



Ohio Revised Code

Section 746.04 Trust fund investment criteria; board obligations.

Effective: June 30, 2023

Legislation: House Bill 23 - 135th General Assembly

(A) A railway board of trustees that establishes a trust fund under section 746.03 of the Revised Code may invest and reinvest the moneys and assets held in the trust fund, subject to this chapter. The railway board of trustees shall invest and reinvest under the prudent investor standard of care, as described in section 5809.02 of the Revised Code.

(B) The railway board of trustees shall retain at least one independent financial advisor to assist the railway board of trustees in investing the trust fund. The railway board of trustees may retain managers, administrative staff, agents, attorneys, and employees, and engage advisors, as are appropriate and reasonable in relation to the assets of the trust fund, the purposes of the trust, and the skills and knowledge of the members of the railway board of trustees, in order to fulfill the board's duties and responsibilities in administering the trust fund. The railway board of trustees shall provide for payment of these and other reasonable expenses of administering the trust fund from the investment earnings on the trust fund.

(C) The railway board of trustees shall adopt management and investment policies containing objectives and criteria designed to ensure the trust fund is administered efficiently and self-sustaining, and that the money and assets in the trust fund are not diminished while providing the municipal corporation payments pursuant to section 746.05 of the Revised Code. These policies shall address asset allocation targets and ranges, risk factors, asset class benchmarks, eligible investments, time horizons, total return objectives, a strategy for long-term growth of the principal of the trust fund, competitive procurement processes, fees and administrative expenses, and performance evaluation guidelines.

The management and investment policies, and any amendments to those policies, shall be adopted after consultation with the fiscal officer of the municipal corporation.

The railway board of trustees shall make public any management and investment policies it adopts under this section.



(D) The railway board of trustees, following the creation of a trust fund under this chapter, shall report to the fiscal officer of the municipal corporation, each calendar year, the fiscal transactions of the trust fund for the calendar year, the amounts of accumulated moneys and securities, and the most recent balance sheet showing the financial condition of the fund by means of audited financial statements. The reports shall be delivered at such times, and shall be in a form and content, as reasonably requested by the fiscal officer of the municipal corporation.

(E) Except as otherwise provided in this chapter, no member of the railway board of trustees shall have any direct or indirect interest in the gains or profits of any investment made by the railway board of trustees. No member or person connected with the railway board of trustees directly or indirectly, for self or as an agent or partner of others, shall borrow any of the funds or deposits of the railway board of trustees or trust fund, or in any manner use the same except to make such current and necessary payments as are authorized by the railway board of trustees. No member or agent of the railway board of trustees shall become an indorser or surety or become in any manner an obligor for moneys loaned by or borrowed from the railway board of trustees.

(F) The railway board of trustees, and the management and investment of the trust fund, is not subject to Chapter 135., sections 731.56 to 731.59, or any other conflicting provisions of the Revised Code.