

ROCKLAND COUNTY
SOLID WASTE MANAGEMENT
AUTHORITY

INVESTMENT POLICY

August 1, 2009

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY

INVESTMENT POLICY

I. Legal Framework of the Authority's Investments

The investment of the Authority's money is governed by Title 13-M of Article 8 of the Public Authorities Law and Chapter 43-A of the Consolidated Laws of the State of New York (as amended or supplemented from time to time, the "Act") that created the Authority, specifically Section 2053-m entitled *Moneys of the Authority*. The Act requires that all moneys of the Authority be promptly deposited in banks designated by the Board in interest bearing accounts, secured by obligations of the United States, the State of New York or the County of Rockland the market value of which is at all times equal to the amount on deposit. The Act further permits the Authority to "contract with holders of any bonds, as to the custody, collection, security, investment and payment of any moneys of the Authority or any moneys held in trust or otherwise for the payment of bonds or in any way to secure bonds." Further, "any moneys of the Authority not required for immediate use or disbursement may, at the discretion of the Authority, be invested in those obligations specified pursuant to the provisions of section 98-a of the State Finance Law.

The Authority's Solid Waste Management System Bond Resolution adopted November 30, 1995, as amended, states that "the Authority may direct the Trustee to invest in **Investment Securities** so that the maturity date or dates of redemption at the option of the holder thereof shall coincide as nearly as practicable with the times at which such moneys are needed to be so expended."

The Bond Resolution defines Investment Securities as follows:

"Investment Securities" means and include any of the following securities, if and to the extent the same are at the time legal investments by the Authority of the funds to be invested therein:

(a) direct obligations of the United States of America, direct federal agency obligations the timely payment of principal of and/or interest on which are, respectively, fully and unconditionally guaranteed by the United States of America, including direct obligations of the United States of America which have been stripped by the United States Treasury itself (STRIPS), treasury receipts securities "Treasury Receipts" including "CATS", "TIGRS", "LIONS" and the interest components of REFCORP bonds for which the underlying bond is non-callable (or non-callable before the due date of such interest component) for which separation of principal and interest is made by request to the Federal Reserve Bank of New York in book-entry form;

(b) bonds, debentures or notes or other evidence of indebtedness payable in cash issued by any one or a combination of any of the following federal agencies, or any other federal agency, to the extent any of such evidences

of indebtedness are secured by the pledge of the full faith and credit of the United States of America: Export-Import Bank of the United States, Federal Financing Bank, Farmer's Home Administration, Federal Housing Administration, Maritime Administration Government National Mortgage Association;

(c) certificates of deposit properly secured at all times, by collateral security described in (a) or (b) above. Such agreements are only acceptable with commercial banks, savings and loans associations, and mutual savings banks;

(d) the following investments if fully insured by the Federal Deposit Insurance Corporation: (i) certificates of deposit, (ii) savings accounts, (iii) deposit accounts, or (iv) depository receipts of banks, savings and loan associations, and mutual savings banks;

(e) bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: the United States Postal Service; the Federal Home Loan Bank System; the Export-Import Bank of the United States; the Government National Mortgage Association; the Tennessee Valley Authority or the Washington Metropolitan Area Transit Authority;

(f) Public Housing Bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract with the United States of America; temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(g) direct and general obligations of any state of the United States, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, but only if, at the time of their purchase such obligations are rated in either of the two highest rating categories by either S&P or Moody's rating service or, upon the discontinuance of either or both of such services, such other nationally recognized rating service or services, as the case may be, as shall be determined in a Supplemental Resolution;

(h) repurchase agreements or investment agreements collateralized by securities described in subparagraphs (a), (b), (c) or (d) above with any registered broker/dealer subject to the Securities Investors' Protection Corporation or that is an approved Federal Reserve Bank Primary Dealer or with any commercial bank (including the Trustee), provided that (1) a specific written repurchase agreement or investment agreement governs the transaction, (2) the Securities, free and clear of any lien, are held by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (a) a Federal Reserve Bank, or (b) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$25 million, and the Trustee shall have received written confirmation from such third party

that it holds such securities, free and clear of any lien, as agent for the Trustee, (3) a perfected first security interest under the Uniform Commercial Code, or book entry procedures described in 31 CFR 306.1 et seq. or 31 CFR 350.0 et seq., in such securities is created for the benefit of the Trustee, (4) the Trustee will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two (2) Business Days of such valuation, or, in the case of a repurchase agreement, the agreement has a term of thirty (30) days or less, and (5) the fair market value of the collateral securities in relation to the amount of the repurchase obligation or the payment obligation, depending on whether it is a repurchase agreement or an investment agreement, including principal and interest, is equal to at least 100%;

(i) money market funds rated "A", "Am" or "Am-G" or better by Moody's or S&P;

(j) commercial paper rated "Prime-1" or better by Moody's or "A-1" or better by S&P;

(k) advance-refunded municipal bonds;

(l) tax-exempt obligations that are rated "A" or better or V-MIG 1 by Moody's or "A-" or better or "A-1" by S&P, or shares of investment companies that invest only in such obligations; and

(m) an investment agreement, to the extent permitted by law, issued or guaranteed by a corporation whose long-term unsecured debt is rated in either of the highest two rating categories by Moody's or S&P.

