STARK COUNTY INVESTMENT POLICY

I. Introduction - The purpose of this investment policy is to establish priorities and guidelines regarding the investment management of the County's operating funds, or other such funds as designed by the investing authority. Operating funds or other funds, including bond proceeds, will be considered as the Portfolio or Portfolios. Such priorities and guidelines are based upon Chapter 135.35 ORC, and prudent money management. The County Treasurer is the investing authority and is referred to as the "Treasurer". The County Investment Advisory Committee is referred to as the "IAC".

County public officials and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program or that impairs their ability to make impartial investment decisions. Employees and investment officials shall disclose any material personal financial interests that may be related to the operation of the County's investment program.

II. Investment Objectives - The investment objectives of the County, in priority order, include:

A. *Compliance with all Federal and State laws*

B. *Safety of principal* - Safety of principal is the most important objective of the County. The investment of County funds shall be conducted in a manner that seeks to ensure the preservation of capital within the context of the following criteria:

Credit Risk

Credit risk is the risk of loss due to the failure of a security issuer to pay principal or interest, or the failure of the issuer to make timely payments of principal or interest. Eligible investments, pursuant to Chapter 135.35 ORC, affected by credit risk include certificates of deposit, commercial paper, bankers acceptances, corporate obligations, obligations of the State of Ohio and any of its agencies, and obligations of any Ohio political subdivision. Credit risk will be minimized by (1) diversifying assets by issuer and limiting the ownership percentage [by the Treasurer] of an issuer's total outstanding debt; the county will not invest more than 5% of the total average portfolio, at the time of purchase, in one issuer that is not a U.S. Treasury obligation or a federal agency obligation.

Market Risk/Interest Rate Risk

The market value of securities in the County's portfolio will increase or decrease based upon changes in the general level of interest rates. The effects of market value fluctuations will be minimized by (1) maintaining adequate liquidity so that current obligations can be met without a sale of securities; (2) diversifying maturities; (3) diversifying assets.

C. *Liquidity* - The portfolio shall remain sufficiently liquid to meet all current obligations of the County. Minimum liquidity levels [as a percentage of the average portfolio] may be established to meet such current obligations. The Treasurer may elect to separate the County's total investment fund balance into a liquidity portfolio, comprised of various short-maturity investments, such as bank deposit accounts.

D. *Yield* - The portfolio shall be managed to consistently attain a market rate of return throughout budgetary and economic cycles. For purposes of this policy, the market-average rate of return is defined as the average yield of a constant maturity U.S. Treasury obligation (CMT), calculated by the Federal Reserve Bank of New York, over a specific time period. As an added reference, the Treasurer may elect to compare the portfolio's average yield over a specific time period to the average yield of one or more CMT calculations. The Treasurer may additionally elect to include other benchmarks, provided that such benchmarks are similar in nature to the maturity limitations and asset characteristics of the County's portfolio. Whenever possible, and consistent with risk limitations and prudent investment management, the Treasurer shall seek to augment the return or yield [of the portfolio] through the implementation of active portfolio management strategies.

III. Authorized Investments

The Investing Authority may invest in any instrument or security authorized in O.R.C. 135.35, as amended.

IV. Prohibited Investments, Prohibited Transactions, and Other Limitations

- Final maturities in excess of five years, except as provided under 135.35(C).
- Derivative securities, as defined in 135.35 (B).
- The use of leverage.
- The issuance of taxable notes for the purpose of arbitrage.
- Other prohibited investments or transactions as defined in Section 135.35 ORC.

The Treasurer shall determine the method of calculating the average portfolio when percentage limitations must be determined for the investment in certain eligible investments.

V. Continuing Education - The Treasurer shall require designated employees who are assigned investment responsibilities to attend continuing education classes or seminars each year. At a minimum, such designated persons shall earn the minimum amount of hours or credits as specified under law. The County will bear the cost of continuing education courses for the Treasurer and employees of the Treasurer.

VI. Safekeeping and Custody - The Treasurer shall appoint a custodian for the safekeeping of the County's investment assets. Investment assets purchased for the County will be delivered to, and held in safekeeping by, a custodian bank that is qualified and experienced in providing custodial services to institutional investors, specifically public entities. The Treasurer shall enter into an agreement with such custodian in which the duties and responsibilities of the custodian are defined. The County's designated investment advisor will have no custodian responsibilities or authority except that the designated investment advisor is authorized to provide trade instructions directly to the custodian with copies of such transaction advices provided to the Treasurer or his designated staff. Securities held in safekeeping by the custodian will be evidenced by a monthly statement which will include an inventory of investment assets and details of any investment transaction(s) for the period and income credited to the account. The custodian may safekeep the County's securities in (1) Federal Reserve Bank book entry form; (2) Depository Trust Company (DTC) book entry form in the account of the custodian or the custodian's correspondent bank; or (3) Non-book entry (physical) securities held by the custodian or the custodian's correspondent bank. All securities transactions will settle using standard delivery-vs-payment (DVP) procedures. The records of the custodian shall identify such securities in the name of the Treasurer. Under no circumstances will the County's investment assets be held in safekeeping by a broker/dealer firm, or a firm acting on behalf of a broker/dealer firm.

