RESOLUTION NO. 522

CITY OF HARPERS FERRY

INVESTMENT POLICY

SECTION 1 – SCOPE OF INVESTMENT POLICY

The Investment Policy of the City of Harpers Ferry shall apply to all operating funds, bond proceeds and other funds and all investment transactions involving operating funds, bond proceeds and other funds accounted for in the City of Harpers Ferry's financial statements. Each investment must be authorized by applicable law and is subject to conditions of this Investment Policy. Each investment made pursuant to this Investment Policy must be authorized by applicable law and this written Investment Policy.

The investment of bond funds or sinking funds shall comply not only with this investment policy, but also be consistent with any applicable bond resolution.

The Investment Policy is intended to comply with Iowa Code Chapter 12B.

Upon passage and upon future amendment, if any, copies of this Investment Policy shall be delivered to all of the following:

- The governing body or officer of the City of Harpers Ferry to which the Investment Policy applies.
- All depository institutions or fiduciaries for public funds of the City of Harpers Ferry.

SECTION 2 – DELEGATION OF AUTHORITY

In accordance with Section 12B.10(1), the responsibility for conducting investment transactions resides with the City Clerk/Treasurer of the City of Harpers Ferry. Only the City Clerk/Treasurer, Deputy City Clerk, and those authorized by ordinance or resolution may invest public funds and a copy of any empowering resolution shall be attached to this Investment Policy.

The City Clerk/Treasurer or Deputy City Clerk shall establish a written system of internal controls and investment practices. The controls shall be designed to prevent loss of public funds, to document those officers and employees of the City of Harpers Ferry responsible for elements of the investment process, and to address the capability of investment management. The controls shall provide for receipt and review of the audited financial statement and related reports on internal control structure of all outside persons performing any of the following for the City of Harpers Ferry:

1. Investing public funds.
2. Advising on the investment of public funds.
3. Directing the deposit or investment of public funds.
4. Acting in a fiduciary capacity for the City of Harpers Ferry.

A bank, savings and loan association or credit union providing only depository services shall not be required to provide an audited financial statement and related report on internal control structure.

All contracts and agreements with outside persons providing any of the above listed services shall require written notification to the City of Harpers Ferry within thirty days of receipt of any communication from either their auditor or any regulatory authority which denotes any of the following: the existence of a

material weakness in their internal control structure, regulatory orders or sanctions in regard to the services being provided to the City of Harpers Ferry by the outside person.

The records of investment transactions made by, or on behalf of, the City of Harpers Ferry are public records and are the property of the City of Harpers Ferry whether in the custody of the City of Harpers Ferry or in the custody of a fiduciary or other third party.

SECTION 3 – OBJECTIVES OF INVESTMENT POLICY

The primary objectives, in order of priority, of all investment activities involving the financial assets of the City of Harpers Ferry shall be the following:

- SAFETY: Safety and preservation of principal in the overall portfolio is the foremost investment objective.
- LIQUIDITY: Maintaining the necessary liquidity to match expected liabilities is the second priority.
- RETURN: Obtaining a reasonable return is the third priority.

SECTION 4 – PRUDENCE

When investing or depositing public funds, the City Clerk/Treasurer or Deputy City Clerk of the City of Harpers Ferry shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use to attain the Section 3 investment objectives. This standard requires that when making investment decisions, the City Council shall consider the role that the investment or deposit plays within the portfolio of assets of the City of Harpers Ferry and the investment objectives stated in Section 3.

SECTION 5 - DEPOSITORIES

All deposits shall be in depositories located in the State of Iowa and/or the State of Wisconsin. Each bank must be on the most recent Approved Bank List as distributed by the Treasurer of the State of Iowa or as amended as necessary by notice inserted in the monthly mailing from the State Treasurers Office. Each financial institution shall be properly declared as a depository by the City Council of the City of Harpers Ferry. Deposits in any financial institution shall not exceed the $6,000,000 limit approved by the City Council of the City of Harpers Ferry.