Bank Accounts

The Bond Resolution provides as follows:

Section 515. Deposits

(A) In lieu of Investment Securities (except as provided in the section entitled "Defeasance"), the Trustee shall at the written direction of an Authorized Officer deposit amounts or cause amounts to be deposited from any Fund held by the Trustee or under its control pursuant to the terms of the Resolution in interest bearing time deposits or certificates of deposit, or shall make other similar banking arrangements (including but not limited to repurchase agreements secured as required below) with itself or a member bank or banks of the Federal Reserve System or a bank, the deposits of which are insured by the Federal Deposit Insurance Corporation or its successor. Each such interest bearing time deposit or certificate of deposit or other similar banking arrangement shall permit the moneys so placed to be available at the times at which moneys are needed to be expended and, except to the extent that any such deposit shall be less than \$5,000 or be insured by the United States of America or the Federal corporations enumerated above,

all moneys in each such interest bearing time deposit or certificate of deposit or other similar banking arrangement shall be continuously and fully secured by Investment Securities having a market value at least equal at all times to the amount of the deposit, certificate or other similar banking arrangement.

(B) Section 515 (B) permits the Authority to establish other types of bank deposits including commercial checking accounts.

(C) Section 515 (C) requires that any amounts in such other types of bank deposits including commercial checking accounts above \$5,000.00 and not covered by FDIC insurance be secured by Investment Securities described in (a), (b) or (l) and be held by the Authority or the Trustee.

II. Implementation of the Investment Policy

Section 2.01 Scope

- (a) This policy applies to all of the moneys and other financial resources of the Authority.

Section 2.02 Objectives

- (a) The primary objectives of the Authority's investment activities are, in priority order:
 - (i.) To conform with all applicable federal, state and other legal requirements;
 - (ii.) To adequately safeguard principal;
 - (iii.) To provide sufficient liquidity to meet all operating requirements;
 - (iv.) To obtain a reasonable rate of return.

Section 2.03 Delegation of Authority

- (a) The Authority Board's responsibility for the administration of the investment program is delegated to the Treasurer or his designee, who shall establish written procedures for the operation of the investment program consistent with these guidelines. Such procedures shall include an adequate control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information and will regulate the activities of subordinate employees.

Section 2.04 Prudence

- (a) All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transactions that might impair public confidence in the Authority to govern effectively.
- (b) Investment 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.

Section 2.05 Diversification

- (a) It is the policy of the Authority to diversify by financial institution, by investment instrument and by maturity scheduling.

Section 2.06 Internal Controls

- (a) It is the policy of the Authority, in accordance with the Act, for all moneys collected by any officer or employee of the Authority to be immediately deposited in approved banks of the Authority.
- (b) The following officers are delegated the responsibility of directing the deposits and investments of the Authority:
 - (i.) The Treasurer
 - (ii.) The Executive Director
 - (iii.) The Chief Financial Officer.
- (c) The Treasurer, the Executive Director and the Chief Financial officer are each authorized to invest funds in Investment Securities (a), (b), (c), (d) and (i), but only in (i) if such investments meet the criteria set forth in Sections 2.11 or 2.12 below.

Section 2.07 Designation of Depositories

- (a) Attached as Attachment A is a list of banks with whom the Authority is authorized to do business. Deposits at each bank will not exceed \$25,000,000. All depository banks will provide, no later than November 30 of each year, a letter demonstrating their compliance with the Community Reinvestment Act.
- (b) The Treasurer may designate additional depositories from time to time, according to the terms hereof.

Section 2.08 Collateralizing of Deposits

- (a) The Bond Resolution provides the following requirement for certificates of deposit:
 - (i) Certificates of deposit must be properly secured at all times, by Investment Securities described in Section 1 (a) or (b) above ("Eligible Securities"). Deposits may be made only with commercial banks, savings and loans associations, and mutual savings banks.
 - (ii) The Act requires that the value of the collateral at all times must be equal to the amount on deposit. It is the policy of the Authority that the value shall be equal of greater than 102% of the amount of the amounts on deposit.

