The Town of Niskayuna, New York

Request for Proposal

Banking & Investment Services

Due Date: July 12, July 19, 2021 at 4PM

Please Submit Your Sealed Proposal To:

Ms. Ismat Alam,
Comptroller, HR & Compliance Manager

One Niskayuna Circle

Niskayuna, NY 12309
1. Introduction

The Town of Niskayuna is seeking proposals for commercial banking services. Both quantitative (price for specific services) and qualitative characteristics (potential timesaving to the Town, cost savings, ease of use of services, etc.) will be considered in attempting to ensure the Town receives the highest quality service at competitive cost. The proposal process will consist of a written proposal (in a format as included at Appendix A) and a brief oral presentation (see Appendix B).

The Town will only contract with firms that do not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation, citizenship, citizenship status or other status protected by New York state and Federal laws.

A proposer must be a qualified depository of public funds, as defined in 72 P.S. Section 3836-1 to perform its obligation under this proposal in compliance with all applicable federal and state laws, regulations, statutes and polices. The proposer must also be a member of the Federal Reserve System.

The Town encourages proposers to submit the most competitive proposals possible, offering the highest quality of service and enhancements to improve our current management of cash flow. While much of the information provided in this RFP is based upon current services, it is the Town’s desire to maximize the use of automated and electronic technology services to improve our banking, cash management, custodial, and customer service capabilities without sacrificing internal controls. Of great importance to the Town is a service-oriented and responsive relation with the selected bank.

Please provide options that may create efficiencies, process improvements, and/or take advantage of new, applicable technologies.

This RFP does not cover any retirement investments funds or accounts of the Town. This RFP does not limit the ability of the Town to invest excess funds with other financial institutions.

The Town will endeavor to administer the proposal process in accordance with the terms and dates outlined in this RFP, however, the Town reserves the right to modify the activities, timeline, and any other aspect of the process at any time as deemed necessary by the Town. By requesting proposals, the Town is in no way obligated to make an award or pay the expenses of the proposing financial institutions in connection with the preparation or submission of a proposal. The awarding of the proposal shall be contingent on the approval of the Town Council. There is no guarantee that the Town
will award this RFP. The decision to award any contract to a particular financial institution will be based on a variety of factors, no single one of which will determine the final award decision.

The proposal must be signed by the duly authorized partner or officer who will have overall responsibility for work under the proposal. No proposal will be accepted from any bank in arrears upon any obligation to the Town.

Town Profile
The Town, with an estimated population of 21,781, encompasses approximately 15.1 Square miles.

Other Information is as follows:
- Number of employees: 150 not including summer temps (100)
- Number of Buildings: 16
- Annual Budget:
  - General & Highway: $16.5 million
  - Sewer Districts: $5.5 million
  - Water District: $4.4 million
  - Special Districts: $161k
  - Total Budget: $26.56 million

Contacts
In an effort to ensure all participating banks receive equal information during the proposal process, we request that all questions regarding the proposed services be submitted in writing. The Town’s request will be sent to all banks located in Schenectady County. Key contacts are:

Ismat Alam, Comptroller, Town of Niskayuna 518-340-8630 (cell)

2. Proposal Procedures

Tentative Key Dates in Proposal Process-Revised Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 22, 2021</td>
<td>RFP emailed to participating banks &amp; Town website</td>
</tr>
<tr>
<td>July 12, 2021</td>
<td>Written proposals to the Town of Niskayuna.</td>
</tr>
<tr>
<td>July 19, 2021</td>
<td></td>
</tr>
<tr>
<td>July 26, 2021(week)</td>
<td>Oral presentation to the Town (selected banks)</td>
</tr>
<tr>
<td>August 16, 2021</td>
<td></td>
</tr>
<tr>
<td>August 23, 2021</td>
<td>Recommendation to the Town Board</td>
</tr>
<tr>
<td>September 26 2021</td>
<td></td>
</tr>
<tr>
<td>September 1, 2024</td>
<td>Implementation of Board decision regarding banking service</td>
</tr>
</tbody>
</table>
Current Accounts
Listed below are all the accounts currently utilized by the Town of Niskayuna:

