

RESOLUTION NO. 2015 - _____

A RESOLUTION CONFIRMING THE OFFICIAL CASH
MANAGEMENT PLAN.

WHEREAS, N.J.S.A. 40A:5-14 provides that:

“Each local unit shall adopt a cash management plan and shall deposit, or invest, or both deposit and invest, its funds pursuant to the plan”; and

WHEREAS, the Interim Certified Financial Officer has worked with the City Auditor, other municipal officials and employees and advisors in preparing the Calendar Year 2016 Cash Management Plan of the City of Vineland.

NOW THEREFORE BE IT RESOLVED, by the Council of the City of Vineland that:

1. The Calendar Year 2016 Cash Management Plan as incorporated herein by reference hereto is hereby adopted; and
2. The Interim Certified Financial Officer shall deposit and invest all monies of this municipality as designated by the Cash Management Plan in accordance with the provisions of the Plan and in accordance with N.J.S.A. 40A:5-14.
3. The City Clerk shall file a certified copy of this resolution with the Interim Certified Financial Officer of the City of Vineland and the City Auditor.

Adopted:

President of Council

ATTEST:

City Clerk

**CASH MANAGEMENT PLAN OF THE CITY OF VINELAND
IN THE COUNTY OF CUMBERLAND, NEW JERSEY**

I. STATEMENT OF PURPOSE

This Cash Management Plan (the "Plan") is prepared pursuant to the provisions of N.J.S.A. 40A:514 in order to set forth the basis for the deposits ("Deposits") and investment ("Permitted Investments") of certain public funds of the City of Vineland, pending the use of such funds for the intended purposes. The Plan is intended to assure that all public funds identified herein are deposited in interest bearing Deposits or otherwise invested in Permitted Investments hereinafter referred to. The intent of the Plan is to provide that the decisions made with regard to the Deposits and the Permitted investments will be done to insure the safety, the liquidity (regarding its availability for the intended purposes), and the maximum investment return within such limits. The Plan is intended to insure that any Deposit or Permitted Investment matures within the time period that approximates the prospective need for the funds deposited or invested so that there is not a risk to the market value of such Deposits or Permitted Investments.

II. IDENTIFICATION OF FUNDS AND ACCOUNTS TO BE COVERED BY THE PLAN.

- A. The Plan is intended to cover the deposit and/or investment of the following funds and accounts of the City of Vineland:

- Current Fund/General Account
- General Capital Fund/General Capital Accounts
- Animal Control Fund/Animal Control Accounts
- Public Assistance Fund/Public Assistance Accounts
- Other Trust Funds/Trust Accounts
- Assessment Trust Fund/Assessment Trust Accounts
- Electric Operating Fund/General Account
- Electric Capital Fund/Electric Capital Accounts
- Electric Trust Fund/Electric Trust Accounts
- Water Operating Fund/General Account
- Water Capital Fund/Water Capital Accounts
- Water Assessment Trust Fund/Water Assessment Accounts

III. DESIGNATION OF OFFICIALS OF THE CITY OF VINELAND AUTHORIZED TO MAKE DEPOSITS AND INVESTMENTS UNDER THE PLAN

The Chief Financial Officer of the City of Vineland is hereby authorized and directed to deposit and/or invest the funds referred to in the Plan. The Chief Financial Officer is hereby authorized to designate in writing an alternate employee to act in his/her capacity during his/her absence.

IV. DESIGNATION OF DEPOSITORIES

Any Bank doing business in the State of New Jersey who possesses a current Governmental Unit Deposit Protection Act Certificate is hereby designated as official depositories for the Deposit of all public funds referred to in the Plan, including any Certificates of Deposit which are not otherwise invested in Permitted Investments as provided for in this Plan.

