REQUEST FOR PROPOSAL
Investment Consultant
RFP CML #15-019

Columbus Metropolitan Library

Issued by:
Procurement Division
96 S. Grant Ave.
Columbus, OH 43215

Deadline for Submittal:
September 11, 2015
No later than 12:00 NOON
The Columbus Metropolitan Library (“CML” or “Library”) is issuing this Request for Proposal ("RFP") Investment Consultant. The Proposal Identification Number is CML 15-019.

Proposals must be received at the Columbus Metropolitan Library, 96 South Grant Avenue, Columbus, Ohio 43215 no later than 12:00 Noon on Friday, September 11, 2015. Any Proposal (“Proposal”) arriving after 12:00 Noon will be marked late and will receive no consideration for selection to provide the specified services.

All questions or requests for clarifications should be submitted no later than 5:00 p.m. on Tuesday, August 25, 2015 to purchasing@columbuslibrary.org.

The Offeror (“Offeror”) declares to have read and understood and affirms, by its signature below, to be bound by all the instructions, terms, conditions and specifications of this RFP and agrees to fulfill the requirements of any contract (“Contract”) for which it is selected to provide the specified services at the prices proposed.

The Offeror certifies, by signature affixed to this Request for Proposal Cover Sheet, that the information provided by in response to the RFP, including certified statements, is accurate and complete.

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<td>Name of person signing Proposal (Please print or type)</td>
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THIS FORM MUST BE SIGNED AND SUBMITTED WITH THE PROPOSAL
Purpose

The Columbus Metropolitan Library (CML) is seeking a firm to provide investment advisory services. CML is a political subdivision of the State of Ohio, a county district library established in accordance with Section 3375.20 of the Ohio Revised Code (ORC) and, as such, is subject to investment laws and regulations set forth in the ORC. Therefore, interested firms must have experience investing public funds in the State of Ohio and knowledge of applicable ORC requirements.

As of July 29, 2015, CML’s operating cash and investment balance was $110.2 Million and allocated as follows:

- $ 6.7M - bank balance; daily liquidity
- $ 7.0M - short-term liquidity
- $ 10.1M - intermediate investments
- $ 86.4M - long-term investment portfolio

$ 110.2M

CML’s current long-range financial plan projects that CML’s operating cash and investment balances will fluctuate between 2015 and 2019 and then begin to decline significantly through 2025.

Background

The Columbus Metropolitan Library consists of 25 locations throughout Franklin County, Ohio. CML has approximately 800 employees. CML also provides Outreach Services, serving a diverse population with varying needs, ranging from preschoolers to senior citizens.

CML adheres to a long-term strategic plan, first developed in 2003 and updated in 2012, with guidance from members of the community, library staff, Friends of CML and CML’s Board of Trustees. This strategic plan provides measurable objectives, clear initiatives and includes the following five sectors for concentrated focus:

1. Young Minds: encouraging learning and growth for a foundation for a successful life.
2. My Library: building the next generation library that results in a library that works for me
3. Life Skills: embracing challenges and providing opportunities for a community that reaches its potential.
4. CML Partners: leverage our community maximize CML’s reach and impact.
5. CML Staff: grow our team to provide a world class experience.

Goal of Engagement

CML is seeking a firm that will:

1. Provide investment advice and recommendations regarding the investment and re-investment of CML’s operating funds.
2. Assist in the development and maintenance of CML’s investment strategy.
3. Provide market analysis and other information as needed to assist library management with the administration of CML’s cash and investment portfolio.
4. Execute investment transactions in accordance with CML’s approved investment strategy and the ORC.
5. Issue monthly and quarterly investment reports in accordance with the minimum reporting requirements specified by CML’s *Investments* policy and procedure.

6. Meet at least quarterly with CML’s management and at least annually with CML’s Finance Committee.

7. Ensure compliance with applicable laws and regulations including, but not limited to, eligible investments, training, required investment ratings, investment percentage limitations and obtaining policy acknowledgement signatures.

8. Monitor and report legal and regulatory changes that have an impact on CML’s investment strategy.

CML’s *Investments* policy and procedure is included as Appendix B.

**Technical Proposal Requirements**

The Offeror shall, in its Proposal:

1. Provide a brief description of the firm including the length of time it has been providing investment advisory services, the number of clients, total assets under advisement (segregated by public vs. private) and the firm’s regulatory structure (i.e., registered advisor, registered broker/dealer, etc.). Attach applicable marketing materials as an addendum to the Proposal.

