

BETHLEHEM IDA

TOWN OF BETHLEHEM
ALBANY COUNTY, NEW YORK

**Town of Bethlehem
Industrial Development Agency**

445 Delaware Avenue

Delmar, NY 12054

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Finance Committee Meeting- Agenda

Thursday, April 20, 2023 | 9:30 am | Bethlehem Town Hall Room 214-A

Livestream:

<https://us02web.zoom.us/j/86833883213?pwd=VnpmVnErVllyWkdGWnNnaVFtTzRodz09>

- a. Call to Order/Roll Call/ Quorum Determination
- b. New Business
 - a. Review and Discussion regarding the March Financial Statements
 - b. Q1 Review
 - c. Discussion Regarding Town Project Proposals
 - d. Discussion regarding Investments and Investment Policy Review
 - e. Discussion regarding Fund Balance Policy Review
 - f. Discussion regarding CD maturity
- c. Adjourn

BETHLEHEM INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF NET ASSETS
March 31, 2023

ASSETS	March 31,2023
Current Assets	
Checking/Savings	
200.04 Cash-M&T Bank Agency Account	575,185.26
200.06 Cash-M&T CD	756,140.97
Total Checking/Savings	1,331,326.23
Other Current Assets	
380 Fee Receivable	78,561.10
480 Prepaid Expense	2,512.52
Total Other Current Assets	81,073.62
Total Current Assets	1,412,399.85
TOTAL ASSETS	1,412,399.85
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
601 Accrued Expenses	15,132.16
Total Current Liabilites	15,132.16
Total Liabilities	15,132.16
Equity	
924 Net Assets	
924.3 Net Assets-Unassigned	1,397,267.69
Total 924 Net Assets	1,397,267.69
Total Equity	1,397,267.69
TOTAL LIABILITIES & EQUITY	1,412,399.85

BETHLEHEM INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF REVENUE AND EXPENSES
March 31, 2023

ORDINARY INCOME/EXPENSE

Income

2116 FEE INCOME 136,958.35

2116.1 PSEG ENERGY REIMB 38,166.98

Total Income 175,125.33

Expenses

6460.4 Contractual Expenses 33,561.62

6460.5 Business & Economic Development 0.00

Total Expenses 33,561.62

NET ORDINARY INCOME 141,563.71

Other Income/Expense

Other Income

2401 Interest Income 5,335.71

Total Other Income 5,335.71

NET INCOME 146,899.42

BETHLEHEM INDUSTRIAL DEVELOPMENT AGENCY
BUDGET VS ACTUAL
3/312023

Ordinary Income/Expense Income	Mar-23	YTD Budget	Variance	Annual Budget
2116 Fee Income	136,958.35	140,850.92	-3,892.57	160,351.00
2106.1 PSEG Energy Reimb	38,166.98	20,000.00	18,166.98	80,000.00
Total Income	175,125.33	160,850.92	14,274.41	240,351.00
Expenses				
6460.4 Contractual Expenses	33,561.62	40,025.00	-6,463.38	160,100.00
6460.5 Business and Economic Dev	0.00	25,000.00	-25,000.00	100,000.00
Total Expenses	33,561.62	65,025.00	-31,463.38	260,100.00
Net Ordinary Income	141,563.71	95,825.92	45,737.79	-19,749.00
Other Income/Expense				
2401 Interest Income	5,335.71	300.00	5,035.71	1,200.00
Total Other Income	5,335.71	300.00	5,035.71	1,200.00
Net Income	146,899.42	96,125.92	50,773.50	-18,549.00

TOWN OF BETHLEHEM INDUSTRIAL DEVELOPMENT AGENCY INVESTMENT POLICY

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.

The Board shall annually review the Investment Policy, and amend if necessary.

II. OBJECTIVES

The primary objectives of the local government's investment activities are, in priority order:

- a) conform with all applicable federal, state and other legal requirements (Legal);
- b) adequately safeguard principal (safety);
- c) provide sufficient liquidity to meet all operating requirements (liquidity);
- d) 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 Financial 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 data base 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 Town of Bethlehem Industrial Development Agency to govern effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudent 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 Town of Bethlehem Industrial Development Agency 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 Town of Bethlehem Industrial Development Agency for all moneys collected by any officer or employee of the government to transfer those funds to the Chief Financial Officer for deposit within three days of receipt, or within the time period specified in law, whichever is shorter.

The Chief Financial 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 maximum amounts are:

<u>Depository Name</u>	<u>Maximum Amount</u>
Key Bank of New York	\$5,000,000
JP Morgan Chase	\$5,000,000
M & T Bank	\$5,000,000
Citizens Bank	\$5,000,000
TD Banknorth	\$5,000,000
Bank of America	\$5,000,000
HSBC Bank USA	\$5,000,000
Pioneer Savings Bank	\$5,000,000

VIII. COLLATERALIZING OF DEPOSITS

In accordance with the provisions of General Municipal Law, Section 10, all deposits of the Town of Bethlehem Industrial Development Agency, 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" as provided by GML Section 10, equal to the aggregate amount of deposits from the categories designated in Section X of the policy.
2. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits (and also excluding any bank affiliated with the bank which serves as an authorized depository) 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, if 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 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 Town of Bethlehem Industrial Development Agency 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, Section 11, the Town of Bethlehem Industrial Development Agency authorizes the Chief Financial 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:

- a) Special time deposit accounts;
- b) Certificates of deposit;
- c) Obligations of the United States of America;
- d) 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;
- e) Obligations of the State of New York;
- f) 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;

- g) Obligations issued pursuant to LFL Section 24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the Town of Bethlehem;
- h) 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;
- i) Certificate of participation (COPS) issued pursuant to GML Section 109-b;
- j) Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.

All investment obligations shall be payable or redeemable at the option of the Town of Bethlehem Industrial Development Agency 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 Town of Bethlehem Industrial Development Agency within two years of the date of purchase.

XI. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Town of Bethlehem Industrial Development Agency 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 (See Section VII). 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 Town of Bethlehem Industrial Development Agency.. 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 Financial 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 Financial Officer is authorized to contract for the purchase of investments:

1. Directly, 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 trading 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 Town of Bethlehem Industrial Development Agency 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, Section 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 not authorized as an investment vehicle.

XIV. REPORTING

Within 120 days of the end of the fiscal year, the Chief Financial Officer shall prepare and submit to the Industrial Development Agency Board an annual investment report; recommendations for changes in the Investment Guidelines; the investment income record; a list of total fees; commissions or other charges, if any, paid to the Custodial Bank and such other matters as the Chief Financial Officer deems appropriate. The Board shall review and approve the annual investment report within 45 days of receipt.