

Township of Upper St. Clair

THERE WILL BE A BUDGET AND FINANCE COMMITTEE MEETING OF THE BOARD OF COMMISSIONERS OF THE TOWNSHIP OF UPPER ST. CLAIR AT 6:30 P.M. ON MONDAY, SEPTEMBER 29, 2025 AT THE TOWNSHIP OF UPPER ST. CLAIR MUNICIPAL BUILDING, BOARD OF COMMISSIONERS' CONFERENCE ROOM, 1820 MCLAUGHLIN RUN ROAD, UPPER ST. CLAIR, PA, 15241.

AGENDA

1. Call to Order.
2. Annual Investment Policy Review. (Policy enclosed)
3. Review Financial Statements for August 2025.
4. Review Initial Budget Assumptions for 2026.
5. Other Business.
6. Adjournment.

EXHIBIT A

TOWNSHIP OF UPPER ST. CLAIR INVESTMENT POLICY FOR NON-RETIREMENT FUNDS

I. SCOPE

This policy is developed in accordance with Chapter 25.10 of the Township Code and applies to all monies and other financial resources available for deposit and investment by the Township of Upper St. Clair ("The Township") on its own behalf or on behalf of any other entity other than retirement funds. This policy specifically excludes assets of deferred compensation plans, pension plans, or any other retirement plans for which the Township acts as trustee or fiduciary.

II. GOVERNING AUTHORITY

This policy shall comply with the Township of Upper St. Clair Home Rule Charter, Pennsylvania Act 72 of 1971 (pertaining to collateralization of deposits exceeding insurable limits), Act 10 of 2016 (pertaining to permitted investments), and all other applicable federal, state and local requirements.

III. OBJECTIVES

The primary objectives of the Township's investment activities are, in priority order:

- Safety: To adequately safeguard principal.
- Liquidity: To provide sufficient liquidity to meet all operating requirements.
- Yield: To obtain a reasonable rate of return.

To appropriately meet these objectives, the Township will make investment decisions based on categories of cash with which the time horizon is regularly calculated using a liquidity analysis, cash flow forecast, or other methodology identifying past and anticipated future financial requirements.

IV. AUTHORITY

Authority to manage the investment program is granted to the Township Manager who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this policy. The Township Manager may delegate responsibilities related to this function to the Assistant Township Manager, the Director of Finance, or other staff as needed. Such responsibilities include the execution of any documents, transactions, or other functions necessary to manage the investment program. No person may engage in an investment transaction on behalf of the Township except as provided under the terms of this policy and the procedures established. The Township may delegate its investment decision making and execution authority to an investment advisor. The advisor shall follow the Township's policy and such other written instructions as are provided.

V. STANDARDS OF CARE

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Township to govern effectively. Investments shall be made with prudence, diligence, skill, judgment and care, under circumstances then prevailing, which knowledgeable and prudent persons acting in like capacity would use, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

EXHIBIT A

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business, in accordance with applicable laws. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Township. Investing Township money in any way which benefits any Commissioner, employee or officer, or any member of their immediate family is prohibited.

VI. DIVERSIFICATION

It is the Township's policy to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling using time horizon data. On a quarterly basis and as part of any investment decision, the designated Township official shall evaluate the diversification of the Township's deposits and investments to determine its appropriateness with respect to the objectives listed in Section III.

VII. SECURING DEPOSITS AND INVESTMENTS

All deposits and investments at a bank or trust company, including all demand deposits, certificates of deposit and special time deposits made by officers of the Township shall be secured either by being insured under the provisions of the Federal Deposit Insurance Act, or through collateralization. When the value of the Township's deposits exceeds the insurable limits of the institution, the additional sums shall be secured by collateral pledged by the depository pursuant to Pennsylvania Act 72 of 1971 (72 P.S. § 3836-1 et seq., "Standardizing the Procedures for Pledges of Assets") which requires banks to pledge collateral for public deposits in excess of \$250,000. Act 72 of 1971 was amended by Act 139 of 2000 to permit the depository institution to secure its public deposits with a Federal Home Loan Bank letter of credit rather than with a pledge of collateral.

VIII. PERMITTED INVESTMENTS

The Township shall restrict investments to financial instruments which are identified as permitted investments under applicable laws of the Commonwealth of Pennsylvania, as supplemented by Act 10 of 2016 (Act No. 10 of 2016, H.B. 1296, Gen. Assemb., Reg. Sess. (Pa. 2016)), and all other applicable federal, state, and local requirements.

IX. ANNUAL REVIEW AND AMENDMENTS

The Township Manager shall review this investment policy annually. Any amendments to this policy shall be approved by the Township's Board of Commissioners.

Approved: December 2, 2024 (Bill No. 9-24)

Last reviewed: September 29, 2025