2. Provide the name, title and biography of all staff members that would have direct contact with CML and/or plan participants. Attach firm’s organizational chart and staff resumes as an addendum to the Proposal.

3. Describe how the Offeror will meet the service expectations of CML, as listed above. Any services not being offered as part of the Proposal must be clearly identified.

4. Provide examples of available reports.

5. Describe any additional services provided by the Offeror that were not specifically requested by CML.

6. Identify all applicable Library service fees and charges (Cost Proposal, Appendix A).

7. Provide five (5) references of current clients that are similar to CML and for whom the Offeror is providing similar services.

8. If not CML’s current investment advisor, provide a transition plan including a description of Library responsibilities and estimated time line.
Projected Timeline

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<tr>
<th>Activity</th>
<th>Target Completion Date</th>
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<tr>
<td>Issuance of RFP &amp; Inquiry Period Begins</td>
<td>August 10, 2015</td>
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<tr>
<td>Inquiry Period Ends</td>
<td>August 25, 2015 at 5:00 p.m.</td>
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<tr>
<td>Final Response to Offeror Questions</td>
<td>August 28, 2015</td>
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<tr>
<td>Proposal Due Date</td>
<td>By Noon on September 11, 2015</td>
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<tr>
<td>Finalist Interview</td>
<td>October 5 – October 16</td>
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DIVERSITY

Because Columbus Metropolitan Library serves a diverse central Ohio population, CML has a strong preference for professional service providers to propose teams made up of MBE/DBE/WBE and/or EDGE certified staff to provide CML with a diverse professional staff representative of the central Ohio region in which they will be working and of the customers that CML serves every day. Minority Business Enterprises are encouraged to respond to this Proposal.

Proposal Submission Requirements

All Proposals must be in a sealed envelope or appropriate packaging, with the Proposal Identification Number (CML #15-019) and title Investment Consultant clearly marked on the outside, addressed and mailed to:

Columbus Metropolitan Library
Attn: Wanda Dixon, Procurement Administrator
96 South Grant Avenue
Columbus, OH 43215

Proposals may also be delivered, in person, to the Main Library’s Loading Dock Area at the Columbus Metropolitan Library, 96 South Grant Avenue, Columbus, Ohio 43215. Proposals submitted via e-mail will not be considered.

NOTE: The Cost Proposal must be in a separate, sealed envelope from the Technical Proposal. The envelopes of each component of the Proposal, “Technical” and “Cost”, must be clearly marked as such.

Any Proposal arriving after 12:00 NOON on the due date will be marked late and will receive no consideration for selection to provide the specified services. CML will return, unopened, any Proposal that is received after the deadline.

Proposal Instructions

Offerors are cautioned to carefully review all parts of the RFP.

Proposals are to be prepared in such a way as to provide a straightforward, concise description of the Offeror’s capabilities to satisfy the requirements of this RFP and provide sufficient information to fully establish the Offeror’s ability to perform all of the actions, activities and functions described in this RFP.

Emphasis should be on conformance to the RFP instructions, responsiveness to the RFP requirements, completeness and clarity of content and should minimize extraneous marketing materials.
Each Offeror must submit its Proposal marked CML #15-019, *Investment Consultant*. One (1) original Proposal, completed and signed in blue ink (including Appendix B), and four (4) copies are required. An electronic file of the proposal must also be submitted on a flash drive.

Costs for developing the Proposal are entirely the responsibility of the Offeror and shall not be chargeable to CML.

**Proposal Questions**
Any questions or clarifications regarding this RFP should be sent to purchasing@columbuslibrary.org and reference the Proposal Identification Number (CML #15-019) and title of the RFP (*Investment Consultant*). All questions must be submitted no later than 5:00 p.m. on August 25, 2015. Offerors are encouraged to submit questions at any time during the inquiry period.

Answers to all questions will be documented and posted on the “Doing Business with the Library” page of CML’s website at www.columbuslibrary.org/about/doing-business. Answers will be posted no later than 5:00 p.m. on August 28, 2015.

**Selection Process**
CML’s evaluation team will review all Proposals and evaluate responses to the RFP. Information presented by the Offeror during the Finalist Interview will be considered, as well.

