

ORDINANCE NUMBER _____ -

COUNTY OF FRANKLIN, KENTUCKY

AN ORDINANCE AMENDING THE ADMINISTRATIVE CODE OF THE FRANKLIN COUNTY CODE OF ORDINANCES CHAPTER 30 TO ADD LANGUAGE UNDER NEW SUBSECTIONS COUNTY INVESTMENT POLICY §30.175, (A), AND (B)

WHEREAS, The Franklin County Fiscal Court adopted the General Administration Section of Chapter 30: Administrative Code by Ordinance No. 1-2021 on the 19th day of February, 2021, to establish procedures and processes relating to the Constitutional office of the Franklin County Judge Executive; and

WHEREAS, the Judge Executive has established an Administrative Service Committee consisting of two Magistrates and the Judge Executive to consider amendments to the Administrative Code; and

WHEREAS, The Administrative Service Committee has met and considered changes relating to the General Administrative Section of Chapter 30: Administrative Code of the Franklin County Code Ordinances relating to the office of Judge Executive; and

WHEREAS, the Administrative Service Committee desires consideration by the Fiscal Court the General Administrative Section of Chapter 30: Administrative Code of the Franklin County Code Ordinances relating to the office of Judge Executive

NOW, THEREFORE, BE IT ORDAINED BY THE FISCAL COURT OF THE COUNTY OF FRANKLIN, COMMONWEALTH OF KENTUCKY, THAT:

SECTION I. The Code of Ordinances, Administrative Code, Chapter 30, **§30.175 (A) and (B) is hereby amended to read as follows:**

§ 30.175 COUNTY INVESTMENT POLICY

- (A) The FCFC hereby adopts the following investment policy and strategy with respect to the investment of all funds, as required by KRS 66.480.
- (B) The county authorizes the following to invest the county's funds, pursuant to the terms and conditions of Res. 20 (1994 Series):
 - (1) Funds not needed for current expenses or obligations of the county may be invested in any of the following:
 - (a) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements; provided that, delivery of these obligations subject to repurchase

agreements is taken either directly or through an authorized custodian. The investments may be accomplished through repurchase agreements reached with sources including, but not limited to, national or state banks chartered in the Commonwealth of Kentucky.

- (b) Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States Government agency, including, but not limited to:
 - 1. United States Treasury;
 - 2. Export-Import Bank of the United States;
 - 3. Farmers Home Administration;
 - 4. Government National Mortgage Corporation; and
 - 5. Merchant Marine bonds.

- (c) Obligations of any corporation of the United States government, including, but not limited to:

- 6. Federal Home Loan Mortgage Corporation;
- 7. Federal Farm Credit Banks
- 8. Bank for Cooperatives;
- 9. Federal Intermediate Credit Banks;
- 10. Federal Land Banks;
- 11. Federal Home Loan Banks;
- 12. Federal National Mortgage Association; and
- 13. Tennessee Valley Authority.

(d) Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution having a physical presence in Kentucky which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4);

(e) Uncollateralized certificates of deposit issued by any bank or savings and loan institution rated in one of the three highest categories by a nationally recognized rating agency;

(f) Bankers' acceptance for banks rated in one of the three highest categories by a nationally recognized rating agency;

(g) Commercial paper rated in the highest category by a nationally recognized rating agency;

(h) Bonds or certificates of indebtedness of this commonwealth and of its agencies and instrumentalities; and

(i) Securities issued by a state or local government, or any instrumentality or agency thereof, in the United States, and one of the three highest categories by a nationally recognized rating agency.

(2) The investment authority outlined above shall be subject to the following limitations:

(a) The amount of money invested at any time by the county in one or more of the categories outlined above shall not exceed 20% of the total amount of money invested by the county;

(b) The county shall not purchase any investment on a margin basis or through the use of any similar leveraging technique; and

(c) The county shall not purchase any investment where the principal funds are at risk or loss.

(3) The county hereby adopts the following standards for written agreements pursuant to which investments are made.

(a) The FCFC should determine who is authorized to sign the written agreement, whether that agreement needs to be signed by more than one party, whether the agreement as whole will need to be approved by the FCFC.

(b) The county should include any other requirements that it may want to make as a standard for the written agreement.

(4) The county hereby adopts the following procedures for monitoring controls, deposit or retention of investments and collateral:

(a) Working with the county's investment advisor, the county should make such determinations as to how often a report will be received on its deposits;

(b) Where the deposits or investments will be physically located;

(c) Whether a third-party custodian is desired or required for the collateral;

(d) Whether the county actually wants to take possession and control of the investment security or if that will be left with the county's bank/trustee; and

(e) The county should include any additional controls recommended by the investment advisor or the Auditor that performs the county audit.

(5) The county hereby adopts the following standards for diversification investments, including diversification with respect to the types of investments and firm with which the county transacts business: the county will determine how much of the investment should be in any one type of investment and how all transactions are to be executed.

(6) The county shall use the following standards for the qualification of investment agents authorized to transact business with the county: the FCFC should determine what criteria to use in selecting an investment advisor, such as licensing to do business in the commonwealth, the investment advisor's experience, the capitalization of the investment advisory or any other prudent factors the FCFC deems appropriate in its determination of whether a particular firm is capable and qualified to transact business with the county.

(7) All the county's investment reports will be prepared and submitted on a quarterly basis by the County Treasurer.

SECTION II. CODIFICATION. The provisions of Section I of this Ordinance shall be published as appropriate in the Franklin County Code of Ordinances as soon as practicable.

SECTION III. SEVERABILITY CLAUSE. If any section, part of provision of this Ordinance is declared unconstitutional or invalid by a court of competent jurisdiction, then it is expressly provided and it is the intention of the Franklin County Fiscal Court in passing this Ordinance that its parts shall be severable and all other parts of this Ordinance shall not be affected thereby and they shall remain in full force and effect.

SECTION IV. PUBLICATION AND EFFECTIVE DATE. This Ordinance shall take effect immediately upon its passage and publication according to law.

INTRODUCED AND GIVEN FIRST READING IN SUMMARY at a duly convened meeting of the Fiscal Court of Franklin County, Kentucky, held on the 18th day of December, 2025.

GIVEN SECOND READING AND APPROVED at a duly convened meeting of the Fiscal Court of Franklin County, Kentucky, held on the ____ day of _____, ____ and of record in Fiscal Court Order Book _____, Page _____.

Michael Mueller
Franklin County Judge/Executive

ATTESTED TO:

Kim Cox
Fiscal Court Clerk

SUMMARY

This ordinance approves an amendment to Chapter 30, §30.175 (A) and (B) of the Administrative Code relating to County Investment Policy.