

**R-2526-101
EXHIBIT A**

**INVESTMENT POLICY FOR THE CITY OF NORMAN,
THE NORMAN TAX INCREMENT FINANCE AUTHORITY,
THE NORMAN MUNICIPAL AUTHORITY, NORMAN ECONOMIC DEVELOPMENT
AUTHORITY, NORMAN PARKING AND TRANSIT AUTHORITY, AND THE
NORMAN UTILITIES AUTHORITY**

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Policy:

It is the policy of the City of Norman to invest all public funds in a manner which will provide the maximum security of principal, while meeting the daily cash flow demands of the City, conforming to all state and local statutes governing the investment of public funds, and providing the highest practical investment return within these guidelines.

Scope:

This investment policy applies to all financial assets of the City of Norman. Any and all references in this document to the “City of Norman”, or the “City” shall be understood to include all funds of the City of Norman, Oklahoma as well as funds of the Norman Municipal Authority, Norman Tax Increment Finance Authority, Norman Economic Development Authority, Norman Parking and Transit Authority and Norman Utilities Authority.

These funds are accounted for in the City of Norman’s general ledger system and reported in its annual Comprehensive Annual Financial Report. These funds include the following, existing accounting fund types, and will include any new funds created by the Norman City Council in the future:

General Fund	Special Revenue Funds
Capital Project Funds	Enterprise Funds
General Debt Service Funds	Internal Service Funds
Trust and Agency Funds	

Prudence:

Investments shall be made with judgement 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.

The standard of prudence to be used by the investing official shall be this “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investing officials acting in accordance with written procedures and this Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

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Objectives:

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

1. Safety. Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required such that any realized losses on individual securities do not exceed income generated from the remainder of the portfolio.
2. Liquidity. The City of Norman's investment portfolio will remain sufficiently liquid to enable the City to meet all day-to-day cash flow requirements.
3. Return on Investment. The City of Norman's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints, liquidity needs, and the cash flow characteristics of the portfolio. Return shall be subordinate to safety and liquidity.

Delegation of Authority:

The City Finance Director has the authority to manage the City of Norman's investments as delineated in the Norman City Charter, Article IV, Section 1, and in the Norman Municipal Code, Section 12-102. The City's Finance Director shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include reference to: safekeeping, bid practices and reporting, wire transfer agreements, collateral/depository agreements, and banking service contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the City Finance Director. The City Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Bonding of all City staff and elected officials who have authority to invest City funds, make wire transfers, or who have signatory authority for depository accounts shall be required in accordance with City Code (Section 12-108).

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 officers shall disclose to the City Manager any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial or

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investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchases and sales.

Authorized Financial Institutions and Dealers:

The City Finance Director will maintain a list of financial institutions and brokers/dealers authorized to provide investment services. Before investments of surplus funds are placed, a competitive telephone "bid" process (consisting of quoted yield or interest rates, dollar prices, or discount rates) will be conducted among eligible financial institutions and brokers/dealers. Bids will be secured from at least three institutions for all investments. Bidders are required to bid a firm price or yield, which will remain effective for a reasonable period of time (approximately 15 minutes), given market fluctuations, for further bids to be received and tabulated. Typically, awards will be made to the bidder offering the highest effective yield consistent with policy restrictions (for purchases; lowest yield for sales); however, transaction costs, diversification requirements and other factors may be considered when awarding investments. Securities dealers wishing to bid on investments must be approved by the City Council and must meet the following requirements:

1. Either be a primary U.S. Government securities dealer or comply with the New York Federal Reserve Bank's capital adequacy guidelines as evidence by audited financial statements; AND
2. Completion of a Certification of Compliance with terms of this Investment Policy; AND
3. Deliver most recently audited financial statements to the City of Norman Finance Department prior to the placement of investments and on an annual basis.

Authorized & Suitable Investments:

The City of Norman is authorized by Oklahoma Statutes Title 62, Section 348 to invest in the following types of securities:

1. Direct obligations of the federal Government, the payment of which the full faith and credit of the federal government is pledged, its agencies or instrumentalities; and of federal agencies or federal government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or federal government-sponsored enterprises;
2. Obligations, the payment of which the full faith and credit of this state is pledged, or investment grade obligations of state agencies, public trusts, authorities, or instrumentalities rated A+ or better by S&P Global or A1 or better by Moody's Ratings or equivalent by other securities ratings organization;

