



VILLAGE OF DOBBS FERRY BOARD OF TRUSTEES
AGENDA

MEETING DATE: DECEMBER 7, 2020

AGENDA ITEM SECTION:

AGENDA ITEM NO. : 39

AGENDA ITEM: CONSIDER A MOTION TO ADOPT THE INVESTMENT AND PROCUREMENT POLICIES FOR THE VILLAGE OF DOBBS FERRY AS RECOMMENDED BY THE STATE OF NEW YORK

ITEM BACKUP DOCUMENTATION:

1. VILLAGE OF DOBBS FERRY INVESTMENT POLICY
2. VILLAGE OF DOBBS FERRY PROCUREMENT POLICY

INVESTMENT POLICY VILLAGE OF DOBBS FERRY

I. SCOPE:

This investment policy applies to all moneys and other financial resources available for investment on its own behalf or on behalf of any other entity or individual.

II. OBJECTIVES:

The primary objectives of the local government's investment activities are, in priority order, to conform with all applicable federal, state and other legal requirements (legal); to adequately safeguard principal (safety); to provide sufficient liquidity to meet all operating requirements (liquidity); and to obtain a reasonable rate of return (yield).

III. DELEGATION OF AUTHORITY:

The governing board's responsibility for administration of the investment program is delegated to the chief fiscal officer who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. 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 regulate the activities of subordinate employees.

IV. PRUDENCE:

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Village of Dobbs Ferry to govern effectively. Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived. All participants involved in the investment 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.

V. DIVERSIFICATION:

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

VI. INTERNAL CONTROLS:

It is the policy of the Village of Dobbs Ferry for all moneys collected by any officer or employee of the government to transfer those funds to the chief fiscal officer within three days of deposit, or within the time period specified in law, whichever is shorter. 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, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

VII. DESIGNATION OF DEPOSITORIES:

The banks and trust companies authorized for the deposit of monies up to the following maximum amounts are:

Depository Name:

JB Morgan Chase, Tompkins Mahopac, Wells Fargo

Maximum Amount:

\$10,000,000.00

Officer:

Vice President

VIII. COLLATERALIZING OF DEPOSITS:

In accordance with the provisions of General Municipal Law, §10, all deposits of the Village of Dobbs Ferry, 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:

1. By a pledge of "eligible securities" with an aggregate "market value", or provided by General Municipal Law, § 10, equal to the aggregate amount of deposits from the categories designated in Appendix A to the policy.
2. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank: with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose 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 by a bank: that is in compliance with applicable federal minimum risk -based capital requirements.
3. By an eligible surety bond payable to the government for an amount at least equal to 100 % of the aggregate amount of deposits and the agreed upon interest, in 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.

IX. SAFEKEEPING AND COLLATERALIZATION:

Eligible securities used for collateralizing deposits shall be held by (the depository and/or a third party) bank or trust company subject to security and custodial agreements. The security agreement shall provide that eligible securities are being pledged to secure local government 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, substituted or released and the events which will enable the local government to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the local government, such securities shall be delivered in a form suitable for transfer or with an assignment in blank: to the chief fiscal officer or its custodial bank:

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank: or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

X. PERMITTED INVESTMENTS:

As authorized by General Municipal Law, §11, the Village of Dobbs Ferry 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:

- Special time deposit accounts;
- Certificates of deposit;
- 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 United States of America;
- Obligations of the State of New York;
- Obligations issued pursuant to LFL §24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the Village of Dobbs Ferry;
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments.
- Certificates of Participation (COP's) issued pursuant to GML, §109-b;
- Obligations of this local government, but only with any moneys in a reserve fund established pursuant to GML, §6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m, or 6-n.

All investment obligations shall be payable or redeemable at the option of the Village of Dobbs Ferry 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 at the option of the Village of Dobbs Ferry within two years of the date of purchase.

XI. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS:

The Village of Dobbs Ferry shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Village of Dobbs Ferry. 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 depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

XII. PURCHASE OF INVESTMENTS:

The chief fiscal officer is authorized to contract for the purchase of investments:

1. Directly including through a repurchase agreement, from an authorized trading partner.
2. By participation in a cooperative investment program with another authorized Governmental entity pursuant to Article 5G of the 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 governing board.
3. By utilizing an ongoing investment program with an authorized tracking partner pursuant to a contract authorized by the governing board.

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 the investment. All such transactions shall be confirmed in writing to the Village of Dobbs Ferry 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.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

XIII. REPURCHASE AGREEMENTS:

Repurchase agreements are authorized subject to the following restrictions:

- All repurchase agreements must be entered into subject to a Master Repurchase Agreement.

- Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- Obligations shall be limited to obligations of the United States of America and obligations of agencies of the United States of America where principal and interest are guaranteed by the United States of America.
- No substitution of securities will be allowed.
- The custodian shall be a party other than the trading partner.

Appendix A
Schedule of Eligible Securities

Margin %

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| 100 | (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. |
| 100 | (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. |
| 100 | (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. |
| 100 | (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 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. |
| 100 | (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. |
| 100 | (vi) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization. |
| 100 | (vii) 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. |
| 100 | (viii) Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization. |
| 100 | (ix) 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. |
| 100 | (x) 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. |
| 100 | (xi) Zero coupon obligations of the United States government marketed as "Treasury strips". |

**PROCUREMENT POLICY
VILLAGE OF DOBBS FERRY**

1. Every purchase to be made must be initially reviewed to determine whether it is a purchase contract, public works contract or service contract. Once that determination is made, a good faith effort will be made to determine whether it is known or can reasonably be expected that the aggregate amount to be spent on the item of supply or service is not subject to competitive bidding, taking into account past purchases and the aggregate amount to be spent in a fiscal year. The following items are not subject to competitive bidding pursuant to Section 103 of the New York State General Municipal Law:

- a. purchase contracts under \$20,000
- b. public works contracts under \$35,000
- c. emergency purchases
- d. certain municipal hospital purchases
- e. goods purchases from agencies for the blind or severely handicapped
- f. goods purchases from correctional institutions
- g. purchases under State and County contracts
- h. purchases under a Municipal Consortium
- i. surplus and second-hand purchases from another governmental entity (note: purchases over \$20,000 of used, surplus or second-hand materials and equipment should be subject to public bid and advertised as such.)