Bank Balance as April 30th, 2021

<table>
<thead>
<tr>
<th>Account</th>
<th>Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>Checking</td>
<td>$3,235,663.45</td>
</tr>
<tr>
<td>Trust and Agency</td>
<td>Checking</td>
<td>$514,671.38</td>
</tr>
<tr>
<td>Health Reimbursement</td>
<td>Checking</td>
<td>$22,094.84</td>
</tr>
<tr>
<td>Community Programs</td>
<td>Checking</td>
<td>$1,148.27</td>
</tr>
<tr>
<td>Parks &amp; Sr. Programs</td>
<td>Checking</td>
<td>$2,619.06</td>
</tr>
<tr>
<td>Section 8 Housing</td>
<td>Checking</td>
<td>$22,752.52</td>
</tr>
<tr>
<td>Section 8 Housing Plus</td>
<td>Checking</td>
<td>$596.41</td>
</tr>
<tr>
<td>Reserve Fund</td>
<td>Checking</td>
<td>$7,517.87</td>
</tr>
<tr>
<td>Capital Project Fund</td>
<td>Checking</td>
<td>$3,793,410.63</td>
</tr>
</tbody>
</table>

Total Cash 04/30/2021 $7,600,474.43

Investments
The Town has investments in different instruments too in the amount of over $19 million.

2.2 Questions
In lieu of pre-proposal conference, the Town will accept questions regarding this RFP until July 7, 2021. All questions should be directed to Ismat Alam via e-mail at ialam@niskayuna.org. No questions will be taken verbally over the phone. The Town will prepare responses to the questions and circulate them to all proposers. Potential proposers should include contact information with their questions in the event the Town needs to obtain additional information or clarification in order to respond to the question(s).

2.3 Preparation of Proposal Each proposal shall be prepared simply and economically avoiding the use of elaborate and promotional materials beyond those that are sufficient to provide a complete, accurate and reliable presentation.

2.4 Number and Submission of Proposal Copies Four (4) Hard Copy of the Proposal and one copy submitted electronically via a USB drive should be submitted to:

Ismat Alam.
1 Niskayuna Circle
Niskayuna, NY 12309

All proposals must be delivered to the above office on or before July 12, 2021 at 5 PM. Proposals received prior to the deadline will be treated as confidential. PROPOSALS RECEIVED AFTER THIS DATE AND TIME WILL NOT BE CONSIDERED.

2.5 Time and Location of Proposer’s Presentation/Interviews After the proposals have been reviewed by the Town, at the Town’s discretion, financial institutions submitting proposals may be requested to make oral presentations as part of the evaluation process via Google meet or in person at Town Hall the week of July 26, 2021. The Town reserves the right to request additional information about any respondent as it may be reasonably required.

2.6 Effective Period of Proposals all proposals must state the period for which the
2.7 **Right of Rejection** Notwithstanding any other provisions of this RFP, the Town reserves the right to award this contract to the financial institution that best meets the requirements of the RFP, and not necessarily, to the lowest bidder. Further, the Town reserves the right to reject any or all proposals, to waive any non-material irregularities or information in any proposal and to accept or reject any items or combination of items, with no penalty to the Town.

2.8 **Agreement Negotiations** After a review of proposals, and possible oral presentations, the Town intends to enter into agreement negotiations with the selected financial institution. These negotiations could include all aspects of services and fees. If an agreement is not finalized in a reasonable period, the Town may open negotiations with another proposer.

2.9 **Award of Agreement** the proposer to whom an agreement is awarded shall be required to enter into a written agreement with the Town. This RFP and the proposal, or any part thereof, may be incorporated into and made part of the final agreement. The Town reserves the right to negotiate the terms and conditions of the contract with the selected proposer. The contract award is anticipated to be made at the August 24, 2021 Town Council meeting.

2.10 **Agreement Term** it is the intent of the Town to award an agreement for an initial period of 3 years, with the option to renew for an additional period at the Town’s discretion. The Town requires any fees for services to be fixed for the initial period of the award. Prices in subsequent years shall be negotiated based on satisfaction of customer relations and service.

The Town reserves the right to cancel the contract, at any time, without cause and without penalty with a minimum thirty (30) days written notice.

