

**RESOLUTION**

**APPROVING AND ADOPTING THE 2011 CASH MANAGEMENT PLAN FOR THE TOWNSHIP OF OCEAN.**

**WHEREAS**, The Director of the Division of Local Government Services requires the annual adoption of a Cash Management Plan pursuant to guidelines in N.J.S.A. 40A:5-14; and

**WHEREAS**, The Mayor and Council and Municipal Clerk have received the 2011 Cash Management and desire that the Township of Ocean, Monmouth County follow the provisions contained in the plan for the investment of the Townships' idle funds;

**BE IT RESOLVED**, that the Mayor and Council of the Township of Ocean, Monmouth County approve and adopt the 2011 Cash Management Plan.

**BE IT FURTHER RESOLVED** that two copies of this resolution be forwarded to the following:

1. Director of Finance
2. Township Auditor

| Record of Vote    | Deputy Mayor<br>Hiers | Councilman<br>Garofalo | Council-woman<br>Schepiga | Councilman<br>Siciliano | Mayor<br>Larkin |
|-------------------|-----------------------|------------------------|---------------------------|-------------------------|-----------------|
| Motion To Approve |                       |                        |                           |                         |                 |
| Motion to Second  |                       |                        |                           |                         |                 |
| Approved          |                       |                        |                           |                         |                 |
| Opposed           |                       |                        |                           |                         |                 |
| Not Voting/Recuse |                       |                        |                           |                         |                 |
| Absent/Excused    |                       |                        |                           |                         |                 |

**CERTIFICATION**

*I hereby certify that this is a true copy of a resolution passed by the Township of Ocean Governing Body at their meeting held on **January 10, 2011**.*

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 Vincent Buttiglieri, RMC/CMC  
 Township Clerk

# **CASH MANAGEMENT PLAN OF THE TOWNSHIP OF OCEAN IN THE COUNTY OF MONMOUTH, NEW JERSEY**

## **I. Statement of Purpose:**

This Cash Management Plan (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 investments (“Permitted Investments”) of certain public funds of the Township of Ocean, pending the use of such funds for the intended purposes. 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 intent of the Plan is to provide that the decisions made with regard to the Deposits and the Permitted Investments will be done to insure the safety, the liquidity (regarding its availability for the intended purposes), and the maximum investment return within such limits. The Plan is intended to insure that any Deposit or Permitted Investment matures within the time period that approximates the prospective need for the funds deposited or invested so that there is not a risk to the market value of such Deposits or Permitted Investments.

## **II. Identification of Funds and Accounts to be covered by The Plan.**

- A. The plan is intended to cover the deposit and or investment of the following funds and accounts of the Township of Ocean:
  - 1. Current Fund Account
  - 2. Payroll Account
  - 3. General Capital Fund Account
  - 4. Other Trust Fund Accounts
  - 5. Animal Control Trust Fund Account
  - 6. Public Assistance Trust Fund Account
  - 7. Election Account
  
- B. It is understood that this Plan is not intended to cover certain funds and accounts of the Township of Ocean, Specifically:
  - 1. Developers Escrow Account

## **III. Designation of Officials of the Township of Ocean Authorized to Make Deposits and Investments Under The Plan.**

The Chief Financial Officer of the Township of Ocean or Designee is hereby authorized and directed to deposit and or invest the funds referred to in The Plan. Prior to making any such Deposits or any Permitted Investments, such officials of the Township of Ocean are directed to supply to all depositories or any other parties with whom the Deposits or Permitted Investments are made a written copy of this Plan which shall be acknowledged in writing by such parties and a copy of such acknowledgement kept on file with such officials.

## **IV. Designation of Depositories.**

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:

- A. Bank of America (Formerly Fleet Bank)
- B. Hudson City Savings Bank
- C. Investors Savings Bank
- D. Ocean First/Central Jersey Bank
- E. New Jersey ARM
- F. New Jersey Cash Management Plan
- G. Provident Savings Bank
- H. Santander (Formerly Sovereign Bank)
- I. TD Bank
- J. Wachovia Bank (Wells Fargo)

All such depositories shall acknowledge in writing receipt of this Plan by sending a copy of such acknowledgement to the Designated Official(s) referred to in Section III above.

**V. Official Check Signers**

The Township of Ocean does hereby designate the following to be the official check signers for all accounts: Director of Finance, Township Manager and the Township Clerk.

**VI. Designation of Brokerage Firms and Dealers With Whom The Designated Officials May Deal.**

There are currently no Brokerage Firms or Dealers with whom the Designated Officials may deal with. In the event that, subsequent to the passage of this Plan by the Governing Body of the Township of Ocean, a resolution shall be made and duly passed authorizing amendment of this plan, all such brokerage firms and or dealers shall acknowledge in writing receipt of this Plan by sending a copy of such acknowledgement to the Designated Official(s) referred to in Section III above.

**VII. Authorized Investments.**

- A. Except as otherwise specifically provided for herein, the Designated Official(s) is 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 including Treasury Bills, Treasury Notes and Treasury Bonds.
  2. Government money market mutual funds.
  3. Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
  4. Bonds or other obligations of the local unit or school districts of which the local unit is a part.
  5. Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
  6. Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management (NJ ARM) program.
  7. New Jersey State Cash Management Fund.
  8. Repurchase agreements (repos) 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 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
  - 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 (C349:3-56) 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.
- B. Notwithstanding the above authorization, the monies on hand in the following funds and accounts shall be further limited as to maturities, specific investments or otherwise as follows:
- 1. All Permitted investments are to have a maturity of not more than 397 Days. Permitted investments are as follows:
    - a. Certificates of Deposit.
    - b. New Jersey Cash Management Plan.

- c. New Jersey Arbitrage Rebate Management Program.
- d. U.S. Government Treasury Bills, Notes, and Bonds not having a maturity greater than 1 year.
- e. Government Money Market Mutual Funds.

**VIII. Safekeeping Custody Payment and Acknowledgement of Receipt of Plan.**

To the extent that any Deposit or Permitted Investment involves a document or security which is not physically held by the Township of Ocean, 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 Township of Ocean to assure that there is no unauthorized use of the funds or the Permitted Investments or Deposits. Purchase of any Permitted Investments or securities shall be executed by a "delivery versus payment" method to insure that such Permitted Investments are either received by the Township of Ocean or by a third party custodian prior to or upon the release of the Township of Ocean's Funds.

To assure that all parties with whom the Township of Ocean deals either by way of Deposits or Permitted Investments are aware of the authority and the limits set forth in this Plan, all such parties shall be supplied with a copy of this Plan in writing and all such parties shall acknowledge the receipt of that Plan in writing, a copy of which shall be on file with the Designated Official(s).

**IX. Reporting Requirements.**

On the fifteenth day of each month during which this Plan is in effect, the Designated Official(s) referred to in Section III hereof shall supply to the Township Manager of the Township of Ocean 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 Township of Ocean.
- 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.
- E. The earned income on such Deposits or Permitted Investments
- 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 Township Manager.

**X. Term of Plan.**

This Plan shall be in effect from January 1, 2011 to December 31, 2011. Attached to this Plan is a resolution of the governing body of the Township of Ocean approving this Plan for such period of time. The Plan may be amended by the Council, the Designated Official is directed to supply copies of the amendments to all of the parties who otherwise have received the copy of the originally approved Plan, which amendment shall be acknowledged in writing in the same manner as the original Plan was so acknowledged.