TOWNSHIP OF FREDON
RESOLUTION 2023-16

RESOLUTION APPROVING CASH MANAGEMENT PLAN
FOR THE TOWNSHIP OF FREDON FOR THE YEAR 2023

WHEREAS, N.J.S.A. 40A:5-14 mandates that the governing body of a municipal corporation shall, by resolution passed by a majority vote of the full membership thereof, approve a cash management plan of the Township of Fredon;

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Fredon, County of Sussex, State of New Jersey, that the Cash Management Plan attached be approved for the Township of Fredon, County of Sussex, State of New Jersey for calendar year 2023; and

NOW, THEREFORE, BE IT RESOLVED those certified copies of this Resolution be forwarded to the Chief Financial Officer and Township Treasurer.

CERTIFICATION

I hereby certify that the above is a true copy of a Resolution passed by the Fredon Township Committee at a Reorganization Meeting of that body held on January 4, 2023.

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Suzanne Boland, RMC
Municipal Clerk

CASH MANAGEMENT PLAN OF THE TOWNSHIP OF FREDON, IN THE COUNTY OF SUSSEX, 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 investment ("Permitted Investments") of certain public funds of the Township of Fredon 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 the availability for the intended purposes), 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 Fredon.

Current Fund Account

B. It is understood that this Plan is not intended to cover certain funds and accounts of the Township of Fredon, specifically:

Other Trust
General Capital
Dog License
Public Assistance

III. DESIGNATION OF OFFICIALS OF THE TOWNSHIP OF FREDON AUTHORIZED TO MAKE DEPOSITS AND INVESTMENTS UNDER THE PLAN.

The Chief Financial Officer of the Township of Fredon and the Township Treasurer (the "Designated Official") 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 Fredon 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:

Valley National Bank
Lakeland Bank
Provident Bank

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

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V. AUTHORIZED INVESTMENTS.

A. Except as otherwise specifically provided for herein, the Designated Official 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;

(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 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 the definition of any eligible security pursuant to 17 C.F.R. sec. 270.2a-7 and repurchase agreements that are collaterized by such U.S. Government securities; and

(c) which is rated by a nationally recognized statistical rating organization.

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 Procedures 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 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.

VI. 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 Fredon, 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 Fredon 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 ensure that such Permitted Investments are either received by the Township of Fredon or by a third party custodian prior to or upon the release of the Township's funds.

To assure that all parties with whom the Township of Fredon deals either by way of Deposits or Permitted Investments are aware of the authority and 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 which shall be on file with the Designated Official(s).

VII. REPORTING REQUIREMENTS

A. On the first 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 governing body of the Township of Fredon a written report of any Deposits or Permitted Investments

made pursuant to this Plan, which shall include, at a minimum, the following information:

B. The name of any institution holding funds of the Township of Fredon as a Deposit or a Permitted Investment.

C. The amount of securities or Deposits purchased or sold during the immediately preceding month.

D. The class or type of securities purchased or Deposits made.

E. The book value of such Deposits or Permitted Investments.

F. 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.

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

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

I. All other information which may be deemed reasonable from time to time by the governing body of the Township of Fredon.

VIII. TERM OF PLAN

This Plan shall be in effect from January 1, 2023 to December 31, 2023. Attached to this Plan is a resolution of the governing body of the Township of Fredon approving this Plan for such period of time. The Plan may be amended from time to time. To the extent that any amendment is adopted by the governing body, the Designated Official(s) is directed to supply copies of the amendments to all 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