

**PORT WASHINGTON UNION FREE SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK**

**REQUEST FOR PROPOSALS
TO FINANCE AN EQUIPMENT LEASE PURCHASE AGREEMENT**

Overview

The Port Washington Union Free School District, Nassau County, New York (the "District"), is seeking proposals (the "Proposal") from qualified respondents to be a third-party lessor to a lease purchase agreement with the District (the "Lease"), the proceeds of which will be used to finance equipment and related work for the implementation of energy conservation measures pursuant to an energy performance contract between the District and Renu Energy Solutions (the "Performance Contract"). The Performance Contract with Renu Energy Solutions was executed in October 2024. NYSED approval was issued in July 2025. The NYSED Building Aid rate is estimated at 20%.

The District seeks competitive proposals for a \$8,765,280 lease-purchase on the basis of a 15-year term with maturity on October 16, 2040.

Project Description

The Project contemplates implementation of various energy saving measures including installation of equipment and related work (the "Equipment"). Energy conservation measures are to be installed in the following District buildings: Schreiber High School, Weber Middle School, Sousa Elementary School, Guggenheim Elementary School, South Salem Elementary School, John J Daly Elementary School, Manorhaven Elementary School and the Administration Building. The energy savings measures fall under the following categories:

Equipment Measures by Category

Lighting
Renewable Energy Generation-Solar PV
Pipe and Valve Insulation
Plug Load Controllers
Building Envelope Weatherization
New Ceiling Replacements
Pump Skid

Lease

Any proposed Lease shall define the purpose and objective of the financing and the rights and obligations of each party to the financing. Further, the Lease will specify the applicable interest rate, as well as contractual terms and conditions. The form of the lease purchase agreement, escrow agreement and any related documents must be submitted with the proposal. Proposers must satisfy themselves that credit approval will be granted prior to submitting a proposal. All finance documents are subject to negotiation and modification by the District's counsel. All agreements and contractual conditions are required to conform with the laws of the State of New York, including but not limited to New York General Municipal Law, Local Finance Law, Education Law, Energy Law and the regulations of the New York State Education Department, the Commissioner of Education and the Office of the New York State Comptroller. The District's attorneys will review and approve all documents before consideration and/or approval by the Board of Education.

Lessor will be required to provide a form of standard lease purchase agreement and escrow agreement with proposal.

Lease Assignment

Assignment of the Lease and related documents by the successful proposer shall be subject to the prior, written consent of the District. The Lease must state that any assignment or transfer of the Lessor's interest shall not be effective until the District has received prior, written notice, signed by the Lessor, of the name, contact person, address, telephone number and tax identification number of the proposed assignee and the District has given its consent in writing. No assignment will be valid unless the Lessor has received the District's prior written consent. The Lease shall further provide that certificates of participation shall not be executed and delivered without the express written approval of the District which approval maybe withheld by the District in its sole and absolute discretion.

Amount

The amount to be financed under the Lease is \$8,765,280. Lessor shall be responsible for all fees of Lessor including legal, issuance, origination, commitment and closing costs. The District shall not incur or absorb any fees of Lessor related to Lessor's proposal, negotiations, closing or other activities related to this RFP or the proposed transaction under any circumstances. In the event that a transaction does not close because of the successful proposer's failure to meet the terms of this RFP, the successful proposer shall be responsible for any and all costs incurred by the District in connection with the failed transaction and its negotiation.

Specifications

Interest Rate The Lease Proposal must provide interest rate terms for a lease-purchase option to mature on October 16, 2040 and shall state the interest rates under any options at which the proposing firm will provide the District with financing under the Lease. The Proposal must also cite the index and margin used in establishing the interest rates cited.

Prepayment: The Proposal must state that District will have the right, at its option, to prepay the principal portion outstanding on the Lease, in whole or in part, at any time following 30 days' written notice to the Lessor. The Proposal must disclose additional fees and terms, if any, that are applicable to this prepayment right, in addition to interest payable. The Proposal must also disclose how such amounts are to be calculated in the event that the District exercises its right of partial or whole prepayment. The proposal shall include an option to prepay without penalty.