Section 2.09 Safekeeping and Collateralization

- (a) Eligible Securities used for collateralizing deposits shall be held by a depository and/or a third party bank or trust company subject to security and custody agreements.
- (b) The security agreement shall provide that Eligible Securities are being pledged to secure deposits of the Authority together with agreed upon interest, if any, and any and all costs and expenses arising out of the costs of collection of such deposits on default. It shall also provide the conditions under which the Eligible Securities may be sold, presented for payment, substituted or released and the events which will enable the Authority to exercise its rights against the pledged Eligible Securities. In the event that the Eligible Securities are not registered or inscribed in the name of the Authority, such Eligible Securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Authority of the custodial bank.
- (c) The custodial agreement shall provide that Eligible Securities held by the bank or trust company, or agent of the bank or trust company, 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 or become part of the backing for any other deposit or other liabilities. The agreement shall also describe that the custodian shall confirm the receipt, substitution or release of the Eligible Securities. The agreement shall provide for the frequency of revaluation of Eligible Securities. Such agreement shall include all provisions necessary to provide the Authority with a perfected interest in the Eligible Securities.

Section 2.10 Authorized Financial Institutions

- (a) The Authority shall maintain a list of financial institutions approved for investment purposes ("Trading Partners") and shall establish limits on the amount of investments made with each Trading Partner. All Trading Partners must be credit worthy and must be rated at least A/A. All Trading Partners shall provide a copy of their Annual Report or audited financial statements and proof of their rating annually. The Treasurer or his designee is responsible for evaluating the financial position and maintaining a list of proposed depositories, custodians and trading partners. Such listing shall be evaluated at least annually.

Section 2.11 Money Market Fund Investments

- (a) The Authority will invest only in money market mutual funds that invest exclusively in Investment Securities in I (a) and (b) above. Such money market funds must be rated Aaa or AAA by any nationally recognized rating service.

Section 2.12 Bank Money Market Accounts

- (a) The Authority will invest only in bank money market funds that are covered in full by FDIC insurance or are fully secured in the same manner as set forth above in Sections 2.08 and 2.09.

Introduced by: Philips/Kay Unan.

October 29, 2009

RESOLUTION NO. 51 OF 2009

AUTHORIZING AMENDMENT TO INVESTMENT POLICY

WHEREAS, the Authority has in place an Investment Policy authorized and approved by Authority Board Resolution No. 28 of 2000; and

WHEREAS, the Investment Policy now needs to be amended to clarify the types of investments that may be made with Authority bond proceeds and to better achieve its stated goal to safeguarding principal, provide sufficient liquidity of funds and obtain a reasonable rate of investment return for any funds of the Authority which are available for investment in compliance with applicable law; and

WHEREAS, the Authority's financial advisor, Environmental Capital, LLC, has reviewed the Investment Policy and proposed certain changes to the policy, which have been reviewed by the Executive Director, Treasurer, and Authority counsel; and

WHEREAS, the Treasurer concurs with the changes to the Investment Policy, and recommend such changes to the Authority Board; now therefore be it

RESOLVED, that the Authority hereby authorizes and approves the revisions to the Investment Policy attached hereto.

ROCKLAND COUNTY
SOLID WASTE MANAGEMENT
AUTHORITY

INVESTMENT POLICY

August 1, 2009

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY

INVESTMENT POLICY

1. Legal Framework of the Authority's Investments

The investment of the Authority's money is governed by Title 13-M of Article 8 of the Public Authorities Law and Chapter 43-A of the Consolidated Laws of the State of New York (as amended or supplemented from time to time, the "Act") that created the Authority, specifically Section 2053-m entitled *Moneys of the Authority*. The Act requires that all moneys of the Authority be promptly deposited in banks designated by the Board in interest bearing accounts, secured by obligations of the United States, the State of New York or the County of Rockland the market value of which is at all times equal to the amount on deposit. The Act further permits the Authority to "contract with holders of any bonds, as to the custody, collection, security, investment and payment of any moneys of the Authority or any moneys held in trust or otherwise for the payment of bonds or in any way to secure bonds." Further, "any moneys of the Authority not required for immediate use or disbursement may, at the discretion of the Authority, be invested in those obligations specified pursuant to the provisions of section 98-a of the State Finance Law.

The Authority's Solid Waste Management System Bond Resolution adopted November 30, 1995, as amended, states that "the Authority may direct the Trustee to invest in **Investment Securities** so that the maturity date or dates of redemption at the option of the holder thereof shall coincide as nearly as practicable with the times at which such moneys are needed to be so expended."

