

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

RESOLUTION 2024 - 07

ADOPTING CASH MANAGEMENT AND INVESTMENT POLICY

Whereas, the Atlantic County Municipal Joint Insurance Fund has been organized pursuant to NJSA. 40A:10-36 et seq., and

Whereas, the Executive Committee of the Atlantic County Municipal Joint Insurance Fund has determined that it is advantageous for the Fund to establish an investment program which more closely matches investment maturities to cash requirement projections; and

Whereas, in order to accomplish these objectives, the services of a professional asset manager need to be procured;

Now, THEREFORE, BE IT RESOLVED, that the following Cash and Investment policy be adopted:

I. Cash Management and Investment Objectives

The Atlantic County Municipal Joint Insurance Fund's (hereinafter referred to as JIF) objectives in this area are:

- a.) Preservation of capital.
- b.) Adequate safekeeping of assets.
- c.) Maintenance of liquidity to meet operating needs, claims settlements and dividends.
- d.) Diversification of the JIF's portfolio to minimize risks associated with individual investments.
- e.) Maximization of total return, consistent with risk levels specified herein.
- f.) Investment of assets in accordance with State and Federal Laws and Regulations.
- g.) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Fund year.
- h.) Where legally permissible, cooperation with other local municipal joint insurance funds, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i.) Stability in the value of the JIF's economic surplus.

II. Permissible Investments

- a.) Investments shall be limited to investments authorized under N.J.S.A. 40A:5-15.1 et. seq. and N.J.A.C. 5:38-1.1, 5:38-1.2 and 5:38-1.3.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

III. Authorized Depositories

In addition to the above, the JIF is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, NJSA 16:9-14 et seq. (GUDPA) as authorized by resolution of the JIF. The JIF is also authorized to invest its assets in the New Jersey Cash Management Fund.

IV. Authority for Investment Management

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers which may be authorized by resolution of the Executive Committee. Such asset managers shall be discretionary trustees of the JIF.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall minimize transaction costs by querying prices from at least three (3) dealers and purchasing securities on a competitive basis. When possible, federal securities shall be purchased directly from the US Treasury.

Transactions shall not be processed through brokerages which are organizationally affiliated with the asset manager. Transactions may also be processed through the New Jersey Division of Investment by the Fund's asset managers.

V. Preservation of Capital

Securities shall be purchased with the ability to hold until maturity.

VI. Safekeeping of Assets

Securities purchased on behalf of the JIF shall be delivered electronically or physically to the JIF's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the JIF.

VII. Selection of Asset Managers, Custodial Banks and Operating Banks

Asset managers, custodial banks and operating banks shall be retained for contract periods of one (1) year. Additionally, the JIF shall maintain the ability to change asset managers and/or custodial banks more frequently based upon performance appraisals and upon reasonable notice, and based upon changes in policy or procedures.

VIII. Reporting

Asset managers will submit written statements describing the proposed investment strategy for achieving the objectives identified herein. Asset managers shall also submit revisions to strategy when justified as a result of changing market conditions or other factors. Such statements shall be provided to the Treasurer and Executive Director.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

Asset managers and the custodial bank shall provide such other reports and documentation as has been specified by the MEL. The asset manager shall provide such other reports as may be requested from time to time by the Treasurer and Executive Director. The Treasurer shall report to the Executive Board at monthly meetings on all investments as required by law.

The asset manager shall provide the Treasurer with a copy of the institution's annual National Association of Security Dealers' audit.

IX. Audit

This plan, and all matters pertaining to the implementation of it, shall be subject to the JIF's Annual Audit.

X. Cash Flow Projections

Asset management decisions shall be guided by cash flow factors prepared by the JIF's Actuary and reviewed by the Executive Director and the Treasurer.

XI. Cash Management

All monies turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with NJSA 40A:5-15.

In the event a check is made payable to the Treasurer rather than the Fund, the following procedure is to be followed:

- a.) The Treasurer endorses the check to the Fund and deposits it into the Fund account.
- b.) The Treasurer notifies the payer and requests that in the future any check be made payable to the Fund.

The Treasurer shall minimize the possibility of idle cash accumulating in accounts by assuring that all accounts in excess of negotiated compensating balances are kept in interest bearing accounts or promptly swept into the investment portfolio.

The method of calculating banking fees and compensating balances shall be documented to the Executive Board at least annually.

Cash may be withdrawn from investment pools under the discretion of asset managers only to fund operations, claims imprest accounts or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks that remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer, with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the Fund.

Pursuant to NJSA 40A:5-14, the Treasurer is authorized to work with JIF designated Banking Depositories to arrange for the deposit of the JIF funds in accounts in one or

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

more depositories that are insured by the Federal Deposit Insurance Corporation (FDIC) so as to safeguard JIF funds.

XII. Cooperation with Affiliated Joint Insurance Funds (JIFs)

Where legally permissible, the JIF is authorized to participate in master investment trusts or other cooperative arrangements with other municipal joint insurance funds. Such arrangements must meet minimum standards contained herein, and must be approved by the Executive Board.

Be It Further Resolved, that copies of this Resolution shall be provided, within seven (7) days of its adoption, to the Treasurer, Administrative Consultant, Asset Manager, Auditor, and Administrator of the Atlantic County Municipal Joint Insurance Fund for their information and attention.

This resolution was duly adopted by the Atlantic County Municipal Joint Insurance Fund at a public meeting held on January 17, 2024.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
BY: *Galith Woods* CHAIRPERSON ATTEST: *Jessie B. J.* SECRETARY
DATE: 1-17-2024