**Evaluation Criteria**
The final decision will be based on the overall RFP response that is deemed most advantageous to CML.

Specific criteria that will be considered, during the evaluation, include:

- Quality and comprehensiveness of the Proposal:
  - Demonstrated understanding, by the Offeror, of CML and CML’s requirements.
  - Qualifications and ability to perform.
  - Responsiveness and adherence to RFP instructions.
- Quality of the proposed solution.
- Stability and viability of the product and Offeror.
- Offeror’s experience on projects of similar scope.
- Input from reference contacts.
- Finalist Interview.

**Contract Award**
CML is not, by virtue of issuing this RFP, obligated to enter into a Contract and reserves the right to not issue a Contract as a result of this solicitation.
**Standard Contract Terms and Conditions**

**Contract Components, Entirety, Changes Interpretation**

**Contract Components:** This contract consists of this document, the Standard Contract Terms and Conditions, the Special Contract Terms and Conditions (if any), the specifications or scope of work (SOW), and any written amendments to this document, valid Columbus Metropolitan Library (CML) purchase orders or other ordering documents (together referred to as the “Contract”).

**Entire Agreement; Parties to the Contract:** This contract is the entire agreement between the individual or entity selected to provide equipment, supplies and/or services on the basis of a SOW submitted to CML in response to a request (referred to as the Contractor in these Terms and Conditions) and Columbus Metropolitan Library (CML).

**Contract Changes:** Waivers, Changes or Modifications to this Contract must be made in writing and signed by both parties. If a party to this Contract does not demand strict performance of any item of this Contract, the party has not waived or relinquished any of its rights; the party may at any later time demand strict and complete performance of the term.

**Contract Orders:** CML will order supplies or services under this Contract from the Contractor directly. The Contractor may receive purchase orders by telephone, facsimile, electronically or in person by authorized employees of CML. The Contractor is not required to fill an order date more than 30 days beyond the date of Contract expiration, termination or cancellation, unless the Contract provides for a quarterly delivery or quarterly service. Under a Contract that provides for quarterly delivery, the Contractor is not required to fill an order with a delivery date of more than 90 days beyond the date of Contract expiration, termination or cancellation.

**Standard Invoice and Payment**

**Invoice:** The Contractor shall submit one (1) electronic of invoice to Accounts Payable, Finance Department at: accountspayable@columbuslibrary.org. The invoice must be a “proper invoice” to receive consideration for payment. A “proper invoice” is defined as being free of defects, discrepancies, errors or other improprieties. Improper invoices will be returned to the Contractor noting the areas of discrepancy.

**Payment:** In consideration for the Contractor’s performance, CML will pay the Contractor at the rate specified in the contract. Payments will be made by electronic funds transfer (EFT). For all transactions, the Contractor must have a valid W9 form on file with the Finance Department. The completed EFT form should be mailed to: Procurement Department, Columbus Metropolitan Library, 96 South Grant Avenue, Columbus, Ohio 43215.

**Payment Due Date:** CML will pay invoices 30 days after it has received an invoice for supplies and services it has received and accepted, unless otherwise indicated herein.

**Taxes:** Columbus Metropolitan Library is exempt for all federal, state and local taxes as CML is a political subdivision of the state of Ohio.

**Term of Contract:** This Contract is effective upon the projected beginning date of the Contract Cover Page or upon signature of CML by the Fiscal Officer, whichever comes later in time. The initial term of the Contract will be three (3) years from the effective date.
Contract Renewal: This Contract may be renewed solely at the discretion of CML for a period of one month. Any further renewals will be by agreement of both parties, any number of times for any period of time.

Delivery [This section is not required.]

Contract Cancellation; Termination; Remedies

Contract Cancellation: If a Contractor fails to perform any one of its obligations under this Contract, it will be in default, and CML may cancel this Contract in accordance with this section. The cancellation will be effective on the date delineated by CML.

A. Contract Performance is Substantially Endangered: If the Contractor's default is substantial and cannot be cured within a reasonable time, or if CML determines that the performance of the contract is substantially endangered through no fault of CML, CML may cancel this Contract by written notice to the Contractor.

B. Cancellation by Unremedied Default: If a Contractor's default may be cured with a reasonable time, CML will provide written notice to the Contractor specifying the default and the time within which the Contractor must correct the default. If Contractor fails to cure its default in the time required, CML may cancel this Contract by providing written notice to the Contractor. If CML does not give timely notice of default to Contractor, CML has not waived any of its rights or remedies concerning the default.

