

**ST. JAMES TOWNSHIP**  
**Resolution No. 2021-07-28-01**

**RESOLUTION ESTABLISHING TOWNSHIP INVESTMENT POLICY**

At a regular meeting of the St. James Township Board held in the Township Hall located at 37735 Michigan Ave., Beaver Island, Michigan on July 28, 2021.

PRESENT: \_\_\_\_\_

ABSENT: \_\_\_\_\_

The following resolution was made by \_\_\_\_\_ and seconded by \_\_\_\_\_, to-wit:

**Recitals**

WHEREAS, the St. James Township Board in exercising its fiduciary responsibilities desires to safeguard the funds of the Township that may be invested from time to time;

WHEREAS, Public Act 77 of 1989, MCL 41.77, provides that the Township Board may 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 Act 77;

WHEREAS, Public Act 196 of 1997, MCL 129.91, *et seq.*, requires the Township Board, in consultation with the Township Treasurer, to adopt an investment policy; and

WHEREAS, the Township Board desires to comply with this statutory requirement by the adoption of this Resolution.

**Resolution**

NOW, THEREFORE, BE IT RESOLVED that the Township of St. James hereby establishes the following investment policy for the Township, which shall be applicable to all public funds belonging to St. James Township and in the custody of the Township Treasurer:

1. The purpose, scope, and objectives of this policy are to meet the following criteria:

**Safety:** Safety of principle is the foremost objective of St. James 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. Investments shall be selected to obtain a market average rate of return. The core of investments is limited to relatively low risk securities.

2. Board hereby approves the following financial institutions as depositories of township funds:
  - (a) Charlevoix State Bank
  - (b) Huntington Bank
  - (c) Bay Winds Federal Credit Union

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3. The Township Treasurer is hereby authorized to make investments on behalf of St. James Township and 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 meets 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.
4. The prior approval of the Township Board shall be required for the Treasurer to invest in any other lawful investment instruments. The Township Board's 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:
  - (a) 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 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
  - (b) Repurchase agreements consisting of instruments listed in subdivision (a).
  - (c) Bankers' acceptances of United States banks.
  - (d) 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.
  - (e) 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 as 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.
- (f) Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the Urban Cooperation Act of 1967, Public Act 7 of 1967 (*Ex Sess*), MCL 124.501, *et seq.*
  - (g) Investment pools organized under the Surplus Funds Investment Pool Act, Public Act 367 of 1982, MCL 129.111, *et seq.*
  - (h) The investment pools organized under the Local Government Investment Pool Act, Public Act 121 of 1985, MCL 129.141, *et seq.*
5. 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 on an annual basis, sufficient documentation and acknowledgment of the investment instruments held on behalf of the Township.
6. 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.

YES: \_\_\_\_\_

NO: \_\_\_\_\_

RESOLUTION DECLARED ADOPTED.

TOWNSHIP OF ST. JAMES

By: \_\_\_\_\_  
 Kathleen McNamara, Supervisor

I, the undersigned, the Clerk of St. James Township, Charlevoix County, Michigan, do hereby certify that the foregoing is a true and complete copy of certain proceedings taken by said municipality of Charlevoix County at its regular meeting held on July 28, 2021, relative to adoption of the resolution therein set forth; that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Dated: \_\_\_\_\_

\_\_\_\_\_  
 Julie Gillespie, Clerk  
 or Patti Cull, Deputy Clerk