Subject to the terms of the Inflation Reduction Act, the District may be eligible for a grant for a portion of the project. In such event, the District shall have the right to make an additional one-time prepayment of the loan at par and without penalty, which will result in a new amortization schedule of lease payments reflecting new principal outstanding amortized at lease rate over remaining lease term.

Lease Payments The District will make periodic payments to the Lessor under the Lease. The Lease shall separately state the principal and interest component of the periodic payments to be made thereunder. The total of these payments, which include both principal and interest components made by the District each year throughout the term of the Lease, shall result in substantially level or declining annual lease payments (without taking into account projected State aid or annual energy savings). Lease payments shall be detailed in an amortization schedule prepared by the proposer and provided to the District with its Proposal. For illustrative purposes, please assume a closing date of October 16, 2025 when developing an amortization schedule. Thereafter, payments of principal and interest will be made semi-annually in arrears on each April 16th and October 16th with the first combined principal and interest lease payment to be due on October 16, 2026. Lessor shall provide a statement and thirty days notification prior to each payment due date.

The Proposal must state that the interest rate and other terms cited in the proposal will be good through October 31, 2025. The Lease shall not become effective until the delivery of funds.

Term The Lease-Purchase Agreement is scheduled to close on October 16, 2025 and mature on October 16, 2040.

Escrow Upon closing, the lease proceeds will be deposited and collateralized in an escrow account to be utilized over the course of project construction (the "Project Fund"). The District shall not be responsible for any costs

associated with establishment, maintenance or transfer of the escrow account. The escrow agent must be a bank or trust company located and authorized to do business in New York State (the "Escrow Agent"). Investment and collateralization of the moneys in such fund will be solely at the direction of the District and must be in compliance with New York State General Municipal Law Sections 10 and 11 as well as the District's investment policy. ***A copy of the District's Investment Policy is attached to this RFP for reference.*** The Escrow Agent shall be an agent of the District. The Project Fund shall be free of any security interest of the Escrow Agent.

1. At the option of the District, the moneys in the Project Fund may be held uninvested in the Project Fund. If invested, the Escrow Agent shall invest amounts on deposit in the Project Fund solely at the written direction of an Authorized Officer of the District. All investments made shall be subject to the following conditions:
 - (a) Such obligations shall be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Any obligation that provides for the adjustment of its interest rate on set dates shall be deemed to be payable or redeemable for purposes of this paragraph on the date on which the principal amount can be recovered through demand by the holder thereof.
 - (b) Such obligations, shall be registered or inscribed in the name of the District and shall be purchased through, delivered to and held in the custody of the Escrow Agent. Such obligations shall be purchased, sold or presented for redemption or payment by such Escrow Agent in obligations only in accordance with prior written authorization from an Authorized Officer of the District. All such transactions shall be confirmed in writing to the District by the Escrow Agent.
2. All investments described above shall be made and ownership recorded in accordance with all applicable requirements of Section 10 and Section 11 of the General Municipal Law, including the required collateralization of escrow funds.
3. The Escrow Agent will expressly acknowledge that the Lessee is not authorized to invest in mutual funds registered with the Securities Act of 1933, as amended and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, including no-load money market mutual funds limited to investments in obligations of or guaranteed by the United States of America or in obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, or any similar mutual fund or other money market or liquid deposit investment vehicles.
4. Monies and investments in the Escrow Fund are owned by the District and shall not be subject to levy, security interest, attachment or lien by or for the benefit of the Escrow Agent, or any creditor thereof.

Excess Proceeds In the event that there are excess proceeds available in the Project Fund at the end of the construction period, proceeds shall be transferred by the Escrow Agent to the Lessor and applied to the next succeeding lease payment and each lease payment thereafter until fully utilized. Such use of funds will not constitute lease prepayment and will not be subject to administrative fees, charges or prepayment penalties.