The Bond Resolution defines Investment Securities as follows:

"Investment Securities" means and include any of the following securities, if and to the extent the same are at the time legal investments by the Authority of the funds to be invested therein:

(a) direct obligations of the United States of America, direct federal agency obligations the timely payment of principal of and/or interest on which are, respectively, fully and unconditionally guaranteed by the United States of America, including direct obligations of the United States of America which have been stripped by the United States Treasury itself (STRIPS), treasury receipts securities "Treasury Receipts" including "CATS", "TIGRS", "LIONS" and the interest components of REFCORP bonds for which the underlying bond is non-callable (or non-callable before the due date of such interest component) for which separation of principal and interest is made by request to the Federal Reserve Bank of New York in book-entry form;

(b) bonds, debentures or notes or other evidence of indebtedness payable in cash issued by any one or a combination of any of the following federal agencies, or any other federal agency, to the extent any of such evidences

of indebtedness are secured by the pledge of the full faith and credit of the United States of America: Export-Import Bank of the United States, Federal Financing Bank, Farmer's Home Administration, Federal Housing Administration, Maritime Administration Government National Mortgage Association;

(c) certificates of deposit properly secured at all times, by collateral security described in (a) or (b) above. Such agreements are only acceptable with commercial banks, savings and loans associations, and mutual savings banks;

(d) the following investments if fully insured by the Federal Deposit Insurance Corporation: (i) certificates of deposit, (ii) savings accounts, (iii) deposit accounts, or (iv) depository receipts of banks, savings and loan associations, and mutual savings banks;

(e) bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: the United States Postal Service; the Federal Home Loan Bank System; the Export-Import Bank of the United States; the Government National Mortgage Association; the Tennessee Valley Authority or the Washington Metropolitan Area Transit Authority;

(f) Public Housing Bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract with the United States of America; temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(g) direct and general obligations of any state of the United States, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, but only if, at the time of their purchase such obligations are rated in either of the two highest rating categories by either S&P or Moody's rating service or, upon the discontinuance of either or both of such services, such other nationally recognized rating service or services, as the case may be, as shall be determined in a Supplemental Resolution;

(h) repurchase agreements or investment agreements collateralized by securities described in subparagraphs (a), (b), (c) or (d) above with any registered broker/dealer subject to the Securities Investors' Protection Corporation or that is an approved Federal Reserve Bank Primary Dealer or with any commercial bank (including the Trustee), provided that (1) a specific written repurchase agreement or investment agreement governs the transaction, (2) the Securities, free and clear of any lien, are held by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (a) a Federal Reserve Bank, or (b) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$25 million, and the Trustee shall have received written confirmation from such third party

that it holds such securities, free and clear of any lien, as agent for the Trustee, (3) a perfected first security interest under the Uniform Commercial Code, or book entry procedures described in 31 CFR 306.1 et seq. or 31 CFR 350.0 et seq.; in such securities is created for the benefit of the Trustee, (4) the Trustee will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two (2) Business Days of such valuation, or, in the case of a repurchase agreement, the agreement has a term of thirty (30) days or less, and (5) the fair market value of the collateral securities in relation to the amount of the repurchase obligation or the payment obligation, depending on whether it is a repurchase agreement or an investment agreement, including principal and interest, is equal to at least 100%;

(i) money market funds rated "A", "Am" or "Am-G" or better by Moody's or S&P;

(j) commercial paper rated "Prime-1" or better by Moody's or "A-1" or better by S&P;

(k) advance-refunded municipal bonds;

(l) tax-exempt obligations that are rated "A" or better or V-MIG 1 by Moody's or "A-" or better or "A-1" by S&P, or shares of investment companies that invest only in such obligations; and

(m) an investment agreement, to the extent permitted by law, issued or guaranteed by a corporation whose long-term unsecured debt is rated in either of the highest two rating categories by Moody's or S&P.

Bank Accounts

The Bond Resolution provides as follows:

Section 515. Deposits

(A) In lieu of Investment Securities (except as provided in the section entitled "Defeasance"), the Trustee shall at the written direction of an Authorized Officer deposit amounts or cause amounts to be deposited from any Fund held by the Trustee or under its control pursuant to the terms of the Resolution in interest bearing time deposits or certificates of deposit, or shall make other similar banking arrangements (including but not limited to repurchase agreements secured as required below) with itself or a member bank or banks of the Federal Reserve System or a bank, the deposits of which are insured by the Federal Deposit Insurance Corporation or its successor. Each such interest bearing time deposit or certificate of deposit or other similar banking arrangement shall permit the moneys so placed to be available at the times at which moneys are needed to be expended and, except to the extent that any such deposit shall be less than \$5,000 or be insured by the United States of America or the Federal corporations enumerated above,

all moneys in each such interest bearing time deposit or certificate of deposit or other similar banking arrangement shall be continuously and fully secured by Investment Securities having a market value at least equal at all times to the amount of the deposit, certificate or other similar banking arrangement.

(B) Section 515 (B) permits the Authority to establish other types of bank deposits including commercial checking accounts.

(C) Section 515 (C) requires that any amounts in such other types of bank deposits including commercial checking accounts above \$5,000.00 and not covered by FDIC insurance be secured by Investment Securities described in (a), (b) or (l) and be held by the Authority or the Trustee.

II. Implementation of the Investment Policy

Section 2.01 Scope

- (a) This policy applies to all of the moneys and other financial resources of the Authority.

