

BOARD OF PARK COMMISSIONERS OF THE CLEVELAND METROPOLITAN PARK DISTRICT

POLICY STATEMENT

SUBJECT: INVESTMENT POLICY

EFFECTIVE DATE: March 15, 2018

PURPOSE & OBJECTIVES

The Board of Park Commissioners of The Cleveland Metropolitan Park District ("Park District") directs that the Park District's funds are to be invested according to the following principles:

- A. *Liquidity*: The Chief Financial Officer shall assure that funds are constantly available to meet immediate payment requirements, including payroll and accounts payable.
- B. *Safety*: Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To obtain this objective, diversification is required in order that potential losses on individual investments do not exceed the income generated from the remainder of the portfolio. All investments shall be investment grade securities meeting the requirements of "Investment Instruments" and carrying a credited rating as described under "Credit Risk".
- C. *Return*: The investment portfolio shall be designed to attain a market average rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and the cash flow characteristics of the portfolio.

SCOPE

This Investment Policy applies to the financial assets of all funds, including but not limited to, the following: general, capital, internal service and restricted sub-funds.

POLICY

A. Prudence Required

- 1. 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. Investments should not be made for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
- 2. The standard of prudence to be used by the Chief Financial Officer shall be the "prudent person" and shall be applied to the context of managing an overall portfolio. The Chief Financial Officer shall exercise due diligence and report any deviation of an investment's performance from original expectations in a timely fashion and undertake appropriate action to control adverse developments.

B. Internal Controls

The Chief Financial Officer shall establish a system of internal controls. The internal controls will be reviewed by an independent auditor. The controls should be designed to prevent and control loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers.

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- Additional Eligible Investments for a Subdivision other than a County. The Chief Financial Officer is authorized to invest up to **25%** of the Park District's interim moneys available for investment in either (1) commercial paper notes or (2) bankers acceptances. However, only after completing additional training of a type and amount approved by the Treasurer of State and subject to the following limitations on these investments:

1. Commercial Paper Notes:

- must be issued either by a for-profit corporation existing under Ohio law or the law any other state of the United States or by one of the several other entities described in Ohio Revised Code §1705.01(d)(2) and existing under the laws of Ohio, the United States or any other state, which organization has assets exceeding \$500 million dollars; must be rated at the time of purchase in the highest classification established by at least two nationally recognized standard rating services;
- must have an aggregate value not exceeding 10% of the aggregate value of the outstanding commercial paper of the issuing organization;
- must mature not later than 180 days after purchase; and
- investment in a single issuer shall not exceed in the aggregate 5% of interim moneys available for investment at the time of purchase.

2. Bankers Acceptances:

- must be issued by a bank insured by the Federal Deposit Insurance Corporation;
- must be eligible for purchase by the Federal Reserve System;
- must mature not later than 180 days after purchase (Ohio Revised Code §135.14(B)(7)); and
- the treasurer or governing board has completed training approved by the Treasurer of the State.

D. Credit Risk

The Chief Financial Officer shall invest in securities that carry a Standard and Poor's rating of AA or higher or Moody's rating of Aa or higher.

E. Relationship with Financial Institutions

1. Depositories shall be selected through the banking service procurement process and shall include a formal request for proposals issued every five years, in accordance with the Ohio Revised Code.
2. In selecting depositories, the credit worthiness of each institution shall be considered, and the Chief Financial Officer shall conduct a comprehensive review of each prospective depository's credit characteristics and financial history.

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Financial institutions awarded a contract for the deposit of interim or active funds shall sign the following acknowledgement:

"I hereby acknowledge receipt of the Investment Policy of the Board of Park Commissioners of The Cleveland Metropolitan Park District."

Signed by: _____

Date: _____

Institution: _____

REFERENCE: Uniform Depository Act: Ohio Revised Code Chapter 135

Approved. 

Brian M. Zimmerman
Chief Executive Officer



Dan T. Moore, Board President

3-17-18

Approval Date

MARCH 2023

Review Date