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## **County of Montmorency Board of Commissioners**

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### **Resolution #2026-05**

#### **RESOLUTION ADOPTING THE COUNTY INVESTMENT POLICY**

At the meeting of the County of Montmorency Board of Commissioners held in the County of Montmorency Building located in Atlanta, Michigan on **January 22, 2026**.

**PRESENT: Mary Hardies, Michelle Hamlin, Lloyd Peltier, Bob DeVriendt and Michelle LaRose**

**ABSENT: None**

The following resolution was made by **Mary Hardies** and seconded by **Lloyd Peltier**, to-wit:

**WHEREAS**, The County of Montmorency is required to manage and invest public funds in accordance with applicable Michigan statutes, including but not limited to Act 20 of 1943, as amended, and other Public Acts governing the investment and safekeeping of public funds; and

**WHEREAS**, The Board of Commissioners is the sole governing authority empowered to establish investment policy, approve investment relationships, designate depositories, and authorize investment activity on behalf of the County; and

**WHEREAS**, The County Attorney has prepared and provided a comprehensive **County of Montmorency Investment Policy** establishing the legal authority, internal controls, standards, procedures, roles, responsibilities, and limitations governing the investment of all County funds; and

**WHEREAS**, The Investment Policy is intended to ensure the preservation of capital, liquidity, compliance with Michigan law, transparency, ethical conduct, and prudent management of County funds; and

**WHEREAS**, The Board of Commissioners finds that adoption of the Investment Policy is in the best interests of the County and its residents and is necessary to clearly define authority, prevent unauthorized activity, and promote sound financial governance.

**NOW, THEREFORE, BE IT RESOLVED that:**

**The County of Montmorency Investment Policy**, as presented by the County Attorney and attached hereto as **Exhibit A**, is hereby **approved and adopted in its entirety** as the official investment policy of the County.

1. The Investment Policy shall apply to **all County funds**, unless otherwise exempted by statute, and shall govern all investment activities, account openings, financial relationships, and asset movement authorizations.
2. The Investment Policy is adopted as a **standing policy of the County** and shall remain in full force and effect unless and until amended or rescinded by formal action of the Board of Commissioners at a public meeting.
3. **No delegation of investment authority, approval of financial institutions, opening of accounts, execution of investment documents, or authorization of ACH or wire activity shall occur except as expressly permitted by Board resolution and in compliance with the adopted Investment Policy.**
4. The County Treasurer, County Administrator/Controller, and all County officers and employees shall comply fully with the requirements, limitations, and controls set forth in the Investment Policy.
5. This resolution shall take effect immediately upon adoption.

**(Left blank intentionally)**



## 1. Purpose and Scope

This Investment Policy establishes the legal authority, internal controls, standards, and procedures governing the investment of all funds of the County of Montmorency (the “County”).

It is the policy of the County to invest County funds in a manner which will ensure the preservation of capital while providing the highest investment return with maximum security, meeting the daily cash flow demands of the County and conforming to all state statutes governing the investment of public funds.

These assets are accounted for in the various funds of the County and include the general fund, special revenue funds, debt service funds and capital project funds (unless bond ordinances and resolutions are more restrictive), enterprise funds, internal service funds, trust and agency funds, fiduciary funds and any new fund established by the County. These funds are accounted for in the County Treasurer's Annual Financial Report. Except for cash in certain restricted and special accounts, the County Treasurer may pool cash of various funds to maximize investment earnings.

This policy applies to all County funds unless otherwise exempted by statute and is intended to ensure safety of principal, liquidity, compliance with Michigan law, and transparency. This policy is a **standing County policy** and remains in effect regardless of changes in elected or appointed officials.

## 2. Governing Authority

The Board of Commissioners is the sole authority empowered to approve investment relationships, contracts, depositories, broker-dealers, investment advisers, custodians, pooled investment vehicles, and any related agreements on behalf of the County. The County acts only through formal Board action adopted at a public meeting and entered into the minutes.

## 3. Delegation of Authority

Investment authority may be delegated only by Board resolution. Delegation does not automatically transfer upon a change in officeholder and must be reaffirmed by the Board. No elected official, deputy, or employee may independently bind the County absent express Board authorization.

## 4. Roles and Responsibilities

- **Board of Commissioners:** Approves investment policy, authorizes investment relationships, designates depositories, and provides oversight.
- **County Treasurer:** Performs day-to-day investment activities **only within authority expressly granted by the Board** and in compliance with this policy.
- **County Administrator/Controller:** Reviews documentation for compliance, maintains records, and provides oversight and reporting to the Board.
- **County Attorney:** Reviews contracts, resolutions, and policy compliance upon request.

