

**HONORABLE BOARD OF LEGISLATORS
THE COUNTY OF WESTCHESTER**

Your Committee is in receipt of a communication from the County Executive recommending the adoption of an Act which, if approved, would establish a revised comprehensive Policy for Investing and Protecting Public Funds of the County of Westchester (the “County”), pursuant to New York State General Municipal Law Section 39 (the “Investment Policy”). The annexed Act would authorize the adoption of a revised Investment Policy.

Your Committee is advised that in order to comply with the provisions of General Municipal Law Section 39, your Honorable Board has from time to time established a comprehensive Investment Policy which details County government operative policy and instructions to officers and staff regarding the investment, monitoring and reporting of County government funds. The Investment Policy is reviewed annually by the Department of Finance (the “Department”) and submitted to your Honorable Board for its approval. The Investment Policy currently in effect addresses several topics, including but not limited to the following: (1) a list of permitted types of investments of the County; (2) procedures and policies to secure in a satisfactory manner the County’s financial interest in investments; (3) standards for written agreements pursuant to which investments are made; (4) procedures for monitoring, control, deposit and retention of investments and collateral; (5) standards for security and custodial agreements with banks or trust companies authorized to do business in the State of New York, pursuant to which obligations and collateral are held by such banks and trust companies for the County; (6) standards for the diversification of investments and firms with whom the County transacts business; and (7) standards for the qualification of investment agents which transact business with the County, such as criteria covering credit worthiness, experience, capitalization, size and other factors that make a firm capable and qualified to do business with the County.

As your Honorable Board is aware, the Investment Policy was last amended by Act No. 94-2023 in order to revise the list of the County’s approved depository banks.

Your Committee is advised that the Department has reviewed the current Investment Policy and recommends the following amendments:

1. Add the following language to Section **VI. Internal Controls** in order to include periodic monitoring of collateral, which provides for a schedule of collateral (in excess of FDIC coverage) to be prepared periodically:

“These internal controls will also include provisions for monitoring collateral pledged by institutions as required from time to time.”

2. Amend the dollar limits and banking institutions listed in Section **VII. Designation of Depositories** in order to take advantage of competitive opportunities at depositories as follows:

- increase the total dollar limit at TD Bank from \$350 million to \$500 million;
- decrease the total dollar limit at Wells Fargo from \$500 million to \$300 million;
- increase the total dollar limit at ConnectOne Bancorp from \$25 million to \$150 million;
- increase the total dollar limit at Customers Bank from \$50 million to \$100 million;
- increase the total dollar limit at Valley National Bank from \$10 million to \$50 million; and
- add Metropolitan Commercial Bank to the list as a new bank with a total dollar limit of \$25 million.

3. Revise the language in Section **VIII. Collateralization of Deposits** as follows:

A.) to be consistent with New York General Municipal Law (“GML”) Section 10 which requires eligible securities to be “*at least equal to*” the aggregate amount of deposits. The current 102% requirement is not consistent with GML Section 10;

B.) the Commissioner of Finance will be permitted to accept an irrevocable letter of credit from a federal home loan bank as collateral, as an alternative to a pledge of eligible securities as follows:

“In accordance with the provisions of General Municipal Law Section 10, all deposits of the County, including certificates of deposit and special time deposits in excess of the amount insured under the provision of the Federal Deposit Insurance Act, shall be secured by either:

1. A pledge of “Eligible Securities” (see Appendix A) with an aggregate “Market Value”, as defined by General

Municipal Law Section 10 for the various defined categories of eligible securities at least equal to the aggregate amount of deposits.

or:

2. An "irrevocable letter of credit" issued in favor of Westchester County by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, as security for the payment of 100 percent of the aggregate amount of deposits and the agreed-upon interest, if any."