Termination or cancellation of the contract will not relieve the Proposer of any obligations for any deliveries entered into prior to the termination of the contact (i.e. reports, statements of accounts, etc., required and not received). Termination or cancellation of the contract will not relieve the Proposer of any obligations of liabilities resulting from any acts committed by the Proposer prior to the termination of the contract.

2.11 **Standard** The Town is under no obligation to either (i) award an agreement based on this RFP as written or (ii) award an agreement at all. The Town always reserves the right to reject any or all bids for any reason or no reason or to waive any defects or requirements as the Town in its discretion deems to be in its best interest. Nothing contained in this RFP will be deemed to create any right (whether property or other) in any party to have an agreement awarded or to utilize any standard for award other than what the Town deems to be in its best interest.
3. Scope of Service

The services outlined below are the minimum expected by the Town and should not be construed as a complete listing of services that may be offered by an institution or will be considered by the Town. Each institution is encouraged to list all services in their proposal that they think would be of benefit and/or interest of the Town.

1. Maintain a branch in the vicinity of the Town. If not within reasonable distance (Schenectady county), present a solution for deposits or other banking activities that would need to be made at a bank location.

2. A dedicated person in the Schenectady area to manage banking relationships. When contacted by the Town, a return call, email etc. must be made within 24 hours, weekends excluded.

3. Have online banking solutions which should include account access, check look up, deposit look up, ACH services, EFT services, wire services, online bank statement access, etc. The Town expects robust online capabilities of the successful candidate with appropriate security measures.

4. Remote deposit of checks or similar service capabilities for the Town is desired.

5. Provide a solution for credit card payment services for Town services that currently use various providers. If applicable, please outline your Purchase Card Rebate program

6. Bank statements should be available online within 2 business days of the end of the month.

7. Have the ability to accept direct deposit files for payroll whether generated by the Town or an outside payroll provider. If necessary, work to resolve any payroll transmission and/or file conflict. This responsibility and cost will reside with the successful candidate.

8. Actively provide check and or bank fraud protection. This protection should be described in your proposal.

9. If needed by the Town, provide services to disburse funds via repetitive wire either verbally or through online banking services.

10. Provide a purchasing card solution to the Town if desired for its use that is not personally guaranteed by an individual. Appropriate fraud and security measures must be in place which include but are not limited to daily, monthly, and transaction limits. Vendor restriction capabilities should also be a possibility. Solution must have an online portal for report and activity tracking by the Town administration. There can be no minimum on number of cards issued and active.

11. Abide by the Town’s stale dated check policy.

12. The ability to handle all current banking activities outlined for the Town in Appendix A.
13. Provide a robust Employee Perk Program for existing employees who are bank customers or those who move their accounts. Existing customers must receive the same perks as those moving accounts.

14. Agree to a favored Nation Clause that the Town in this proposal does not receive services, opportunities, preferential fees or products that all are not offered or received by all other parties.

15. Describe any new services or ideas that will enhance the Town’s use of cash management services and receivables management.

16. It is preferred for the bank to have an easy way to enter the websites and portals needed to access accounts, by way of a fob device or authenticator application.

17. During the tax season the Town desires to have a lock box service for tax deposits, as well as water and sewer billing whereby checks would be picked up from the Town tax office, deposited into the Tax Receivers account, and credited to the individual home owner in the Schenectady County Tax Collection System.

18. The Town of Niskayuna requests that the selected bank submit quotations for investments at least twice a year and submit the name and phone number of the contact from the investment department. Abide by the Town’s Investment policy (Appendix C).

19. From time to time the Town of Niskayuna may need to borrow money on a Bond Anticipation Note or Serial Bond. Will your bank actively bid on these bonds or notes, and does your bank need a local attorney’s opinion or a New York City attorney’s opinion on these bond issues.

20. Abide by the Town’s Investment Policy (Appendix C).

4. Information Requested

4.1 Qualifications and Experience

1. Describe your organization, ownership, date founded and other business affiliations or associations. Please provide the number of bank locations in the Capital District region.
2. Provide the address of the office(s) that will service the Town.
3. Describe the experience of the financial institution in providing similar services to other public clients. Please provide the number of public clients by type that are serviced by the institution.
4. Include copies of the most recent audited financial statement with the proposal and a copy of any Soc-1 letters.
5. Provide your DUNS number
6. Provide documentation that your financial institution has been evaluated by an independent bank rating agency and been found “Outstanding” or Satisfactory” for the most recent four (4) consecutive quarters.
7. Provide documentation that your institution is in compliance with all applicable
Federal and State banking guidelines, including Act 72.
8. Please attach a copy of the bank’s latest 2 years annual reports.

