

RESOLUTION NO. 8-2018

BOROUGH OF ROSELAND
 COUNTY OF ESSEX, STATE OF NEW JERSEY

ACCEPTING CASH MANAGEMENT PLAN

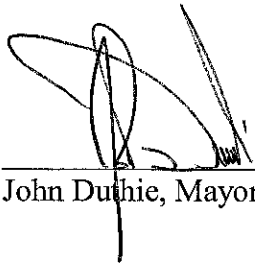
WHEREAS, N.J.S.A 40A:5-14 requires that ever local unit adopt a Cash Management Plan, and

WHEREAS, the primary objectives of the plan are to preserve the safety of Public Funds, seek investment instruments that offer liquidity and maximize interest revenue through use of authorized legal depositories and approved investment instruments,

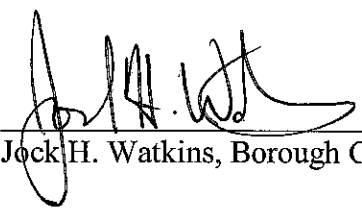
NOW, THEREFOR, BE IT RESOLVED that the Mayor and Council of the Borough of Roseland accept the attached Cash Management Plan from January 1, 2018 to December 31, 2018.

COUNCIL	MOTION	SECOND	AYE	NAY	ABSTAIN	RECUSE	ABSENT
Councilman Bardi		X	X				
Councilman Jacobs							X
Councilman Leonard			X				
Councilman Smith	X		X				
Council President Tolli			X				
Councilman Tsilionis			X				
Mayor Duthie (In case of tie)							
		VOTE:	5	0			

I do hereby certify that the foregoing is a true and exact copy of a Resolution adopted by the Mayor and Borough Council of the Borough of Roseland on January 2, 2018.



 John Duthie, Mayor



 Jock H. Watkins, Borough Clerk

CASH MANAGEMENT PLAN OF THE BOROUGH OF ROSELAND
IN THE COUNTY OF ESSEX, NEW JERSEY

I. STATEMENT OF PURPOSE.

This Cash Management Plan (the "Plan") is prepared pursuant to the provisions of N.J.S.A. 40A:5-14 in order to set forth the basis for the deposits ("Deposits") and investments ("Permitted Investments") of certain public funds of the Borough of Roseland, pending the use of such funds for the intended purposes. The Plan is intended to ensure 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 ensure 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 deposits and/or investment of the following funds and accounts of the Borough of Roseland:

- Current Fund
- Capital Fund
- Trust Fund
- Water/Sewer Operating Fund
- Water/Sewer Capital Fund

B. The following funds shall not be required to be maintained in interest bearing accounts:

- Change Fund
- Petty Cash Fund
- Payroll Fund
- 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 the funds
- Compensating balance maintained for the purpose of obtaining specific services from financial institutions. Such accounts shall be established through an RFP and be reviewed every three years.

III. DESIGNATION OF OFFICIALS OF THE BOROUGH OF ROSELAND TO MAKE DEPOSITS AND INVESTMENTS UNDER THE PLAN.

The Chief Financial Officer of the Borough of Roseland is hereby authorized and directed to deposit and/or invest the funds referred to in the Plan. A written copy of the Plan will be available to all Depositories with whom the Deposits or Permitted Investments are made.

IV. DESIGNATION OF DEPOSITORIES.

The following banks and financial institutions are 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:

Wells Fargo Bank	PNC Bank
M&T Bank	Bank of America
MBIA	Regal Bank
State of New Jersey Cash Management Fund	The Provident Bank
Kearny Bank	New York Community Bank
TD Bank	Chase Bank
Valley National Bank	

V. 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 obligation 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 of 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. 1997, c.281 (C.52:18A-90.4); or
- (8) Agreements for the 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.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- (9) Certificates of Deposits
- (10) New Jersey Cash Management Plan
- (11) Government Advantage Account

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

- 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 U.S.C. sec. 80a-1 et seq., and operated in accordance with 17 C.F.R. sec. 270.2a-7.
 - (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," 15 U.S.C. sec. 80b-1 et seq., with experience investing in U.S. Government securities for at least the most recent past 60 months and with assets under management in excess of \$500 million.

Local Government Investment Pool. An investment pool:

- (a) which is managed in accordance with 17C.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;14B-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.

VI. SAFEKEEPING CUSTODY PAYMENT AND ACKNOWLEDGEMENT OF RECEIPT OF PLAN

To the extent that any Deposit or Permitted Investment involved a document or security which is not physically by the Borough of Roseland, 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 Borough of Roseland to assure that there is no unauthorized use of the funds or the Permitted Investments or 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 ensure that such Permitted Investments are either received by the Borough of Roseland or by a third-party custodian prior to or upon the release of the Borough of Roseland's funds.

To assure that all parties with whom the Borough of Roseland deals either by way of Deposits or Permitted Investments are aware of the authority and the limits set forth in this Plan, all such parties shall be supplied with a copy of this Plan in writing and all such parties shall acknowledge the receipt of that Plan in writing, a copy of which shall be on file with the Designated Official(s).

VII PROCEDURES FOR RECEIPT OF MONIES

- A. Department Heads will ensure that a receipt is issued in triplicate for all transactions. A copy of the receipt shall be given to the paying party, a copy shall be kept and maintained by the issuing department and a copy is to be sent to the finance office with the funds.
- B. All monies collected or received from any source by or on behalf of the Borough, Department or any Board thereof, shall be forwarded to the Finance Office within forty-eight (48) hours of receipt.
- C. All fees charged and collected must be in accordance with the established ordinance or resolution adopted by the governing body. The fees established remain in effect until the adoption of a new ordinance or resolution
- D. The finance office will prepare daily deposits to the designated legal depository.

- E. All monies received in the finance department from issuing departments shall immediately be processed through the Financial software and a computerized receipt will be returned to the issuing department.
- F. For cash deposits, the department submitting the deposit should wait for the transaction to be processed at the cash register and the receipt must be initialed by the Finance Office to confirm amount of deposit.
- G. All validations involving “cash” need to be processed while the transmitting department waits for the receipt and returned to originator.
- H. All monies received shall be kept in a secure place until forwarded for deposit
- I. The Departments shall file with the Chief Financial Officer a monthly report of all monies received, the report shall include year to date totals.

VIII REPORTING REQUIREMENTS.

Each month in which this Plan is in effect, the Designated Official(s) referred to in Section III hereof shall supply to the governing body of the Borough of Roseland a written report of any Deposits or 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 Borough of Roseland as a Deposit or a Permitted Investment.
- B. The amount of securities or Deposits purchases or sold during the immediately preceding month.
- C. The earned income on such Deposits or 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 preceding month.

All other information which may be deemed reasonable from time to time by the governing body of the Borough of Roseland

IX TERM OF PLAN.

This Plan shall be in effect from January 1, 2017 to December 31, 2017. Attached to this Plan is a resolution of the governing body of the Borough of Roseland approving this Plan for such period of time. The Plan may be amended from time to time. Copies of the amendments to all of the parties who otherwise have received the copy of the originally approved Plan, which amendment shall be acknowledged in writing in the same manner as the original Plan was so acknowledged.