

FINANCE AND RULES COMMITTEE
November 17, 2020

Present: Legislators Tom Osborne, Ron Burns, Greg Kulzer, Ian Gilbert, and Phil Hathway.

Others present: Legislators Larry Dolhof, Jerry King, Richard Chartrand; Randy LaChausse, and Andrea Moroughan; County Manager Ryan Piche; County Attorney Joan McNichol; Treasurer Eric Virkler; Human Resource Director Caitlyn Smith; and media representative.

Committee Chairman Tom Osborne called the meeting at 4:15 p.m.

Legislator Osborne made a motion to approve the 10/20/2020 committee meeting minutes as recorded, seconded by Legislator Kulzer and carried.

Accounts Payable Process – Clerk of the Board Cassandra Moser (attached)

The Accounts Payable process is through our Financial System “Munis”. It begins with a requisition from a Department which has basic details of what is being purchased, which goes to the Department Head for approval. It then gets forwarded to Ryan Piche for final approval and conversion to a purchase order. The purchase order can be sent to the vendor for placing the order and once the order is received purchase order receiving is done. The final step is the invoice entry which gives the details of the purchase, vendor, account line, amounts and it is again approved by the Department Head.

The invoices are audited and posted, which creates a report to print the checks. The List of Claims is created for the Legislators to review. There are Prior To Audits which are check runs for specific invoices that will receive late fees or interest. A few suggestions for changes would be to find a back-up for Ryan Piche for when he is so busy, he can't get to the conversion process; process all payments on a bi-weekly basis; and consider hiring a Purchasing Manager.

Ryan explained that the Purchasing Manager could pay for themselves over a year or two by buying lower cost items and making sure we are utilizing State contracts on all items. They would also spend time doing all RFP's which will free up Joan's time for more important matters. There was further discussion. Legislator Kulzer asked if going to a bi-weekly check run would create more work, I responded that it shouldn't. Legislators felt that these were all good ideas, but Ryan cautioned that right now isn't the right time to push this forward as it wasn't put in the 2021 Budget. Joan suggested they could have other responsibilities, like managing the County's Fleet.

Investment Policy – Treasurer Eric Virkler (attached)

Eric explained that Three+One has recommended that we put together our own investment policy, which Eric & Joan worked on and sent out to all Legislators for review. This will allow easier access to utilize other banks and replace the annual resolution to list each bank every year. The policy would be reviewed each year for possible changes or updates. The key objectives are stated in the policy which will be followed when investing county funds. The next step would be to adopt this policy. Legislator Hathway asked for clarification on the policy versus the annual

resolution, Eric stated that it would replace the annual resolution listing each bank separately. Joan indicated that the policy would replace the annual resolution and can be updated each year, possibly adding more banks. Joan went on to clarify that it is the Boards authority as to how investments are done.

The following dockets were reviewed:

1. Local Law (Intro. No. 8-2020) Rescinding Local Law No. 6-2020 to Override the Tax Levy Limit Established by General Municipal Law § 3-C (A/K/A 2% Tax Cap) for the Lewis County 2021 Budget and Resolution to set the public hearing for December 1, 2020 at 5:00 p.m.
AYE 5 NAY 0
2. Local Law (Intro. No. 9-2020) Providing for Increases to Salaries for Certain Local Official and Resolution to set the public hearing for December 17, 2020 at 10:00 a.m.
AYE 5 NAY 0
3. Resolution and Order that all dogs in the County of Lewis shall be securely confined during the period of time from December 15, 2020 to May 15, 2021.
AYE 5 NAY 0
4. Resolution authorizing County Treasurer to make such inter-fund departmental transfers as are necessary to close the books for the 2020 fiscal year.
AYE 5 NAY 0
5. Resolution to update the designation of depositories for 2020 to include Chemung Canal Trust Company, of Elmira, NY.
AYE 5 NAY 0
6. Resolution amending the Compensation Plan of the County of Lewis with reference to the Lewis County General Hospital to create One (1) PT Dietitian position and abolish One (1) PT Dietetic Technician position.
AYE 5 NAY 0

Motions:

