

COMMON COUNCIL OF THE CITY OF HOBART

ORDINANCE NO. 2026 - 01

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF HOBART,  
LAKE COUNTY, INDIANA, AMENDING THE HOBART MUNICIPAL CODE,  
REGARDING THE INVESTMENT POLICY FOR THE CITY OF HOBART

WHEREAS, the City of Hobart, Indiana (the “City”) desires to allow the continuing investment of public funds of the City in accordance with I.C. 5-13-9; and

WHEREAS, the Common Council believes it is in the best interest of the City to memorialize and formalize the investment policy of the City for future generations;

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the City of Hobart, Indiana that:

**Section One:** The Municipal Code of the City of Hobart, Indiana (“Code”), **Chapter 33, City Policies** is hereby amended by adding a new sub-chapter to be entitled “*Investment Policy*” commencing with a new section 33.150 and the subsequent other sections as follows:

**INVESTMENT POLICY**

**§ 33.150 Purpose**

The purpose of this investment policy (the “Policy”) is to set forth the investment objectives and parameters for the management of public funds of the City of Hobart (the “City”). This investment policy is designed to safeguard funds on behalf of the City, to assure the availability of funds when needed, and provide a competitive investment return.

**§ 33.151 Scope**

This policy applies to the investment of all funds of the City including but not limited to, the general fund, special revenue funds, debt service funds, project funds and trust and agency funds.

The City may consolidate fund balances to increase investment earnings and to increase efficiencies with regard to investment pricing, banking fees and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

47 **§ 33.152 General Objectives**

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49 The primary objectives, in priority order, of investment activities shall be safety, liquidity,  
50 and return:

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52 (A) *Safety*: Safety of principal is the foremost objective of the investment program.  
53 Investments shall be undertaken in a manner that seeks to ensure the preservation of capital.  
54 The objective will be to minimize credit risk and interest rate risk.

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56 (1) Credit Risk - The City will minimize credit risk, which is the risk of loss due to the  
57 failure of the security issuer or backer, by limiting investments to the types of securities  
58 listed in Section VI of this Investment Policy.

59  
60 (2) Interest Rate Risk - The City will minimize interest rate risk, which is the risk that the  
61 market value of securities in the portfolio will fall due to changes in market interest  
62 rates, by structuring the investment portfolio so that securities mature to meet cash  
63 requirements for ongoing operations, thereby avoiding the need to sell securities prior  
64 to maturity.

65  
66 (B) *Liquidity*: The investment portfolio shall remain sufficiently liquid to meet all operating  
67 requirements that may be reasonably anticipated. This is accomplished by structuring the  
68 portfolio so that securities mature concurrent with cash needs to meet anticipated demands.  
69 Furthermore, since all possible cash demands cannot be anticipated, a portion of the  
70 portfolio may be placed in money market mutual funds or government investment pools  
71 which offer same day liquidity for short-term funds.

72  
73 (C) *Yield*: The investment portfolio shall be designed with the objective of attaining a market  
74 rate of return throughout budgetary and economic cycles, taking into account the  
75 investment risk constraints and liquidity needs. Return on investment is of secondary  
76 importance compared to the safety and liquidity objectives described above. The core of  
77 investments are limited to relatively low risk securities in anticipation of earning a fair  
78 return relative to the risk being assumed.

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81 **§ 33.153 Standards of Care**

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83 (A) *Delegation of Authority*: The Clerk-Treasurer, hereinafter referred to as the Investment  
84 Officer, shall be responsible to oversee the day-to-day management of the City's  
85 investments pursuant to Indiana Code 36-4-10-4.5. Should the City elect to select an  
86 outside investment advisor, such advisor or firm must be registered under the Investment  
87 Advisor's Act of 1940.

88  
89 (B) *Prudence*: The standard of prudence to be used by the Investment Officer shall be the  
90 "prudent person" standard and shall be applied in the context of managing all funds of the  
91 City. The "prudent person" standard states that, "Investments shall be made with  
92 judgment and care, under circumstances then prevailing, which persons of prudence,

93 discretion and intelligence exercise in the management of their own affairs, not for  
94 speculation, but for investment, considering the probable safety of their capital as well as  
95 the probable income to be derived."  
96

97 (C) *Ethics and Conflicts of Interest:* The Investment Officer and employees involved in the  
98 investment process shall refrain from personal business activity that could conflict with the  
99 proper execution and management of the investment program, or that could impair their  
100 ability to make impartial decisions. The Investment Officer and employees shall disclose  
101 any material interests in financial institutions with which they conduct business. They shall  
102 further disclose any personal financial/investment positions that could be related to the  
103 performance of the investment portfolio.  
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106 **§ 33.154 Authorized Financial Institutions and Broker/Dealers**  
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108 (A) *Authorized Financial Institutions and Broker/Dealers*

109 A list will be maintained of local financial institutions that are approved depositories for the receipt  
110 of public funds according to the State Board for Depositories. The City may pass a resolution  
111 pursuant to IC 5-13-9-5 expanding the list of approved financial institutions to include all Indiana  
112 depositories approved for the receipt of public funds according to the Indiana State Board for  
113 Depositories.  
114

115 In addition, the City will only use broker/dealers that meet the following requirements:

- 116 • Primary dealers or regional dealers that qualify under Securities and Exchange  
117 Commission (SEC) Rule 15C3-1 (uniform net capital rule);
- 118 • Capital of no less than \$10,000,000;
- 119 • Registered as a dealer under the Securities Exchange Act of 1934;
- 120 • A member of the National Association of Securities Dealers (NASD);
- 121 • Proof of state registration  
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124 **§ 33.155 Suitable and Authorized Investments**  
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126 Consistent with Indiana Code 5-13-9, the following investments will be permitted by this Policy:  
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128 (A) Securities backed by the full faith and credit of the United States Treasury or fully  
129 guaranteed by the United States and issued by any of the following:

- 130 (1) The United States Treasury.
- 131 (2) A federal agency.
- 132 (3) A federal instrumentality.
- 133 (4) A federal government sponsored enterprise.  
134

135 (B) Securities fully guaranteed and issued by any of the following:

- 136 (A) A federal agency.
- 137 (B) A federal instrumentality.
- 138 (C) A federal government sponsored enterprise.