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3. Collateralized or insured certificates of deposit of banks, savings banks, savings and loan associations, or credit unions located in this state and located out of the state when such certificates of deposits are secured by acceptable collateral;
4. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings bank, a savings and loan association or a state-licensed branch of a foreign bank;
5. Savings accounts or savings certificates of banks, savings and loan associations, or credit unions where the funds are either secured by acceptable collateral or fully insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration;
6. Direct debt obligations of county, municipal, or school districts or their authorities for which an ad valorem tax may be levied or pay by bond and revenue anticipation note; and of money judgements against a county, municipal, or school district paid by bonds or bond and revenue anticipation notes issued by a public trust of which the county, municipality, or school district is a beneficiary thereof;
7. Prime banker's acceptances (Bas) which are eligible for purchase by the Federal Reserve System and which do not exceed two hundred seventy (270) days' maturity. Purchases of BAs shall not exceed ten percent (10%) of the surplus funds of the City which may be invested; however the restrictions of this paragraph shall not apply to purchases of prime banker's acceptances by qualified pooled investment programs established under 62 O.S. §348(B)(11);
8. Prime commercial paper which shall not have a maturity that exceeds one hundred eighty (180) days nor represent more than ten percent (10%) of the outstanding paper of an issuing corporation. Purchases of prime commercial paper shall not exceed seven and one-half percent (7.5%) of the surplus funds of the City which may be invested pursuant to this Policy; however, the restrictions in this paragraph shall not apply to purchases of prime commercial paper by qualified pooled investment programs established under 62 O.S. §348(B)(11);
9. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1-8 of this section;
10. Money market funds regulated by the Securities and Exchange Commission and whose investments consist of those items specified in paragraphs 1-9 above; or
11. Qualified pooled investment programs, the investments of which consist of those items specified in paragraphs 1 through 10 of this section. To be qualified, a pooled investment program must be governed through an interlocal cooperative agreement with the City of Norman.

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Collateralization:

All collateral pledged to secure public deposits shall be valued at no more than their market value. In order to protect against market changes and to provide a greater level of security for all funds, market value of the securities pledged to secure public deposits will equal at least 102% of the value of the funds on deposit. The City of Norman chooses to limit collateral to:

1. U.S. Treasury, Agency and Instrumentality Securities
2. Direct debt obligations of municipalities, counties, and school districts in Oklahoma.

Collateral will be held by the City of Finance Director of the City of Norman or by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied in either case.

Substitution of collateral is allowed upon approval of the City Finance Director.

Safekeeping and Custody:

All security transactions entered into by the City of Norman shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by the City Finance Director or by a third party custodian designated by the Finance Director. Evidence of ownership (safekeeping receipt) on behalf of the City of Norman is required in either case.

According to Governmental Accounting Standards Board statement number 3, paragraph 68, the three categories of credit risk for investments, depending on safekeeping arrangements are:

- a. Insured or registered, or securities held by the entity (the City) or its agent in the entity's name;
- b. Uninsured and unregistered, with securities held by the counterparty's (seller's) trust department or agent in the entity's name; and
- c. Uninsured and unregistered, with securities held by the counterparty (seller) or by its trust department or agent, but not in the entity's (City's) name.

Investments will be carried in accordance with category (a) or (b) above, insofar as compatible with applicable law; the Finance Director shall arrange safekeeping procedures so that investments fall into category (a) whenever possible.

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Diversification:

The City of Norman will diversify its investments by institution. With the exception of U.S. Treasury and agency securities and authorized pools, no more than 50% of the entity's total investment portfolio will be placed through a single financial institution.

Maximum Maturities:

To the extent possible, the City of Norman will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City of Norman will not directly invest in securities maturing more than ten years from the date of purchase.

Internal Controls:

The City Finance Director shall establish an annual process of independent review by an external auditor. The review will provide internal control by assuring compliance with policies and procedures.

Performance Standards:

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City of Norman's investment risk constraints and cash flow needs.

Reporting/Oversight:

The City Finance Director shall provide the City Council with a monthly investment activity report within fifteen days of the closing of financial transactions for the month for which the report is made. The report shall include a listing of the investment transactions made and the amounts therefor; interest earned on each investment within the month; current investment and maturity schedules; and overall performance compared to previous years and market benchmarks.

The City Manager shall review each investment transaction. The Finance Director shall provide the City Manager will documentation of each investment transaction as requested, including documentation of the bidding process conducted, within 24 hours of the settlement of the investment transaction.

An Investment Committee, consisting of a Council Member, the Finance Director, City Manager and an independent external financial market expert will conduct a monthly review of the status of the City's portfolio of investments and will meet at least quarterly to discuss U.S. financial markets and the City's strategic investment outlook. The Investment Committee will report on its activities to the City Council Finance Committee.

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Investment Policy Adoption/Amendment:

The City of Norman’s investment policy shall be adopted by resolution of the City Council of the City of Norman. The policy shall be reviewed on an annual basis by the City Council and any modifications made thereto must be approved by the City Council.

This Investment Policy was adopted by Resolution _____ dated this __ day of February, 2026.

Mayor/Chair

City Clerk/Secretary