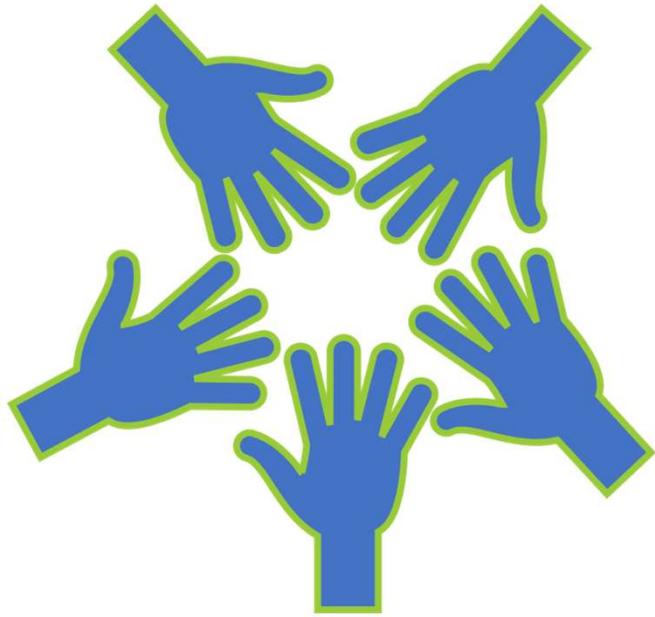
1. Legislator Kulzer made a motion to authorize District Attorney Leanne Moser to backfill a Keyboard Specialist position due to resignation, effective immediately, seconded by Legislator Burns and carried. Legislator Gilbert abstained.
2. Legislator Hathway made a motion to authorize Public Health Director Ashley Waite to refill per diem Public Health Nurse position due to resignation, effective immediately, seconded by Legislator Kulzer and carried.

At 4:48 p.m. Legislator Kulzer made a motion to enter executive session for discussion on appointments, seconded by Legislator Hathway and carried.

At 4:57 p.m. Legislator Kulzer made a motion to enter regular session, seconded by Legislator Burns and carried.

At 4:58 p.m. Legislator Burns made a motion to adjourn, seconded by Legislator Kulzer and carried.

Respectfully submitted,
Cassandra Moser, Clerk of the Board



Requisition

- Enter Requisition – requires vendor, description, amount, account line
- Goes to Department Head for approval
- Goes to County Manger for approval and conversion to Purchase Order

Purchase Order

Notification goes back to individual who entered Requisition

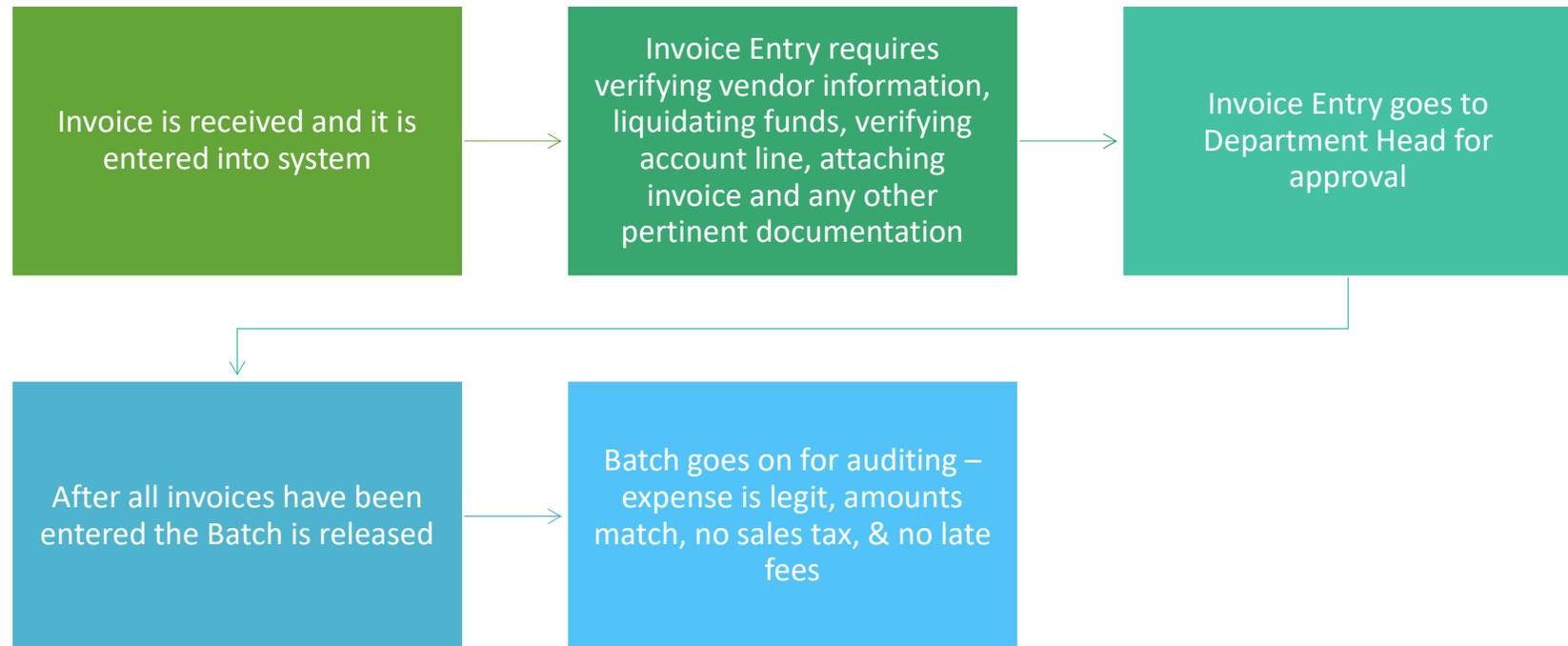
A Purchase Order can be emailed to vendor as order request & promise of payment