4. In Section X. **Permitted Investments**, for ease of reading, the first two bullet points have been consolidated. In addition, to allow for more investment opportunities, the Investment Policy is amended to allow for the option to invest in CDARS and ICS type programs where banks pool FDIC coverage. New language has also been included (as shown below) to allow investment in Cooperative Investment pools as follows:

"Through a Deposit Placement Program, certificates of deposit in one or more "banking institutions", as defined in Banking Law Section 9-r;"

"In addition to the above, Cooperative Investment pools as defined in Article 5-G of the General Municipal Law and in accordance with Article 3-A of the General Municipal Law, shall also be considered to be a Permitted County Investment with the following conditions:

- *Investments held by any pools are acceptable to and meet the due diligence standards of the Commissioner of Finance.*
- *Additionally, County investment in any such pools must be periodically evaluated by the Commissioner of Finance against County Investment return and/or other industry performance results."*

5. In Section XII. **Purchase of Investments**, language requiring authorization from your Honorable Board for investment in cooperative investments has been removed. To be consistent with other allowable investments under the Investment Policy, authorization to invest in municipal cooperative pools shall be granted with the adoption of the Investment Policy. This will allow the Department to take advantage of opportunities in real-time as rates present favorably as follows:

"By participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5-G of the General Municipal Law and in

accordance with Article 3-A of the General Municipal Law.”

6. **Appendix “B”** is amended to add the following language in order to comply with the General Municipal Law for a limitation of the total transactions per individual registered broker in any twelve (12) month period as follows:

“This list is as of the date specified above and is provided for informational purposes. Pursuant to Section XII, the County shall only utilize securities dealers on the list at the time of the transaction and in any 12-month period limit its transactions with any one institution to no more than \$400M.”

Your Committee is advised that the proposed revisions to the Investment Policy do not meet the definition of an action under the New York State Environmental Quality Review Act and its implementing regulations 6 NYCRR Part 617. Your Committee has referred to the memorandum from the Department of Planning dated January 8, 2024, which is on file with the Clerk of your Honorable Board, and concurs with this conclusion.

Your Committee has carefully considered this matter and recommends that your Honorable Board adopt the annexed Act amending the Investment Policy for the County, noting that its adoption requires an affirmative vote of a majority of the voting members of your Honorable Board.

Dated: November 12th, 2024
White Plains, New York

Lawrence Zeller Johng

Vedat Fadhi

Swilla

COMMITTEE ON
c:lac.10.7.24

Budget & Appropriations

Dated: November 12, 2024
White Plains, New York

The following members attended the meeting remotely and approved this item out of Committee with an affirmative vote. Their electronic signature was authorized and is below

Committee(s) on:

Budget & Appropriations

Handwritten signature of Colin J. [unclear]Handwritten signature of [unclear]

FISCAL IMPACT STATEMENT

SUBJECT: Amend Investment Policy Q-4 2024

NO FISCAL IMPACT PROJECTED

OPERATING BUDGET IMPACT

(To be completed by operating department and reviewed by Budget Department)

A) GENERAL FUND AIRPORT SPECIAL REVENUE FUND (Districts)

B) EXPENSES AND REVENUES

Total Current Year Cost \$ 0

Total Current Year Revenue \$ 0

Source of Funds (check one): Current Appropriations

Transfer of Existing Appropriations Additional Appropriations Other (explain)

Identify Accounts:

Potential Related Operating Budget Expenses: Annual Amount \$ none

Describe: _____

Potential Related Revenues: Annual Amount \$ _____

Describe: The amendments to the Investment Policy are designed to keep the policy up to date for depositories & broker/dealers. The maximization of safety and return is the goal, but can not be quantified.

Anticipated Savings to County and/or Impact on Department Operations:

Current Year: _____

Next Four years: _____

Prepared by: Mario Arena

Title: Deputy Commissioner of Finance

Department: Finance

CP 10/10/24

Reviewed By: _____

Budget Director

10/10/24

If you need more space, please attach additional sheets.

ACT NO. ___ - 2024

AN ACT amending the Investment Policy for the County of Westchester, pursuant to New York State General Municipal Law Section 39.