C. Cancellation by Persistent Default: CML may cancel this Contract by written notice to Contractor for defaults that are cured but persistent. “Persistent” means three or more defaults. After CML has notified Contractor of its third default, CML may cancel this Contract without providing Contractor with an opportunity to cure, if the Contractor defaults a fourth time. CML shall provide written notice of the termination to the Contractor.

D. Cancellation for Financial Instability: CML may cancel this Contract by written notice if Contractor does not pay its subcontractors and material suppliers within 10 days of payment to the Contractor by CML. To the extent permitted by law, CML may cancel this Contract by written notice to Contractor if a petition in bankruptcy or similar proceedings has been filed by or against the Contractor.

Contract Termination: CML may terminate this Contract for convenience after issuing 30 days written notice to the Contractor.

Remedies for Default:

A. Actual Damages. The Contractor is liable to CML for all actual and direct damages caused by the Contractor’s default. CML may buy substitute supplies or services, from a third party, for those that were to be provided by the Contractor, and CML may recover the costs associated with acquiring substitute supplies or service, less any expenses or costs saved by the Contractor’s default, from the Contractor.

B. Deduction of Damages for Contract Price. CML may deduct all or any part of the damages resulting from Contractor’s default from any part of the price still due on the Contract, after CML has provided prior written notice to Contractor of such default and intent to deduct damages from the Contract Price.

Force Majeure: If CML or Contractor is unable to perform any part of its obligation under this Contract by reason of force majeure, the party is excused from its obligations, to the extent that its performance is prevented by force majeure, for the duration of the event. The party must remedy with all reasonable dispatch the cause preventing it from carrying out its obligations under this Contract. The term “force majeure” means without
limitation: Acts of God, such as epidemics, lightning, earthquakes, fires, storms, hurricanes, tornadoes, floods, washouts, droughts, and any other severe weather; explosions; arrests; restraint of government and people; strikes; and any other like events or any other cause that could not be reasonable foreseen in the exercise of ordinary care, and that is beyond the reasonable control of the party.

CML Consent to Assign or Delegate: The Contractor may not assign any of its rights under this contract unless CML consents to the assignment or delegation in writing. Any purported assignment or delegation made without CML’s written consent is void.

Indemnification: Contractor will indemnify CML, its employees, members of the Board of Trustees, and its Officers and administrators for any and all claims, damages, lawsuits, costs, judgments, expenses, liabilities that may arise out of, or are related to, the Contractor’s performance under this Contract, including the performance by Contractor’s employees and agents and any individual or entity for which the Contractor is responsible.

Confidentiality: Contractor may learn of information, documents, data, records and other material that is confidential in the performance of this Contract. Contractor may not disclose any information obtained by it as a result of the Contract without written permission from CML. Contractor must assume that all CML information, documents, data, records or other material is confidential.

Publicity: Contractor and any of its subcontractors may not use or refer to this Contract to promote or solicit Contractor’s or subcontractor’s supplies or services. Contractor and its subcontractors may not disseminate information regarding this Contract, unless agreed to in writing by CML.

Governing Laws; Severability: The Laws of the State of Ohio govern this Contract, and venue for any dispute will be exclusively with the appropriate court of competent jurisdiction in Franklin County, Ohio. If any provision of the Contract or the application of any provision is held by a court of competent jurisdiction to be contrary to law, the remaining provisions of the Contract will remain in full force and effect to the extent that the remaining provisions continue to make sense.

Workers Compensation: The Contractor shall carry Workers’ Compensation Liability Insurance as required by Ohio law for any work to be performed within the State of Ohio. Failure to maintain Workers Compensation Liability Insurance for the duration of the contract and any renewal hereto will be considered a default.

Automobile and General Liability Requirements: During the term of the Contract and any renewal hereto, the Contractor, and any agent of the Contractor, at its sole cost and expense, shall maintain a policy of automobile liability and commercial general liability insurance as described in this clause. Copies of the respective insurance certificates shall be filed with the Procurement Department within seven (7) calendar days after notification by the CML of its selection of the Contractor to provide the specified supplies and/or services. Failure to submit the insurance certificates within the time period may result in the Contractor being considered in default. Said certificates are subject to the approval of the CML Procurement Manager and shall contain a clause or endorsement providing thirty (30) days prior written notice of cancellation, non-renewal or decrease in coverage will be given to the Procurement Manager. Failure of the Contractor to maintain this coverage for the duration of the Contract, and any renewals, thereto may be considered a default.