Once item is received Purchase Order receiving is completed

Purchase Order Change Order is used if price changes – example if shipping wasn't included on Requisition.

Purchase Order Change Order goes through approval process as well

Invoice Entry



Reports

- Auditors create Select Items to be Paid report – this groups many batches together & is used by the Treasurer’s Department to print checks
- Create List of Claims report – several of these reports are put together each month for Legislators to review
- Prior To Audits – these are invoices that can’t wait until the end of the month to be paid (National Grid, NYSEG, County Credit Cards, Walmart Cards, etc.)
- Prior To Audits are processed twice a month

Future Considerations

- Appoint someone as a back up to County Manager in approval process.
- Consider processing all payments on a bi-weekly basis to allow for quicker payment processing to vendors. There would still be a List of Claims that shows every payment that was processed in the month.
- Purchasing Manager position.

INVESTMENT POLICY & GUIDELINES

FOR

Lewis County, NY

November 2020

I. SCOPE

This investment policy applies to all moneys and other financial resources available for deposit and investment by Lewis County (“the County”) on its own behalf or on behalf of any other entity or individual.

II. OBJECTIVES

The primary objectives of the County investment activities are, in priority order:

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

To appropriately meet these objectives, the County will make investment decisions based on categories of cash with which the time horizon is continually calculated using a liquidity analysis of past and anticipated future financial requirements.

III. DELEGATION OF AUTHORITY

The Treasurer is responsible for administration of the investment program and shall establish written procedures for the operation of the investment program consistent with these investment policies. Such procedures shall include internal controls to provide a satisfactory level of accountability based upon records incorporating the description and amounts of investments, the fund(s) for which they are held, the place(s) where kept, and other relevant information. In addition, the internal control procedures shall describe the responsibilities and levels of authority for key individuals involved in the investment program.

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 County to govern effectively.

Investments shall be made with prudence, diligence, skill, judgment and care, under circumstances then prevailing, which knowledgeable and prudent persons acting in like capacity would use, 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 County to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling. The Board of Legislators (“BOL”) establishes the limits of investments. The Treasurer shall establish the appropriate amounts in each investment, not to exceed the limit established by the BOL which can be made with each financial institution or dealer, and shall evaluate this listing and amount at least annually.

VI. INTERNAL CONTROLS

It is the policy of the County for all moneys collected by any officer or employee of the government to transfer those funds to the Treasurer's office within ten days of receipt, or within the time period specified in law, whichever is shorter.

The Treasurer is responsible for establishing and maintaining internal control procedures 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, properly recorded, and managed in compliance with applicable laws and regulations.

The Treasurer will provide the BOL with periodic investment reports as part of his/her internal control procedures.

VII. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Treasurer shall maintain a list of financial institutions and dealers which have been approved for investment purposes by the BOL. The Treasurer is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians, and will provide the listing of proposed depositories, partner and custodians to the BOL as updated for investment.

VIII. COLLATERALIZATION

All demand and time deposits of the County in excess of the amount insured under the provision of the Federal Deposit Insurance Act-

\$250,000 Transaction Accounts

\$250,000 Time Deposits

\$500,000 Total Coverage

shall be secured by eligible collateral, consisting of any one, or combination, of the following outlined in Section IX.