NOW BE IT ENACTED by the Board of Legislators for the County of Westchester as follows:

Section 1. Pursuant to New York State General Municipal Law Section 39, the annexed Investment Policy for the County of Westchester (the “County”), which details the County’s operative policy and instructions to officers and staff regarding the investment, monitoring and reporting of funds of the County, is hereby amended. The annexed Investment Policy shall supersede all prior versions of said policy.

§2. This Investment Policy shall be reviewed on an annual basis by the County.

§3. This Act shall take effect immediately.

POLICY FOR INVESTING AND PROTECTING PUBLIC FUNDS

County of Westchester

**Karin Hablow
Commissioner of Finance**

Dated: Proposed 2024

Table of Contents

I.	Scope.....	1
II.	Objectives.....	1
III.	Delegation of Authority.....	1
IV.	Prudence.....	2
V.	Diversification.....	2
VI.	Internal Controls	
	A) Funds Control.....	3
	B) Transfer Controls.....	3
VII.	Designation of Depositories.....	4
VIII.	Collateralization of Deposits.....	5
IX.	Safekeeping and Collateralization.....	5
X.	Permitted Investments.....	6
XI.	Authorized Financial Institutions and Dealers.....	7
XII.	Purchase of Investments.....	8
XIII.	Repurchase Agreements.....	9
XIV.	Courier Service.....	10
XV.	Annual Review and Amendments.....	10
XVI.	Definitions.....	10

Appendix A - Schedule of Eligible Securities

**Appendix B - List of Primary Government Security Dealers Reporting to
The Federal Reserve Bank of New York**

I. Scope

The County of Westchester (the "County") policy for investing and protecting public funds (the "Investment Policy") applies to all monies and/or other financial resources available for investment on its own behalf or on behalf of any other entity or individual. This Investment Policy is adopted pursuant to Section 39 of the New York State General Municipal Law and has used the model investment policy for local governments which the New York State Legislature required the New York State Comptroller to provide pursuant to Laws of 1992, Chapter 708, Section 44 for guidance. This Investment Policy shall be implemented in accordance with all applicable laws, rules and regulations ("Applicable Law") including but not limited to, Sections 10 and 11 of the New York State General Municipal Law.

II. Objectives

The primary objectives of the County's investment activities are, in priority order:

- To conform with all applicable Federal, State and other legal requirements.
- To positively safeguard principal.
- To provide sufficient liquidity to meet all operating requirements.
- To obtain a reasonable rate of return, consistent with safety, liquidity and prevailing financial market conditions.

III. Delegation of Authority

The County Board of Legislators' responsibility for administration of the County's investment program is delegated to the Commissioner of Finance who shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Such procedures shall include internal controls to provide a satisfactory level of accountability based upon records incorporating the description and amounts 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.

Such procedures shall follow guidelines established by the New York State Comptroller, be consistent with conservative investment principles and with the applicable provisions of the County Charter and Administrative Code with respect to control of funds and investments. These procedures shall also include an internal control and operating policy designed to provide security, a high level of accountability, a database of records and other relevant information relating to funds control and investment activity by delegated employees.

The Commissioner of Finance is designated as the County's chief fiscal officer, as such term is used in Applicable Law, including but not limited to New York State General Municipal Law Sections 10 and 11.

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 County to govern effectively.

Investments shall be made with prudence, diligence, skill, judgment and care, under circumstances then prevailing, which knowledgeable and prudent persons acting in like capacity would use, not for speculation, but for investment, considering the safety of 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. Accordingly, all participants involved in the investment process are required:

- To disclose any personal business activity or relationship which could conflict or create the appearance of conflict with either the spirit or execution of the Investment Policy or investment programs of the County.
- To abstain from any beneficial personal financial activity which is in actual or apparent conflict with the Investment Policy or investment programs of the County.
- To abstain from any personal or financial activity which would impair the participant's ability to make impartial and ethical investment decisions for the County.

