



Delaware County Commissioners

Jeff Benton
Barb Lewis
Gary Merrell

County Administrator
Tracie Davies

Deputy Administrators
Dawn Huston
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FOR IMMEDIATE RELEASE

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Commissioners File Lawsuit Against County Treasurer

DELAWARE, Ohio —The Delaware County Commissioners have filed a lawsuit against County Treasurer Donald Rankey after a statutorily authorized review of his investment practices found that Rankey violated county policy three times in the last year.

The review's findings were affirmed unanimously by Commissioners Barb Lewis, Jeff Benton and Gary Merrell, and stem from continued concerns about purchases of private-placement bonds by Rankey that were not submitted for review and approval by the County's Investment Advisory Committee (IAC), as mandated by the IAC's policies. Rankey is a member of the IAC along with Commissioners Lewis and Benton. On May 11, 2023, he voted with Lewis and Benton to approve an amendment to the IAC's policies that requires unanimous approval by the IAC before any private-placement purchases of bonds can be completed.

The lawsuit, filed today in the Delaware County Court of Common Pleas, seeks to compel Rankey to abide by this policy.

In their review, the Commissioners noted that private-placement bonds already present unique risks: 1) there is no readily available market in which to buy and sell them; 2) because they are long-term, fixed-rate investments, these bonds expose the County to rate fluctuations; and 3) the bonds pose a credit risk to the County's overall portfolio and potentially to its AAA bond ratings because they are purchased from unrated borrowers.

At the Commissioners' last review of Rankey's actions during their Sept. 16, 2024, session, they noted there had already been two violations they knew of with Rankey's purchase of bonds to support construction of the Jennings Sports Park in Orange Township and a Brown Township public-works building.

"The investments that are purchased for the County's investment portfolio need to provide a safe and fair return to the taxpayers," Benton said at the time. "It's extremely important that this process be followed."

Added Lewis later: "As guardians of Delaware County taxpayer dollars, it is our duty to ensure that these bond purchases meet the criteria for investing."

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At the review today, the Commissioners noted that the previous violations have not been corrected, and an additional violation occurred when Rankey purchased a bond to support construction of a new fire station for the Berkshire Township, Sunbury, Trenton Township and Galena (B.S.T.&G.) Fire District.

The 2024 investments found to be in violation of county policy were:

- Jennings Sports Park project benefited from Rankey's \$6.8 million purchase of its construction bonds. The bond package has a term of 10 years and an interest rate of 4.96%. The market rate for a similar bond at the time of the June 7, 2024, closing was significantly higher.
- Brown Township is building a new public-works building after Rankey purchased \$2.451 million in bonds at a 10-year, 3.991% rate. When the deal closed on May 30, 2024, the market rate was higher.
- Finally, Rankey purchased \$4.5 million in construction bonds so the B.S.T.&G. Fire District could build a new fire station. The terms for that deal are 10 years at 3.99%. When this deal closed on Sept. 17, 2024, the market rate was higher.

"The banker in me is concerned anytime there's an investment with unverifiable revenue projections," said Benton, who worked in the banking industry for 30 years before becoming County Commissioner in 2015. "There is certainly a lot that we still need to know about these deals, but we also hope they are all successful projects."

The Commissioners remain concerned, however, about Rankey's practices.

"There is a process that has to be followed and Mr. Rankey has repeatedly refused to follow it, despite voting to establish this process," Benton said.

Rankey will leave office after Aug. 30, 2025, having lost his re-election bid.

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Attachments: Copy of Semiannual Review Resolution 25-175; Copy of Complaint for Declaratory Judgment and Preliminary and Permanent Injunctive Relief (Delaware County Board of Commissioners v. Donald E. Rankey, Jr.)