VII. Reporting [bracketed language refers to statutory terms] - The Treasurer shall maintain a detailed inventory of the investment assets of the County. A description of each security will include the issue/issuer, cost [purchase cost/current book value], par value [maturity value], maturity date, settlement date of purchased or sold securities, and any coupon [interest] rate. The investment report will also include a record of all investment transactions. The Treasurer will maintain a monthly portfolio report and issue a copy of the portfolio report to the IAC, detailing the inventory of all securities, transactions for the period, and income received. The report shall also include the yield of each security, and the average-weighted yield and average-weighted maturity of the total portfolio.

VIII. Investment Advisors, Qualified Dealers and Financial Institutions - The County is authorized to retain the services of an investment advisor, pursuant to 135.341 (D) ORC. Upon request, the investment advisor will attend such meetings and will discuss all aspects of the County's portfolio, including market conditions or economic factors affecting the County's investments. If approved in an Investment Advisory Agreement, the investment advisor shall make investment decisions regarding the investment of County funds and/or manage the portfolio of the County, including the execution of investment transactions. Under no circumstances will brokers or broker/dealer firms act as an investment advisor or in a similar capacity as an investment advisor, either directly or indirectly, if such broker/dealer participates in transaction business (purchase and sale of securities) with the Treasurer or the Treasurer's investment advisor.

The Treasurer, or the Treasurer's investment advisor, may transact business (execute the purchase and/or sale of securities) with eligible Ohio financial institutions, primary securities dealers regularly reporting to the New York Federal Reserve Bank, and regional securities firms or broker dealers licensed with the Ohio Department of Commerce, Division of Securities, to transact business in the State of Ohio. Eligible broker/dealers and financial institutions are defined in 135.35 (J)(1).

All persons or entities transacting investment business with the Treasurer are required to sign the approved investment policy as an acknowledgment and understanding of the contents of said policy.

IX. Sale of Securities Prior to Maturity - Pursuant to Section 135.35 (E), securities may be "redeemed or sold" prior to maturity under the following conditions:

(1) To meet additional liquidity needs
(2) To purchase another security to increase yield or current income
(3) To lengthen or shorten the portfolio's average maturity (duration)
(4) To realize any capital gains and/or income
(5) To adjust the portfolio's asset allocation

Such transactions may be referred to as a "sale and purchase" or a "swap". For purposes of this section, redeemed shall also mean "called" in the case of a callable security.

X. Procedures for the Purchase and Sale of Securities - Upon execution of an investment transaction (purchase or sale), the Treasurer's investment advisor will provide transaction advices, evidencing such transactions to the Treasurer's designated staff. Transaction details will also be sent to the designated custodian bank to provide the required information necessary to settle the trade(s).

XI. Statements of Compliance - This investment policy has been approved by the investing authority and filed with the Auditor of State, pursuant to 135.35 (K)(1) ORC. The County Investment Advisory Committee has additionally approved the investment policy.

All brokers, dealers, and financial institutions executing transactions directly with the Investing Authority have acknowledged receipt of the approved investment policy. Signed receipts are filed with the Investing Authority. The County's investment advisor is registered with the Securities and Exchange Commission and possesses public funds investment management experience, specifically in the area of state and local government investment portfolios, as provided in for under 135.341(D). The investment advisor has additionally signed the approved investment policy and the signed policy is filed with the investing authority.

Acknowledgement of Receipt and Comprehension
Stark County approved investment policy

The following entity has signed, herein, this approved investment policy. Having read the policy's contents, the following representative(s), on behalf of their entities, acknowledge comprehension and receipt:

____
Name of Broker/Dealer or Financial Institution

____
Name of Registered Representative

____ ______________
Signature of Registered Representative Date

INVESTMENT POLICY OF STARK COUNTY

Pursuant to O.R.C 135.35, the Treasurer ("Investing Authority") and the County Investment Advisory Committee have approved a revised investment policy. As required, the revised policy has been filed with the State Auditor in accordance with 135.35 (K)(1) ORC and will remain in effect unless modified by the Investing Authority and the IAC.

<u>Acceptance and Approval of the Investment Advisory Committee:</u>

The investment policy is hereby approved:

Alexander G. Zumbar ____ May 20, 2025
Alexander Zumbar, Treasurer ____ Date

________________________ ________________
Richand Regula, Commissioner ____ Date

________________________ May 20, 2025
William Smith, Commissioner ____ Date

Alan Harold ____ May 20, 2025
Alan Harold, Commissioner ____ Date

Lynn M. Todaro ____ May 20, 2025
Lynn Todaro, Clerk of Courts ____ Date

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

____
ASST. PROSECUTING ATTORNEY
4-16-25