V. Diversification

It is the policy of the County to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling, consistent with the operation of the County's cash and investment management policies. Additionally, this diversification policy shall be executed so as not to exceed the limits authorized by the County Board of Legislators for each depository set forth in Section VII of this Investment Policy.

VI. Internal Controls

The Commissioner of Finance 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 management's authorization, properly recorded, and managed in compliance with Applicable Law. These internal controls will also include provisions for monitoring collateral pledged by institutions as required from time to time.

A) Funds Controls

It is the policy of the County to monitor all receivables due the County and to require the deposit of all monies collected by any officer or employee of County government to depositories designated by the Commissioner of Finance as soon as possible. Should Applicable Law indicate a specific time frame, that period will apply. The Commissioner of Finance or those appropriately designated by the Commissioner are responsible for establishing and maintaining an internal control structure in their designated department or area to provide assurance of the following:

- That deposits, investments and financial computer systems or other assets are safeguarded against monetary and/or data loss from unauthorized or improper use or disposition.
- That transactions are completed in accordance with management's direction within a framework of safe execution, and effective safekeeping.
- That transactions are recorded promptly in order to receive full investment value in accordance with Applicable Law and County operating policies.

B) Transfer Controls

In implementing investment and funds transfer instructions, all Authorized Financial Institutions and Dealers as defined in Section XI below shall receive from the County, with an acknowledgment request, a list indicating all individuals authorized to give verbal, written or electronic instructions regarding investments and/or funds transfers for the County.

Third party transfer instructions are not authorized unless subsequently authenticated by the Authorized Financial Institution or Dealer with one or more of the authorized individuals listed.

The County shall covenant with its Authorized Financial Institution or Dealer to have unlimited unrestricted access to any recordings or records made of such transactions or authentications by its Authorized Financial Institutions or Dealers.

VII. Designation of Depositories

Certification to the designated depository list requires that a depository must be ranked within acceptable federal regulatory risk-based capital parameters and be designated as an institution acceptable to the Commissioner of Finance after an appropriate departmental due diligence review.

The Commissioner of Finance shall evaluate the Community Reinvestment Act rating of a financial institution before depositing County Funds.

Banks and trust companies herein authorized by the County Board of Legislators for investments and the deposit of monies with maximum dollar designations are as follows:

<u>Depository</u>	<u>Total Dollar Limits</u> Expressed in Millions
1. Banco Popular	50
2. Bank of America	500
3. Capital One N.A.	50
4. CitiGroup Inc.	200
5. ConnectOne Bancorp, Inc.	150
6. Customers Bank	100
7. Flagstar Bank, National Association	200
8. J.P. Morgan Chase Bank	500
9. Key Bank	100
10. M&T Bank	300
11. Metropolitan Commercial Bank	25
12. Morgan Stanley	100
13. Orange Bank & Trust Company	25
14. PCSB Commercial Bank	25
15. T.D. Bank N.A.	500
16. The Bank of New York Mellon	100
17. Tompkins	25
18. U.S. Bancorp	100
19. Valley National Bank	50
20. Webster Bank, N.A.	300
21. Wells Fargo	300

In the event that any of the above-named authorized depositories' name should change due to a merger, acquisition or other reason, the Commissioner of Finance may continue to use such new named depository until a new Investment Policy is adopted by the County Board of Legislators after the required annual review of said Policy, provided that the Commissioner conducts due diligence after being formally notified of such name change, before continuing to do business with such depository.

VIII. Collateralization of Deposits

In accordance with the provisions of General Municipal Law Section 10, all deposits of the County, including certificates of deposit and special time deposits in excess of the amount insured under the provision of the Federal Deposit Insurance Act, shall be secured by either:

1. A pledge of "Eligible Securities" (see Appendix A) with an aggregate "Market Value", as defined by General Municipal Law Section 10 for the various defined categories of eligible securities at least equal to the aggregate amount of deposits.

or:

2. An "irrevocable letter of credit" issued in favor of **Westchester County** by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, as security for the payment of 100 percent of the aggregate amount of deposits and the agreed-upon interest, if any.