Section 2.02 Objectives

- (a) The primary objectives of the Authority's investment activities are, in priority order:
 - (i.) To conform with all applicable federal, state and other legal requirements;
 - (ii.) To adequately safeguard principal;
 - (iii.) To provide sufficient liquidity to meet all operating requirements;
 - (iv.) To obtain a reasonable rate of return.

Section 2.03 Delegation of Authority

- (a) The Authority Board's responsibility for the administration of the investment program is delegated to the Treasurer or his designee, who shall establish written procedures for the operation of the investment program consistent with these guidelines. Such procedures shall include an adequate control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information and will regulate the activities of subordinate employees.

Section 2.04 Prudence

- (a) All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transactions that might impair public confidence in the Authority to govern effectively.
- (b) Investment 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.

Section 2.05 Diversification

- (a) It is the policy of the Authority to diversify by financial institution, by investment instrument and by maturity scheduling.

Section 2.06 Internal Controls

- (a) It is the policy of the Authority, in accordance with the Act, for all moneys collected by any officer or employee of the Authority to be immediately deposited in approved banks of the Authority.
- (b) The following officers are delegated the responsibility of directing the deposits and investments of the Authority:
 - (i.) The Treasurer
 - (ii.) The Executive Director
 - (iii.) The Chief Financial Officer.
- (c) The Treasurer, the Executive Director and the Chief Financial officer are each authorized to invest funds in Investment Securities (a), (b), (c), (d) and (i), but only in (i) if such investments meet the criteria set forth in Sections 2.11 or 2.12 below.

Section 2.07 Designation of Depositories

- (a) Attached as Attachment A is a list of banks with whom the Authority is authorized to do business. Deposits at each bank will not exceed \$25,000,000. All depository banks will provide, no later than November 30 of each year, a letter demonstrating their compliance with the Community Reinvestment Act.
- (b) The Treasurer may designate additional depositories from time to time, according to the terms hereof.

Section 2.08 Collateralizing of Deposits

- (a) The Bond Resolution provides the following requirement for certificates of deposit:
 - (i) Certificates of deposit must be properly secured at all times, by Investment Securities described in Section 1 (a) or (b) above ("Eligible Securities"). Deposits may be made only with commercial banks, savings and loans associations, and mutual savings banks.
 - (ii) The Act requires that the value of the collateral at all times must be equal to the amount on deposit. It is the policy of the Authority that the value shall be equal of greater than 102% of the amount of the amounts on deposit.

Section 2.09 Safekeeping and Collateralization

- (a) Eligible Securities used for collateralizing deposits shall be held by a depository and/or a third party bank or trust company subject to security and custody agreements.
- (b) The security agreement shall provide that Eligible Securities are being pledged to secure deposits of the Authority together with agreed upon interest, if any, and any and all costs and expenses arising out of the costs of collection of such deposits on default. It shall also provide the conditions under which the Eligible Securities may be sold, presented for payment, substituted or released and the events which will enable the Authority to exercise its rights against the pledged Eligible Securities. In the event that the Eligible Securities are not registered or inscribed in the name of the Authority, such Eligible Securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Authority of the custodial bank.
- (c) The custodial agreement shall provide that Eligible Securities held by the bank or trust company, or agent of the bank or trust company, 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 or become part of the backing for any other deposit or other liabilities. The agreement shall also describe that the custodian shall confirm the receipt, substitution or release of the Eligible Securities. The agreement shall provide for the frequency of revaluation of Eligible Securities. Such agreement shall include all provisions necessary to provide the Authority with a perfected interest in the Eligible Securities.

Section 2.10 Authorized Financial Institutions

- (a) The Authority shall maintain a list of financial institutions approved for investment purposes ("Trading Partners") and shall establish limits on the amount of investments made with each Trading Partner. All Trading Partners must be credit worthy and must be rated at least A/A. All Trading Partners shall provide a copy of their Annual Report or audited financial statements and proof of their rating annually. The Treasurer or his designee is responsible for evaluating the financial position and maintaining a list of proposed depositories, custodians and trading partners. Such listing shall be evaluated at least annually.

Section 2.11 Money Market Fund Investments

- (a) The Authority will invest only in money market mutual funds that invest exclusively in Investment Securities in 1 (a) and (b) above. Such money market funds must be rated Aaa or AAA by any nationally recognized rating service.

Section 2.12 Bank Money Market Accounts

- (a) The Authority will invest only in bank money market funds that are covered in full by FDIC insurance or are fully secured in the same manner as set forth above in Sections 2.08 and 2.09.

Introduced by: Dusanenko/Holbrook Unan.

