

**RESOLUTION
KENILWORTH, N.J.**

WHEREAS, it is required for the Borough of Kenilworth to adopt and have on file a detailed Cash Management Plan regarding investments of Borough funds.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Kenilworth that the following Cash Management Plan is hereby adopted and it is to be kept on file in the offices of the Borough CFO and Borough Clerk:

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 Borough of Kenilworth, 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 its availability for the intended purposes), and the maximum investment return within such limits. The Plan is intended to ensure 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

1. The Plan is intended to cover the deposit and/or investment of the following funds and accounts of the Borough of Kenilworth.

1. Current Fund	6. Unemployment Trust
2. Trust Other Account	7. Affordable Housing
3. General Capital Fund	8. Grants
4. Animal Control Trust	9. Payroll
5. CDBG Trust	10. Retired Police Prescription Fund

III. DESIGNATION OF OFFICIAL AUTHORIZED TO MAKE DEPOSITS AND INVESTMENTS UNDER THE PLAN AND DESIGNATE AUTHORIZED CHECK SIGNERS

The Chief Financial Officer of the Borough of Kenilworth (the "Designated Official") and their designees are hereby authorized and directed to deposit and/or invest the funds referred to in the Plan.

The Chief Finance Officer, Assistant Chief Finance Officer, Municipal Clerk, Mayor, and Assistant Finance Officer are hereby authorized as check signers for borough accounts listed above.

The Payroll Administrator is hereby authorized as check signer for borough payroll account.

**RESOLUTION
KENILWORTH, N.J.**

IV. DESIGNATION OF DEPOSITORIES

The following banks and financial institutions are hereby designated as 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:

For purposes of investing, all institutions presenting a GUDPA certificate may be used. The following banks and financial institutions are hereby designated as official depositories for the deposit of all public funds referred to in this plan: PNC and TD Bank.

A "Certificate of Eligibility" is the certification issued by the New Jersey Department of Banking, Division of Banking, that a public depository if eligible to act as a depository for public funds and qualifies as a participant in the New Jersey Governmental Unit Depository Protection Act (GUPA).

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 the 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 I 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;

**RESOLUTION
KENILWORTH, N.J.**

- (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 I 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 collateralized by such U.S. Government securities; and
- (c) which has:

- (i) attained the highest ranking or 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 1940," 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 and 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. 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 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 the investments;

**RESOLUTION
KENILWORTH, N.J.**

(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 mutual 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 ACKNOWLEDGMENT 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 Borough of Kenilworth, 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 Borough of Kenilworth 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 Borough of Kenilworth or by a third-party custodian prior to or upon the release of the Borough's funds.

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

VII. FEES CHARGED BY THE OFFICE OF THE TAX COLLECTOR

The Collector of Taxes shall charge interest at the rate of 8% per annum on the first \$1,500 of a delinquency and 18% per annum on that amount of the delinquency as defined in N.J.S.A. 54:4-67 in excess of \$1,500 on all delinquent taxes and sewer fees to be calculated from the date the tax or fee was due until the date of actual payment.

The grace period of ten (10) calendar days will be allowed for an installment of taxes and sewer fees where payments received on or before the 10th of the due date month will not be subject to interest charges as provided by Chapter 105, Public Laws of 1965.

There will be a six percent (6%) penalty on delinquency of ten thousand dollars (\$10,000) or more at the end of the calendar year.

RESOLUTION
KENILWORTH, N.J.

The Tax Collector is hereby authorized to cancel at year-end small balances on taxes and sewer accounts whether owed to the Borough or owed by the Borough an amount of \$5.00 and under.

VIII. TERM OF PLAN

This Plan shall be in effect from adoption until December 31, 2025. Attached to this Plan is a resolution of the governing body of the Borough of Kenilworth 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 of the Borough of Kenilworth, the Designated Official is directed to supply copies of the amendments to all of 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.

	MOVED	ABSENT	ABSTAIN	NAYS	AYES	SECONDED
Councilman Patrick Boyle				x		
Councilman Joseph Finistrella				x		
Councilwoman Toni Giordano Picerno				x		
Councilman William Mauro	x			x		
Councilman Douglas Piper				x		
Councilman Savino Scorese		x		x		
Mayor Linda Karlovitch						
ON CONSENT AGENDA	Yes	x			No	_

I hereby certify that the above Resolution was adopted by the Borough Council of the Borough of Kenilworth at a Meeting held on January 2, 2025.


Laura Reinertsen, Borough Clerk