

Indianapolis-Marion County Building Authority

Investment Policy

1. PURPOSE

The purpose of this Investment Policy statement ("Policy") is to set forth the investment and operational policies for the management of public funds available for investment on behalf of the Indianapolis-Marion County Building Authority ("IMCBA") pursuant to Indiana Code § 5-13-9-5.7.

This Policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with those of comparable funds.

2. OBJECTIVES

The primary objectives ("Objectives") of the IMCBA's investment activities, in priority order, are:

- a. LEGAL- to conform with all applicable federal, state and other legal requirements;
- b. SAFETY- to adequately safeguard invested funds;
Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate various forms of risk.

Interest Rate Risk- As a means of limiting its exposure to fair value losses arising from rising interest rates, the IMCBA will:

- Structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Invest operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.
- Only invest in municipal securities of Indiana issuers that have not defaulted during the previous 20 years and other securities with a stated maturity of not more than two years after the date of purchase or entry into a repurchase agreement, as defined by Indiana Code.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. This Policy requires compliance with Indiana statutory provisions, such as the requirement to invest in money market mutual funds rated AAA by Standard and Poor's or Aaa by Moody's Investor's Service.

Custodial Credit Risk - Custodial Credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral in the possession of a third party.

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Foreign Currency Risk - Foreign Currency risk is the risk of adverse effects on the fair value of an investment from changes in exchange rates. This Policy prohibits investments in foreign investments.

- c. **LIQUIDITY**- to provide sufficient liquidity to meet all operating requirements; The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

A portion of the portfolio also may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity for short-term funds.

- d. **YIELD** – to obtain a reasonable rate of return (yield); The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. “Market rate of return” may be defined as the average yield of the current three-month United States Treasury Bill. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

- e. **COSTS** - to control and minimize administrative and management costs.

3. DELEGATION OF AUTHORITY

Management responsibility for the IMCBA's investment program is hereby delegated to the Finance Director. The Finance Director shall be responsible for the implementation of the investment program and the establishment of investment procedures consistent with this Policy. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Finance Director.

4. INVESTMENT PHILOSOPHY

Investments should be made in accordance with the prudent person standard. This standard provides that an investor should act with care, skill, prudence, and diligence, under the

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circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

Participants in the investment process (i.e., the Finance Director or his or her designee) shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the IMCBA.

Participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair their ability to make impartial investment decisions.

5. INTERNAL CONTROLS

Indiana Code § 5-13-6-1 requires that public funds collected by any officer or employee of the government be deposited not later than the business day following the receipt of funds. All funds eligible for investment shall be invested as soon as reasonably possible by the Finance Director or his or her designee.

The employees assigned by the IMCBA to be responsible for cash management will: (1) establish and maintain an internal control structure and record keeping system to provide reasonable assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition; (2) ensure that transactions are executed in accordance with management's authorization and recorded properly; and (3) ensure that funds are managed in compliance with applicable laws and regulations.

The Finance Director shall monitor and evaluate the performance of all investments made on a periodic basis to ensure that all such investments meet the requirements of this Policy and further the objectives listed in this Policy. The Finance Director shall report on the performance of all investments to the IMCBA General Manager and/or Board of Directors upon request.

The Finance Director shall review the costs and fees associated with each investment on a periodic basis to ensure that all such costs and fees are reasonable and do not conflict with or violate the requirements or Objectives of this Policy. The Finance Director shall report on the reasonableness and compliance of such costs and fees to the IMCBA General Manager and/or Board of Directors on a periodic basis.

6. DESIGNATION OF DEPOSITORIES

The banks authorized for the deposits of funds are those that are approved as Public Depositories by the Indiana State Board of Finance and the Marion County Board of Finance.

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7. PERMITTED INVESTMENTS

The Finance Director or his or her designee shall authorize and direct funds not required for immediate expenditure for terms not to exceed its projected cash flow needs to be invested in the following types of investments:

- (a) Any account subject to withdrawal by negotiable orders of withdrawal, unlimited as to amount or number, and without penalty, including:
 - (i) Passbook savings accounts;
 - (ii) Certificates of deposit;
 - (iii) Money market deposit accounts; and
 - (iv) Any interest bearing account that is authorized to be set up and offered by a financial institution in the course of its respective business;

in each case pursuant to Indiana Code § 5-13-9-5.3.

