



## Legislation Text

---

**File #: 2737-2018, Version: 1**

---

### **BACKGROUND:**

This ordinance enacts changes in the Columbus City Codes relating to deposits and investments. The changes in the Code will permit the City of Columbus to retain the services of an investment advisor with the objectives to maximize incremental income in the City's portfolio, obtain operational efficiency and information flow on the portfolio and to improve the City's investment capabilities. In addition, the Code changes incorporate the investments permissible under the Ohio Revised Code among its options. Finally, the changes extend the maximum term to maturity from three to five years, a change that is also permissible under the Ohio Revised Code.

The aforementioned changes were authorized at a joint meeting of the Depository Commission and Treasury Investment Board, on August 28, 2018 subject to the approval of Columbus City Council.

Emergency action is requested for this ordinance so that the City may retain an investment advisor to assist the City with its investment of bond sale proceeds which are expected on October 17, 2018.

**FISCAL IMPACT:** No funding is required for this legislation.

To amend Sections 321.02, 325.010 and 325.012 of the Columbus City Codes relating to deposits and investments; and to declare an emergency.

**WHEREAS**, the proposed changes will ensure that the Columbus Code is compatible with the Ohio Revised Code; and

**WHEREAS**, the changes have been authorized by a joint meeting of the Depository Commission and Treasury Investment Board on August 28, 2018 subject to the approval of Columbus City Council; and

**WHEREAS**, an emergency exists in the usual daily operation of the City in that it is immediately necessary to amend Sections 321.02, 325.010 and 325.012 of the Columbus City Codes relating to deposits and investments, without delay thereby preserving the public health, peace, property, safety and welfare; now therefore,

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That the existing Section 321.02 of the Columbus City Codes is hereby amended to read as follows:

321.02 - Active, ~~and~~ inactive, and interim deposits defined.

"Active deposits" means a deposit of public money which may be withdrawn upon demand; including the establishment of a savings account.

"Inactive deposits" means a deposit of public money at interest which may be withdrawn only in accordance with the applicable regulations of the appropriate regulatory authorities. Inactive deposits are commonly referred to as certificates of deposit.

"Interim deposits" has the same meaning as set forth in Ohio R.C. Section 135.01.

**SECTION 2.** That existing Section 325.010 of the Columbus City Codes is hereby amended to read as follows:  
325.010 - Permissible investments.

Whenever there are moneys in the treasury of the city, other than those under the charge or control of the trustees of the sinking fund, such moneys may be invested in the following classifications of obligations:

- (A) Bonds, notes, or other obligations of the United States government or its agencies for which the faith of the United States is pledged for the payment of principal and interest thereon. They are:

Obligations of the United States government:

United States Treasury Bills

United States Treasury Notes

United States Treasury Bonds

United States Treasury Strips

Obligations guaranteed by the United States government:

Federal government agencies:

Department of Housing and Urban Development

Farmers Home Administration

General Service Administration

Government National Mortgage Association

Maritime Administration

Washington Metropolitan Area Transit Authority

- (B) Bonds, notes, debentures, or other obligations issued by any of the federal government-sponsored enterprises listed below. They are:

Federal Farm Credit System

Federal Home Loan Banks

Federal Home Loan Mortgage Corporation

Federal National Mortgage Association

- (C) The Ohio State Treasurer's Asset Reserve Funds pursuant to Ohio R.C. 135.45;

- (D) Bonds or other obligations of the city of Columbus, Ohio;

- (E) Obligations of the state of Ohio or any municipal corporation, village, county, township or other political subdivision of the state of Ohio, as to which there is no default of principal or interest and which have been approved as to their validity by nationally recognized bond counsel;

- (F) Re-purchase agreements which are ~~collateralized~~ collateralized with legally authorized securities as defined in Section 325.010 of Columbus City Codes and held in third-party safekeeping designated by the city treasurer and in the name of the city of Columbus;

- (G) Others as provided for in Ohio R.C. 135.14 for interim deposits.

**SECTION 3.** That existing Section 325.012 of the Columbus City Codes is hereby amended to read as follows:

325.012 - Investment criteria.

- (A) Investments shall not be made at a price in excess of the current market value of such bonds or other interest-bearing obligations. Such bonds or other interest-bearing obligations may be sold for cash and for a sum of not less than their current market price. The provisions of this section shall be executed and administered as provided in this chapter.
- (B) Whenever it is necessary to convert any such obligations into cash, they shall be sold by the city treasurer or deputy treasurer for a price not less than the current market value when authorized by a majority of the treasury investment board.
- (C) Investments shall be made only through financial institutions and investment advisors approved by the treasury investment board to provide investment services to the city. The approved security broker/dealers must be registered with the State of Ohio Securities Division and maintain an office in the state of Ohio.
- (D) All transactions for the purchase and sale of securities shall be made only on a delivery versus payment basis.
- (E) Securities will be held by a third party custodian designated by the treasury investment board and evidenced by safekeeping receipts or written confirmations.
- (F) No investment shall be purchased that has a remaining term to final maturity of more than ~~three (3)~~ five (5) years, unless the security meets the following criteria:
  - (1) the security is an assessment bond or note issued by city of Columbus, OH; and
  - (2) the purchase is approved by the Treasury Investment Board.

**SECTION 4.** That prior existing sections 321.02, 325.010, and 325.012 of the Columbus City Codes are hereby repealed.

**SECTION 5.** That for the reason stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.