

# ENDWELL FIRE DISTRICT

<b>INVESTMENT POLICY</b>	
<b>Number: 2024-03</b>	<b>Adopted: January 10, 2024</b>

This investment policy applies to all money and other financial resources available for investment by the Fire District on its behalf or on behalf of any other entity or individual.

The primary objectives of this fire district's investment activities are, in priority order:

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

## **DELEGATION OF AUTHORITY.**

The Board of Fire Commissioners' [hereinafter referred to as "Board"] responsibility for the administration of the investment program is delegated to the Fire District Treasurer, who shall conduct his or her investment activities in conformance with this investment policy and submit for Board approval such additional written policies he or she deems necessary to carry out the requirement of the investment policy. Such additional procedures shall include internal controls to provide a satisfactory level of accountability based upon records incorporating the description and amount of investments, the fund(s) for which they are held, the place(s) where kept, and other relevant information, including dates of sale or other dispositions and amounts realized. In addition, the internal control procedures shall describe the responsibilities and levels of authority for key individuals involved in the investment program.

## **PRUDENCE.**

The Fire District Treasurer and all participants in the program shall act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Fire District. Investments shall be made with prudence, diligence, skill, judgment, and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

The Fire District Treasurer and all participants in the program shall refrain from personal business activity that could conflict with the proper execution of the investment program or which could impair their ability to make impartial investment decisions.

## **DIVERSIFICATION.**

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

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## INTERNAL CONTROLS.

It is the policy of the Fire District for all funds coming into the hands of the Fire District Treasurer to be deposited or invested within 10 days of receipt. The Fire District Treasurer in coordination with the Board, is responsible for establishing and maintaining internal control procedures 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 Board authorization, properly recorded and managed in compliance with applicable laws and regulations.

## DESIGNATION OF DISTRICT DEPOSITORIES.

The banks and trust companies authorized for the deposit of money are those district depositories approved by previous or subsequent motions of this Board at an official meeting thereof. Deposits made into such banks and trust companies shall not exceed the maximum amounts, if any, set by the Board. The current list of authorized district depositories is as follows:

Depository Name	Maximum Amount Set
_____	_____
_____	_____

## SECURING DEPOSITS AND INVESTMENTS.

All deposits and investments of the Fire District at a bank or trust company, including all demand deposits, certificates of deposit, and special time deposits (hereinafter collectively referred to as “deposits”), that is more than the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

1. By a pledge of “eligible securities” as defined by General Municipal Law §10.
2. By an eligible “irrevocable letter of credit” as defined by General Municipal Law §10.
3. By an eligible surety bond as defined by General Municipal Law §10.

## COLLATERALIZATION AND SAFEKEEPING.

Eligible securities used for collateralizing deposits made by officers of the Fire District shall be held by (the depository or a third party) bank or trust company subject to security and custodial agreements.

The security agreement shall provide those eligible securities (or the pro rata portion of a pool of eligible securities) are being pledged to secure such 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 (or pro rata portion of a pool of eligible

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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.

If the pledged securities are not registered or inscribed in the name of the Fire District, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Fire District or the custodial bank or trust company. Whenever eligible securities delivered to the custodial bank or trust company are transferred by entries on the books of a federal reserve bank or other book-entry system operated by a federally regulated entity without physical delivery of the evidence of the obligations, then the records of the custodial bank or trust company shall be required to show, at all times, the interest of the government in the securities (or the pro rata portion of a pool of eligible securities) as outlined in the security agreement.

The custodial agreement shall provide that pledged securities (or the pro rata portion of a pool of eligible securities) will be held by the bank or trust company as an agent of, and custodian for, the Fire District, will be kept separate and apart from the general assets of the custodial bank or trust company and will not be commingled with or become part of the backing of any other deposit or other bank liability. The agreement shall also describe how the custodian shall confirm the receipt, substitution, or release of the collateral and it shall provide for the frequency of revaluation of collateral by the custodial bank or trust company and the substitution of collateral when a change in the rating of security causes ineligibility. The security and custodial agreements shall also include all other provisions necessary to provide the Fire District with a perfected security interest in the eligible securities and to otherwise secure the local government's interest in the collateral and may contain other provisions that the governing board deems necessary.

