

RESOLUTION

22-101

No. _____

Date of Adoption APR 07 2022

Approved as to Form and Legality

Factual content certified by

Councilman Avoman

CITY ATTORNEY

presents the following Resolution:

RESOLUTION ADOPTING A CASH MANAGEMENT PLAN FOR THE DEPOSIT AND INVESTMENT OF PUBLIC FUNDS OF THE CITY OF TRENTON

WHEREAS, the New Jersey Statutes Title 40A:5-14 requires that the governing body of each municipality adopt a cash management plan, therefore be it

RESOLVED, by the City Council of the City of Trenton that from April 9, 2022 to April 9, 2023, the following shall serve as the cash management plan of the City of Trenton.

1. The Chief Financial Officer is directed to use this cash management plan (the "Plan") as the guide in depositing and investing the City of Trenton's funds.

2. 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 investment ("Permitted Investments") of certain public funds of the City of Trenton. The Plan is intended to assure that all public funds identified herein are deposited in interest bearing Deposits or otherwise invested in Permitted Investments hereinafter referred to.

The Plan's foremost objective is the safety of principal. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The Plan's secondary objective is liquidity. The investment portfolio must remain sufficiently liquid so that securities mature concurrent with cash needs to meet anticipated demands. The Plan's final objective is yield. The investment portfolio must be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

3. The Chief Financial Officer of the City of Trenton (the "Designated Official") and their designees are hereby authorized to deposit and/or invest the funds referred to in the plan.

4. The Mayor and the Chief Financial Officer are hereby authorized as checksigners on all accounts for the City of Trenton in designated depositories.

Facsimile Digital Signature
Mayor

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Facsimile Stamp
Mayor

Manual Original Signature
Chief Financial Officer

5. 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:

Oceanfirst Bank
Santander Bank
US Bank
Wells Fargo Bank, N.A

6. The following brokerage firms and/or dealers and other institutions are hereby designated as firms with whom the Designated Official(s) of the City of Trenton referred to in this Plan may deal for purposes of buying and selling securities identified in this Plan as Permitted Investments or otherwise providing for Deposits:

New Jersey Asset & Rebate Management Program

7. Authorized Investments.

A. Except as otherwise specifically provided for herein, the Designated Officials are 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 (any investment contracts providing for resale arrangements with the supplier should be analyzed for legality and should be specifically authorized in the cash management plan);
- (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

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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. 1977, 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.

For 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

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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 17 C.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

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- (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.

8. To the extent that any Deposit or Permitted Investment involves a document or security which is not physically held by the City of Trenton, 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 City of Trenton to assure that there is no 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 insure that such Permitted Investments are either received by the City of Trenton or by a third party custodian prior to or upon the release of the City of Trenton's funds.

9. On the fifteenth day of each month during which this Plan is in effect, the Designated Official(s) referred to in Section 3 hereof shall supply to the governing body of the City of Trenton 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 City of Trenton as a Deposit or a Permitted Investment.
- B. The amount of securities or Deposits purchased or sold during the immediately preceding month.
- C. The class or type of securities purchased or Deposits made.
- D. The book value of such Deposits or Permitted Investments.

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E. 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.

F. The fees incurred to undertake such Deposits or Permitted Investments.

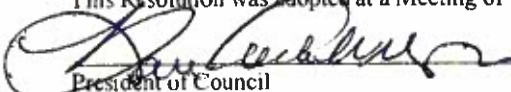
G. The market value of all Deposits or Permitted Investments as of the end of the immediately preceding month.

H. All other information which may be deemed reasonable from time to time by the governing body of the City of Trenton.

	Aye	Nay	Abstain	Absent		Aye	Nay	Abstain	Absent		Aye	Nay	Abstain	Absent
CALDWELL WILSON	✓				RODRIGUEZ	✓				MCBRIDE	✓			
HARRISON	✓				VAUGHN	✓								
MUSCHAL	✓				WILKINS	✓								

This Resolution was adopted at a Meeting of the City Council of the City of Trenton on

APR 07 2022



President of Council



City Clerk

Penelope S. Edwards-Carter
Assistant Municipal Clerk