The decision that a purchase is not subject to competitive bidding will be documented in writing by the individual making the purchase. This documentation may include written or verbal quotes from vendors, a memo from the purchaser indicating how the decision was arrived at, a copy of the contract indicating the source which makes the item or service exempt, a memo from the purchaser detailing the circumstances which led to an emergency purchase, or any other written documentation that is appropriate.

2. All goods and services will be secured by use of written requests for proposals, written quotations, verbal quotations, or any other method that assures that goods will be purchased at the lowest price and that favoritism will be avoided, except in the following circumstances:

- a. purchase contracts over \$20,000 and public works contracts over \$35,000
- b. goods purchased from agencies for the blind or severely handicapped pursuant to Section 175-b of the State Finance Law
- c. goods purchased from correctional institutions pursuant to Section 186 of the Correction Law
- d. purchases under State contracts pursuant to Section 104 of the General Municipal Law
- e. purchases under County contracts pursuant to Section 103(3) of the General Municipal Law
- f. purchases pursuant to Subdivision 6 of this policy

3. The following method of purchase will be used when required by this policy in order to achieve the highest savings:

<u>Estimated Amount of Purchase Contract</u>	<u>Method</u>
\$1,000 - \$1,999	2 verbal quotations
\$2,000 - \$19,999	3 written/fax quotations or request for proposal
\$20,000 and above	subject to publicly advertised bid or publicly advertised RFP. <u>Must be circulated to at least 3 companies.</u> Contract must be approved by Mayor and Board of Trustees.

The Village may require electronic bid submission for technology contracts.

<u>Estimated Amount of Public Works Contract</u>	<u>Method</u>
\$1,000 - \$1,999	2 verbal quotations
\$2,000 - \$34,999	2 written/fax quotations
\$5,000 - \$34,999	3 written/fax quotations or request for proposal
\$35,000 and above	subject to publicly advertised bid or publicly advertised RFP. <u>Must be circulated to at least 3 companies.</u> Contract must be approved by Mayor and Board of Trustees.

A good faith effort shall be made to obtain the required number of proposals or quotations. If the purchaser is unable to obtain the required number of proposals or quotations, the purchaser will document the attempt made at obtaining the proposals. In no event shall the failure to obtain the proposals be a bar to the procurement.

4. Documentation is required of each action taken in connection with each procurement.

5. All Fire Department buildings and vehicles maintenance and repairs will be the responsibility of the Fire Chief. All Fire Department purchases and contracts must be pre-approved prior to purchase by requisition authorized by the Village Administrator or the Village Treasurer in the absence of the Administrator. All purchases and contracts will follow the Village's procurement and purchasing policies.

6. Documentation and an explanation are required whenever a contract is awarded to other than the lowest responsible offerors, This documentation will include an explanation of how the award will achieve savings or how the lowest offeror was not responsible. A determination that the lowest offeror is not responsible shall be made by the purchaser and may not be challenged under any circumstances.

7. Pursuant to General Municipal Law Section 104-b(2)(0, the procurement policy may contain circumstances when, or types of procurements for which, in the sole discretion of the governing body, the solicitation of alternative proposals or quotations will not be in the best interest of the municipality. In the following circumstances it may not be in the best interests of the Village of Dobbs Ferry to solicit quotations or document the basis for not accepting the lowest bid:

a. Professional services or services requiring special or technical skill, training or expertise. The individual or company must be chosen based on accountability, reliability, responsibility, skill, education and training, judgment, integrity, and moral worth. These qualifications are not necessarily found in the individual or company that offers the lowest price and the nature of these services are such that they do not readily lend themselves to competitive procurement procedures.

In determining whether a service fits into this category the Board of Trustees shall take into consideration the following guidelines; (a) whether the services are subject to State licensing or testing requirements; (b) whether substantial formal education or training is a necessary prerequisite to the performance of the services; and (c) whether the services require a personal relationship between the individual and municipal officials. Professional or technical services shall include but not be limited to the following: services of an attorney; services of a physician; technical services of an engineer engaged to prepare plans, maps and estimates; securing insurance coverage and/or services of an insurance broker; Municipal Consortium; services of a certified public accountant; investment management services; financial advisor; printing services involving extensive writing, editing or art work; grant writer; management of municipally owned property; and computer software or programming services for customized programs, or services involved in substantial modification and customizing of pre-packaged software.

b. Emergency purchases pursuant to Section 103(4) of the General Municipal Law. Due to the nature of this exception, these goods or services must be purchased immediately and a delay in order to seek alternative proposals may threaten the life, health, safety or welfare of the residents. This section does not preclude alternate proposals if time permits.

c. Purchases of surplus and second-hand goods from any source. If alternate proposals are required, the Village is precluded from purchasing surplus and second-hand goods at auctions or through specific advertised sources where the best prices are usually obtained. It is also difficult to try to compare prices of used goods and a lower price may indicate an older product.

d. Goods or services under \$1,000. The time and documentation required to purchase through this policy may be more costly than the item and would therefore not be in the best interests of the taxpayer. In addition, it is not likely that such de minimis contracts would be awarded based on favoritism.

8. This policy shall go into effect immediately upon adoption by the Board of Trustees and will be reviewed annually.