

Town of Patten

Investment Policy

Article I – Purpose

Maine State Statutes, M.R.S.A., Title 30-A, Section 5706 authorizes the Town Manager, acting as Town of Patten Treasurer, to deposit or invest municipal funds upon the direction of the Patten Select Board.

Article II – Investment Objectives

Pursuant to MRSA Title 30-A, Section 5706, The Town of Patten shall adopt the following investment objectives in the management and investment of municipal funds:

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

Article III – Investment Principles

The Town Manager, acting as Town Treasurer, 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 Patten Select Board considering the investment objectives, as described above, and exercising judgment and care under the circumstances then prevailing.

The following investment principles shall guide the Town Manager, acting as Town Treasurer, in the conduct of the municipality's investment program:

1. The Town of Patten may purchase only legally authorized investments under MRSA, Title 30-A, Section 5706 and 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 all investment funds (twelve (12) months or less) should be made only with financial institutions that are insured by FDIC or FSLIC, or guaranteed by the United States government. Any funds deposited or invested above the \$250,000 insurance limit

Investment Policy (continued)

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 Manager, acting as Town Treasurer, will seek to invest with local financial institutions with significant Maine operations. Investing in out of state financial institutions can be made with approval by the Select Board.
7. Repurchase agreements can only be obtained from known or financially stable financial institutions. Repurchase agreements must be collateralized by the United States Government securities with a market value equal to, or greater than, the Town's investments and be perfected under Maine statutes.

Article IV – Reporting

The Town Manager, acting as Town Treasurer, shall supply monthly reports to the Select Board on all investment performance for the purpose of monitoring the investment performance and to make recommendations about structure of the Town's investments.

In addition, the Town Manager, acting as Town Treasurer, shall issue an annual investment report to the Select Board 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.

Article V – Code of Ethics


All Town of Patten municipal personnel involved in the investment program shall adhere to the Town of Patten Conflict of Interest Policy and the standards in MRSA Title 30-A, Section 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.

Investment Policy (continued)


Disclaimer: All Town of Patten policies are written in compliance with state laws at the time they are approved by the Select Board. State laws will supersede or replace the Town of Patten policies. State of Maine Legislative Statutes are a permanent part of the existing Town of Patten policy.

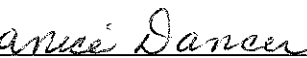
Approved by the Select Board on April 1, 2025


Gregg Smallwood, Chair


Dennis Kelly, Vice-Chair

Theresa Schmidt


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Adopted: 4/01/2025