4.2 Personnel

1. Provide biographical information on the financial institution officers that will be directly involved in the management of the Town’s relationships. This information should include the length of time they have been with your institution. This information should include who the primary contact will be for the Town and what experience this individual(s) has working with public and governmental clients.

2. Provide an organizational chart for the personnel who will be associated with the Town’s accounts. Include the roles of each person and illustrate the relationship among the personnel. If, for whatever reason, personnel will be different between functions within this RFP, provide the appropriate organizational chart with the Town identified.

3. Please provide a detailed copy of your bank’s policy relative to the prohibition of discriminatory employment practices & Affirmative action/equal opportunity.

4.3 Banking Service

1. Describe the financial institution’s ability to provide the banking services described above.
2. Describe how interest will be calculated and credited on all accounts.
3. Describe what variables or benchmarks are utilized to calculate the interest rates on accounts.
4. Describe any preferential interest rates being offered to the Town in this proposal.
5. Provide the timeline for a deposit to be credited and available for use.
6. Provide a list of the bank’s holidays
7. Please attach relevant cash management brochures, published price list, and your bank’s availability schedule.

4.4 Control

1. Describe the bank’s backup and recovery capabilities in the event of a data breach or manmade and/or natural disaster.
2. Provide an overview of the bank’s controls to ensure integrity of the funds transfer system.
3. Describe the types of insurance maintained and bonding carried

4.5 Conversion

1. Describe in detail a conversion plan including a timeline to transition the Town’s banking accounts and related needs to your institution. Identify the members of the transition team in your institution.
2. Describe what lead time you believe will be needed before the conversion begins.
3. Indicate your educational approach, plans and timeline for educating the Town staff in use of your systems. All training must be at no cost to the Town at any time.

4.6 Reporting

1. Describe the frequency, format, and samples of reports that would be provided to the Town on a routine basis.
2. Describe your institution’s ability to customize reports if needed by the Town in this proposal

4.7 Pricing and account Analysis

1. Provide complete fee schedule for all the services described in your proposal. A list of the Town’s estimated monthly transactions is provided at the end of this proposal for pricing purposes in Appendix A. Fees related to all services described in the proposal must be listed. If you believe a fee(s) may occur based upon your institution’s experience with similar organizations, include these in your proposal. Also, include any one-time or set-up charges, research fees, minimum fees and all other fees that will be charged. Pricing must be guaranteed to not exceed those listed for a period of three (3) years. Please describe in detail any preferential pricing being offered to the Town in this proposal. Any costs and or fees associated with the requested services not listed on the Fee Schedule at the end of this proposal will be assumed to be free of charge. Great care should be given to this section of the proposal, as fees related to services are of great importance to the Town.
2. Is there any option for compensating your bank for any fees that would allow for additional cost savings to the Town? If so, please describe in detail.
3. If there is a discrepancy between the Town and the bank, please describe the procedure used to correct the difference and to ensure the adjustment is made on a timely basis.
4. Describe the institution’s policy on any overdraft of a deposited check and the timeline.
5. Please describe the institution’s policy if an overdraft would occur in the Town’s bank account.
6. Fees – what are they and how are they calculated? Does the daily balance deposited get used to offset the fees through the use of compensated balances?
7. Will funds collected up to midnight be available the next morning for investing?
8. When would the funds be available to the Town Finance Department for investing? A sweep account needs to be set up so on a daily basis the funds are transferred into a high interest account with the bank of choice.
9. This bank may be different from the bank maintaining the lockbox. We need to know the timing of this.
10. The bank must collateralize all funds processed through the lockbox. The Town of Niskayuna would require documentation of the collateralization, including the amount and third party hold arrangements.
11. The Town requires Positive Pay and Bank Reconciliation.
4.8 References

Three references for public agencies similar to the Town should be listed in the proposal response. Include the length of time you have provided services, the client’s name, contact person, address, email address, and phone number. The agencies listed must be current relationships of the institution.