UCC Filing The District will not provide a legal description for each District property in connection with this financing. In the event the winning proposer requires this information for the purposes of making a fixture filing pursuant to the applicable provisions of the Uniform Commercial Code, the winning proposer shall obtain such information at its own effort and expense.

Warranties All manufacturers' warranties, expressed or implied with respect to the Equipment acquired shall be assigned by the Lessor to the District.

Annual Appropriation The District's obligation to make lease payments is subject to appropriation each year by the Board of Education of the District.

Non-Funding/Executory Clause Pursuant to the General Municipal Law §109-b, and the Energy Law §9-103, the Lease-Purchase Agreement shall contain an executory clause which shall state that should payments not be appropriated by the District in any fiscal year; the District will not be obligated to pay the amounts due beyond the end of the last funded fiscal year and no liability on account thereof shall be incurred by the District beyond the amount of such monies. The financing contract is not a general obligation of the District. Neither the full faith and credit nor the taxing powers of the District are pledged to the payment of any amount due or to become due under the financing contract. In the case of a failure to appropriate, the sole security under the Lease shall be the Equipment. Prior to the sale or seizure of such equipment, the District shall be provided adequate written notice, no less than ninety (90) days, to cure any default. Should such a sale or seizure take place there shall be no disruption to the District's operation to the extent possible. Any such sale or seizure must be conducted in conformity with all applicable law, including the New York Uniform Commercial Code.

Financing Documents Upon submission of the proposal and following notification of the award, the prospective Lessor must provide the District with a draft of its proposed financing documents, which will incorporate proposed terms and append sample documents provided with submission. Proposed financing documents and notification of credit approval for the transaction will be due no later than **September 18, 2025**. All financing documents are subject to modification by District counsel. Closing is subject to successful negotiation and approval of all documents by counsel to the District. The District reserves the right to rescind any award due to failure of successful negotiation of the parties to agree to the terms and conditions thereof and to recover its costs in connection therewith. Closing is subject to final approval by the District Board of Education, by resolution. Unless otherwise provided by a duly adopted resolution by the Board of Education, the prospective Lessor is advised that the Board President is the sole authorized representative of the District for the purpose of signing documents related to this Lease.

Lease Termination Upon termination of a Lease through exercise of Lessee's option to prepay or through payment by Lessee of all Rental Payments and other amounts due with respect to such particular Equipment, Lessor's security interest in such Equipment shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may reasonably request to evidence the termination of Lessor's security interest in such Equipment.

Tax Status The Lease shall qualify as a tax-exempt lease financing, that is, the interest component of the Lease will be exempt from Federal, New York State and, where applicable, New York City taxation. The Lease-Purchase Agreement will **not** be designated as "bank qualified" pursuant to Section 265(b)(3) of the Internal Revenue Code. The District will not defend or hold the Lessor harmless from any adverse changes in the tax status of the transaction, after tax yield or cash flows resulting from changes in the Federal or State tax codes or regulations.

Credit Rating Moody's Investors Services, Inc. currently maintains a "Aa2" rating on the District's outstanding general obligation debt. The District will not seek a rating for the Lease.

Binding Authority Each Proposal must be signed by an individual who is legally authorized to contractually bind the proposing firm.

Purchase Price and Certificate The Lessor must submit to the District a certificate (the "Issue Price Certificate"), satisfactory to Bond Counsel, prior to the delivery of the Agreement, which states that the Lessor has purchased the Agreement for its own account and not with a view to distribution or resale and not in the capacity of a bond house, broker or other intermediary, and the price or prices at which such purchase was made, in such form and including such additional information as the District and Bond Counsel shall reasonably require.

