

Investment Policy

TOWN OF NORTHPORT, MAINE

Section A - Investment Objectives

Maine State Statutes authorize municipal treasurers to deposit or invest municipal funds by direction of the Municipal Officers.

Pursuant to 30-A M.R.S.A. § 5706, the Town of Northport (Town) shall adopt the following investment objectives in the management and investment of municipal funds:

- The primary objective of the Town's investment activities is the preservation of capital and the protection of investment principal.
- In investing public funds, the Town staff will strive to maximize the return on the portfolio but will avoid assuming unreasonable investment risk.
- The Town's investment portfolio will remain sufficiently liquid to enable the Town to meet operating requirements which might be reasonably anticipated.
- The Town will diversify its investments to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

Section B - Investment Principles

The Treasurer or Treasurer's designee shall invest only funds for which there is no immediate need, sell and exchange securities so purchased, and deposit such securities for safekeeping. All investment decisions shall be made with the approval of the Municipal Officers, considering the investment objectives contained in Section A and exercising judgment and care under the circumstances then prevailing.

The following investment principles shall guide the Treasurer or the Treasurer's designee in the conduct of the municipality's investment program:

1. The Town may purchase only legally authorized investments under 30-A M.R.S.A. §§ 5706-5719.
2. The maturity date of short-term investments (twelve (12) months or less) shall not be further than the time the Town anticipates that it will need the funds.
3. The Town shall not make investments for the purpose of trading or speculating, such as anticipating an increase of capital through changes in market interest rates.
4. Deposit of short-term investment funds (twelve (12) months or less) should only be made with financial institutions that are insured by the FDIC or the FSLIC, or guaranteed by the U.S government. Any funds deposited or invested above the \$250,000 insurance limit

must be collateralized by the financial institution, or the excess funds must be placed with other financial institutions.

5. Cash balances in all demand deposit accounts shall not exceed compensating balances whenever possible.
6. The Town will seek to invest with financial institutions with significant Maine operations, but can invest with out-of-state financial institutions when prudent.
7. Repurchase agreements can only be obtained from known and financially stable financial institutions. Repurchase agreements must be collateralized by U.S. Government securities with a market value equal to or greater than the Town's investments and be perfected under Maine statutes.

Section C - Reporting and Control

The Investment Committee shall receive monthly reports on investment performance from the Treasurer or the Treasurer's designee for the purpose of monitoring the performance and structure of the Town's investments.

In addition, with the Investment Committee, the Treasurer or Treasurer's designee shall issue an annual investment report to the Municipal Officers and Town Administrator no later than 60 days after the end of the fiscal year. The report shall include an evaluation of the performance of the investment program for the previous year and present an investment plan for the ensuing year.


Section D - Code of Ethics

All personnel involved in the investment program shall adhere to the Town's Conflicts of Interest policy and the standards in 30-A M.R.S.A. §§ 5706-5719 to prevent any real or perceived violation of their fiduciary responsibilities. Such responsibility carries with it the duty to ensure that all investments are placed without the appearance of any improper influence or personal gain.


Approved: March 6, 2023
 November 27, 2023 (signature block added)



Jeanine Tucker
Chair



Breanna Pinkham Bebb
Vice Chair



Molly Schaufler
Municipal Officer