

CLARENCE FIRE DISTRICT NO. 1

INVESTMENT POLICY

I. SCOPE:

All participants in the investment process shall act as responsible custodians of the public's trust. Investments shall be made with judgment and care, under circumstances then prevailing, considering the safety of the principal, as well as the probable income to be derived. All participants shall refrain from business activities that could impair their ability to make impartial investment decisions.

II. OBJECTIVE:

The primary objectives of the Clarence Fire District's investment activities are, in priority order:

- A. Legal: to conform to all applicable Federal, State and other legal requirements.
- B. Safety: to adequately safeguard the principal.
- C. Liquidity: to provide sufficient liquidity to meet all operating requirements.
- D. Yield: to obtain a reasonable rate of return by diversifying by financial institution, investment instrument and maturity scheduling.

III. DELEGATION OF AUTHORITY:

The Board of Fire Commissioners hereby authorizes the Treasurer to invest all general and reserve funds and proceeds of obligations as directed by the State statutes (GML 10, 11, 39 and Article 5G and Banking Law 107-a establish the legal authority governing the deposit and investment of public monies). All investments made pursuant to the investment policy shall comply with the following conditions:

- A. The Treasurer shall obtain the prior permission of the Board of Fire Commissioners to make investments, other than in demand or time accounts issued by a bank or trust company authorized to do business in New York State.
- B. All deposits in excess of the \$250,000 amount insured under the provisions of the FDIC Act must be covered by the depository's pledge of eligible securities as provided in GML 10 (see attachment 1 for Schedule A - Bank Depository Collateral Agreement Schedule of Eligible Securities).
- C. The Treasurer shall establish and maintain a system of internal controls and records, which accurately reflects all transactions in reasonable detail
- D. The Treasurer shall report the Fire District's investment status monthly to the Board of Fire Commissioners.

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- E. A designated Fire Commissioner shall review the propriety of the District's investments and report on a monthly basis his/her findings to the Board of Fire Commissioners.
- F. GML 39 requires that the Board of Fire Commissioners review this policy at least annually. This policy should also be reviewed whenever new investment legislation is enacted, as staff capabilities change or as other external and internal issues dictate.
- G. Service Awards Program investments are addressed in the Clarence Fire District Service Awards Program Investment Policy.

IV. DESIGNATION OF DEPOSITORIES:

All financial institutions with which the District conducts business must be credit worthy. The Treasurer is responsible for evaluating the financial position and maintains a listing of proposed depositories. This listing shall be evaluated at least annually.

The banks currently authorized as depositories are: M&T Bank and JP Morgan Chase.

- V. The Board of Fire Commissioners may amend this Investment Policy at any time upon review.

This policy is adopted December 10, 2012 and supersedes the previous versions of this policy adopted January 7, 2008.

By order of the Board of Fire Commissioners, Clarence Fire District No. 1

DEPOSITORY COLLATERAL AGREEMENT

SCHEDULE A

Schedule of Eligible Securities

<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	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. NY Gen. Mun. Law § 10(1)(f)(i).
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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. NY Gen. Mun. Law § 10(1)(f)(ii).
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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. NY Gen. Mun. Law § 10(1)(f)(iii).
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	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 such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys. NY Gen. Mun. Law § 10(1)(f)(iv).
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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. NY Gen. Mun. Law § 10(1)(f)(v).
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Obligations of Puerto Rico rated in one of the three highest rating categories by at least one Nationally Recognized Statistical Rating Organization. NY Gen. Mun. Law § 10(1)(f)(vi).
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Obligations of counties, cities and other governmental entities of a state other than the State of New York 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. NY Gen. Mun. Law § 10(1)(f)(vii).
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Obligations of domestic corporations rated in one of the two highest rating categories by at least one Nationally Recognized Statistical Rating Organization. NY Gen. Mun. Law § 10(1)(f)(viii).
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies. NY Gen. Mun. Law § 10(1)(f)(ix).
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one Nationally Recognized Statistical Rating Organization and having maturities of not longer than 60 days from the date they are pledged. NY Gen. Mun. Law § 10(1)(f)(x).
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Zero coupon obligations of the United States government marketed as "Treasury strips". NY Gen. Mun. Law § 10(1)(f)(xi).