4.9 Criteria for Selection

Proposals will be evaluated based on the following criteria:

1. Responsiveness to the requirements of the RFP, as well as the relevance of the responses to the needs of the Town – up to 15 points.
2. Scope of services offered including degree of automation – up to 15 points
3. Experience of the bank in providing similar services to local governments. – up to 15 points
4. Professional experience and qualifications of the individuals assigned to the account. – up to 10 points
5. Financial strength, adequacy of financial controls, security and compliance with all applicable state and federal regulations for the services proposed – up to 10 points
6. Implementation/transition plan – up to 10 points
7. Cost proposal (including both direct, indirect costs, rebates, rates) – up to 25 points

4.10 General Information

Any questions related to this RFP or about the Town may be addressed to: Ismat Alam via email at ialam@niskayuna.org. If the respondent takes exception to any statements or requests herein, it must be so stated in the proposal.
TOWN OF NISKAYUNA

REQUEST FOR PROPOSAL (RFP)

BANKING SERVICES

APPENDIX A

Please respond to the RFP on the following pages. Should you need additional space please attach additional pages as required. When prices are requested, be sure to use the unit bases requested.

Name of Bank ________________________________

Key Contact (s) ________________________________

Telephone Number______________________________

Notes to Service Charge Schedule

<table>
<thead>
<tr>
<th>Service Charges</th>
<th>Estimated Monthly Volume</th>
<th>Bank’s Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Maintenance Charges (per account, Based on anticipated accounts)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FDIC Assessment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Sufficient Funds (per item)</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Checks Processed (unencoded, price Per item)</td>
<td>360</td>
<td></td>
</tr>
<tr>
<td>Checks Deposited (unencoded, price per Item)</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Stop Payment Charges (per item)</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Bank confirmations (per confirmation)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Balance inquires (per inquiry)</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Account Reconciliation (monthly fee, Per account)</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Electronic Wire Transfers (per item)</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Automated Clearing House Transactions (Monthly maintenance charge)</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Check Machines ________________________________</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Please list any miscellaneous charges (i.e., check printing, deposit tickets, bags, currency handling, return check fees etc.), which are not included on this schedule.
2. Attach description of the On Line Cash Management Product and provide information regarding any installation and startup cost.

Earnings Credit
Please briefly explain your bank’s earning credit, to include the following:

1. Which accounts receive earnings credit (i.e., all, non-interest bearing etc.)
2. From what index is the banks’ earnings credit rate fixed and how many basis points above or below this index will the Town's earnings credit rate be set.
3. Please attach the list of what the Town's earnings credit rate would have been for the period of January 1, 2021 to December 31, 2021.

Compensating Balances
For the items and volumes previously presented, what compensating balances would the Town of Niskayuna need to maintain at your bank in order not to pay any monthly service charges for all services to be provided? (Please show calculation).

Statement
Please attach a sample of a monthly demand deposit account statement. Can prior month's statements be received by the 10th day of the following month?

Collateral Policies
Please describe the method by which your bank determines proper collateralization of the Town's accounts (i.e., actual balances, average balances, daily basis, or monthly balances). How often are the confirmations of collateral sent to the Town?
TOWN OF NISKAYUNA
REQUEST FOR PROPOSAL
BANKING SERVICE
APPENDIX B

Oral presentations will be scheduled for the week of July 26, 2021 for the selected banks based upon the request for proposals. Please complete the attached form; indicating that your bank does intend to participate in the bidding process and you will be contacted well in advance so that mutually agreeable times can be set up for your presentation.

Oral presentation should be businesslike and brief (there is a 25 minute time limit), with approximately 15 minutes allowed for your presentation and 10 minutes for questions.
TOWN OF NISKAYUNA

REQUEST FOR PROPOSAL

BANKING SERVICE

Proposal Intentions

Please mark one of the following boxes in order that the Town of Niskayuna may be apprised of your intentions.

Yes,_________________________________ intends to submit a proposal. Please call to set up an appointment for our bank's oral presentation.

No,__________________________________ will not be submitting a proposal.

