

GUIDELINES FOR INVESTMENTS ALBANY PARKING AUTHORITY

These guidelines detail the operative policy regarding the investing, monitoring and reporting of funds of the Albany Parking Authority (“APA”).

1) Purpose.

These investment guidelines (“Guidelines”) are intended to:

- a) Establish a system whereby current funds on hand, in excess of immediate and near-term needs, are invested to assure that such investment assets are adequately safeguarded and collateralized.
- b) Assure that such investments are adequately liquid to meet the operational needs of the APA;
- c) Assure that an adequate system of internal control is maintained; and
- d) Assure that such investments produce a reasonable rate of return.

The primary objectives of the APA investment portfolio are: (1) preservation of capital, (2) liquidity, and (3) prudent growth of principal.

2) Authorization and Management

The APA Board has delegated the authorization to make day-to-day investment decisions to the Executive Director or the Board Chairman (“Authorized Persons”), subject to the direction from the Board. Reports of the APA’s investments will be provided monthly to the Board.

The Authorized Persons are to make certain that all APA investment decisions/actions conform to:

- a. section 2925 of the Public Authorities Law; and
- b. these Guidelines.

The Authorized Persons are authorized to deposit all funds received by the APA (in excess of those needed for on-going operations) consistent with these guidelines. Additionally, subject to Board/ Approval, a professional investment advisor (“Advisor”) may be retained to assist the APA’s implementation of these Guidelines and the APA may grant the advisor discretion to execute transactions within the context of these Guidelines. If an Advisor is retained by the APA, the Advisor shall act as a fiduciary at all times in the best interest of the APA.

Note that the maturities and duration of any APA investments shall be limited in duration to ensure APA's capability to make all scheduled Debt Service payments.

4) Permitted Investments.

- a) Deposits in Savings, Checking and/or Money Market Type accounts of banks that are fully collateralized or fully insured by the FDIC as to principal and expected interest.
- b) Certificates of Deposit fully collateralized or fully insured by the Federal Deposit Insurance Corporation as to principal and expected interest.
- c) Securities issued by and guaranteed by the U.S. Government or one of its agencies. No collateral is required for this type of investment.
- d) Obligations of New York State or obligations in which the principal and interest are guaranteed by New York State. No collateral is required for this type of investment.

As investments in equities are not permitted, "diversification" is not applicable except to the extent that the maturities and duration of any APA investments shall be limited in duration to ensure APA's capability to make all scheduled Debt Service payments.

5) Operating Procedures.

- a) Approval. Only Authorized Persons must approve all investment transactions before they are executed.
- b) Tracking and Accounting. APA will account for investments in accordance with generally accepted accounting principles (GAAP) for all financial statements. APA shall receive reports monthly from any custodian/bank holding APA investments. The Finance Director will review such reports monthly and verify the principal amount and market values of all investments.
- c) Collateral and Securitization. For those situations in which an APA investment (pursuant to 4(a) or 4(b) above) exceeds the maximum FDIC insurable amounts, collateralization shall be required. The custodian of all collateral involved in any investment transaction must either be the APA or a third party custodian acceptable to the APA. If at any time the required collateral does not equal the value of the investment, the APA shall inform the third party custodian of additional collateral required. If additional collateral is not added immediately by the third party custodian involved, the APA shall demand the return of the amount invested. Whenever APA investments require collateralization, such investments must be collateralized by direct obligations of the United States or New York State Government or obligations the principal and interest of which are

guaranteed by the United States, one of its agencies or New York State Government.

- d) Written Contracts. No written contracts are required for any of the approved APA investments, except for all normal and customary investment/account documents (e.g. account statements, etc.) which provide that APA is the full and only owner of the respective investment.

6) Annual Review/Modifications of these Guidelines.

- a) The APA Board will review these Guidelines at least annually and may, by Board resolution, modify these Guidelines at any time.

7) Reports and Audits.

- a) Monthly reports of investment activity and portfolio reporting will be provided to the Board.
- b) Annual Investment Audit. Each year, the APA shall cause its independent auditors to conduct an audit (the “Annual Investment Audit”) regarding the APA’s investments. The Annual Investment Audit shall determine whether APA has complied with:
 - 1. its own investment policies; adequate accounts and records are maintained which accurately reflect all transactions and report on the disposition of the APA’s assets; and a system of adequate internal controls is maintained; and
 - 2. applicable laws and regulations.
- c) Annual Investment Report. The APA shall prepare and submit an annual investment report to the Board within 90 days after the close of each fiscal year. Upon Board approval, the report shall be filed with the City of Albany and entered/certified into the Public Authority Reporting Information System (“PARIS”). Such report shall include the following:
 - 1. The Guidelines required by section 2925(3) of the Public Authority Law;
 - 2. The results of the Annual Investment Audit described above;
 - 3. The investment income results of the APA; and
 - 4. A list of the total fees, commissions or other charges paid for APA investment associated services by the APA since the date of the last investment report (if applicable).

The Annual Investment Report shall be filed within ninety (90) days after the close of the APA’s fiscal year.

8) Criteria for Selection of Investment Banks or Firms and Brokers.

If the APA determines that it is in its best interests to retain Advisor, the following are criteria for the selection of Investment Banks or Firms and Brokers:

- a) Investment Banks or Firms and Brokers authorized to do business within New York State.
- b) Investment Banks or Firms and Brokers in business for over (5) five years.
- c) Investment Banks or Firms and Brokers that have demonstrated a proven record of returns, that meet or exceed the yield and total return generated from Treasury benchmarks.
- d) Investment Managers/Advisors must be registered with the Securities and Exchange Commission (SEC) while Investment Brokers/Dealers must be members in good standing with the Securities Investors Protection Corporation (SIPC) and the Financial Industry Regulatory Authority (FINRA).