

CITY OF MECHANICVILLE AND TOWN OF STILLWATER INDUSTRIAL DEVELOPMENT
AGENCY

INVESTMENT POLICY AND PROCEDURES

Purpose

These guidelines for the investment of public funds have been developed in accordance with Section 2925 of the Public Authorities Law. They are meant to detail the Agency's operative policy and instructions to officers and staff regarding the investing, monitoring and reporting of funds of the Agency.

These guidelines shall provide a means whereby current funds in excess of immediate needs are invested to produce maximum yield; that adequate safeguards are provided to investment transactions are maintained.

Investments

The following investment alternatives will be permitted.

Interest Bearing Deposit Accounts – These are any legal interest bearing deposits including certificates of deposits, money market deposit accounts and other savings or interest bearing deposit accounts.

Authorization

The Treasurer shall be authorized to commit the Agency to purchase or liquidate investments. The Treasurer may designate and empower the Chief Executive Officer to execute the purchase or sale of investments.

Investment Procedures

Once the Board determines the amount available for investment, calls are made to depositories and banks designated herein (Attachment A) to request quotes (bids) on their money market accounts, certificates of deposit of various maturity and appropriate securities.

All pertinent information shall be recorded on bid or quote sheets.

Available funds generally will be invested with the bank offering the highest yield while fulfilling the requirement that investments that require collateral shall be so collateralized at least at 100% of the higher of the maturity or market value of the investment including accrued interest. The Treasurer has the discrete authority to renew a certificate of deposit at a bank whose bid is negligibly less than the high bid.

Collateral is held; in trust for, in safekeeping, in a restrained account or otherwise specifically stated as being collateral for or pledges against public funds of the Agency at third party banks of trading partners' or depositories' choice and by the Treasurer's authorization as agreed to by escrow/custodian agreements, (see attachment C) signed by all parties. Such agreements stipulating the parties' legal rights.

- a) Designated Depositories/Trading Partners – rights to interest income and substitution;
- b) Custodian Banks – rights to maintain collateral in book entry account form;
- c) Agency – rights to first priority claim to collateral and interest in case of default and to prior authorization for withdrawals.

For amounts in excess of FDIC coverage, a pledge of obligations as collateral is required to secure the investment. The obligations which may be pledged are listed in Exhibit B of Attachment C.

These securities are also authorized for County investment purposes.

All investments with depositories and banks that are required to be collateralized must be preceded by the execution and filing with the Agency, an escrow/custodian agreement; a depository undertaking; and assignment of securities. Forms submitted by depositories may be accepted in place of Attachments provided they are in conformance with Financial Management Guidelines of N.Y.S. Office of Comptroller and are approved by Treasurer.

The Treasurer shall on a semiannual basis provide the Board of Directors with an investment report identifying all current (open) investment holdings by institution invested with, and any other information the Board may require.

Review

No less frequently than annually, the Board of Directors shall review this investment policy and its procedures and make changes as it deems appropriate. The investment policy and procedure changes resulting from such review shall be acted upon by Board Resolution.

Review of compliance with this document shall be part of the annual audit process by the Agency's independent auditor, and shall be made a part of the Agency's Annual Financial Report submitted to the Office of the State Comptroller.

Attachment A

DESIGNATED DEPOSITORIES

TD Bank :

5 Park Plaza, Mechanicville, NY 12118