

RESOLUTION 2023 – 7

**RESOLUTION OF THE TOWNSHIP OF BARNEGAT,
COUNTY OF OCEAN, STATE OF NEW JERSEY
APPROVING A CASH MANAGEMENT PLAN FOR 2023**

WHEREAS, N.J.S.A.40A:5-14 mandates that the Governing Body of the Township of Barnegat, county of Ocean, State of New Jersey shall, by Resolution passed by a majority of the membership thereof, approve a Cash Management Plan,

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Barnegat that the attached Cash Management Plan be adopted.

CERTIFICATION

I, Donna Manno, Municipal Clerk of the Township of Barnegat, County of Ocean, State of New Jersey do hereby certify that the foregoing resolution was duly adopted by the Township Committee at their reorganization meeting held on the 1st day of January, 2023, in the Municipal Complex, 900 West Bay Avenue, Barnegat, New Jersey.

Donna M. Manno, RMC
Municipal Clerk

CASH MANAGEMENT PLAN OF THE TOWNSHIP OF BARNEGAT, IN THE COUNTY OF OCEAN, NEW JERSEY

1. 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 Barnegat, 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, if permitted, 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 and preservation of the principal value, 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.

2. 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 Barnegat:

- Current Fund
- General Capital Fund
- Water/Sewer Utility Operating Funds
- Water/Sewer Utility Capital Fund
- Trust Funds
- Payroll Funds
- Grant Funds

3. DESIGNATION OF OFFICIALS OF THE TOWNSHIP OF BARNEGAT AUTHORIZED TO MAKE DEPOSITS AND/OR INVESTMENTS UNDER THE PLAN:

- Chief Financial Officer
- Municipal Court Administrator
- Tax Collector

4. 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 the Plan:

- TD Bank
- Lincoln Financial
- State of New Jersey Cash Management fund
- Investors/Citizens Bank
- Fulton Leasing Company
- 1st Constitution Bank
- Lakeland Bank

5. AUTHORIZED INVESTMENTS

- A. Except as otherwise specifically provided for herein, the Designated Officials are hereby authorized to invest 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 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.90a-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 of 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 1950" 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 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. 270a-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;
- (c) 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 investments;
- (e) which does not permit investments in instruments that: are subject to high price Volatility which changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates 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, 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.

- 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:

Grant Funds

5. 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 Barnegat, 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 Barnegat Township 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 insure that such Permitted Investments are either received by the Township of Barnegat or by a third party custodian prior to or upon the release of the Township of Barnegat’s funds.

6. REPORTING REQUIREMENTS

- A. The Chief Financial Officer of the Township of Barnegat shall maintain a schedule of all deposits and investments made on a monthly basis.
- B. When an investment is purchased or sold, the Finance Officer shall report to the Governing Body the type, value, term and earned income of the investment.
- C. All other information which may be deemed reasonable from time to time by the governing body of the Township of Barnegat.

7. 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 Barnegat approving this plan for such a period of time. This Plan may be amended from time to time.