

**RESOLUTION OF THE
SCHENECTADY URBAN RENEWAL AGENCY
FEBRUARY 22, 2011**

**INVESTMENT POLICY
RESOLUTION NO. 2011-06**

IT IS HEREBY RESOLVED, that the Schenectady Urban Renewal Agency enacts the following investment policy as required by New York State Public Authority Law Section 2925:

The objectives of the Investment Policy of the Schenectady Urban Renewal Agency (SURA) are to minimize risk; to insure that investments mature when the cash is required to finance operations; to insure a maximum rate of return; and to insure that every available dollar is earning money for the Urban Renewal Agency. The following are authorized investments:

1. Certificates of Deposit issued by a bank or trust company authorized to do business in New York State;
2. Time Deposit Accounts in a bank or trust company authorized to do business in New York State;
3. Obligations of New York State;
4. Obligations of the United States Government, where principal and interest are guaranteed by the U.S. Government;

All investments made pursuant to this investment policy shall comply with the following conditions:

1. **COLLATERALIZING OF DEPOSITS**

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:

- A. By a pledge of "eligible securities", or a pledge of a pro-rata portion of a pool of eligible securities, with an aggregate "market value", equal to 102% of the aggregate amount of deposits.
- B. 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 exceeding 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any.
- C. 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.

2. **COLLATERIZATION AND DELIVERY OF SECURITIES**

- A. 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 SURA 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 SURA to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of SURA, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Schenectady Urban Renewal 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 Schenectady Urban Renewal Agency, 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 security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Schenectady Urban Renewal Agency a perfected interest in the securities and 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.

Approved on February 22, 2011



3/25/11

Brian U. Stratton, Chairman
Schenectady Urban Renewal Agency

Date

Member	Aye	Nay	Abstain	Absent
Stratton				X
McCarthy	X			
Allen	X			
Blanchard	X			
Brucker				X
Della Sala	X			
Erikson	X			
King	X			