IX. SECURING DEPOSITS AND INVESTMENTS

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 Treasurer that are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, including pursuant to a Deposit Placement Program in accordance with law, shall be secured by:

1. A pledge of "eligible securities" with an aggregate "market value" (as provided by New York State Law in appendix A) that is at least equal to the aggregate amount of deposits by the Treasurer. See Schedule A of this policy for a listing of "eligible securities."
2. A pledge of a pro rata portion of a pool of eligible securities, having in the aggregate a market value at least equal to the aggregate amount of deposits from all such officers within New York State at the bank or trust company.

3. An “eligible surety bond” payable to the government for an amount at least equal to 100 percent 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. The BOL as the governing board shall approve the terms and conditions of the surety bond.
4. An “eligible letter of credit,” payable to the County as security for the payment of 140 percent of the aggregate amount of deposits and the agreed-upon interest, if any. An “eligible letter of credit” shall be an irrevocable letter of credit issued in favor of the County, for a term not to exceed 90 days, by a qualified bank (other than the bank where the secured money is deposited). A qualified bank is either one whose commercial paper and other unsecured short-term debt obligations (or, in the case of a bank which is the principal subsidiary of a holding company, whose holding company’s 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 one that is in compliance with applicable federal minimum risk-based capital requirements.
5. An “irrevocable letter of credit” issued in favor of the County by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, as security for the payment of 100 percent of the aggregate amount of deposits and the agreed-upon interest, if any.

X. COLLATERALIZATION AND SAFEKEEPING

Eligible securities used for collateralizing deposits made by the Treasurer of the County shall be held by (the depository or a third party) bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities (or the pro rata portion of a pool of eligible securities) are being pledged to secure such deposits together with agreed-upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon a default. It shall also provide the conditions under which the securities (or pro rata portion of a pool of eligible securities) held may be sold, presented for payment, substituted or released and the events of default which will enable the local government to exercise its rights against the pledged securities.

In the event that the pledged securities are not registered or inscribed in the name of the County, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the County or the custodial bank or trust company. Whenever eligible securities delivered to the custodial bank or trust company are transferred by entries on the books of a federal reserve bank or other book-entry system operated by a federally regulated entity without physical delivery of the evidence of the obligations, then the records of the custodial bank or trust company shall be required to show, at all times, the interest of the local government in the securities (or the pro rata portion of a pool of eligible securities) as set forth in the security agreement.

The custodial agreement shall provide that pledged securities (or the pro rata portion of a pool of eligible securities) will be held by the custodial bank or trust company as agent of, and custodian for, the County, will be kept separate and apart from the general assets of the custodial bank or trust company and will not be commingled with or become part of the backing of any other deposit or other bank liability. The agreement shall also describe how the custodian shall confirm the receipt, substitution or release of the collateral and it shall provide for the frequency of revaluation of collateral by the custodial bank or trust company and for the substitution of collateral when a change in the rating of a security causes ineligibility. The security and custodial agreements shall also include all other provisions necessary to provide the County with a perfected security interest in the eligible securities and to otherwise secure the local government's interest in the collateral, and may contain other provisions that the governing board deems necessary.

XI. PERMITTED INVESTMENTS

As provided by General Municipal Law Section 11, the County's governing body (BOL) authorizes the Treasurer to invest moneys not required for immediate expenditure for terms not to exceed its projected liquidity and cash flow needs in the following types of investments:

1. Special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in New York State;
2. Through a Deposit Placement Program, certificates of deposit in one or more "banking institutions", as defined in Banking Law Section 9-r;
3. Obligations of the United States of America;
4. 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;
5. Obligations of the State;
6. With the approval of the State Comptroller, obligations issued pursuant to Local Finance Law Section 24.00 or 25.00 (i.e., Tax Anticipation Notes and Revenue Anticipation Notes) by any municipality, school district or district corporation in the State other than the County;

All investment obligations shall be payable or redeemable at the option of the County within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event at the option of the County within two years of the date of purchase. Time deposit accounts and certificates of deposit shall be payable within such times as the proceeds will be needed to meet expenditures for which the moneys were obtained, and shall be secured as provided in Sections IX and X herein.

Except as may otherwise be provided in a contract with bondholders or noteholders, any moneys of the County authorized to be invested may be commingled for investment purposes, provided that any investment of commingled moneys shall be payable or redeemable at the option of the County within such time as the proceeds shall be needed to meet expenditures for which such moneys were obtained, or as otherwise specifically provided in General Municipal Law Section 11. The separate identity of the sources of

these funds shall be maintained at all times and income received shall be credited on a pro rata basis to the fund or account from which the moneys were invested.

Any obligation that provides for the adjustment of its interest rate on set dates is deemed to be payable or redeemable on the date on which the principal amount can be recovered through demand by the holder.