Financial Information Links to select credit and project information may be found as follows:

- Link to Energy Performance Contract and Amendment between the District and Renu Energy Solutions dated October 2024: <http://www.capmark.org/RFPs.html>
- Link to Official Statement related to the District's \$20,000,000 Tax Anticipation Notes for 2025-2026 Taxes: <https://emma.msrb.org/P21940951.pdf>
- Link to 2025-2026 Budget Information: https://www.portnet.org/apps/pages/index.jsp?uREC_ID=2835187&type=d&pREC_ID=2652298
- Link to FYE 6/30/2024 Audit: <https://emma.msrb.org/P21872609.pdf>
- Link to FYE 6/30/2023 Audit: <https://emma.msrb.org/P21784939.pdf>
- Link to FYE 6/30/2022 Audit: <https://emma.msrb.org/P21687634.pdf>

Evaluation Process

During the evaluation process, the District reserves the right, where it may serve the District's best interest, to request additional information or clarifications from proposers, or to allow corrections of error or omissions.

Amendments to RFP

Any verbal information obtained from or statements made by the representative of the District or its designee at the time of examination of the documents or site shall not be construed as, in any way, amending RFP documents or binding upon the District. Only such corrections or addenda that are issued in writing to all proposers shall become a part of the RFP. Any addendum issued during RFP process shall be included in the RFP response and become a part of any subsequent contract agreement.

Legal Requirements

The Lease is required to conform to the laws of the State of New York, including, but not limited to, General Municipal Law, Local Finance Law, Education Law, Energy Law and regulations promulgated by the Commissioner of Education and the Office of the State Comptroller.

Submission Requirements

In addition to submitting a completed **Proposal Response Form** as attached hereto, each proposing firm must include:

1. Examples of its prior experience with three (3) similar size closed lease financings for school districts in New York State;
2. Three (3) references from jurisdictions that your firm has provided lease financing to in the past year in New York State; and
3. Any other information that would be useful in evaluating your financial institution by the District for this transaction.

Proposals are due by **11:00 a.m. on Wednesday, September 10, 2025** by e-mail to:

Kathleen Manuel

Assistant Superintendent for Business
Port Washington Union Free School District
Tel: (516) 767-5011
kmanuel@portnet.org

Janet Morley

Senior Vice President
Capital Markets Advisors
Tel: 516-570-0340
jmorley@capmark.org

Questions regarding this RFP may be directed to Janet Morley.

Basis of Award

The District reserves the right, in its sole discretion, to reject any and all proposals, or any part thereof, received in response to this Request for Proposals, to re-solicit for new proposals, to waive formalities, to request additional information from any proposer, and to award and negotiate the terms of the contract with any proposer. The District intends to select the firm whose proposal is most advantageous to the District and meets the District's needs for this lease-purchase agreement, and not necessarily the firm with the lowest cost proposal. In determining which proposal is most advantageous and in the District's best interests, the District will evaluate, among other things, the

overall financing cost (inclusive of any interest and fees) to the District, optional redemption provisions, responsiveness of each proposal to the terms of this RFP and applicable law, the terms and conditions of the proposed agreement, experience and reputation of the proposer in the State of New York. The District will not have any liability to any proposer for any costs or expenses incurred in connection with your response to the request for proposals.

All proposals shall be signed by an individual legally authorized to bind the proposing firm and the signer's name shall also be typed or printed to or under the signature together with his/her title or designation.

Following receipt of the completed proposals, tentative notification will be made to the prospective Lessor whose response best meets the District's needs and otherwise appears to meet the basis for award. It is expected that a formal award will be made by the Board of Education at its October 7, 2025 meeting, subject to and contingent upon final review of the Lease Purchase Agreement and all financing documents by the District's legal counsels. Note that the prospective Lessor must provide the District with a draft of its proposed financing documents, together with notification of credit approval in order for District officials to accept and grant final approval.

Tax Opinion

The successful proposer will be furnished without cost with the opinion as to tax exemption of the law firm of Hawkins Delafield & Wood LLP ("Bond Counsel"). The opinion of Bond Counsel shall contain statements to the effect that, in the opinion of said law firm, under existing statutes and court decision and assuming continuing compliance with certain tax certifications described in the Tax Certificate of the District, (i) the portion of the rental payment designated as and constituting interest paid by District and received by successful proposer during the term of the Lease is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"); and (ii) such interest is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest paid by the District is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the District, which will be delivered concurrently with the delivery of the Lease will contain provisions and procedures relating to compliance with applicable requirements of the Code.