### **PERMITTED INVESTMENTS.**

As provided by General Municipal Law Section 11, the Board of Fire Commissioners of the Endwell Fire District authorizes the Fire District Treasurer to invest monies 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 in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in the State of New York

Certificates of Deposit

Obligations of the United States of America.

Obligations of the United States of America 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; and

Obligations of the State of New York With the approval of the State Comptroller, obligations issued under Local Finance Law Section 24.00 or 25.00 (i.e., Tax Anticipation Notes and Revenue

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Anticipation Notes) by any municipality, school district, or district corporation in the State of New York other than the Fire District

Obligations of the Fire District, but only with money in a reserve fund established under General Municipal Law Section 6-g.

Cooperative investment in accordance with GML Article 3-A

All investment obligations shall be payable or redeemable at the option of the Fire District within such times as the proceeds will be needed to meet expenditures for purposes for which the money provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event at the option of the Fire District within two years of the date of purchase. Time deposit accounts and certificates of deposit shall be payable within such times as the proceeds will be needed to meet expenditures for which the money is obtained and shall be secured as provided in Sections VIII and IX herein.

Except as may otherwise be provided in a contract with bondholders or noteholders, any money Fire District authorized to be invested may be commingled for investment purposes, provided that any investment of commingled money be payable or redeemable at the option of the Fire District within such time as the proceeds shall be needed to meet expenditures for which such money obtained, or as otherwise specifically provided for in General Municipal Law, Section 11. The separate identity of the sources of these funds shall be maintained at all times and income received shall be credited on a pro-rata basis to the fund or account from which the money is invested.

Any obligation that provides for the adjustment of its interest rate on set dates is deemed to be payable or redeemable on the date on which the principal amount can be recovered through demand by the holder.

## **COOPERATIVE INVESTING.**

Cooperative investing by the Fire District is regulated by GML Article 3-A. The cooperative investment agreement must now comply with General Municipal Law §43. This agreement is required to be executed between the Fire District and the municipal corporation that is going to co-invest with the Fire District. There must be created governing board to administer the funds instead of the lead participant. The governing board is elected by the participants. There are also monthly reporting requirements that the governing board must follow. The new cooperative agreement must provide for, among other things, standards of diversification of the investments and a description of the expenses incurred by the governing board. General Municipal Law §§ 44, 45.

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

All financial institutions and dealers with which the Fire District transacts business shall be creditworthy and have an appropriate level of experience, capitalization, size, and other factors

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that make the financial institution or the dealer capable and qualified to transact business with the Fire District. The Fire District Treasurer shall evaluate the financial position and maintain a listing of proposed depositaries, trading partners, and custodians. Recent Reports of Condition and Income (call reports) shall be obtained for proposed banks, and security dealers that are 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 Fire District shall maintain a list of financial institutions and dealers approved for investment purposes, and establish appropriate limits to the amounts of investments that can be made with each financial institution or dealer. The Fire District Treasurer is responsible for evaluating the financial position and maintaining a listing of proposed depositaries and custodians. Such listing shall be evaluated at least annually.

## **PURCHASE OF INVESTMENTS.**

The Fire District Treasurer is authorized to contract for the purchase of investments:

Directly, from an authorized trading partner

By participation in a cooperative investment agreement with other authorized municipal corporations pursuant to Article 5-G of the General Municipal Law and in accordance with Article 3-A of the General Municipal Law provided the Board has approved such agreement(s).

