

**ONONDAGA COUNTY
RESOURCE RECOVERY AGENCY
INVESTMENT GUIDELINES**

Purpose

These investment guidelines are intended to:

1. Establish a system whereby current funds on hand, in excess of immediate needs, and funds required to meet current obligations are invested or placed in appropriate interest-bearing accounts to produce maximum earnings on all such funds.
2. Assure that such investment assets are adequately safeguarded.
3. Assure that adequate accounts and records are maintained which accurately reflect all transactions.
4. Assure that an adequate system of internal control is maintained.
5. Conform to guidelines established by the office of the (NYS) Comptroller.

Types of Permitted Investments

1. Certificates of Deposits with banks or trust companies authorized to do business in New York State, which are also Members of the Federal Deposit Insurance Corporation (FDIC). Collateralization is required for amounts over and above FDIC coverage.
2. Time/Demand deposits in interest-bearing checking/savings account of a commercial bank or trust company authorized to do business in New York State, pending further transfer to maximize earnings.
3. Deposits in "Money Market" accounts of banks or trust company authorized in New York State specified in Item 1. Collateralization is also required as in Item 1.
4. In Repurchase Agreements involving the purchase and sale of direct obligations of the United States.
5. Obligations of New York State or the United States Government, or obligations the principal and interest of which are guaranteed by New York State or the United States Government. Obligations of the United States Government include Treasury Bills (T-bills) and Treasury Bonds and Notes.
6. Qualified investments made on behalf of the Agency by the trustee named in the Trust Indenture.
7. Savings and/or demand deposit accounts placed through a depository institution that has a main or branch office in this state and that contractually agrees to place funds in federally insured depository institutions through the Insured Cash Sweep service, or ICS.

Note: Banking Law §5237 (2) prohibits a savings bank from accepting deposits from governmental agencies.

Authorization

The Treasurer, Business Officer (Chief Fiscal Officer), or Executive Director shall be authorized to commit the Agency to purchase or liquidate investments. All oral instructions concerning investments shall be promptly followed up with written confirmations, conforming to proper signature levels (over \$100,000 requires dual signatures), with a copy of appropriate documents to the Agency's Treasurer (Board Member), and Agency Confidential Internal Controls Compliance Officer.

Any new, roll over or add on, investments over \$100,000 other than routine transfers of funds to, or between Money Market accounts initiated by the Business Officer and approved by the Executive Director shall be made known to the Treasurer, and Agency Confidential Internal Controls Compliance Officer.

Procedures for Contracting for Securities

Each purchase, sale, or transfer shall be promptly confirmed in writing by the Agency. The investment agent shall promptly send a confirmation of each transaction to the Agency Business Officer.

The Agency requires contracts to be drawn with the financial institutions with which it transacts business. Such contracts and procedures provisions shall include provisions for the monitoring, control, deposit and retention of investments and collateral.

All holders of collateral, or the custodian, shall be required to submit a semi-annual report to the Agency comparing the market value of the collateral to the principal plus accrued interest of the investment.

The Agency will utilize contracts supplied by the financial institutions upon Agency Counsel review and approval.

Standards for Investments

In making permitted investments, selection of investments shall be competitively based. A complete and continuous record of all bids and quotes, both solicited and unsolicited, shall be maintained. Not less than three (3) investment firms or banks shall be solicited prior to an investment transaction and such placement shall be awarded to any firm or bank offering the highest yield amount after consideration of transaction processing costs (such as wire transfer costs).

All investments of the Agency that require collateral (amounts over FDIC limits) shall be so collateralized at least at 100% of the higher of maturity or market value of the investment including accrued interest.

The Agency shall spread permitted investments among two or more financial institutions if possible (please refer to page one of Investment Guidelines for a listing of the types of permitted investments. The Agency will strive to diversify between these types of investments). This will minimize risk of a loss from over-investing with one institution in case of that institution's failure. Although all Agency investments/deposits are either FDIC insured or fully collateralized, diversification of investments among different institutions will minimize the Agency's exposure to risk if unforeseen economic problems occur.

Investment bankers utilized by the Agency will include only nationally recognized highly rated financial institutions. Brokers, agents, dealers, and other investment advisers and agents will include only those that are recognized, highly rated and well established for at least ten years.

Monitoring

Audit

An independent audit of the Agency's investments shall be conducted annually by the Agency Confidential Internal Controls Compliance Officer.

The report of said audit shall be presented to the Audit Committee and made available to the Board.

Investments and cash balances shall be fully (100%) secured by collateral, except as provided below. (*)

Collateral may consist of obligations of, or guaranteed by, the United States of America or the State of New York.

* FDIC insurance may be substituted for collateral as available and up to its limit.

Collateral will be valued to market on a semi-annual basis by the Agency's Business Officer.

Reporting

1. The Business Officer shall annually prepare and present to the Administration Committee and the Board of Directors shall annually approve an investment report which shall include the Agency's investment guidelines, amendments to such guidelines since the last investment report, the investment income record of the Agency, and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and adviser rendering investment-associated services to the Agency since the previous annual investment report.
2. Annually, the Business Officer shall report to the Agency Board on the investment program. The report shall include a listing of all current investments and the selection of investment bank(s).
3. Annual report of investments shall be submitted to the Office of the State Comptroller, the County Executive, and the County Chief Fiscal Officer. Such report shall include:
 - a. Investment Guidelines and Amendments including explanation.
 - b. The results of the annual independent audit.
 - c. Investment income record.
4. Copies of the Agency's annual investment report shall be made available to the public upon reasonable request, in accordance with Agency policy regarding the Freedom of Information Law.

Amendments to the Investment Guidelines may be made at any time with the approval of and by resolution of the Agency Board after appropriate review by the Administration Committee.

OCRRA

Investment Guidelines

(Revised January 14, 2014, Approved March 19, 2014 by Resolution No. 1880)

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