- (b) Repurchase agreements pursuant to Indiana Code § 5-13-9-3.
- (c) Local government investment pools authorized pursuant to Indiana Code § 5-13-9-11.
- (d) Money market mutual funds pursuant to Indiana Code § 5-13-9-2.5.
- (e) Participations in loans authorized pursuant to Indiana Code § 5-13-9-3.5.
- (f) Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by any of the following:
 - (i) The United States Treasury;
 - (ii) A federal agency;
 - (iii) A federal instrumentality; or
 - (iv) A federal government sponsored enterprise

in each case authorized pursuant to Indiana Code § 5-13-9-2.

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(g) Municipal securities of Indiana issuers that have not defaulted during the previous 20 years pursuant to Indiana Code § 5-13-9-2; and

(h) Any other investment authorized pursuant to the Indiana Code.

Investment obligations shall be payable or redeemable at the option of the IMCBA within such times as the proceeds will be needed to meet expenditures for the purposes for which the funds were provided. In no instance shall any length of maturity of an investment exceed the statutory limitation therefor.

8. DIVERSIFICATION

Additional portfolio diversification will be provided by:

- limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- limiting investment in securities that have higher credit risks,
- investing in securities with varying maturities, and
- continuously investing a portion of the portfolio in readily available funds.

Specific portfolio composition guidelines will be guided by the following general parameters:

<i>US Government Securities, Agencies and Instrumentalities</i>
The portfolio may be comprised of 100% direct government obligations. However, at all times at least twenty five percent (25%) of the portfolio will be invested in US governmental securities unless market conditions warrant otherwise.
<i>Local Government Investment Pools</i>
The portfolio may be comprised of 100% local government investment pools. The need for liquidity directs a high use of local government investment pools.
<i>Certificates of Deposit</i>
A maximum of fifty percent (50%) of the portfolio may be invested in fully collateralized certificates of deposit.
<i>Money Market Mutual Funds</i>
A maximum of fifteen percent (15%) of the portfolio may be invested in approved money market mutual funds.
<i>Indiana Municipal Securities</i>
A maximum of twenty-five (25%) of the portfolio may be invested in Indiana municipal securities.

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Maximum Maturities- To the extent possible, the IMCBA shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the IMCBA will not directly invest in securities maturing more than two (2) years from the date of purchase or in accordance with state and local statutes and ordinances.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.

9. CONCLUSION

This Policy has been promulgated by the IMCBA to formalize prudent investment policies and procedures that will meet investment objectives of the IMCBA.

This Policy is to be reviewed by the IMCBA as new investment legislation becomes law, as staff expertise changes, and/or as necessitated by other external and internal factors.

Adopted _____

Affirmed _____

Amended _____

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MINUTES OF MEETING
OF
BOARD OF DIRECTORS
OF
INDIANAPOLIS-MARION COUNTY BUILDING AUTHORITY

Held December 10, 2025

A meeting of the Board of Directors of Indianapolis-Marion County Building Authority was held at the offices of the Authority on Wednesday, December 10, 2025, at 10:30 a.m., pursuant to notice as required by law.

Directors Ezra B. Burdix, James H. Naus, Sonya Seeder, and Charles T. Richardson were present. Director Lula M. Patton was absent. Also in attendance were General Manager Mark R. Peterson, Assistant General Manager James C. Corry, Director of Finance Steve Vice; Counselor David E. Corbitt, Krieg DeVault LLP; Ben Crawford, OFM; and Jordan Ryan, Administrator for Public Records for the Office Finance and Management.


Excerpt from December 10, 2025 Minutes
Board Approval of Reviewed Building Authority Investment Policy

Mr. Peterson also discussed with the Directors the Authority's current Investment Policy, which was previously approved by the Board on March 8, 2002. The Investment Policy is now due for review and approval by the Authority based upon its recurring four-year assessment cycle. A copy of the Investment Policy was included in this mailing for this meeting.

After discussion and upon motion duly-made and seconded, the Directors unanimously adopted the following resolution:

ALBEIT RESOLVED, that the Directors, hereby approve the Authority's Investment Policy substantially in the format substance presented to the Directors.

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Sonya Seeder, Secretary

Approved:



Ezra B. Burdix, Chairman