All purchased obligations, unless registered or inscribed in the name of the local government, 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 investments in such transactions and shall be confirmed in writing to the Fire District 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 Section 10(3)(a). The agreement shall provide that securities held by the bank or trust company, as an agent of, and custodian for, the Fire District, will be kept separate and apart from the general assets of the custodial bank or trust company and will not be commingled with or become part of the backing of any other deposit or other bank liability. The agreement shall also describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to secure the local government's perfected interest in the securities, and the agreement may also contain other provisions that the governing board deems necessary. The security and custodial agreements shall also include all other provisions necessary to provide the Fire District with a perfected interest in the securities.

**BOARD APPROVALS.** The Fire District Treasurer shall obtain the approval of the Board for;

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any transfer of funds between district bank accounts or investments,

any transfer of fund balances, and

any reallocation of budget lines or budget amendments made during the fiscal year.

Said approvals shall be recorded in the minutes of the meeting at which it was given.

## **ADDITIONAL SIGNATURES.**

To reduce the possibility of fraud or unauthorized transfers with regard to electronic banking, any wire transfer by the Fire District will require the signature of the Fire District Treasurer and one Fire Commissioner designated by the Board. All such transfers shall be submitted to the Board for approval prior thereto or subsequent thereto for ratification. Said approval shall be recorded in the minutes of the meeting at which it was given.

## **ELECTRONIC BANKING.**

Any and all electronic banking transactions transacted concerning a District account or funds shall be performed by the Fire District Treasurer on authorization from the Board based upon the policies of the banking/ financial institutions and the agreement entered into with them by the Fire District. Said approval of the aforementioned policies, agreements, and transactions shall be recorded in the minutes of the meeting at which it was given.

All such electronic banking shall be conducted by the requirements of Section 5-a of the General Municipal Law. Before any such transactions, the Board must have entered into a written agreement with the bank or trust company in which such funds have been deposited, prescribing how electronic or wire transfer of such funds shall be accomplished, identifying by number and name those accounts from which electronic or wire transfers may be made, identifying which officer or officers are authorized to order the electronic or wire transfer of funds from those accounts, and implementing a security procedure as defined in Section 4-A-201 of the Uniform Commercial Code.

In addition, the bank or trust company processing the transfer shall provide to the Fire District Treasurer ordering the electronic or wire transfer of funds written confirmation of each such transaction no later than the business day following the day on which the funds are transmitted.

A system of internal controls shall be put in place by the Board at the Fire District level for the documentation and reporting of all transfers or disbursements of funds accomplished by electronic or wire transfer.

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### PERIODIC REPORTS OF THE FIRE DISTRICT TREASURER.

Periodically (at a minimum monthly) the Fire District Treasurer shall report to the Board at its meeting about all investment activity for the previous period (month) and obtain the approval of the Board for anticipated investment activity in the next period (next month). Said approval of the investment activity and Treasurer's Report shall be recorded in the minutes of the meeting at which it was given. Said Treasurer's Report shall be in writing and appended to the minutes of the meeting at which it was given.

### ANNUAL REVIEW AND AMENDMENTS.

The Board shall review this investment policy annually, and it shall have the power to amend this policy at any time.

### DEFINITIONS.

The terms "public funds," "public deposits," "bank," "trust company," "eligible securities," "eligible surety bond," and "eligible letter of credit" shall have the same meanings as outlined in General Municipal Law Section 10.

BE IT RESOLVED, that this investment policy shall be adopted as the investment policy of this Fire District by the Board of Fire Commissioners.

The adoption of the foregoing policy in the form of a resolution was duly put to a vote and upon roll call, the vote was as follows:

Chairman	Anderson	AYE
Commissioner	Battaglini	AYE
Commissioner	Storm	AYE
Commissioner	Hamzik	AYE
Commissioner	Del Bianco	NOT PRESENT

The resolution was thereupon duly adopted.

Dated: Endwell, New York  
January 5, 2021

This policy is adopted on January 10, 2024, and supersedes any previous reversion of this policy.

By order of the Board of Fire Commissioners, Endwell Fire District.

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Reviewed and Adopted: January 04, 2023

No changes made

Reviewed and Adopted: January 04, 2023

Adopted by the Board of Fire Commissioners

January 05, 2021