

Charles V. Patricelli, Chairman  
Amy Ethier  
Dan Lortie  
Jamie Magur  
Paul Murphy

# *City of Watervliet*

## *Local Development Corporation*

2 15th St, Watervliet NY 12189

[www.WatervlietLDC.com](http://www.WatervlietLDC.com)

Melissa Cherubino

518-270-3815

### **Investment Policy**

#### **Watervliet Local Development Corporation**

##### **1. Purpose**

The purpose of this Investment Policy is to establish clear guidelines for the prudent investment of funds held by the Watervliet Local Development Corporation (the “LDC”). This policy is intended to ensure the preservation of principal, adequate liquidity to meet operational and project-related needs, and a reasonable rate of return consistent with the LDC’s public purpose, fiduciary duties, and applicable New York State law.

##### **2. Scope**

This policy applies to all monies of the LDC, including operating funds, reserves, project funds, and any other funds under the custody or control of the LDC, unless otherwise restricted by statute, grant agreement, bond resolution, or Board action.

##### **3. Governing Authority**

The LDC is a New York not-for-profit corporation created to advance economic development and related public purposes. Investments shall be made in accordance with:

- New York Not-for-Profit Corporation Law
- Applicable provisions of the New York General Municipal Law governing the investment of public funds
- The Corporation’s Certificate of Incorporation and Bylaws
- Resolutions of the Board of Directors

Where funds are derived from or held on behalf of a municipality or public authority, the investment of such funds shall comply with the same statutory standards applicable to municipal funds.

##### **4. Objectives**

The LDCs investment objectives, in order of priority, are:

1. **Safety of Principal** – Preservation of capital is paramount.

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2. **Liquidity** – Investments must be structured to meet anticipated cash flow requirements.
3. **Yield** – Achieve a reasonable rate of return consistent with safety and liquidity.

## **5. Standards of Care**

Funds shall be invested with the judgment and care, under circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and purpose.

Officers, directors, and employees involved in investment activities shall avoid conflicts of interest and shall disclose any material financial interests in institutions with which the LDC conducts business.

## **6. Delegation of Authority**

The Board of Directors retains ultimate fiduciary responsibility for investments and may delegate authority for day-to-day investment activities to the Treasurer, Executive Director, or another designated officer (the “Investment Officer”).

Such delegation shall be made by Board resolution and shall not relieve the Board of its oversight responsibilities.

## **7. Authorized Depositories and Financial Institutions**

The LDC shall conduct investment and deposit transactions only with:

- Banks or trust companies authorized to do business in New York State
- Financial institutions designated by the Board as approved depositories

The Board may periodically review and update the list of approved financial institutions.

## **8. Permitted Investments**

Consistent with New York law and this policy, permitted investments may include:

- Obligations of the United States Treasury
- Obligations of U.S. government agencies or instrumentalities

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- Certificates of deposit and time deposits issued by New York State-authorized banks
- Interest-bearing demand deposit accounts
- Money market accounts or money market funds invested exclusively in U.S. government securities

All investments shall have maturities appropriate to the LDC's cash flow needs and shall not exceed statutory limitations.

## **9. Prohibited Investments**

The LDC shall not invest in:

- Equity securities or mutual funds not limited to government securities
- Derivatives, options, futures, or leveraged products
- Speculative or high-risk instruments
- Any investment that could jeopardize the LDC's tax status or public purpose

## **10. Diversification**

To the extent practicable, investments shall be diversified by institution and maturity to reduce risk and avoid overconcentration, consistent with liquidity needs and statutory requirements.

## **11. Safekeeping and Custody**

All investments shall be held in the name of the Watervliet Local Development Corporation. Custodial arrangements shall be made with qualified financial institutions. Adequate internal controls shall be maintained to ensure the safekeeping of assets.

## **12. Collateralization**

All deposits and investments shall be collateralized in accordance with New York law. Acceptable collateral shall consist of eligible securities as defined by statute, held by a third-party custodian in the LDC's name.

## **13. Internal Controls**

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The LDC shall maintain written internal controls to safeguard assets and ensure compliance with this policy. Such controls may include segregation of duties, authorization requirements, regular reconciliations, and periodic independent review.

### **14. Reporting and Oversight**

The Investment Officer shall report to the Board of Directors at least annually, or more frequently if requested, regarding:

- Investment holdings and maturities
- Compliance with this Investment Policy
- Cash balances and depository relationships

The Board shall review this policy no less than every two years and update it as necessary.

### **15. Ethics and Conflicts of Interest**

All investment decisions shall be made solely in the best interest of the LDC and the public it serves. Individuals involved in investment activities shall comply with the LDC's conflict of interest and ethics policies.

### **16. Adoption**

This Investment Policy was adopted by resolution of the Board of Directors of the Watervliet Local Development Corporation on \_\_\_\_\_ and shall remain in effect until amended or repealed.

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**Chair, Board of Directors** \_\_\_\_\_ Date: \_\_\_\_\_

**Treasurer** \_\_\_\_\_ Date: \_\_\_\_\_