Name of Bank ____________________________________________________________

Key Contact (s) __________________________________________________________

Telephone Number _______________________________________________________

Please mail to:

Ismat Alam
Comptroller, HR & Compliance Manager
1 Niskayuna Cir # 2
Niskayuna, New York 12309
ialam@niskayuna.org
TOWN OF NISKAYUNA
REQUEST FOR PROPOSAL
BANKING SERVICE
APPENDIX C

TOWN OF NISKAYUNA
INVESTMENT POLICY

I. SCOPE
This investment policy applies to all moneys and other financial resources available for deposit and investment by the Town of Niskayuna (the “Town”) on its own behalf or on behalf of any other entity or individual, in accordance with General Municipal Law §39(3).

II. OBJECTIVES
The primary objectives of the Town investment activities are:

- To conform with all applicable federal, state and other legal requirements;
- To adequately safeguard principal;
- To provide sufficient liquidity to meet all operating requirements;
- To obtain a reasonable rate of return; and
- To maximize efficient use of bank services offered in compensation for deposits.

III. DELEGATION OF AUTHORITY
The Town Board’s responsibility for administration of this investment policy is delegated to the Chief Fiscal Officer, who shall establish procedures consistent with this investment policy. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a database or records incorporating description and amounts of investments, transaction dates, and other relevant information, and shall regulate the activities of Town employees involved in the investment process.

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 Town’s ability to govern effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudent discretion and intelligence exercise in the management of their own affairs, considering the safety of the principal as well as probable income to be derived.

All participants involved in the investment process shall refrain from personal business
activity that could conflict with and/or impair their ability to make impartial investment decisions.

V. **DIVERSIFICATION**

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

VI. **INTERNAL CONTROLS**

A. It is the policy of the Town for all moneys collected by any officer or employee of the Town to be transferred to the Chief Fiscal Officer within 10 days of deposit, or within the time period specified by law, whichever is shorter. When funds are not deposited or remitted to the Chief Fiscal Officer in a timely manner, there is a greater risk for loss through errors, theft or misuse.

B. The Chief Fiscal Officer is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management’s authorization and are recorded properly, and managed in compliance with applicable laws and regulations.

VII. **DESIGNATION OF DEPOSITARIES**

The banks and trust companies authorized for the deposit of moneys shall be limited to those listed in the most recent applicable resolution of the Town Board.

VIII. **COLLATERALIZING OF DEPOSITS**

In accordance with the provisions of General Municipal Law § 10, all deposits of the Town, 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:

A. By a pledge of “eligible securities” with an aggregate “market value” that is at least equal to the aggregate amount of deposits. **See Schedule A of this policy for a listing of eligible securities.**

B. By a pledge of a pro rata portion of a pool of eligible securities, having in the aggregate a “market value” at least equal to the aggregate amount of deposits.

C. By an “eligible surety bond” payable to the Town for an amount at least equal to one hundred percent (100%) of the aggregate amount of deposits and the agreed-upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

D. By an “eligible letter of credit”, payable to the Town as security for the payment of one hundred forty percent (140%) of the aggregate amount of deposits and the agreed-upon interest, if any. An eligible letter of credit shall be an irrevocable letter of credit issued in favor of the Town, for a term not to exceed ninety (90) days, by a qualified bank (other than the bank where the secured money is deposited). A qualified bank is either one whose commercial paper and other unsecured short-term debt obligations (or, in the case of a bank which is the principal subsidiary of a holding company, whose holding company’s commercial paper and other unsecured short-term debt obligations) are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization, or one that is in compliance with applicable federal minimum risk-based capital requirements.
E. By an “irrevocable letter of credit” issued in favor of the Town 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 for the payment of one hundred percent (100%) of the aggregate amount of deposits and the agreed-upon interest, if any.

IX. SAFEKEEPING OF COLLATERAL

A. Eligible securities used for collateralizing deposits shall be held by a third-party trust company or bank, subject to written security and custodial agreements.

B. Security Agreement: The security agreement shall provide that such securities are being pledged to secure the Town’s deposits together with agreed-upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon a default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events of default which will enable the Town to exercise its rights against the pledged securities. In the event that the pledged securities are not registered or inscribed in the name of the Town, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Town 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 Town as set forth in the security agreement. Such agreement shall include all provisions necessary to provide the Town with a perfected interest in the securities.