XII. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

All financial institutions and dealers with which the County transacts business shall be creditworthy, and have an appropriate level of experience, capitalization, size and other factors that make the financial institution or the dealer capable and qualified to transact business with the County. The Treasurer shall evaluate the financial position and maintain a listing of proposed depositaries, trading partners, and custodians. Recent Reports of Condition and Income (call reports) shall be obtained for proposed banks, and security dealers that are not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the Federal Reserve Bank, as primary dealers.

The County shall maintain a list of financial institutions and dealers approved by the BOL for investment purposes and establish appropriate limits to the amounts of investments that can be made with each financial institution or dealer.

XIII. PURCHASE OF INVESTMENTS

The Treasurer is authorized to contract for the purchase of investments:

1. Directly, from an authorized trading partner
2. By participation in a cooperative investment agreement with other authorized municipal corporations pursuant to Article 5-G of the General Municipal Law and in accordance with Article 3-A of the General Municipal Law.

All purchased obligations, unless registered or inscribed in the name of the local government, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the County by the bank or trust company.

Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law Section 10(3)(a). The agreement shall provide that securities held by the bank or trust company, as agent of, and custodian for, the County, will be kept separate and apart from the general assets of the custodial bank or trust company and will not be commingled with or become part of the backing of any other deposit or other bank liability. The agreement shall also describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to secure the local government's perfected interest in the securities, and the agreement may also contain other provisions that the governing board deems necessary. The security and custodial agreements shall also include all other provisions necessary to provide the County with a perfected interest in the securities.

The Treasurer's office, where authorized, can direct the bank or trust company to register and hold the evidences of investments in the name of its nominee, or may deposit or authorize the bank or trust company to deposit, or arrange for the deposit of any such evidences of investments with a federal reserve bank or other book-entry transfer system operated by a federally regulated entity. The records of the bank or trust company shall show, at all times, the ownership of such evidences of investments, and they shall be, when held in the possession of the bank or trust company, at all times, kept separate from the assets of the bank or trust company. All evidences of investments delivered to a bank or trust company shall be held by the bank or trust company pursuant to a written custodial agreement as set forth in General Municipal Law Section 10(3)(a), and as described earlier in this section. When any such evidences of investments are so registered in the name of a nominee, the bank or trust company shall be absolutely liable for any loss occasioned by the acts of such nominee with respect to such evidences of investments.

XIV. DEFINITIONS

The terms "public funds," "public deposits," "bank," "trust company," "eligible securities," "eligible surety bond," and "eligible letter of credit" shall have the same meanings as set forth in General Municipal Law Section 10.

XV. OPERATIONS, AUDIT, AND REPORTING

By the end of September of each year (approximately 120 days before the end of the fiscal/calendar year), the County Treasurer shall prepare and submit to the BOL through the Finance Committee, an annual investment report; recommendations for change in these Investment Guidelines, if any; the result of the annual independent audit; the investment income record; a list of total fees, commissions or other charges, if any; and any other investment information and data the Treasurer or BOL deem appropriate.

By the end of January of each year, the Treasurer will provide a listing of the unaudited cash on hand, as of the last day of the fiscal/calendar year immediately then ended.

Appendix A

Schedule of Eligible Securities for Collateralizing Deposits and Investments in Excess of FDIC Coverage (see Investment Policy, Section VIII and IX):

“Eligible Securities” for Collateral	For purposes of determining aggregate “market value,” eligible securities shall be valued at these percentages of “market value”:
(i) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government-sponsored corporation.	100%
(ii) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.	100%
(iii) Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or guaranty.	100%
(iv) Obligations issued or fully insured or guaranteed by the State, obligations issued by a municipal corporation, school district or district corporation of this State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.	100%
(v) Obligations issued by states (other than the State) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.	100% if rated in the highest category; 90% for 2nd highest; 80% for 3rd highest.
(vi) Obligations of the Commonwealth of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.	100% if rated in the highest category; 90% for 2nd highest; 80% for 3rd highest.
(vii) Obligations of counties, cities and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.	100% if rated in the highest category; 90% for 2nd highest; 80% for 3rd highest.
(viii) Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.	80%
(ix) Any mortgage-related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by federal bank regulatory agencies.	70%
(x) Commercial paper and bankers’ acceptances issued by a bank (other than the bank with which the money is being deposited or invested) rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.	80%
(xi) Zero-coupon obligations of the United States government marketed as “Treasury STRIPS.”	80%