

Resolution # 9, 2016

TOWN OF LUMBERLAND INVESTMENT POLICY

WHEREAS: the objectives of the Investment Policy of the Town of Lumberland are to minimize risk; to insure that investments mature when the cash is required to finance operations; and to insure a competitive rate of return. In accordance with this policy, the chief fiscal officer is hereby authorized to invest all funds including proceeds of obligations and reserve funds in:

- Certificates of Deposit issued by a bank or trust company authorized to do business in New York State;
- Savings accounts held with a bank or trust company authorized to do business in New York State; and
- Checking accounts held with a bank or trust company authorized to do business in New York State.

All other Town of Lumberland officials receiving money in their official capacity must deposit such funds in bank accounts approved by the Town Board.

All investments made pursuant to this investment policy shall comply with the following conditions:

1. COLLATERAL

Certificates of Deposit shall be fully secured by insurance of the Federal Deposit Insurance Corporation or by obligations of New York State or by obligations of the United States or obligations of federal agencies the principal and interest of which are guaranteed by the United States, or obligations of New York State local governments.

Collateral shall be delivered to the Town of Lumberland or a Custodial Bank with which the Town of Lumberland has entered into a Custodial Agreement. The market value of collateral shall at all times equal or exceed the principal amount of the certificate of deposit. Collateral shall be monitored no less frequently than weekly, and market value shall mean the bid or closing price as quoted in the Wall Street Journal or as quoted by another recognized pricing service.

(2)

2. DESIGNATION OF CUSTODIAL BANKS

First National Bank of Jeffersonville
Catskill Hudson Bank
J.P.Morgan Chase Bank

3. FINANCIAL STRENGTH OF INSTITUTIONS

All trading partners must be credit worthy. Concentration of investments in financial institutions should be avoided. The general rule is not to place more than \$4,000,000.00 in overnight investments with any one institution.

4. OPERATIONS, AUDIT, AND REPORTING

The Town of Lumberland will encourage the purchase and sale of securities and certificates of deposit through a competitive or negotiated process involving telephone solicitation of at least three bids for each transaction.

At the time independent auditors conduct the annual audit of the accounts and financial affairs of the Town of Lumberland, the independent auditors shall audit investments of the Town of Lumberland for compliance with the provisions of these Investment Guidelines.

On a monthly basis, the Chief Fiscal Officer shall prepare and submit to the Town Board of the Town of Lumberland an investment report which indicates new investments, the inventory of existing investments, and such other matters as the Chief Fiscal Officer deems appropriate.

The Governing Board of the Town of Lumberland shall review and approve the monthly investment report.

Annually, at the Reorganizational meeting of the Town Board, the Councilmen shall review and amend, if necessary, these Investment Guidelines.

(3)

The provisions of these Investment Guidelines and any amendments hereto shall take effect prospectively, and shall not invalidate the prior selection of any Custodial Bank or prior investment.

MOTION: Councilman Joseph Carr

SECOND: Councilman Leigh Sherman

VOTE: 3 - 0

Councilman James Akt did not participate in the Vote

ADOPTED BY THE TOWN BOARD OF THE TOWN OF LUMBERLAND
VIRGINIA. V. HORN
TOWN CLERK
JANUARY 1, 2016