V. RECEIPTS AND DISBURSEMENT OF THE FUNDS OF THE CITY OF VINELAND

- A. City Council shall establish by resolution adopted at its reorganization meeting of said administration the required signatories to all municipal bank accounts.
- B. All municipal funds received by any official or employee shall be deposited within 48 hours to an interest bearing account in the name of the City of Vineland, or shall be turned over to Central Collection within 48 hours or receipt without exception.
- C. All revenues received by Central Collection shall be deposited to interest bearing accounts in the legal depositories with the exception of the items identified in Section D below.
- D. The following funds shall not be required to be maintained in interest bearing accounts:
 - 1. Change Funds
 - 2. Petty Cash Funds
 - 3. Trust Funds to the extent that the deposit of such funds to an interest bearing account would require by law the payment of interest to the provider of funds.
 - 4. Any grant funds required by the grant agreement not to be placed in interest bearing accounts.
 - 5. Bond and Interest Accounts for Debt Service Payments.

6. Compensating balances maintained for the purpose of obtaining specific services from financial institutions. Such accounts may be established at the discretion of the Chief Financial Officer based on his/her determination of their cost effectiveness. The Chief Financial Officer shall have the authority to execute written agreements for said accounts.
 7. Any other funds or balances which due to reasons of practicality or requirements of some regulatory authority must be placed in non-interest bearing accounts.
- E. No municipal funds shall be disbursed by the Chief Financial Officer prior to approval of the City Council except for:
1. Debt Service Payments
 2. Investments
 3. Payroll turnovers to agencies
 4. Discount vouchers
 5. Reimbursement to Self Insurance Funds
 6. Economic Development Loans where City Council has previously approved an UEZ application submission and said application has been approved by the State UEZ Board.
 7. Any other vouchers necessary for smooth and efficient operations of the City of Vineland as determined by the City Comptroller not to exceed \$100,000.

Items 1,2,4,5,6, and 7 shall be submitted to City Council for ratification on the bill resolution presented at the next Council meeting following the payments.

- F. The Chief Financial Officer is authorized to designate employees who may initiate and confirm wire transfers or other types of transfers.

VI. DESIGNATION OF BROKERAGE FIRMS AND DEALERS WITH WHOM THE DESIGNATED OFFICIALS MAY DEAL

The following brokerage firms and/or dealers and other institutions are hereby designated as firms with whom the Designated Official(s) of the City of Vineland referred to in this Plan may deal for purposes of buying and selling securities identified in this Plan as Permitted Investments or otherwise providing for Deposits. It will also be stated that, at any time, additional brokerage firms may be added at the discretion of the Chief Finance Officer.

Bank of New York Mellon
Bank of America
Barclays Capital
Citigroup
Goldman Sachs

Merrill-Lynch
Morgan Stanley Smith Barney
Charles Schwab
Wells Fargo

VII. AUTHORIZED INVESTMENTS

- A. Except as otherwise specifically provided for herein, the Designated Official is hereby authorized to invest the public funds covered by this Plan, to the extent not otherwise held in Deposits, in the following Permitted Investments:
1. Bonds or other obligations of the United States Of America or obligations guaranteed by the United States of America;
 2. Government money market mutual funds;
 3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bears a fixed rate of interest not dependent on any index or other external factor;
 4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts or which the Local Unit is a part or within which the school district is located;
 5. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by Local Units.
 6. Local government investment pools;
 7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.S2:18A-90.4);
or
 8. Agreement for repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:941); and

- e. A master repurchase agreement providing for the custody and security of collateral is executed.
9. Obligations issued by the State of New Jersey, its agencies or any other local agencies or authorities which specifically provide in their enabling legislation that their obligations are an authorized investment for other local governments. This is specifically intended to include obligations issued by the State of New Jersey to funds its outstanding pension obligations issued in 1997, consisting of Series A, B, and C, inclusive.

For purposes of the above language, the terms "government money market mutual fund" and "local government investment pool" shall have the following definitions:

10. Government Money Market Mutual Fund. An investment company or investment trust:

- a) which is registered with the Securities and Exchange commission under the Investment Company Act of 1940," 15 D.S.C. sec. 80a-1 et seq., and operated in accordance with 17 C.F.R. sec. 270.2a7.
- b) the portfolio of which is limited to U.S. Government securities that meet the definition of any eligible security pursuant to 17 C.F.R. sec. 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities; and
- c) which has:
 - i. attained the highest ranking or the highest letter and numerical rating of a nationally recognized statistical rating organization; or
 - ii. retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission pursuant to the "Investment Advisors Act of 1940, N 15 U.S.C. sec. 80b-1 et seq., with experience investing in U.S. Government securities or at least the most recent past 60 months and with assets under management in excess of \$500 million.

