

## 2023 HAMILTON COUNTY INDUSTRIAL DEVELOPMENT (HCIDA)

### INVESTMENT POLICY

The primary objectives of the Hamilton County Industrial Development Agency's (HCIDA) investment activities are to conform with all applicable federal, state and other legal requirements; to adequately safeguard principal; to provide sufficient liquidity to obtain a reasonable rate of return.

The HCIDA's responsibility for administration of the investment program is delegated to the HCIDA Treasurer, who, with the advice and consent of the HCIDA Board, shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence.

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.

All participants involved in the 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.

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

The HCIDA 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 management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

All banks and trust companies utilized shall be authorized to conduct business in the State of New York. The banks and trust companies authorized for the deposit of monies up to maximum amount is:

NBT Bank

In accordance with the provisions of General Municipal Law S.10, all deposits of the HCIDA, 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", or provided by General Municipal Law S.10, equal to the aggregate amount of deposits from the categories designated in Appendix A to this 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 ninety (90) days with an aggregate value equal to one-hundred and ten (110%) percent 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. Eligible securities used for collateralizing deposits shall be held by a third party bank or trust company subject to security and custodial agreements.

4. The security agreement shall provide that eligible securities are being pledged to secure HCIDA 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 HCIDA Treasurer to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of HCIDA, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the HCIDA or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for HCIDA, 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 custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation or 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 HCIDA a perfected interest in the securities.

As authorized by General Municipal Law S.11, HCIDA authorizes the Treasurer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

1. Special time deposit accounts; Certificates of deposit; Obligations of the United States 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, and Obligations of the State of New York
2. All investment obligations shall be payable or redeemable at the option of the HCIDA within such times as the proceeds will be needed to meet expenditures for purposes for which the monies are provided.

3. The HCIDA 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 HCIDA conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition at the request of the HCIDA. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The HCIDA Treasurer is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.
4. All purchased obligations, unless registered or inscribed in the HCIDA's name, shall be purchased 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 HCIDA by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law S.10.
5. The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for HCIDA, 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 shall describe how the custodian 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.

Vote:

  5   Yes   2   Absent

Adopted   February 9, 2023