IX. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by a custodian (third party depository, bank or trust company), except as provided below.

Eligible securities used for collateralizing deposits for institutions with an approved limit of at least \$500 million may be held at the same bank or trust company that is holding the deposit, provided that before doing so the Commissioner of Finance shall evaluate the financial strength of said same bank or trust company in accordance with the provisions of Section XI below. Depository collateralization shall be subject to appropriate security and custodial agreements.

The security agreement shall provide that eligible securities as agreed upon by the County and its Authorized Financial Institutions or Dealers, are pledged to secure County 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, transferred or released, and the events which will enable the County to exercise its rights against said pledged securities. In the event that these securities are not registered or inscribed in the name of the County, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the County or its 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 County in the securities as set forth in the security agreement.

The custodial agreement shall be consistent with General Municipal Law Section 10(3)(a). It shall provide that pledged securities will be held by the custodial bank or trust company as agent of, and custodian for, the County, 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 custodial agreement should also describe how the custodian shall confirm in writing the receipt, substitution or release of securities. The custodial agreement shall also provide for the frequency of re-evaluation of collateral by the custodial bank or trust company and for the substitution of collateral when a change in the rating of a security causes ineligibility. The security and custodial agreements shall also include all other provisions necessary to provide the County with a perfected security interest in the eligible securities and to otherwise secure the County's interest in the collateral.

The custodial agreement shall also provide for increases or decreases in securities held when a change in the value of a security may occur. The agreement shall stipulate that only Eligible Securities set forth in Appendix A may be used as collateral in accordance with Section VIII of this policy. Such agreement shall include all provisions necessary and sufficient to secure in a manner satisfactory to the Commissioner of Finance, the County's interest in the securities.

Such security and custodial agreements shall include any other provisions and executions necessary and sufficient to secure, in a manner satisfactory to the Commissioner of Finance, the County's interest in the securities.

X. Permitted Investments

As authorized by General Municipal Law Section 11, the County Board of Legislators authorizes the Commissioner of Finance, at her/his discretion, to invest monies not required for immediate expenditure, for terms not to exceed the County's projected cash flow needs in any of the following types of investments which are specifically selected by the Commissioner of Finance and stipulated in the documentation executed with its trading partners and/or depositories.

- 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.
- Through a Deposit Placement Program, certificates of deposit in one or more "banking institutions", as defined in Banking Law Section 9-r;
- Direct 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 full faith and credit of the United States of America.
- Obligations of New York State.
- Obligations issued pursuant to New York State Local Finance Law Sections 24 or 25 (with approval of the State Comptroller) by any school district, district corporation or municipality, other than the County itself.
- Obligations of public authorities, public housing authorities,

Urban renewal agencies and industrial development agencies where the general state statute governing such entities, or whose specific enabling legislation authorizes such investment.

- Obligations of the County, but only with any monies in a reserve fund established pursuant to General Municipal Law Sections 6-c, 6-d, 6-e, 6-f, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m or 6-n.

All of the above shall be defined as Permitted County Investments.

In addition to the above, Cooperative Investment pools as defined in Article 5-G of the General Municipal Law and in accordance with Article 3-A of the General Municipal Law shall also be considered to be a Permitted County Investment with the following conditions:

- Investments held by any pools are acceptable to and meet the due diligence standards of the Commissioner of Finance.
- Additionally, County investment in any such pools must be periodically evaluated by the Commissioner of Finance against County investment return and/or other industry performance results.

All investment obligations shall be payable or redeemable at the option of the County, within such times as the proceeds are required to meet expenditures for purposes for which the monies were obtained. Time deposits and certificates of deposit shall be payable within such times as the proceeds will be needed to meet expenditures for which the moneys were obtained, and shall be secured as set forth in Sections VIII, IX and X of this Investment Policy.

