

ALBANY CSO POOL COMMUNITIES CORPORATION

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
ONE PARK PLACE, SUITE 102,
ALBANY NY 12205
TEL: (518) 453-0850**

MINUTES OF FINANCE COMMITTEE MEETING THURSDAY, NOVEMBER 12, 2015 10:45AM

Committee Members Present:

Chris Wheland – City of Troy
Bill Simcoe – Albany Water Board
Garry Nathan – City of Cohoes
Tony Manfredi – City of Rensselaer

Also Present:

Martin Daley – CDRPC Staff
Rocco Ferraro – CDRPC Staff
Donna Reinhart – CDRPC Staff
Kim Moshier – CDRPC Staff
Joe Scott – Hodgson Russ, LLP (via conference call)
Jon Paul – Beveridge & Diamond (via conference call)
Jeanine Rogers Caruso – Fiscal Advisors
Mike Miller – Albany Pool Joint Venture Team (CHA)
Neil Bonesteel – City of Troy
Rich Lyons – Albany County Sewer District
Tim Murphy – Albany County Sewer District
Mark Hendricks – City of Rensselaer
Dave Dressel – City of Watervliet
Jeremy Smith – City of Watervliet
Sean Ward – Village of Green Island
Maggie Alix – Village of Green Island
David Farstad – Pioneer Bank (guest)

I. Call to Order/Roll Call

The meeting was called to order at 10:45am. Martin Daley reported a quorum.

III. Reading and Acceptance of the Minutes of September 10, 2015

Jon Paul requested a change be made under 2016 Budget; the sentence, "Projected revenues include grant funds in hand for projects with 2015 activity (\$1,800,000) and grants that have been applied for, but as of yet awarded, and broken out by year of activity (\$1,181,632) for a total projected revenue of \$7,132.632" to "but as of yet **not** awarded."

Action Taken

Gary Nathan made a motion to approve the minutes as amended and Chris Wheland seconded. The motion was approved unanimously.

IV. Review and Acceptance of Bank

Martin interviewed representatives from three local banks, First Niagara, Pioneer Bank and M&T. He distributed proposals from these three banks to the full Board prior to discussion at the October meeting. At the October meeting Martin recommended the corporation work with Pioneer Bank. The Board requested additional information on fees and thresholds of the procurement policy. Martin collected additional fee information from Pioneer Bank and distributed them to the board. Based upon the fee structure, Martin did not believe there was a significant variation in fees or interest rates from one bank to the next and that most of the fees (wire transfer, over draft, etc.) would not be substantial. Pioneer does not charge a fee to collateralize. In addition, the Bank does not charge for standard banking services (checks paid, deposits, checks in deposit, transfers between accounts and online banking).

David Farstad, Government Banking Specialist with Pioneer Bank, was at the Finance Committee meeting and provided extensive information on collateralization, FDIC limits, circumstances in which fees were charged, and NYS Comptroller's office regulations and best practices for managing municipal checking accounts.

Total Corporation deposits will be insured up to \$250,000 by FDIC limits. The NYS Comptroller requires municipalities with deposits in excess of FDIC limits to collateralize. As a 501c3, the Corporation is not required to collateralize. After a discussion regarding collateralization of funds, Jeanine Rogers Caruso and Joe Scott informed the Board they strongly encourage the Corporation to collateralize because the funds are from municipalities and for municipal purposes.

Action Taken

Garry Nathan made a motion to recommend entering into a relationship with Pioneer Bank to the full Board and Bill Simcoe seconded. The motion was approved unanimously.

V. Revised Investment Policy

Martin went over the revised Investment Policy and Procedures with the Finance Committee. The current investment policy was very narrow. It outlines prohibited investments and limits the corporation to deposit funds only up to FDIC limits. In order to collateralize, the policy needed to be updated. Martin drafted a revised policy, utilizing the guidelines from the Office of Comptroller's (OSC) Best Practices, and that the policy permitted investments in the top tier of the OSC securities.

1. Investments issued into depository accounts (i.e. day of deposit/day of withdrawal accounts, time deposit accounts) held in a bank or trust located and authorized to do business in the State of New York. These depository accounts shall be insured by the Federal Deposit Insurance Corporation (FDIC) to the extent allowed.
2. Obligations of the United States of America:
 - i. Treasury Bills
 - ii. Treasury Bonds
 - iii. Treasury Notes
3. Obligations of the State of New York

Toni Manfredi recommended that obligations of the State of New York be limited to investment grade obligations. Jeanine Rogers Caruso recommended adding to #3 Obligations of the State of New York so long as bond ratings were A or above.

Sean Ward inquired why no banks were listed under the Policies' placeholder for Depository Name. Martin explained that the Board needed to select a bank prior to adopting the investment policy and naming a bank institution within the policy.

John Paul advised the board that part D, "permitted investments", included the OSC's three recommended securities but the section H, "Collateralization and safekeeping," did not have a list of eligible securities. While this would not prohibit collateralization, John advised that the board should separately list permitted investments in the collateralization section of the policy.

NOTE: IT IS BELIEVED THAT THE REVISED INVESTMENT POLICY DOES REFER BACK TO THE PERMITTED INVESTMENTS SCHEDULE TO LIMIT PERMITTED COLLATERALIZATION

SECURITIES. SECTION G OF THE PROPOSED INVESTMENT POLICY, "SECURING DEPOSITS AND INVESTMENTS" READS AS FOLLOWS:

"All deposits and investments at a bank or trust company, including all demand deposits, certificates of deposit and special time deposits (hereinafter, collectively, "deposits") made by the Corporation that are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by a pledge of eligible securities with an aggregate market value (as defined by the NYS General Municipal Law Section 10) that is at least equal to the aggregate amount of deposits by the officers. See Section D of this policy for a listing of eligible securities."

Action Taken

Bill Simcoe made a motion to recommend the Revised Investment Policy to the full Board as amended and Garry Nathan seconded. The motion was approved unanimously

VI. Adjournment

There being no further business, Bill Simcoe made a motion to adjourn the meeting and Chris Wheland seconded. The motion was approved unanimously. The meeting adjourned at 12:00PM.