

## **GUIDELINES FOR INVESTMENTS ALBANY PORT DISTRICT COMMISSION**

These guidelines detail the operative policy regarding the investing, monitoring and reporting of funds of the Albany Port District Commission (“APDC”).

### 1) Purpose.

These investment guidelines are intended to:

- a) Establish a system whereby current funds on hand, in excess of immediate needs, are invested to assure that such investment assets are adequately safeguarded and collateralized.
- b) Assure that such investments are adequately liquid to meet the needs of the APDC;
- c) Assure that an adequate system of internal control is maintained; and
- d) Assure that such investments produce a reasonable rate of return.

The primary objective is protection of principal.

### 2) Authorization and Management.

The Board Members of the APDC have delegated the authorization to make investment decisions to the Chief Executive Officer (“CEO”) and/or Chief Financial Officer (“CFO”). These persons are to make certain that all decisions conform to:

- a) Chapter 192 of the Laws of 1925, State of New York, as amended (also known as the APDC’s enabling legislation);
- b) 2 NYCRR Part 201 (“Accounting, Reporting and Supervision Requirements for Public Authorities”); and
- c) Section 2925 of the Public Authorities Law.

The CEO and/or CFO are authorized to deposit all funds received by the APDC (in excess of those needed for on-going operations consistent with these guidelines. Additionally, pursuant to a recommendation by the CEO or CFO, a professional investment advisor (“Advisor”) shall be retained to assist the APDC’s implementation of this Policy and the APDC may grant the advisor discretion to execute transactions within the context of this Policy. The advisor will be expected to act as a fiduciary at all times in the best interest of the APDC.

### 3) Types of Investments and Contracts.

The approved types of investments are as follows:

- a) Securities issued by and guaranteed by the U.S. Government or one of its agencies. No collateral is required for this type of investment.
- b) Certificates of Deposit collateralized or fully insured by the Federal Deposit Insurance Corporation as to principal and expected interest.
- c) Deposits in “Money Market Type” accounts of banks doing business in New York that are collateralized or fully insured by the FDIC as to principal and expected interest.
- d) Obligations of New York State or obligations in which the principal and interest are guaranteed by New York State. No collateral is required for this type of investment.

Since it is not a regular business practice for a written contract with respect to these types of investments, no written contract is required. The operating practices herein shall govern.

- e) In no event will the final maturity of any purchased security exceed five years unless the security has an adjustable coupon rate. In this event, the coupon rate must adjust no less frequently than every three months, must be positively correlated with market interest rates and possess a final maturity of seven years or less. The liquidity/availability of funds must always be considered when investing for any term of greater than one year.

### 4) Operating Procedures.

- a) Approvals: The APDC requires that the CEO or CFO approve all investment transactions before they are executed. The Advisor will be consulted for appropriate investment recommendations to the CEO or CFO. The Board will be informed of all such investment transactions and review the APDC’s portfolio during the CFO’s report detailed in Section 7(a) of this Policy.
- b) Collateral Custody: The Custodian of all collateral involved in any investment transaction must be either the APDC or third party custodian acceptable to the APDC. If at any time the required collateral does not equal the value of the investment, the APDC shall inform the third party custodian of additional collateral required. If additional collateral is not added immediately by the third party custodian involved, the APDC shall demand the return of the amount invested. Any custodian or trustee of securities in any transaction of which the APDC is a principal may not relinquish control over such securities without written consent of the APDC and the bank.

- c) The APDC requires that any financial institution with which it makes an investment either be the principal in regard to the transaction, or if the financial institution is serving as a placement agent, such information must be disclosed to the APDC.
- d) In addition to the normal entries in cash receipts, cash disbursements and general ledger regarding investments, the CFO (and/or the Advisor retained by the APDC) will maintain a schedule for each financial institution with which the APDC makes investments showing:
  - 1. Date of transaction;
  - 2. Security;
  - 3. Fund for which the investment is held;
  - 4. Location where investment is kept;
  - 5. Date of Disposition and amount realized;
  - 6. Market Value/Custodian of Collateral (if required);
  - 7. Interest rate; and
  - 8. Maturity date of the investment.