Except as may otherwise be provided in a contract with bondholders or noteholders, any moneys of the County authorized to be invested may be commingled for investment purposes, provided that any investment of commingled moneys shall be payable or redeemable at the option of the County within such time as the proceeds shall be needed to meet expenditures for which such moneys were obtained, or as otherwise specifically provided 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 moneys were 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.

XI. Authorized Financial Institutions and Dealers

The Commissioner of Finance shall develop and maintain a list of depository financial institutions (from the County Board of Legislators' approved depository list as specified in Section VII) and primary security dealers (from the list of primary government security dealers published by the Federal Reserve Bank of New York, a copy of such list as of the date specified is attached hereto as Appendix B, such list may be updated by the Federal Reserve Bank of New York from time to time).

All financial institutions and dealers with which the County transacts business must be creditworthy, and have an appropriate level of experience, capitalization, size and other factors that make the financial institution or the dealer capable and qualified to transact business with the County. The Commissioner of Finance shall conduct reasonable due diligence to evaluate the financial position of depositories, trading partners and custodians. Recent reports of condition and income (call reports) shall be obtained for proposed banks to be added to the list of approved depositories.

Upon request, County depositories shall provide their most recent consolidated report of condition and income (call report) to the Commissioner of Finance.

Upon request, County non-bank trading partners shall provide to the Commissioner of Finance their most recent annual financial statements as reported to the U.S. Securities and Exchange Commission (the "S.E.C."), and at the request of the County, make available their monthly "focus" report to the S.E.C.

The Commissioner of Finance is responsible for evaluating the financial position of proposed and present depositories, trading partners and custodians. Such evaluations shall be conducted on a continuing basis.

XII. Purchase of Investments

The Commissioner of Finance is authorized to contract for the purchase of investments:

- Directly, including through a repurchase agreement or an authorized trading partner.
- By participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5-G of the General Municipal Law and in accordance with Article 3-A of the General Municipal Law.
- All purchased obligations, unless registered or inscribed in the name of the County, 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 or employee designated and authorized to make such investment. All such transactions shall be confirmed in writing to the County 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 agreements set forth in Section IX above of this policy.
- The Commissioner of Finance is authorized to direct the bank or trust company to register and hold the evidences of investments in the name of its nominee, or arrange for the deposit of any such evidences of investments with a federal reserve bank or other book-entry transfer system operated by a federally registered entity. The records of the bank or trust company shall show, at all times, the ownership of such evidences of investments, and they shall be, when held in the possession of the bank or trust company, at all times, kept separate from the assets of the bank or trust company. All evidences of investments delivered to a bank or trust company shall be held by the bank or trust company pursuant to a written custodial agreement as set forth in Section IX above of this policy. When any such evidences of investments are so registered in the name of

a nominee, the bank or trust company shall be absolutely liable for any loss occasioned by the acts of such nominee with respect to such evidences of investments.

XIII. Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

- All such agreements must be entered into subject to a Master Repurchase Agreement, outlining basic responsibilities and liabilities of the buyer and seller and a written agreement with the custodial bank or trust company, outlining the basic responsibilities and liabilities of the buyer, seller and custodian.
- Trading partners shall be limited to creditworthy banks or trust companies authorized to do business in New York State and/or registered primary government securities dealers as determined by the Federal Reserve Bank of New York.
- Unless the obligations that are purchased pursuant to the repurchase agreement are registered and inscribed in the name of the County, obligations must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to do business in New York State. The custodial bank or trust company should not be the seller of the obligations that are the subject of the repurchase agreement.
- The custodial agreement shall provide that the custodian takes possession and maintains custody of the obligations exclusively for the County, that the obligations are free of any claims against the trading partner, and that any claims by the custodian are subordinate to the County's claims or rights to those obligations.
- The obligations must be credited to the County on the records of the custodial bank or trust company, and the transactions must be confirmed in writing to the County by the custodial bank or trust company.
- The obligations purchased by the County may only be sold or presented for redemption or payment by the County's custodian upon written instructions from the Commissioner of Finance.
- The County must obtain a perfected security interest in the obligation.
- Agreements should be for short periods of time of no more than thirty (30) days.
- The Commissioner of Finance, with the assistance of a qualified financial advisor, shall determine whether to include margin requirements.
- No substitution of obligations is permitted.

