Treasurer will maintain a list of financial institutions authorized to provide investment services.

In addition, a list will also be maintained of approved security brokers/dealers selected by credit worthiness (if such brokers or dealers are needed).

SECTION 8: Authorized and Suitable Investments. Investments may be made in any type of security allowed for in Illinois statutes regarding the investment of public funds.

Investments shall be made that reflect the cash flow needs of the fund type being invested

SECTION 9: Collateralization. Funds on deposit (checking accounts, certificates of deposit, *et cetera*) in excess of Federal Deposit Insurance Corporation limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent - third party institution in the name of the municipality.

SECTION 10: Safekeeping and Custody. Security transactions (if any), including collateral for repurchase agreements, entered into by the Village, shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by an independent third party custodian designated by the Treasurer and evidenced by safekeeping receipts and a written custodial agreement.

SECTION 11: Diversification. The Village shall diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity.

SECTION 12: Maximum Maturities. To the extent possible, the Village shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than two (2) years from the date of purchase.

Reserve funds may be invested in securities exceeding three (3) years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

SECTION 13: Internal Control. The Treasurer is responsible for establishing and maintaining an internal control structure designed to insure that the assets of the Village are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The internal controls shall address the following points:

- (a) Control of collusion,
- (b) Separation of transaction authority from accounting,
- (c) Custodial safekeeping, and
- (d) Written confirmation of telephone transactions for investments and wire transfers.

SECTION 14: Performance Standards. An investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a comparable rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to benchmarks with similar maturity, liquidity and credit quality as the portfolio.

SECTION 15: Reporting. The Treasurer shall prepare an investment report at least monthly. The report should be provided to the Board of Trustees and available on request. The report should be in a format suitable for review by the general public. An annual report should also be provided to the Board.

SECTION 16: Marking to Market. A statement of the market value of the portfolio shall be issued to the Board of Trustees quarterly.

SECTION 17: Annual Review. This policy should be reviewed on an annual basis by the Treasurer and any modifications made thereto must be approved by the Board of Trustees.

SECTION 18: Severability. If any section, subdivision, or sentence of this ordinance shall for any reason be held invalid or to be unconstitutional, such finding shall not affect the validity of the remaining portion of this ordinance.


SECTION 19. Effective Date. This ordinance shall be in full force and effect after its adoption, as provided by law.


ADOPTED at a regular meeting of the Board of Trustees of the Village of Varna, Illinois, on November 4, 2024 pursuant to a roll call vote as follows.

<i>TRUSTEE</i>	<i>AYE</i>	<i>NAY</i>	<i>ABSENT</i>
Chambers			
Koch			
Kruse			
Marliere			
Meierkord			
Todd			

Approved on November 4, 2024

Attest:

 _____
Louis Holocker, Village President

 _____
Print Name: _____

PUBLISHED in pamphlet form on November 5, 2024

 _____
Print Name: _____


STATE OF ILLINOIS)
) ss
COUNTY OF MARSHALL)

CERTIFICATE OF MUNICIPAL CLERK

I, the undersigned, certify that I am the duly qualified and acting Clerk of the Village of Varna, the County and State aforesaid, and, as such Clerk, I am the keeper of the records and files of the Corporate Authorities of the Village. I do further certify that the attached and foregoing is a true and correct copy of Ordinance No. 288: An Ordinance Adopting an Investment Policy for the Village of Varna as passed by the Village Board of Trustees at its regular meeting held on November 4, 2024, and as approved by the Village President on November 4, 2024.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the corporate seal of the Village of Varna, Illinois.

Dated _____, 2024

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Print Name: _____
(SEAL)