

PALOS FIRE PROTECTION DISTRICT

ORDINANCE NO. 2026-002

****AN ORDINANCE ADOPTING A COMPREHENSIVE INVESTMENT POLICY**

WHEREAS, the Palos Fire Protection District (the “District”) is authorized to invest public funds pursuant to the Illinois Public Funds Investment Act; and

WHEREAS, the Board of Trustees finds that the adoption of a comprehensive, written Investment Policy is necessary to ensure the prudent management of public funds; and

WHEREAS, the Board further determines that it is in the best interests of the District to replace and supersede all prior investment-related enactments, including Ordinance No. 2017-02;

NOW, THEREFORE, BE IT ORDAINED

by the President and Board of Trustees of the Palos Fire Protection District, as follows:

SECTION 1: Adoption of Investment Policy

The Investment Policy set forth in **Exhibit A below** is hereby adopted as the official Investment Policy of the District and shall govern the investment of all District funds.

SECTION 2: Repealed and Superseding Provision

This Investment Policy is adopted pursuant to the Illinois Public Funds Investment Act and is intended to comprehensively and exclusively govern the investment of all funds of the District.

All prior ordinances, resolutions, policies, procedures, and practices relating in any manner to the investment of public funds, including specifically **Ordinance No. 2017-02**, are hereby **expressly repealed, superseded, and of no further force or effect** as of the effective date of this Ordinance.

In the event of any inconsistency or conflict between this Policy and any prior enactment or practice, **this Policy shall control in all respects.**

SECTION 3: Authorization and Implementation

The District Treasurer is hereby authorized and directed to implement and administer the Investment Policy in accordance with its terms and applicable law.

SECTION 4: Severability

If any provision of this Ordinance or the Investment Policy is held invalid, such invalidity shall not affect the remaining provisions.

SECTION 5: Effective Date

This Ordinance shall take effect immediately upon passage and approval as provided by law.

PASSED this ____ day of _____, 2026

AYES: _____
NAYS: _____
ABSENT: _____

APPROVED this ____ day of _____, 2026

Richard J. Nogal

President, Board of Trustees

ATTEST:

[Signature]

District Clerk / Secretary

EXHIBIT A – INVESTMENT POLICY

1. Purpose

This Investment Policy establishes guidelines for the investment of District funds to:

- Preserve capital
- Maintain liquidity
- Achieve a reasonable rate of return

2. Authority

This Policy is adopted pursuant to:

- Illinois Public Funds Investment Act (30 ILCS 235)
- Illinois Fire Protection District Act (70 ILCS 705)

3. Scope

Applies to all funds of the District, including:

- Corporate Fund
- Ambulance Fund
- Tort Fund
- Audit Fund
- Debt Service Fund
- Emergency & Rescue Fund
- Capital / Reserve Funds
- Bond proceeds

4. Prudence Standard

Investments shall be made with the care, skill, prudence, and diligence of a prudent person. No speculative investments are permitted.

5. Investment Objectives (Priority Order)

1. Safety of Principal
2. Liquidity
3. Return on Investment

6. Authorized Investments

Permitted investments include:

- U.S. Treasury obligations
- U.S. agency securities
- Interest-bearing accounts
- Certificates of deposit
- Public investment pools (e.g., Illinois Funds)
- Compliant money market funds
- Fully collateralized repurchase agreements
- Corporate debt

7. Prohibited Investments

The District shall not invest in:

- Stocks or equities
- Unauthorized corporate debt
- Derivatives
- Cryptocurrency

8. Collateralization

All funds exceeding FDIC insurance must be:

- Collateralized at **not less than 110%**
- Secured by acceptable securities
- Held by an independent third-party custodian

9. Diversification

Investments shall be diversified to minimize risk and avoid over-concentration.

10. Maturity Restrictions

- Operating funds: generally ≤ 3 years
- Reserve funds: consistent with long-term needs
- Bond funds: aligned with project timelines

11. Safekeeping and Custody

All securities shall be held by a third-party custodian with proper documentation.

12. Internal Controls

The Treasurer shall maintain internal controls including:

- Separation of duties
- Authorization protocols
- Written records
- Periodic review

13. Reporting

The Treasurer shall provide **quarterly reports** to the Board detailing:

- Investment type
- Institution
- Amount
- Maturity
- Rate
- Compliance certification

14. Ethics and Conflicts

Officers and employees:

- Shall avoid conflicts of interest
- Shall disclose any financial interests
- Must comply with applicable ethics laws

15. Policy Review

This Policy shall be reviewed **annually** and amended as necessary.

16. Delegation of Authority

Investment authority is delegated to the **District Treasurer**, subject to Board oversight.

17. Approved Institutions

The District shall maintain a list of qualified financial institutions meeting legal and financial standards.

(End of Ordinance and Policy)