- 139
- 140 (C) Municipal securities issued by an Indiana local governmental entity, a quasi-governmental
- 141 entity related to the state, or a unit of government, municipal corporation, or special taxing
- 142 district in Indiana, if the issuer has not defaulted on any of the issuer's obligations within
- 143 the twenty (20) years preceding the date of the purchase in accordance with IC 5-13-9.2.
- 144
- 145 (D) Money market mutual funds rated AAAM, or its equivalent, by Standard and Poor's
- 146 Corporation or Aaa, or its equivalent, by Moody's Investors Service, Inc. in accordance
- 147 with IC 5-13-9-2.5.
- 148
- 149 (E) Repurchase agreements in accordance with IC 5-13-9-3
- 150
- 151 (F) Transaction accounts, certificates of deposit and deposit accounts issued or offered by a
- 152 designated depository of the City's political subdivision. The investing officer making a
- 153 deposit in a certificate of deposit shall obtain quotes from each designated depository in
- 154 accordance with IC 5-13-9-4.
- 155
- 156 (G) Certificates of deposit authorized by a resolution of the City in accordance with IC 5-13-
- 157 9-5 and 5-13-9-5.3.
- 158
- 159 (H) Local government investment pools in accordance with IC 5-13-9-11.
- 160
- 161 (I) Consistent with Indiana Code 36-1-7, the City may pass a resolution to enter into interlocal
- 162 cooperation agreements for the joint exercise of powers, including the investment of public
- 163 funds.
- 164

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166 **§ 33.156 Investment Parameters**

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168 (A) *Maximum Maturities*

169 The City's investments must have a stated final maturity of not more than two years pursuant to  
170 IC 5-13-9-5.6. Because of inherent difficulties in accurately forecasting cash flow requirements,  
171 a portion of the portfolio should be continuously invested in readily available funds such as local  
172 government investment pools, money market funds, or overnight repurchase agreements to ensure  
173 that appropriate liquidity is maintained to meet ongoing obligations.

174  
175 The City may adopt an ordinance, pursuant to IC 5-13-9-5.7, authorizing its Investment Officer to  
176 make investments having a stated final maturity that is more than two (2) years but not more than  
177 five (5) years after the date of purchase. The total investments of the City with maturities of two  
178 (2) to five (5) years outstanding at the time of purchase may not exceed twenty-five percent (25%)  
179 of its total portfolio of public funds invested, including balances in transaction accounts. Such  
180 ordinance expires on the date on which this Policy expires, which may not exceed four (4) years.

181  
182 (B) *Competitive Bids*

183 The Investment Officer or its designee shall obtain competitive bids for investment with financial  
184 institutions in accordance with IC 5-13-9-4. The Investment Officer or its designee shall obtain

185 bids from at least two brokers or financial institutions on all purchases of investment instruments  
186 on the secondary market. Overnight sweep investment instruments shall not be subject to this  
187 section.

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190 **§ 33.157 Policy Considerations**

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192 (A) *Adoption and Expiration:* This Policy shall be adopted by the City at a public meeting and  
193 shall expire four (4) years from the date of adoption in accordance with IC 5-13-9-5.7.

194

195 (B) *Exemption:* Any investment currently held that does not meet the guidelines of this policy  
196 shall be exempted from the requirements of this policy. At maturity or liquidation, such monies  
197 shall be reinvested only as provided by this policy.

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199 (C) *Amendments:* This policy shall be reviewed periodically. Any changes must be approved by  
200 the Investment Officer and any other appropriate authority.

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202

203 **Section Two:** All ordinances or portions thereof in effect prior to the effective date and in  
204 conflict with the provisions of this ordinance are hereby repealed.

205

206 **Section Three:** This Ordinance will be in full force and effect from and after its passage  
207 by the Common Council and signing by the Mayor.

208

209 ALL OF WHICH is PASSED and ADOPTED by the Common Council of the City of  
210 Hobart, Indiana on this 21<sup>st</sup> day of JANUARY, 2026.

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213

214 ATTEST: Deborah A. Longer Presiding Officer  
215 Deborah A. Longer, Clerk-Treasurer

216

217

218 PRESENTED by me to the Mayor of the City of Hobart on the 21<sup>st</sup> day of  
219 JANUARY, 2026 at the hour of 7:30 pm

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221

222

Deborah A. Longer  
Deborah A. Longer, Clerk-Treasurer

223

224 APPROVED, EXECUTED and RETURNED by me to the Common Council of the City  
225 of Hobart on this 21<sup>st</sup> day of JANUARY, 2026.

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228

229 ATTEST: Deborah A. Longer Josh Huddleston, Mayor  
230 Deborah A. Longer, Clerk-Treasurer

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