



Date: February 17, 2021
Current Meeting: February 18, 2021
Board Meeting: February 25, 2021

BOARD MEMORANDUM

TO: Indianapolis Public Transportation Corporation Board of Directors
THROUGH: President/CEO Inez P. Evans
FROM: Vice President of Finance/CFO Bart Brown
SUBJECT: Consideration and Approval of Investment in Certificates of Deposit

ACTION ITEM A – 14

RECOMMENDATION:

Request the approval of Board Resolution 2021- authorizing the Chief Financial Officer, as the Investing Officer, to invest certain funds in certificates of deposit with _____(Institution)_____.

BACKGROUND:

As per IPTC’s Investment Policy adopted May 2019 the objective of IPTC is to invest funds in a manner that will provide the highest investment return possible while maintaining the maximum security of the principal and meeting cash flow demands. All investments will conform to the applicable laws and regulations governing the investment of public funds.

DISCUSSION:

Currently all our investments are with 5/3rd Bank. Based on the 2020 average interest yield of .4% the Finance staff believes it prudent to seek out additional authorized investments such as certificate of deposits with an objective to achieve the highest yield possible. Staff has contacted 12 state approved financial institutions for interest rate quotations. The longest maturity date will be 12 months and the principal amount will not exceed \$20,000,000 (Twenty Million).

ALTERNATIVES:

The Board could choose to keep all funds with 5/3rd Band and work with their staff to achieve higher yields.

FISCAL IMPACT:

Achieving higher yields will produce more revenue for operations and capital budgets.

DBE/XBE DECLARATION:

As of this time, there are no “DBE” or “XBE” certified banks. We will continue pursuing new businesses that may fit these criteria by means of education workshops, networking events, and one-on-one meetings.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

This action will be reviewed by the Finance Committee on February 18, 2021.