The CFO shall receive reports monthly from any custodian/bank holding APDC investments. The CFO will review such reports monthly and verify the principal amount and market values of all investments and collateral.

- e) Prior to making an investment, the APDC (or investment advisor) will review competitive investment offerings from brokers/banks in order to insure that the APDC receives a competitive value. The Certificate of Deposit will be held by the APDC's Custodian. If there is collateral involved, the APDC will immediately contact the designated custodian or trustee of the collateral and receive from custodian a written instrument requiring the APDC's agreement before custody may be relinquished.
- f) The APDC requires the custodian to send verification of funds/securities held for the APDC whenever requested to do so by the APDC.

#### 5) Collateralization.

- a) The collateral for Certificate of Deposit or Money Market Fund deposits, is limited to "Investment Grade" obligations. "Investment Grade" obligations are direct obligations of the United States or New York State Government or obligations the principal and interest of which are guaranteed by the United States, one of its agencies or New York State Government.
- b) Whenever investments require collateralization, such investments must be collateralized by "Investment Grade" obligations as defined in item a) above.

6) Modifications.

- a) The APDC will review these guidelines annually in conjunction with the annual independent audit or at any time for statutory, regulatory, or policy modifications and may be resolution, modify these procedures at any time.

7) Reports and Audits.

The following reports and audits shall be prepared in connection with the APDC's Investment program.

- a) The CFO shall provide the Board semi-annual reports regarding any new investments, the inventory of existing investments, and the selection of investment bankers, brokers, agents, dealers or auditors. Additionally, any retained investment advisor will meet with the APDC Board at least annually to discuss the portfolio and any questions of the APDC Board.
- b) Annual Investment Report. The CFO shall prepare and submit an annual investment report to the Board after the close of each fiscal year of the APDC. Upon Board approval, the report shall be filed with the Division of the Budget, Senate Finance Committee, Assembly Ways and Means Committee, and the New York State Comptroller. Such report shall include the following:
  1. The investment Guidelines required by Section 2925(3) of the Public Authorities Law and any amendments to such guidelines since the last investment report;
  2. An explanation of the Investment Guidelines and Amendments;
  3. The results of the Annual Investment Audit described below;
  4. The investment income results of the APDC; and
  5. A list of the total fees, commissions or other charges paid for APDC investment associated services by the APDC since the date of the last investment report.
- c) Annual Investment Audit. Each year, the APDC shall cause its independent auditors to conduct an audit (the "Annual Investment Audit") regarding the APDC's investments. The Annual Investment Audit:
  1. Shall determine whether the APDC complies with its own investment policies; investment assets are adequately safeguarded given the statutory investment mandates; adequate accounts and records are maintained which accurately reflect all transactions and report on the disposition of the APDC's assets; and a system of adequate internal controls is maintained.

2. Shall determine whether the APDC has complied with the applicable laws, regulations, and State Comptroller's Investment Guidelines and such public authority accounting directives as may be issued by the State Comptroller; and
  3. Should be designed to the extent practical to satisfy both the common interest of the APDC and the public officials accountable to others.
- d) Annual Investment Audit Report. The results of the Annual Investment Audit Report shall be set forth in a report (the "Annual Investment Audit Report") which shall include:
1. A description of the scope and objectives of the audit;
  2. A statement that the audit was made in accordance with generally accepted government auditing standards;
  3. A description of any material weaknesses found in the internal controls;
  4. A description of all non-compliance with the APDC's Investment Guidelines as well as applicable laws, regulations and the State Comptroller's Investment Guidelines and such public authority accounting directives as may be issued by the State Comptroller;
  5. A statement of positive assurance of compliance on the items tested and negative assurance on those items not tested;
  6. A statements on any other material deficiency or finding identified during the audit not covered in 5 above; and
  7. Recommendations, if any, with respect to amendment of the APDC Investment Guidelines.

The Annual Investment Audit Report shall be filed within ninety (90) days after the close of the APDC's fiscal year with the Office of Budget and Policy Analysis of the State Comptroller.

Amended April 2022  
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