- Payment for the purchased obligations should not be made by the custodial bank or trust company until the obligations are actually received, which is usually done simultaneously.
- Obligations shall be limited to obligations of the United States of America and obligations of United States Government as set forth in Appendix A.
- All repurchase agreements are purchases and sales and shall be so identified to all trading partners.
- The custodian shall be a party or entity other than the trading partner.
- When possession of securities shall be domiciled with a third party custodian, County interests shall be secured in a manner satisfactory to the Commissioner of Finance.
- All repurchase partners shall receive and acknowledge a copy of the Investment Policy.

Obligations that are purchased pursuant to a repurchase agreement are deemed to be payable or redeemable, for purpose of the General Municipal Law, on the date on which the purchased obligations are scheduled to be repurchased by the seller.

XIV. Courier Service

The Commissioner of Finance may, subject to the approval of a resolution by the County Board of Acquisition and Contract, enter into a contract with a courier service for the purpose of causing the deposit of public funds with a bank or trust company. The courier service shall be required to obtain a surety bond for the full amount entrusted to the courier, payable to the County and executed by an insurance company authorized to do business in the State of New York, with a claims-paying ability that is rated in the highest rating category by at least two nationally recognized statistical rating organizations, to insure against any loss of public deposits entrusted to the courier service for deposit or the failure to deposit the full amount entrusted to the courier service.

The County may agree with the depository bank or trust company that the bank or trust company will reimburse all or part of, but not more than, the actual cost incurred by the County in transporting items for deposit through a courier service. Any such reimbursement agreement shall apply only to a specified deposit transaction, and may be subject to such terms, conditions and limitations as the bank or trust company deems necessary to ensure sound banking practices, including, but not limited to, any terms, conditions or limitations that may be required by the New York State Department of Financial Services or other Federal or State authority.

XV. Annual Review and Amendments

The County Board of Legislators shall review this policy for investing and protecting public funds annually, and shall have the power to amend it at any time.

XVI. Definitions

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

Appendix A

Schedule of Eligible Securities

In connection with its stated policy for investing and protecting public funds, the Department of Finance has elected to use only those financial instruments which, in its opinion, provide optimum safety and liquidity for collateral and/or investment purposes.

These instruments are as follows:

- Obligations issued or fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.

- Zero coupon obligations of the United States government marketed as "Treasury Strips".

Appendix B

List of the Primary Government Securities Dealers Reporting to the Government Securities Dealers Statistics Unit of the Federal Reserve Bank of New York

As of 8-21-24

ASL Capital Markets Inc.
Bank of Montreal, Chicago Branch
Bank of Nova Scotia, New York Agency
BNP Paribas Securities Corp.
Barclays Capital Inc.
BofA Securities, Inc.
Cantor Fitzgerald & Co.
Citigroup Global Markets Inc.
Daiwa Capital Markets America Inc.
Deutsche Bank Securities Inc.
Goldman Sachs & Co. LLC
HSBC Securities (USA) Inc.
Jefferies LLC
J.P. Morgan Securities LLC
Mizuho Securities USA LLC
Morgan Stanley & Co. LLC
NatWest Markets Securities Inc.
Nomura Securities International, Inc.
RBC Capital Markets, LLC
Santander US Capital Markets LLC
Societe Generale, New York Branch
TD Securities (USA) LLC
UBS Securities LLC.
Wells Fargo Securities, LLC

Note: This list is as of the date specified above and is provided for informational purposes. Pursuant to Section XII, the County shall only utilize securities dealers on the list at the time of the transaction and in any 12-month period limit its transactions with any one institution to no more than \$400M.