Automobile Liability: Automobile Insurance is required for anyone coming onto CML branches and/or property to deliver goods or perform services using a vehicle, which is owned, leased, hired, or rented by the Contractor. Any Contractor, broker, or subcontractor who will be on CML property, but not delivering goods or performing services, is required to carry Automobile Liability Insurance that complies with the state and federal laws regarding financial responsibility. Automobile liability insurance, including hired, owned, and non-owned vehicles used in connection with the Work, shall have a combined single limit coverage covering personal injury,
bodily injury (including death) and property damage of not less than $2,000,000 per accident.

**Commercial General Liability:** Insurance coverage with a $2,000,000 annual aggregate and a $1,000,000 per occurrence limit for bodily injury, personal injury, wrongful death and property damage. The defense cost shall be outside of the policy limits. Such policy shall designate CML as an Additional Insured, as its interest may appear. The policy shall also be endorsed to include a blanket waiver of subrogation. The certificate shall be endorsed to reflect a per project/per location General Aggregate limit of $2,000,000. If the Contractor uses an umbrella/excess policy to meet the required limits, it is understood that the policy shall follow from per project/per location basis. It is agreed upon that the Contractor’s commercial general liability insurance shall be primary over any other coverage. The Procurement Department reserves the right to approve all policy deductibles and levels of self-insurance retention.

**Contract Compliance:** The participating CML branches and departments will be responsible for the administration of the Contract and will monitor the Contractor’s performance and compliance with the terms, conditions and specifications of the Contract. If a branch or department observes any infraction such shall be documented and conveyed to the Contractor for immediate correction. If the Contractor fails to rectify the infraction, the department/branch will notify the Procurement Department in order to resolve the issues. These terms and conditions will be used by the Procurement Department to resolve the issues.

**Warranties:** [This section is not required.]

**ADDITIONAL TERMS:**

1. This Contract represents the entire agreement of the parties hereto, and may not be amended except in writing signed by both parties.
2. All times referenced, herein, are Columbus, Ohio local times.
3. The CML is not responsible for any work or services provided by Contractor prior to the issuance of a P.O. by CML.
4. Contractor will supply its own tools and materials.
5. Contractor will make arrangements for EFT (electronic funds transfer).
6. A completed W9 form is required on file with CML prior to CML issuing payment for services provided by Contractor. The W9 form can be found at [http://www.irs.gov/pub/irs-pdf/fw9.pdf](http://www.irs.gov/pub/irs-pdf/fw9.pdf). Please fill out the form and return with the signed contract to the Procurement Department of the Columbus Metropolitan Library at 96 S. Grant Avenue, Columbus, OH 43215 or email purchasing@columbuslibrary.org.
Pricing

For *Investment Consultant*, please include applicable Service Fees and Charges (dollars) in the following table.

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<th>Service Description</th>
<th>Service Fee/Charge</th>
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This table may be expanded by the Offeror, as necessary, in order to accommodate all applicable Service Fees and Charges.

Service Fees and Charges shall be all inclusive. There are no allowable reimbursable expenses.
Appendix B: CML Investments Policy and Procedure

INVESTMENTS
Board Policy:

The investing authority of the Columbus Metropolitan Library (CML) and the management responsibility therefore shall reside with the Chief Financial Officer/Fiscal Officer (CFO/FO), as delegated by the Board of Trustees (the Board) in accordance with the Ohio Revised Code (ORC) and this policy.

Notwithstanding the policies detailed below, ORC Chapter 135 will be adhered to at all times. In the event of any conflict, the provisions of applicable law shall control.

A. Scope:

This policy is designed to cover all monies under the control of CML. Except for cash in certain restricted and special funds, CML will consolidate cash balances from all funds to maximize investment earnings.

B. Investment Objectives:

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield.

