

**PORT OF OSWEGO AUTHORITY
INVESTMENT POLICY
PURSUANT TO SECTION 2925 OF THE PUBLIC AUTHORITIES LAW**

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.

II. OBJECTIVES

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

- to conform with all applicable federal, state and legal requirements (legal)
- to adequately safeguard principal (safety)
- to provide sufficient liquidity to meet all operating requirements (liquidity)
- to obtain a reasonable rate of return (yield)

III. DELEGATION OF AUTHORITY

The governing Board's responsibility for administration of the investment is delegated to the Executive Director, who shall establish written procedures for the operation of this investment policy consistent with these guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based upon a database 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 Port of Oswego Authority to govern effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, 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 Port of Oswego Authority 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 Port of Oswego Authority for all moneys collected by any officer or employee of the Authority to transfer those funds to the Executive Director within two (2) business days of deposit, or within the time period specified in law, whichever is shorter.

The Executive Director 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 moneys up to the following maximum amounts are:

Depository Name	Maximum Amount
Key Bank	-
Pathfinder Bank	FDIC insured limit
NBT Bank	FDIC insured limit

VIII. COLLATERIZING OF DEPOSITS

In accordance with the provisions of the Public Authorities Law Section 2925, all deposits with the Port of Oswego Authority, 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 pledge of "eligible securities" with aggregate "market value" or provided by Public Authorities Law Section 2925.
2. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the Authority for a term not to exceed ninety (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 Authority 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. PERMITTED INVESTMENTS

As Authorized by Public Authorities Law Section 2925, the Port of Oswego Authority authorizes the Executive Director to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts
- Certificates of deposit
- Obligations of the United States of America
- 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
- Obligations of the State of New York

All investment obligations shall be payable or redeemable at the option of the Port of Oswego Authority within such times as the proceeds will be needed to meet expenditures for purposes for which moneys were provided and, in the case of obligations purchased for the proceeds of bonds or notes, shall be payable or redeemable at the option of the Port of Oswego Authority within two (2) years of the date of purchase.

X. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Port of Oswego Authority 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. 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 Authority. 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 Executive Director 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.