October 26, 1995

RESOLUTION NO. 57 OF 1995
ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY

ADOPTION OF INVESTMENT POLICY STATEMENT

WHEREAS, the Rockland County Solid Waste Management Authority (the "AUTHORITY") is organized and exists under Title 13-M of the Public Authority Law of the State of New York, and

WHEREAS, the AUTHORITY has borrowed monies, imposed charges and now has on hand sums of money which will be expended in the future, and

WHEREAS, the AUTHORITY must determine and adopt a policy for the investment of such funds prior to their expenditure so as to obtain the highest return with minimal risk, taking into account the need for the availability of such funds to carry out the purposes and powers of the AUTHORITY, and the requirements of Section 2053(m) of the Public Authority Law, and

WHEREAS, the Executive Director has prepared an investment policy, derived in part from that now authorized by the County of Rockland and provides for the needs of the AUTHORITY and otherwise satisfies the requirements of law applicable to such matters, now therefore it is hereby;

RESOLVED, that the AUTHORITY hereby adopts the Investment Policy Statement, a copy of which is attached hereto and marked Exhibit "A", to the extent that the same does not conflict with the provisions of N.Y.S. Public Authority Law Section 2053(m) as now exists or as may hereafter may be amended or determined.

**INVESTMENT POLICY
FOR THE ROCKLAND COUNTY
SOLID WASTE MANAGEMENT AUTHORITY**

I. SCOPE

This investment policy applies to all moneys and other financial resources of the Rockland County Solid Waste Management Authority (the "Authority") which are available for investment.

II. OBJECTIVES

The primary objectives of the Authority's 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); and
- to obtain a reasonable rate of return (yield).

III. DELEGATION OF AUTHORITY

The Authority's governing body's responsibility for administration of the investment program is delegated to the Treasurer, who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information and regulate the activities of subordinate employees.

IV. PRUDENCE

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 in the Authority to govern effectively.

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 purposes 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.

V. DIVERSIFICATION

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

VI. INTERNAL CONTROLS

It is the policy of the Authority for all moneys collected by any officer or employee of the Authority to transfer those funds to the Treasurer, or his designee, immediately, or within any time period specified by law for deposit to the Authority's account. The Treasurer shall advise the Authority's governing body if funds are not timely transferred.

The Authority is responsible for establishing and maintaining its own 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.

VII. DESIGNATION OF DEPOSITARIES

The banks and trust companies authorized for the deposit of monies, or purchase of permitted investments, up to the maximum amount of \$40,000,000 are:

Bank of New York	Chase Manhattan Bank
HSBC	North Fork Bank
Union State Bank	M & T Bank
Provident Bank	

The above-mentioned depositories shall provide to the Treasurer not later than November 30 of each year, a letter describing their level of compliance with the United States Community Reinvestment Act. The Treasurer may designate additional banks as authorized depositories or purchasers of permitted investments, according to the terms hereof.



VIII. COLLATERALIZING OF DEPOSITS

In accordance with the provisions of Public Authorities Law, Sec. 2053-m, all deposits of the Authority, 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 by obligations of the United States, the State of New York or the County of a market value equal at all times to the amount on deposit and all banks and trust companies are authorized to give such security for such deposits.

IX. SAFEKEEPING AND COLLATERALIZATION

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.

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

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Authority, 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 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 Authority a perfected interest in the securities.

X. PERMITTED INVESTMENTS


As authorized by Public Authorities Law, Sec. 2053-m, the Authority hereby authorizes the Treasurer, or his designee, to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Bonds and notes of the United States;
- Bonds and notes of this State;
- General obligation bonds and notes of any State other than this State, provided that such bonds and notes receive the highest rating of at least one independent rating agency designated by the comptroller;
- Obligations for the payment of which the faith and credit of the United States or of this State are pledged;
- Notes, bonds, debentures, mortgages and other evidences of indebtedness of the United States Postal Service; the federal national mortgage association; federal home loan mortgage corporation; student loan marketing association; federal farm credit system or any other United States government sponsored agency, provided that at the time of the investment such agency or its obligations are rated and the agency receives, or its obligations receive, the highest rating of all independent rating agencies that rate such agency or its obligations, provided, however, that no more than two hundred fifty million dollars may be invested in the obligations of any one agency;
- Judgements or awards of the court of claims of this State;
- Stocks, bonds, or notes of any county, town, city, village, fire district or school district of this State issued pursuant to law;

- Bonds and notes of the Savings and Loan Bank of the State of New York;
- Collateral trust notes issued by a trust company, all of the capital stock of which is owned by not less than twenty savings banks of the State;
- Bonds and notes issued for any of the corporate purposes of the New York state housing finance agency, the New York state medical care facilities finance agency, the New York state project finance agency and the municipal assistance corporation for the City of New York;
- Obligation of any corporation organized under the laws of any state in the United States maturing within two hundred and seventy days provided that such obligations receive the highest rating of two independent rating services designated by the comptroller and that the issuer of such obligations has maintained such ratings on similar obligations during the preceding six months, provided, however, that the issuer of such obligations need not have received such rating during the prior six month period if such issuer has received the highest rating of two independent rating services designated by the state comptroller and is the successor or wholly owned subsidiary of an issuer that has maintained such ratings on similar obligations during the preceding six month period or if the issuer is the product of a merger of two or more issuers, one of which has maintained such ratings on similar obligations during the preceding six month period, provided, however, that no more than two hundred fifty million dollars may be invested in such obligations of any one corporation;
- Bankers' acceptances maturing within ninety days which are eligible for purchase in the open market by federal reserve banks and which have been accepted by a bank or trust


company, which is organized under the laws of the United States or of any state thereof and which is a member of the federal reserve system and whose short-term obligations meet the criteria outlined above, provided, however that no more than two hundred fifty million dollars may be invested in such obligations of any one corporation.