## 5. Approved Financial Institutions

County funds may be placed only with financial institutions, broker-dealers, investment advisers, custodians, or investment vehicles authorized by Act 20 of 1943, as amended, and specifically

approved by Board resolution. Use of any institution or product not listed in a current Board resolution is prohibited.

The County shall transact business only with banks, savings and loans, and registered investment security dealers. Only those banks or savings and loan institutions whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States will be considered for investments and/or depository purposes.

The purchase by the County of any investment other than those purchased directly from the issuer, shall be purchased either from an institution licensed by the State as a broker-dealer (who is a member of the National Association of Securities Dealers) or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank, a National or State Chartered Bank or a Federal or State Association. The County shall require an institution or dealer to:

- (a) acknowledge receipt of the investment policy, and
- (b) agree to comply with the terms of the investment policy regarding the buying or selling of securities.

## 6. Authorized Investments

Authorized investments that may be approved include:

- (a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- (b) Certificates of deposit, savings accounts, deposit accounts, or depository of a financial institution. Authorized depositories shall be designated by the County Board of Commissioners at the Board's organizational meeting after each regular election of commissioners.
- (c) Commercial paper with a rating of not less than A-1 from Moody's and P-1 from Standard and Poor's and that matures not more than 270 days after the date of purchase. Not more than 50% of any fund shall be invested in commercial paper at any time.
- (d) Banker's acceptances of United States banks.
- (e) Obligations of this state or any of its political subdivisions that at the time of purchase are rated investment grade by not less than (1) one standard rating service.
- (f) Mutual funds registered under the investment company act of 1940, title 1 of chapter 686, 54 Stat. 789, 15 U.S.C. BOa-1 to 80a-3 and 80a-4 to 80a-64, with the authority to purchase only investment vehicles that are legal for direct investment by the County. This authorization is limited to securities whose intention is to maintain a net asset value of \$1.00 per share:
- (g) Investment pools through an interlocal agreement under the urban cooperation act of 1967,

1967 (Ex. Sess.) PA 7, MCL 124.501 to 124.512.

- (h) Investment pools organized under the surplus funds investment pool act, 1982 PA 367, 129.11 to 129.118.
- (i) Investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150.

**7. Investments Not Approved**

The following investments are not approved for the County:

- (a) Repurchase agreements consisting of investments of bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- (b) Mutual Funds that maintain investment instruments whose net asset value per share may fluctuate on a periodic basis.

**8. Objective of Investment Activities**

The primary objectives, in priority order, of the County's investment activities shall be:

- (a) **Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- (b) **Diversification:** The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- (c) **Liquidity:** The investment portfolio shall remain sufficiently liquid to enable the County Treasurer to meet all operating requirements, which might be reasonably anticipated.
- (d) **Return on Investments:** The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio

**9. Prudence**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

**10. Safekeeping and Custody**

All security transactions and financial institution deposits entered into by the County may be on a cash basis or a delivery vs. payment basis as determined by the County. Securities may be held by a third party custodian designated by the County and evidenced by safekeeping receipts.

**11. Account Opening and Documentation**

No investment or custodial account may be opened without prior Board approval. All onboarding documents, contracts, certifications, and authorizations must be reviewed by Administration and retained in the County's official records.

**12. ACH and Asset Movement Controls**

ACH authorizations, standing instructions, wire authorities, or similar asset movement permissions are prohibited unless expressly authorized by Board resolution. Dual controls and written confirmation are required for any approved transfers.

**13. Deputies and Staff Limitations**

Deputies and staff may not execute investment documents, certifications, contracts, or authorizations that bind the County. Administrative assistance does not constitute authority.

**14. Corporate Resolution Certifications**

Any corporate or governmental resolution certification provided to a financial institution must reflect an actual Board action adopted at a public meeting and recorded in the minutes. Certifications that do not reflect a true Board action are invalid.

**15. Compliance with Law**

All investment activities shall comply with applicable Michigan statutes, including but not limited to the Public Acts governing public funds investment, depositories, and fiduciary duties.

**16. Reporting and Transparency**

The Treasurer shall provide periodic investment reports to the Board in a form and frequency established by the Board. This report shall be prepared in a manner which will allow the Board of Commissioners to ascertain whether investment activities during the reporting period have conformed to the investment policy.

**17. Ethics And Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Board of Commissioners any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment position that could be related to the performance of the County of Montmorency. Employees and officers shall subordinate their personal investment transactions to those of the County of Montmorency, particularly with regard to the time of purchases and sales.

**18. Unauthorized Activity**

Any unauthorized investment activity, account opening, or financial authorization discovered shall be immediately reported to the County Administrator/Controller and County Attorney and promptly rescinded.

**19. Policy Review and Amendments**

This policy shall be reviewed periodically and may be amended only by Board action. As a standing County policy, it remains in effect irrespective of changes in elected or appointed officials.