

## **Town of Acton Maine Investment Policy**

This policy is to serve as a restrictive guideline for the Select Board and Treasurer of the Town of Acton Maine and any third-party investment manager that may be hired by the Town for the investment of public funds of the Town from its General Fund.

The legal authority as to what the Municipal Officers or third-party investment managers may invest or not invest in is outlined in Title 30-A, Sections 5706 - 5719, MRSA. However, the purpose of this policy is to further restrict the investment options delegated to the Select Board, Treasurer and a third-party investment manager. In no event shall this policy be construed to expand, contravene or circumvent the permissible investments under Section 5706-5719, which together with future amendments, are incorporated herein by reference. The focus is to safeguard the principal as well as to maintain liquidity for invested funds rather than prioritizing a maximum yield on those investments against increased risk. Investment decision-making order shall be (1) Safety, then (2) Liquidity and (3) Income. See 30-A MRSA §5718.

The Select Board or the Town Treasurer (as directed by the Select Board) are authorized to invest funds only in the following options:

- 1) Direct U.S. Treasury Bills (less than 1 year maturity).
- 2) US Treasury Money Market Mutual Funds that invest in US Treasury Bills.
- 3) Certificates of Deposit-up to \$250,000 per bank with FDIC coverage.
- 4) Interest Bearing Checking Account – up to \$250,000 per bank with FDIC coverage.

The Select Board may select an investment manager to implement the policy.

For sums placed at a financial institution that exceed the FDIC coverage limit, those sums must be secured by the pledge of certain securities as collateral, or fully covered by insurance.

CDARS Investments Option – CDARS stands for Certificate of Deposit Account Registry Service and allows a participating bank to accept deposits in the form of certificate of deposit time investments in excess of \$250,000 and still enjoy full FDI insurance protection.


Brokerage Account and Investment Management Agreement with a third-party Investment manager – The Select Board is authorized to establish a brokerage account and enter into an investment management agreement with a Bank, bank's investing arm, trust department or investment management firm to invest excess cash funds and trust funds in appropriate investments, as allowed under Title 30-A, Section 5706.

Investment of funds on behalf of the Town under this section is governed by the rule of prudence. See 30-A MRS § 5718.

The maturity dates of investments shall not exceed the time frame that the Town anticipates it will need the use of such funds. The Treasurer and/or Invest Manager shall maintain and/or communicate on a regular basis the liquidity needs of the Town and report to the Select Board monthly.

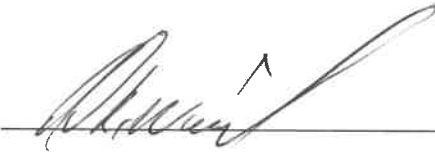
An accounting of the Town's cash and investments shall be made monthly to the Town Select Board.

Adopted: 03/08/2023



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Thomas McGurty



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David Winchell Jr.



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Kimberly Stacey-Horn