

THE HEALTH AND HOSPITAL CORPORATION OF MARION COUNTY, INDIANA

RESOLUTION NO. 5-2023

INVESTMENT POLICY

A RESOLUTION governing the investment of public funds.

WHEREAS, the Corporation, by and through its fiscal officers, the Executive Director and Chief Executive Officer, and the Treasurer and Chief Financial Officer (“Treasurer”), holds, invests and disburses funds coming into its possession regarding the public service and business of the Corporation according to applicable law; and

WHEREAS, the Corporation’s selection of certain government obligations as investments may vary according to the policy adopted by the Board; and

WHEREAS, Indiana Code § 5-13-9-5.7 authorizes the Board to adopt the following investment policy:

1. PURPOSE

The purpose of this policy statement is to set forth the investment and operational policies for the management of public funds available for investment on behalf of the Corporation.

These policies are 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 objectives of the Corporation’s investment activities, in priority order, are:

A. LEGAL

All of the Corporation’s investment activities shall be in compliance with all applicable federal, state, and other legal requirements.

B. SAFETY

Safety of principal should be the foremost objective of the Corporation’s investment program. Investments should be made in a manner that seeks to ensure the preservation of capital in the overall portfolio. Credit risk will be minimized both by diversification (limiting the potential for loss from any one issuer or any one type of security) and by limiting investments to the types of securities described in Section 8 hereof. Market risk will be minimized both by structuring the portfolio so that investments generally mature in time to meet anticipated cash requirements (limiting the need to sell securities prior to maturity) and by investing primarily in shorter-term

securities.

C. LIQUIDITY

The Corporation's investment portfolio should be structured so that investments generally mature in time to meet anticipated cash requirements. Further, since all cash requirements cannot be anticipated, the portfolio should consist primarily of cash equivalents and securities with active secondary or resale markets.

D. YIELD

The Corporation's investment portfolio should be structured with the objective of attaining a market rate of return, taking into account the constraints of safety and liquidity described above. Return on investment is less important than safety and liquidity. Return on investment should typically approximate or exceed the calculated yield on 3-month constant-maturity U.S. Treasury obligations.

E. FULL INVESTMENT

To the extent practicable, all of the Corporation's funds should be fully deployed as earning assets.

F. MINIMAL TURNOVER

The Corporation's securities should typically not be sold, or investment agreements terminated, prior to maturity, with the following exceptions: (i) a declining-credit security can be sold early to minimize the potential loss of principal; (ii) a security can be sold and replaced with another if such action improves the quality or yield of the portfolio; (iii) a security can be sold early to meet liquidity needs.

3. DELEGATION OF AUTHORITY

Investment authority is vested with the Treasurer and may be delegated by the Treasurer to certain employees on the Treasurer's staff. The Treasurer and certain employees of the Treasurer's staff, who have been delegated such authority, have full discretion for selecting a financial institution in accordance with state law and local ordinances.

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 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 shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Corporation.

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. DIVERSIFICATION

Investments should be diversified by type of security and issuer. Except for cash equivalents and United States Treasury and Agency securities, the total portfolio should consist of no more than 40% of any single type of security.

6. INTERNAL CONTROLS

Indiana Code § 5-13-6-1(c) 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.

The employees assigned by the Treasurer to be responsible for cash management will: (1) establish and maintain an internal control structure 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.

7. 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; provided, that, for a period of one year from the date of adoption of this Resolution, the Treasurer may invest in certificates of deposit of banks that are approved as Public Depositories by the Indiana State Board of Finance, but have not been by the Marion County Board of Finance, in accordance with Indiana Code § 5-13-9-5. The authority for the Treasurer to invest in such certificates of deposit after the date one year from the date of adoption of this Resolution, may be extended for a period of one year after the date of adoption of a subsequent resolution by the Board granting the Treasurer such investment authority.

8. PERMITTED INVESTMENTS

The Corporation authorizes 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:

- 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:
 - (A) The United States Treasury;
 - (B) A federal agency;
 - (C) A federal instrumentality; or
 - (D) A federal government sponsored enterprise, in each case authorized pursuant to

Indiana Code § 5-13-9-2.

- Securities fully guaranteed and issued by any of the following:
 - (A) A federal agency;
 - (B) A federal instrumentality; or
 - (C) A federal government sponsored enterprise, in each case, as authorized pursuant to Indiana Code § 5-13-9-2.
- Money market mutual funds authorized pursuant to Indiana Code § 5-13-9-2.5.
- Repurchase agreements authorized pursuant to Indiana Code § 5-13-9-3.
- Participations in loans authorized pursuant to Indiana Code § 5-13-9-3.5.
- The following accounts, in each case, as authorized pursuant to Indiana Code § 5-13-9-4(a):
 - (A) Any account subject to withdrawal by negotiable orders of withdrawal, unlimited as to amount or number, and without penalty, including NOW accounts;
 - (B) Passbook savings accounts;
 - (C) Money market deposit accounts; and
 - (D) Any interest bearing account that is authorized to be set up and offered by a financial institution in the course of its respective business.
- Certificates of deposit authorized pursuant to Indiana Code § 5-13-9-4 and -5.
- Local government investment pools authorized pursuant to Indiana Code § 5-13-9-11.
- Any other investments authorized pursuant to the Indiana Code.

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

9. FINAL MATURITY OF INVESTMENT

The Treasurer is permitted to make investments having a stated final maturity of more than two years, but not more than five years, provided that investments in this group comprise no more than 25% of the total portfolio available for investment, as provided by Indiana Code § 5-13-9-5.7.

10. REVIEW

The Treasurer will review this policy as new investment legislation becomes law, as staff expertise changes or as necessitated by other external and internal factors. The Treasurer shall present this policy to the Board for review and possible amendment on an annual basis.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE HEALTH AND HOSPITAL CORPORATION OF MARION COUNTY, INDIANA, as follows:

This investment policy is adopted by the Board to formalize prudent investment policies and procedures that will meet investment objectives of the Corporation in accordance with Indiana Code § 5-13-9-5.7(a).

This policy will expire four years from the date of adoption of this Resolution by the Board, per Indiana Code § 5-13-9-5.7(b).

PASSED by the Board the 21st day of March, 2023, and signed by me this 21st day of March, 2023.



Robert W. Lazard
Chairperson, Board of Trustees

Attest:



Paul T. Babcock, President, Chief Executive
Officer, and Board Secretary