The above-listed investments are as specified in State Finance Law §98-a and may be amended as such statute is amended from time to time.


As authorized by Public Authorities Law, Sec. 2053-m, the Authority hereby authorizes the Treasurer to invest in additional types of investments, notwithstanding the above-listed investments, upon contract with the holders of any Authority bonds. 

All investment obligations shall be payable or redeemable at the option of the Authority within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided.

XI. AUTHORIZED FINANCIAL INSTITUTIONS

The Authority shall maintain a list of financial institutions approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution. All financial institutions with which the Authority conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Authority. The Treasurer is responsible for evaluating the financial position and maintaining a listing of proposed depositories and custodians. Such listing shall be evaluated at least annually. 

XII. REPURCHASE AGREEMENTS

Repurchase Agreements are authorized subject to the following restrictions: 

- All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
- Trading partners are limited to highly rated (Aa/AA) financial institutions, insurance companies, brokerage firms and banks.
- Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
- No substitution of securities will be allowed.
- The custodian shall be a party other than the trading partner.

DEPARTMENTAL GUIDELINES FOR COMPLIANCE

WITH INVESTMENT POLICY

The objectives of the investment policy of the Authority are to protect the safety of principal; to insure that investments mature when the cash is required to finance operations; and to insure a competitive rate of return. The Treasurer, or his designee, shall adhere to the guidelines established in the adopted Investment Policy.

The following are the procedures established to insure compliance with the investment policy:

1. A cash flow statement shall be prepared from the annual budget as adopted by the Authority's governing body. The Cash Flow statement shall be upgraded as required to reflect cash needs during the year. An analysis of daily receipts and scheduled disbursements shall be used in determining the term of investments of available cash in order to insure cash to meet current financial obligations.
2. As cash becomes available for investment, all designated banks shall be called to obtain bank rate quotes. Call sheets shall be prepared, noting the bank to whom the call was made, and the banks rate quote.
3. Awards to banks shall be made by 12:00 noon of the day that quotes are taken, unless circumstances prevent same.
4. Utilize wire transfers of funds to and from the successful banks, whenever cost effective and practicable.
5. Notify any bank requesting same the quotes of that day.

6. The Treasurer, or his designee, are the authorized individuals to make the investments.
7. To insure internal control, the following functions shall be performed by different department personnel:
 - (a) Obtaining quotes from the banks;
 - (b) Preparation of checks as required;
 - (c) Preparation of daily balances by banks;
 - (d) All transactions reviewed by the Treasurer or his designee on a periodic basis.
8. All awards should be consummated in writing with the Banks.
9. A daily schedule of investments shall be maintained to ensure that no one institution receives more than the designated amount, and that necessary collateral is pledged.

**SUMMARY OF INVESTMENT POLICY
FOR THE ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY**

SCOPE

- This investment policy applies to all funds of the Authority which are available for investment.

OBJECTIVES:

- Conform with all applicable legal requirements;
- Adequately safeguard principal;
- Provide sufficient liquidity of funds; and
- Obtain a reasonable rate of return.

DELEGATION OF AUTHORITY

- The Treasurer has responsibility to run the investment program.
- The Treasurer shall establish written procedures for the operation of the investment policy.
- The written procedures shall be annually approved by the Authority.
- The procedures shall provide for a satisfactory level of accountability and regulation of the subordinate employees.

PRUDENCE

- All participants in the investment program shall act responsibly and avoid any action that might impair confidence in the Authority.
- Investments are to be made with the judgement and care of a prudent and intelligent person exercising the management of their own offers.
- All participants in the investment program shall refrain from personal activity that could conflict with the investment program or impair their impartiality.

DIVERSIFICATION

- It is the Authority's policy to diversify its investments by financial institution, investment instrument and maturing schedule.

INTERNAL CONTROLS

- All money collected on behalf of the Authority is to be transferred to the Treasurer, or designee, immediately or within the legally mandated time for deposit into the Authority's account.
- The Treasurer will notify the Authority Board if funds are not timely transferred.
- The Authority is responsible for establishing and maintaining an internal control structure to provide reasonable assurances that the investments are safeguarded against loss from unauthorized use.