C. Custodial Agreement: The custodial agreement shall provide that securities held by the bank or trust company or agent of and custodian for the Town 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 a part of the backing for any other deposits or other liabilities. The agreement shall address the manner by which the custodian shall confirm the receipt, substitution or release of securities pledged to the Town. 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 Town with a perfected interest in the securities.

D. Prior to entering into or executing any agreements discussed in this investment policy, the Chief Fiscal Officer shall seek input, whenever possible, from the Office of the Town Attorney.

X. PERMITTED INVESTMENTS

A. As authorized by General Municipal Law §11, the Town Board authorizes the Chief Fiscal Officer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash-flow needs in the following types of investments:

1. Special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in the State of New York;

2. Certificates of deposit;
3. Obligations of the United States of America;
4. Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
5. Obligations of the State of New York;
6. Obligations of this Town, but only with any moneys in a legally established reserve fund.
7. Obligations issued pursuant to Local Finance Law §24.00 or §25.00 (with the approval of the New York State Comptroller) by any municipality, school district or district corporation in the State of New York other than the Town; and

B. All investment obligations shall be payable or redeemable at the option of the Town within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were 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 Town within two years of the date of purchase.

C. Repurchase agreements and “reverse” repurchase agreements are not permitted investments under this investment policy. If the Chief Fiscal Officer deems it advisable to enter into a repurchase agreement or a “reverse” repurchase agreement, the Town Board must authorize the Chief Fiscal Officer to do so by resolution.

XI. AUTHORIZED FINANCIAL INSTITUTIONS
The Town shall maintain a list of financial institutions and dealers approved for investment purposes. All financial institutions with which the local government conducts business must be creditworthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Town. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Chief Fiscal Officer is responsible for evaluating the financial position and maintaining a listing of proposed depositaries, trading partners and custodians. Such listing shall be evaluated at least annually.

XII. PURCHASE OF INVESTMENTS
A. The Chief Fiscal Officer is authorized to contract for the purchase of investments:
   1. Directly from an authorized trading partner.
   2. By participation in a cooperative investment program with another authorized government entity pursuant to Article 5-G of General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the Town Board.
   3. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the Town Board.

B. All purchased obligations, unless registered or inscribed in the name of the Town, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or
trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Town 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 §10(3)(a).

C. The Chief Fiscal Officer, where authorized, can direct the bank or trust company to register and hold the evidences of investments in the name of its nominee, or may deposit or authorize the bank or trust company to deposit, 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 regulated 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 General Municipal Law §10(3)(a). 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. ANNUAL REVIEW AND AMENDMENTS

A. The provisions of these investment guidelines and amendments shall not invalidate prior selection of any custodial bank or prior investments.

B. This investment policy is effective upon the adoption by resolution of the Town Board and supersedes any prior investment policies of the Town.

C. The Town Board shall review this investment policy annually on or at the special organizational meeting of the Town Board and shall have the power to amend this policy at any time by resolution. Investment policy will be inserted here.
### SCHEDULE A – ELIGIBLE SECURITIES

<table>
<thead>
<tr>
<th>Eligible Securities for Collateral</th>
<th>Market Value¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. 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.</td>
<td>100%</td>
</tr>
<tr>
<td>ii. Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank.</td>
<td>100%</td>
</tr>
<tr>
<td>iii. Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or guaranty.</td>
<td>100%</td>
</tr>
<tr>
<td>iv. Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of this State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.</td>
<td>100%</td>
</tr>
<tr>
<td>v. Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.</td>
<td>100% if rated in the highest category; 90% for 2nd; 80% for 3rd highest.</td>
</tr>
<tr>
<td>vi. Obligations of the Commonwealth of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.</td>
<td>100% if rated in the highest category; 90% for 2nd; 80% for 3rd highest.</td>
</tr>
<tr>
<td>vii. Obligations of counties, cities and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.</td>
<td>100% if rated in the highest category; 90% for 2nd; 80% for 3rd highest.</td>
</tr>
</tbody>
</table>

¹For purposes of determining aggregate market value, eligible securities shall be valued at these percentages of market value.