

**RESOLUTION NO. 01:8:25-19**

**RE: RESOLUTION RENEWING THE TOWN OF BEEKMAN INVESTMENT POLICY**

**WHEREAS**, by Resolution No. 08:11:20-4(121), the Town Board adopted the Town's Investment Policy; and

**WHEREAS**, by Resolution No. 04:27:21-12(78) the Town Board made an amendment to the Investment Policy; and

**WHEREAS**, the Town of Beekman reviews its Adopted Investment Policy annually.

**NOW, THEREFORE, BE IT RESOLVED**, that the Town's Investment Policy dated April 27, 2021 will be renewed for 2025.

**Introduced: Supervisor Covucci**

**Seconded: Councilman Capollari**

**ROLL CALL VOTE:**

Councilman Capollari AYE

Councilman Battaglini ABS

Councilman Lemak AYE

Councilwoman Woehrman AYE

Supervisor Covucci AYE

Dated: January 8, 2025

# **TOWN OF BEEKMAN, NEW YORK**



## **CASH+INVESTMENT MANAGEMENT POLICY**

**Adopted 08/11/20  
Modified 04/27/21  
02/27/24**

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#### **A. SCOPE**

This cash and investment management policy applies to all moneys and other financial resources available for investment by the Town of Beekman. The Town Board will annually review this policy.

#### **B. OBJECTIVES**

The primary objective of the town's cash and investment activities are, in priority order,

- To conform with all applicable federal, state and other legal requirements (legal);
- To adequately safeguard principal (safety);
- To provide sufficient liquidity to meet all operating requirements (liquidity);
- To obtain a reasonable rate of return (yield)

#### **C. DELEGATION OF AUTHORITY**

The governing boards' responsibility for administration of the investment program is delegated to the Town Supervisor who, with the assistance of the Town's Finance office, shall establish written procedures for the management of the cash and investment program consistent with these guidelines. Such procedures shall include an adequate internal control structure to provide satisfactory level of accountability based on a database or records incorporation description and amounts of cash deposits and investments, transaction dates, and other relevant information and regulate the activities of subordinate employees.

#### **D. PRUDENCE**

1. All participants in the cash and investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Town of Beekman to govern effectively.
2. Deposits and Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal, as well as, the probable income to be derived.
3. All participants involved in the cash and investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

#### **E. DIVERSIFICATION**

It is the policy of the Town Of Beekman to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

**F. INTERNAL CONTROLS**

1. It is the policy of the Town of Beekman for all monies collected by an officer or employee of the government to transfer those funds to the Town Supervisor within 5 days of deposit, or within the time period specified in law, whichever is shorter.
2. The Town Supervisor with the assistance of the Town Finance Office is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with managements authorization and recorded properly, and are managed in compliance with applicable laws and regulation.

**G. DESIGNATION OF DEPOSITORIES**

The banks and trust companies authorized in the State of New York for the deposit of monies up to the maximum amounts are as follows:

<u>Depository</u>	<u>Maximum</u>	<u>Contact</u>
M&T Bank	\$15,000,000	
NY CLASS	\$5,000,000	
All other Banks	\$2,000,000	

**H. COLLATERALIZING OF DEPOSITS**

In accordance with the provisions of General Municipal Law #10, all deposits of the Town of Beekman, including certificates of deposit and special time deposits. In excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

1. By a pledge of "eligible securities" with an aggregate "market value" as provide by GML #10 equal to the aggregate amount of deposits from the categories designated in Appendix A to the policy.
2. By an eligible "irrevocable letter of credit" Issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk based capital requirements.
3. By an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims paying ability is rated in the highest rating category by at least tow nationally recognized statistical rating organizations.

## **I. SAFEKEEPING AND COLLATERALIZATION**

1. Eligible securities used for collateralizing deposits shall be held by the depository and or a third party bank or trust company subject to security and custodial agreements.
2. The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the local government to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the local government, such securities shall be delivered in a form suitable for transfer for with an assignment in blank to the Town of Beekman or Custodial bank.
3. The custodial agreement shall provide that securities held by the bank or trust company, or agent of the custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodial shall confirm the receipt, substitution or release of the securities, the agreement shall provide for the frequency of the revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the local government a perfected interest in securities.

## **J. PERMITTED INVESTMENTS**

As authorized by GML sec. 11, the Town Of Beekman authorizes the Town Supervisor to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts
- Certificates of deposit
- Obligations of the United State of America
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America
- Obligations of the State of New York
- Obligations issued pursuant to LFL sec. 24 or 25 (with approval of the State Comptroller) by a municipality, school district or district corporation other than the Town of Beekman
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statues' governing such entities or whose specific enabling legislation authorizes such investments.
- Certificates of Participation (COPS) issued pursuant to GML, section 109-b,
- Obligations of this local government, but only with any moneys, in a reserve fund established pursuant to GML, section 6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6-k,6-l, 6-m, or 6-n.

## **J. PERMITTED INVESTMENTS (cont'd)**

- NY CLASS
- Cooperative Investments provided the legality and safety, and liquidity of all monies invested is on a cooperative basis documented with review by Legal Counsel and agreement approved by the Town Board.

All investments obligations shall be payable or redeemable at the option of the Town of Beekman within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Town of Beekman within two years of the date of purchase.

## **K. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS**

The Town Of Beekman shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worth to do business in the State of New York. Banks shall provide their most recent Consolidated Report of the condition (Call report) at the request of the Town of Beekman.

## **L. PURCHASE OF INVESTMENTS**

The Supervisor is authorized to contract for the purchase of investments;

1. Directly, including through a repurchase agreement, from an authorized trading partner.
2. By participation in a cooperative investment program (CLASS) with another authorized governmental entity pursuant to Article 5G of the GML where such program meets all the requirements set forth in the Office of the State Comptroller Opinion no. 88-46 , and the specific program has been authorized by the governing Board.
3. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchase obligations, unless registered or inscribed in the name of the local government, shall be purchase through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Town of Beekman by the bank or trust company. Any obligation held in custody of a bank or trust company shall be held pursuant to a written custodial agreement as described n GML #10.

The custodial agreement shall provide the securities held by the bank or trust company, as agent of and custodial for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any deposit or other liabilities. The agreement shall describe how the custodial shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

## APPENDIX A

### M. SCHEDULE OF ELIGIBLE SECURITIES

- 1 Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.
- 2 Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank the Asian Development Bank and the African Development Bank.
- 3 Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.
- 4 Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposits of public moneys.
- 5 Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- 6 Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- 7 Obligations of counties, cities and other governmental entities of an state other than the State of New York giving the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- 8 Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization @110% of deposited funds.
- 9 Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies @ 120% of deposited funds.
- 10 Commercial paper and bankers acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged @110% of deposited funds.
- 11 Zero coupon obligations of the United State government marketed as "Treasury strips" @120% of deposited funds.
- 12 Surety Bonds issued by certain highly-rated insurance companies @100% of deposited funds.
- 13 Letters of Credit with a maturity of less than 90 days issued by certain highly-rated or well capitalized banks at 130% of deposited funds.