DESIGNATION OF DEPOSITARIES

- The following Banks and trust companies are authorized for deposits of investments up to \$40,000,000:

Bank of New York
HSBC
Union State Bank
Chase Manhattan Bank
North Fork Bank
M&T Bank

COLLATERALIZING OF DEPOSITS

- All deposits of the Authority, 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 by obligations of the United States, the state or the County of a market value equal at all times to the amount on deposit and all banks and trust companies are authorized to give such security for such deposits.

PERMITTED INVESTMENTS

- The Treasurer may invest Authority moneys not required for immediate expenditure, in accordance with the Authority Act, in the types of investments set forth in Schedule A. In addition, the Treasurer is authorized to invest in additional investments upon contract with the holders of any bonds.

SAFEKEEPING AND COLLATERALIZATION

- 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.

**SCHEDULE A
SCHEDULE OF PERMITTED INVESTMENTS**

- Bonds and notes of the United States;
- Bonds and notes of this State;
- General obligation bonds and notes of any state other than this state, provided that such bonds and notes receive the highest rating of at least one independent rating agency designated by the comptroller;
- Obligations for the payment of which the faith and credit of the United States or of this State are pledged;
- Notes, bonds, debentures, mortgages and other evidences of indebtedness of the United States Postal Service; the federal national mortgage association; federal home loan mortgage corporation; student loan marketing association; federal farm credit system or any other United States government sponsored agency, provided that at the time of the investment such agency or its obligations are rated and the agency receives, or its obligations receive, the highest rating of all independent rating agencies that rate such agency or its obligations, provided, however, that no more than two hundred fifty million dollars may be invested in the obligations of any one agency;
- Judgements or awards of the court of claims of this State;
- Stocks, bonds, or notes of any county, town, city, village, fire district or school district of this State issued pursuant to law;
- Bonds and notes of the Savings and Loan Bank of the State of New York;
- Collateral trust notes issued by a trust company, all of the capital stock of which is owned by not less than twenty savings banks of the state of New York;
- Bonds and notes issued for any of the corporate purposes of the New York state housing finance agency, the New York state medical care facilities finance agency, the New York state project finance agency and the municipal assistance corporation for the City of New York;
- Obligation of any corporation organized under the laws of any state in the United States maturing within two hundred and seventy days provided that such obligations receive the highest rating of two independent rating services designated by the comptroller and that the issuer of such obligations has maintained such ratings on similar obligations during the preceding six months provided, however, that the issuer of such obligations need not have received such rating during the prior six month period if such issuer has received the highest rating of two independent rating services designated by the state comptroller and is the successor or wholly owned subsidiary of an issuer that has maintained such ratings on similar obligations during the preceding six month period or if the issuer is the product of a merger of two or more issuers, one of which has maintained such ratings on similar obligations during the preceding six month period, provided, however, that no more than two hundred fifty million dollars may be invested in such obligations of any one corporation;
- Bankers' acceptances maturing within ninety days which are eligible for purchase in the open market by federal reserve banks and which have been accepted by a bank or trust company, which is organized under the laws of the United States or of any state thereof and which is a member of the federal reserve system and whose short-term obligations meet the criteria outlined above, provided, however that no more than two hundred fifty million dollars may be invested in such bankers' acceptance of any one bank or trust company.
- As authorized by Public Authorities Law, Sec. 2053-m, the Authority authorizes the Treasurer shall have the power to invest in additional types of investments, notwithstanding the above-listed investments, upon contract with the holders of any bonds.
- All investment obligations shall be payable or redeemable at the option of the Authority within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided.

Introduced By: Moroney/Sherwood

Unan.

November 20, 2014

RESOLUTION NO. 57 of 2014

AUTHORIZING AMENDMENT TO INVESTMENT POLICY

WHEREAS, the Authority has in place an Investment Policy authorized and approved by Authority Board Resolution No. 28 of 2000; and

WHEREAS, the Investment Policy was amended pursuant to Authority Board Resolution No. 51 of 2009 to clarify the types of investments that may be made with Authority bond proceeds and to better achieve its stated goal of safeguarding principal, providing sufficient liquidity of funds and obtaining a reasonable rate of investment return for any funds of the Authority which are available for investment in compliance with applicable law; and

WHEREAS, the New York General Municipal Law allows, and the State Comptroller has approved, the use of Irrevocable Stand-by Letters of Credit as acceptable security as collateral for deposits of municipalities; and

WHEREAS, the Authority is not a municipality governed by the General Municipal Law; and

WHEREAS, the Authority wishes to amend its Investment Policy to allow the use of Irrevocable Stand-by Letters of Credit as acceptable security as collateral for deposits; and now therefore be it

RESOLVED, that the Authority hereby authorizes the amendment of the Authority's Investment Policy to the extent allowable under the Authority's General Bond Resolution and applicable law and subject to the review and approval of the Authority's financial advisor, Environmental Capital, LLC, the Finance Director, Treasurer and Authority bond counsel..