SECTION 6 – INSTRUMENTS ELIGIBLE FOR INVESTMENT

Assets of the City of Harpers Ferry may be invested in the following:

- Interest-bearing savings accounts, interest-bearing money market accounts, and interest-bearing checking accounts at any bank, savings and loan association or credit union in the State of Iowa. Each bank must be on the most recent list of Approved Bank List as provided by the State Treasurer. Deposits will only be made with financial institutions that are properly declared as a depository by resolution of the Harpers Ferry City Council. Deposit amounts shall not exceed the statutory limit approved by the governing body of Harpers Ferry.
- Obligations of the United States government, its agencies and instrumentalities.
- Certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions approved and secured pursuant to Chapter 12B.

All instruments eligible for investment are further qualified by all other provisions of this Investment Policy including Section 8 – Investment Maturity Limitations and Section 9 – Diversification Requirements.

SECTION 7 – PROHIBITED INVESTMENTS AND INVESTMENT PRACTICES

Public funds of the City of Harpers Ferry shall not be invested in the following:

1. Reverse repurchase agreements.
2. Futures and options contracts.

Assets of the City of Harpers Ferry shall not be invested pursuant to the following investment practices:

1. Trading of securities for speculation or the realization of short-term trading gains.
2. Pursuant to a contract providing for the compensation of an agent or fiduciary based upon the performance of the invested assets.
3. If a fiduciary or other third party with custody of public investment transaction records of the City of Harpers Ferry fails to product requested records when requested by this public body within a reasonable time, the City of Harpers Ferry shall make no new investment with or through the fiduciary or third party and shall not renew maturing investments with or through the fiduciary or third party.

SECTION 8 – INVESTMENT MATURITY LIMITATIONS

Operating funds must be identified and distinguished from all other funds available for investment. Operating funds are defined as those funds, which are reasonably expected to be expended during the current budget year or within fifteen months of receipt.

All investments authorized in Section 5 are further subject to the following investment maturity limitations:

1. Operating funds may only be invested in instruments authorized in Section 5 of this Investment Policy that mature within three hundred ninety-seven (397) days.
2. The City Clerk/Treasurer or Deputy City Clerk may invest funds of the City of Harpers Ferry that are not identified as Operating Funds in investments with maturities longer than three hundred ninety-seven (397) days. However, all investments of the City of Harpers Ferry shall have maturities that are consistent with the needs and use of City of Harpers Ferry.

SECTION 9 – DIVERSIFICATION

The City of Harpers Ferry maintains no investments of a type requiring diversification.

SECTION 10 – SAFEKEEPING AND CUSTODY

All invested assets of the City of Harpers Ferry involving the use of public funds custodial agreement, as defined in Section 12B.10C, shall comply with all rules adopted pursuant to Section 12B.10C relating to those investments. All custodial agreements shall be in writing and shall contain a provision that all custodial services be provided in accordance with the laws of the State of Iowa.

SECTION 11 - ETHICS AND CONFLICT OF INTEREST

The City Clerk/Treasurer and all officers and employees of the City of Harpers Ferry 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. Any conflict of interest or bias, whether in fact or by appearance, shall be disclosed in writing to the City of Harpers Ferry.

SECTION 12 - REPORTING

The City Clerk/Treasurer or Deputy City Clerk shall submit an annual investment report in July that summarizes recent market conditions and investment strategies employed since the last investment report. The investment report shall set out the current portfolio in terms of maturity, rates of return and other features and summarize all investment transactions that have occurred during the reporting period and compare the investment results with the budgetary expectations.

SECTION 13 - INVESTMENT POLICY REVIEW AND AMENDMENT

This Investment Policy shall be reviewed annually. Notice of amendments to the Investment Policy shall be promptly given to all parties noted in Section 1.

Passed and approved this 12 day of May, 2025.

Jerry Valley, Mayor

ATTEST:

Kelli Melcher, City Clerk/Treasurer