1. Safety of Principal
   Safety of principal is the most important investment objective. The investment of CML funds shall be conducted in a manner that seeks to ensure the preservation of capital within the context of the following criteria:
   a. 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 ORC Chapter 135.14, affected by credit risk include certificates of deposit, commercial paper, and bankers acceptances. Credit risk will be minimized by (1) diversifying assets by issuer; (2) ensuring that required, minimum credit quality ratings exist prior to the purchase of commercial paper and bankers acceptances; and (3) maintaining adequate collateralization of deposits and CDs, pursuant to the method as determined by the CFO/FO.
   b. Market Risk (interest rate risk)
      The market value of securities in the 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) diversification of maturities; (3) diversification of assets.

2. Liquidity
The portfolio shall remain sufficiently liquid to meet all current obligations of CML. Minimum liquidity levels [as a percentage of average investable funds] may be established in order to meet all current obligations without having to sell securities. The portfolio may also be structured so that securities mature concurrent with cash needs. A portion of the portfolio also may be placed in money market mutual funds or local government investment pools, which offers same-day liquidity for short-term funds.

3. Yield
The portfolio shall be managed to consistently attain a market rate of return throughout budgetary and economic cycles. The average rate of return is defined as the average yield of the three-month U.S. Treasury Bill. Whenever possible, and consistent with risk limitations and prudent investment management, CML will seek to augment returns above the market average rate of return through the implementation of active portfolio management strategies. The Fiscal Officer may also compare the portfolio’s return or yield to another selected benchmark(s), similar in nature to the characteristics of CML’s portfolio.

C. Authorized Investments:

Investment of CML funds is authorized in the following financial instruments. U.S. Treasury Bills, Notes, and Bonds; various federal agency securities including issues of Federal National Mortgage Assn. (FNMA), Federal Home Loan Mortgage Corp. (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Government National Mortgage Association (GNMA), and other agencies or instrumentalities of the United States. Eligible investments include securities that may be “called” [by the issuer] prior to the final maturity date. Any eligible investment may be purchased at a premium or a discount. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.

1. Commercial paper notes issued by companies incorporated under the laws of the United States; specific limitations apply as defined under ORC § 135.14(B)(7).
2. Bankers acceptances issued by any domestic bank rated in the highest category by a nationally recognized rating agency; specific limitations apply as defined under ORC § 135.14(B)(7).
3. Bonds and other obligations of the State of Ohio or the political subdivisions of the State of Ohio as defined by ORC § 135.14(B)(4).
4. Certificates of deposit from any eligible public depository in accordance with ORC § 135.144.
5. No-load money market mutual funds rated in the highest category by at least one nationally recognized rating agency, investing exclusively in the same types of eligible securities as defined in ORC § 135.14 B(1) or B(2) and repurchase agreements secured by such obligations, provided that investments in such securities are made only through eligible institutions mentioned in ORC § 135.03. Eligible money market funds shall comply with ORC § 135.01, regarding limitations and restrictions.
6. Repurchase agreements in accordance with ORC Chapter 135 and particularly § 135.14(E) therein. Repurchase agreements will settle on a delivery vs. payment basis with collateral held in safekeeping by a Custodian (as defined herein below) as agreed to by the Fiscal Officer. The market value of securities subject to a repurchase agreement must exceed the principal value of the repurchase agreement by at least 2% as defined under the Ohio Revised Code. The Fiscal Officer reserves the right to require an additional percentage of collateral securing such repurchase agreements. Prior to the execution of any repurchase agreement with an eligible dealer, a master repurchase agreement will be signed by the Fiscal Officer and the eligible dealer.

7. The state treasurer’s investment pool [STAR Ohio] and federally insured cash account [STAR Plus], pursuant to ORC § 135.45.

D. Prohibited Investments/Other Restrictions:

Investment of CML funds is prohibited or restricted as indicated below.

1. The use of derivative securities, as defined in ORC § 135.14 (C), is expressly prohibited.
2. Unless a shorter maturity is required under ORC Chapter 135, the maximum maturity of all eligible investments is five years, unless the investment is matched to a specific obligation or debt of CML and the investment is specifically approved by the Board.
3. A repurchase agreement under the terms of which CML agrees to sell securities to a purchaser and agrees with that purchaser to unconditionally repurchase those securities.
4. The investment into a fund established by another subdivision if the fund was established for the purpose of investing public monies of other subdivisions.
5. The use of leverage, in which CML uses its current investment assets as collateral for the purpose of purchasing other assets.
6. The issuance of taxable notes for the purpose of arbitrage.
7. Contracting to sell securities that have not yet been acquired, for the purpose of purchasing such securities on the speculation that bond prices will decline.

