

REDCO
INVESTMENT POLICY
01/19/18

SCOPE

This investment policy applies to all REDCO monies and other financial resources available for investments on its own behalf or on behalf of any other entity or individual.

OBJECTIVES

The primary objectives of the REDCO Investment Policy are:

- To conform with all applicable federal, state and other legal requirements;
- To adequately safeguard the principal amount of invested and deposited funds;
- To provide sufficient liquidity of invested funds to meet all operating requirements; and,
- To obtain a rate of return commensurate with market conditions.

DELEGATION OF AUTHORITY

The authority to invest funds is delegated to the City Treasurer. The City Treasurer shall establish written procedures for the operation of the City of Rochester's Investment program consistent with the City's objectives. Such procedures shall include adequate internal controls to provide a satisfactory level of accountability. Oversight of REDCO's investments will be the responsibility of the REDCO's Treasurer.

PRUDENCE

All participants in the investment process shall act responsibly as custodians of the public trust and shall avoid any transactions that might impair confidence in REDCO.

Investments shall be made with judgement and care, which persons of prudence and intelligence would exercise in the management of their own affairs. Investments should not be for speculation. Consideration should be given to the safety of the principal and the probably income derived from the investment.

All participants involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program or that could impair their ability to make impartial investment decisions.

INTERNAL CONTROLS

It is the policy of REDCO that officers and employees deposit moneys collected in accordance with the City of Rochester's Cash Handling Policies.

The REDCO Treasurer is responsible for establishing and maintaining an internal control structure that provides reasonable, but not absolute, assurance that deposits and investments are safeguard against loss. The REDCO Treasurer is also responsible that transactions are executed in accordance with management's authorization and recorded property, and managed in compliance with applicable laws and regulations.

DIVERSIFICATION

It is the policy of REDCO, whenever possible, to diversify its deposits and investments among financial institutions, by investment instrument, and by maturity.

DESIGNATION OF DEPOSITORIES

The following banks or trust companies are authorized to receive REDCO deposits up to the specified maximum amounts:

DEPOSITORY NAME	MAXIMUM AMOUNT
JP Morgan Chase Bank, N.A.	\$250,000,000
Bank of America	175,000,000
Manufacturers & Traders Trust Company	150,000,000
Key Bank	150,000,000
Citizens Bank	150,000,000
Five Star Bank	30,000,000
Upstate National Bank	3,750,000

COLLATERALIZING DEPOSITS

All deposits of REDCO, 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:

By the pledge of "eligible securities" with an aggregated "marketed value" as provided by the General Municipal Law Section 10, equal to the aggregate amount of deposits from the categories designated in Schedule A to this policy.

By an eligible "irrevocable letter of credit" issued by a qualified bank. 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. The bank issuing the letter of credit must be a bank other than the bank with the deposits in favor of the City of Rochester. The term of the letter of credit should not exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any.

SCHEDULE A

Schedule of Eligible Securities for Collateralizing Deposits and Investments in Excess of FDIC Coverage

“Eligible Securities” for Collateral

For purposes of determining Aggregate “market value,” eligible securities shall be valued at these percentages of “market value”:

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| (i) Obligation 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) Obligation issued or fully guaranteed by The International Bank for Reconstruction and Development Bank, the Inter-American Development Bank, The Asian Development Bank and the African Development Bank. | 100% |
| (iii) Obligation 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) Obligation issued or fully insured or guaranteed by the State of New York, 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 New York) 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 2 nd highest; 80% for 3 rd highest. |
| (vi) Obligation 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% 100% if rated in the highest category: 90% for 2 nd highest; 80% for 3 rd highest |

(vii) Obligation 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% 100% if rated in the highest category; 90% for 2 nd highest; 80% for 3 rd 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 no 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%