

POLICY 706 INVESTMENTS – OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST

I. Purpose and General Statement of Policy

Funds of the Other Post-Employment Benefits (OPEB) Trust will be invested in accordance with this policy, laws governing public pension fiduciary responsibility, and written administrative procedures. Investments will be made based on statutory constraints and subject to available designated staffing capabilities. The primary investment criteria in priority sequence are safety, liquidity, yield, and trust.

- A. Custodial Credit Risk - Investments will be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. Funds of the OPEB Trust will be invested in accordance with this policy, laws governing public pension fiduciary responsibility, and written administrative procedures. Investments will be made based on federal, state and other legal requirements relating to OPEB investments. OPEB Trust assets should be invested within the framework of a long term investment horizon. Risks taken will be consistent with longer term asset classes with a goal of maintaining purchasing power relative to inflation over economic cycles and providing asset value and cash flow to fund OPEB liabilities.
- B. Liquidity - The District's OPEB investment portfolio will be structured in such manner as to provide sufficient liquidity to pay obligations as they come due.
- C. Interest Rate Risk - The investment portfolio will be designed to attain a market-average rate of return throughout budgetary and economic cycles and maintain purchasing power relative to inflation, taking into account the risk constraints, the cash flow characteristics of the portfolio and legal restrictions for return on investments.
- D. Maintaining the Public's Trust - The Investment Officer will seek to act responsibly as custodians of the public trust and will avoid any transaction that might impair public confidence in the school district, the School Board or the School Treasurer.

II. Scope

This policy applies to activities of OPEB Trust.

Policy 706 Adopted: 1/19/16

Legal References

M.S. Ch. 118A

M.S. Ch. 356A

School Board
INDEPENDENT SCHOOL DISTRICT 279
Maple Grove, Minnesota