E. Custody of Investment Assets/Collateralization of Deposit:

The CFO/FO shall be responsible for the safekeeping of investment assets of CML. Securities purchased for CML will be held in safekeeping by a qualified trustee (hereinafter referred to as a “Custodian”), as provided in ORC Chapter 135. Securities held in safekeeping by a Custodian will be evidenced by a monthly statement describing such securities. A Custodian may safekeep CML’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 a Custodian shall identify such securities in the name of CML.

The CFO/FO reserves the right to require an additional percentage of collateral securing repurchase agreements.
F. Accounting of Investments:

The CFO/FO shall maintain an inventory of all obligations and securities. A description of each security includes type [issue/issuer], cost [original purchase cost or current book value], par value [maturity value], maturity date [receipt date of par value], settlement date [delivery versus payment date of purchased or sold securities], and any coupon [interest] rate. The CFO/FO will also include a record of all security purchases and sales, and will maintain a monthly portfolio report, detailing the current inventory of all securities, all monthly transactions, any income received [maturities, interest payments, sale proceeds, called bond proceeds], and any expenses paid.

The report shall also include the yield of each security, and the average-weighted yield and average-weighted maturity of the aggregate portfolio.

Investment income shall be distributed or allocated to various accounts of CML in such amounts and at such times as determined by the CFO/FO.

G. Investment Advisors, Qualified Dealers and Financial Institutions:

CML is authorized to retain the services of an investment advisor, pursuant to ORC § 135.14(N). The investment advisor shall make recommendations regarding the investment of CML funds and/or manage the portfolio of CML, including the execution of investment transactions.

The investment advisor is authorized to execute the purchase and/or sale of securities on behalf of CML 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.

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 CFO/FO.

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

H. Sale of Securities Prior to Maturity:

Securities may be sold, prior to maturity, under the following conditions:

1. To meet additional liquidity needs;
2. To purchase another security or securities in order to increase yield or current income;
3. To purchase another security or securities in order to lengthen or shorten the average maturity of the portfolio;
4. To realize any capital gains and/or income;
5. To increase investment quality;
6. To change or modify the asset allocation and/or average duration of the portfolio.

In some instances, the use of sale proceeds to purchase another security or securities may be referred to a “sale and purchase” or a “swap.”

Administrative Procedure:

A. Investment Program

The CFO/FO shall be responsible for the implementation of the investment program and the establishment of investment procedures consistent with this policy.

Such procedures may include delegation of authority to person(s) responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of the policy and the procedures established by the CFO/FO.

The CFO/FO shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate employees.

B. Investment Reports to the Board of Trustees

Reports detailing the investments of CML shall be submitted to the Finance Committee of the Board in accordance with currently established practices and policies. Such reports will detail the current inventory of assets at the end of the reporting period and the investment transactions and realized income for the period.

C. Statements of Compliance

This investment policy is required to be approved by the Board and filed with the Auditor of State.

At the beginning of each year, all brokers, dealers, and financial institutions executing transactions initiated by the investment authority are required to sign the approved investment policy.

Investment policies signed by such brokers, dealers, and financial institutions are required to be filed with CML.

Any amendments to this policy are required to be filed with the Auditor of State [Attn: Clerk of the Bureau, P.O. Box 1140, Columbus, OH, 43216-1140] within 15 days of the effective date of the amendment.

D. Continuing Education

The CFO/FO and designated staff are required to complete continuing education course work as required by ORC Chapter 135.
E. Interest Allocation

All interest earned from debt proceeds will be credited directly to CML’s Capital Projects Fund.

All other interest will be allocated to the following CML funds:

- General Fund – General Operating Account
- Capital Projects Fund
- Land Development Fund
- Permanent Fund
- Self-Insurance Fund

Monthly Interest allocation will be calculated using the monthly average daily balance of the fund.

F. Acknowledge Statement

The broker, dealer, or financial institution indicates by signing below that it has read and acknowledges the investment policy, and agrees to abide by its content. The broker, dealer, or financial institution also acknowledges that it was given a copy of this policy for future reference.

__________________________________________    __________________________
Authorized Signature                          Date

________________________________________________________
Name of Broker/Dealer Firm or Financial Institution