11. Local Government Investment Pool. An investment pool:

- a) which is managed in accordance with 17 C.F.R. sec. 270.2a-7;
- b) which is rated in the highest category by a nationally recognized statistical rating organization;
- c) which is limited to U.S. Government securities that meet the

definition of an eligible security pursuant to 17 C.F.R. sec. 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities;

- d) which is in compliance with rules adopted pursuant to the "Administrative Procedure Act," P.L. 1968, c. 410 (c. 52:148-1 et seq.) by the Local Finance Board of the Division of Local Government Services in the Department of Community Affairs, which rules shall provide for disclosure and reporting requirements, and other provisions deemed necessary by the board to provide for the safety, liquidity and yield of the investments:
- e) which does not permit investments in instruments that: are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their par value; or utilize an index that does not support a stable net asset value; and
- f) which purchases and redeems investments directly from the issuer, government money market mutual fund, or the State of New Jersey Cash Management Fund, or through the use of a national or State bank located within this State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L. 1967 c.9 (C. 49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. government securities.

B. It shall be the responsibility of the Chief Financial Officer to analyze the cash flow and to invest funds in legal investments as to maximize interest earnings. The Chief Financial Officer will observe the following guidelines:

- 1) When investing funds in commercial banks, savings banks, savings and loans and other depository institutions, the Chief Financial Officer shall attempt to obtain a minimum of three quotations and shall invest at the institutions offering the highest effective rate. If such investment together with all other deposits of the City of Vineland in said institution exceeds the Federal Deposit Insurance Corporation limit then the following criteria must be met:
 - a) the institution must be covered by a Current Governmental Unit Deposit Protection Act Certificate.

- 2) Chief Financial Officer shall determine which type of legal investment will best serve the needs of the municipality and is authorized to place funds in any legal investment, unless otherwise restricted by the governing body.
- 3) The Chief Financial Officer is authorized to contract the services of a Financial Advisor, as needed.
- 4) The Chief Financial Officer shall develop procedures to insure internal controls are adequate to safeguard the City of Vineland's Funds.

VIII. SAFEKEEPING CUSTODY PAYMENT AND ACKNOWLEDGEMENT OF RECEIPT PLAN.

To the extent that any Deposit or Permitted Investment involves a document or security which is not physically held by the City of Vineland, then such instrument or security shall be covered by a custodial agreement with an independent third party, which shall be a bank or financial institution in the State of New Jersey. Such institution shall provide for the designation of such investments in the name of the City of Vineland to assure that there is no unauthorized use of the funds or the Permitted Investments or Deposits. Purchase of any Permitted Investments that involve securities shall be executed by a "delivery versus payment" method to insure that such Permitted Investments are either received by the City of Vineland or by a third party custodian prior to or upon the release of the City of Vineland's funds.

IX. REPORTING REQUIREMENTS

On the first day of each month during which this Plan is in effect, the Designated Official, referred to in Section III hereof shall supply to the governing body of the City of Vineland a written report of any Permitted Investments made pursuant to this Plan, which shall include, at a minimum, the following information:

- a) The name of any institution holding funds of the City of Vineland as a Permitted Investment:
- b) The amount of securities purchased-or sold during the immediately preceding month.
- c) The class or type of securities purchased.
- d) The book value of such Permitted Investments.
- e) The earned income on such Permitted Investments. To the extent that such amounts are actually earned at maturity, this report shall provide an accrual of such earnings during the immediately proceeding month.
- f) The fees incurred to undertake such Permitted Investments
- g) The market value of all Permitted Investments as of the end of the immediately preceding month.
- h) All other information which may be deemed reasonable from time to time by the governing body of the City of Vineland.

X. VII. TERM OF PLAN

This Plan shall be in effect from January 1, 2016 to December 31, 2016. Attached to this Plan is a resolution of the governing body of the City of Vineland approving this Plan for such period of time. The Plan may be amended from time to time.