Opinion of School Attorney

At closing, the District shall furnish a validity opinion of Bond, Schoeneck & King PLLC ("School Attorney"), dated the closing date, including a statement to the effect that to the best of the School Attorney's knowledge and belief there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the execution or delivery of the installment financing agreement.

Summary of Estimated Dates

RFP sent to providers:	August 21, 2025
Proposal and Response Form Due:	September 10, 2025 (by 11:00 a.m.)
Selected Lessor Tentatively Approved:	September 10, 2025 *
Credit Approval Completed:	September 18, 2025
Draft Documents Delivered:	September 25, 2025
District Board Meeting Date:	October 7, 2025 Lease approved
Closing of Lease:	October 16, 2025

*Subject to formal award by members of the Board of Education on October 7, 2025.

The District reserves the right to modify these dates.

Thank you for your interest in the Port Washington Schools.

END OF RFP

PROPOSAL RESPONSE FORM

September 10, 2025

Ladies and Gentlemen:

In response to Port Washington Union Free School District's (the "District") Request for Proposals ("RFP"), the undersigned, an authorized representative of _____ commits said firm to enter into a Lease-Purchase Agreement to provide the required refinancing of the project cost including equipment provided to the District by Renu Energy Solutions under an Energy Performance Contract. We understand that this Lease-Purchase Agreement is subject to the approval of the District's Board of Education. The submission of this Response Form indicates that we have read the District's RFP and are fully informed as to the extent and character of this request and we can satisfactorily comply with all specifications of the RFP.

We understand the District will repay our lease in periodic installments, including interest and all financing costs. We understand the lease-purchase shall be funded following the approval of the District's Board of Education.

Our proposal, the terms of which are good through and including October 31, 2025 is as follows:

The principal amount of the lease will be: \$8,765,280

Lease Maturity will be: October 16, 2040

The interest rate on this loan will be: _____%

The index used to establish this interest rate is: _____

The margin added to the index to establish this interest rate is: _____

Prepayment Terms: _____

Lease payments will be payable on: _____

Other required fees, if any (please explain): \$ _____

Proposing Firm: _____

Contact: _____

Address: _____

Tel.: _____

E-mail: _____

Proposer Attachments: Sample Lease and Escrow Documents

INVESTMENT POLICY**I. Scope**

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

II. Objectives

The primary objectives of the District's investment activities are, in priority order, to conform with all applicable federal, state and other legal requirements (legal);

to adequately safeguard principle (safety);
to provide sufficient liquidity to meet all operating requirements (liquidity); and
to obtain a competitive rate of return (yield).

III. Delegation of Authority

The governing board's responsibility for administration of the investment program is delegated to the Superintendent of Schools or his/her designee who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a database or records incorporating description and amounts of investments, transaction dates and other relevant information and regulate the activities of subordinate employees.

IV. Prudence

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Port Washington Union Free School District to govern effectively.

V. Diversification

It is the policy of the Port Washington Union Free School District to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

VI. Internal Controls

It is the District's policy for all monies collected by any officer or employee of the District to transfer those funds to the Treasurer within ten days for deposit, or within the time period specified in law, whichever is shorter.

The Assistant Superintendent of Business is responsible for establishing and maintaining an internal control structure to provide reasonable assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with the Board's authorization and recorded properly, and are managed in compliance with applicable laws and regulations. The Board of Education has determined that this policy should be reviewed annually.

VII. Designation of Depositories

The District is authorized to make deposits of money to the commercial banks and/or trust companies authorized to do business in New York State which are designated by resolution(s) of the Board of Education, as noted in the minutes for the annual reorganization meeting or other Board meeting(s) at which such designations are made by the Board. Except as otherwise provided by law, all deposits shall be made to the credit of the Port Washington Union Free School District and shall release the officer making the deposit, and his or her surety, from any liability for loss of such public funds by reason of the default or insolvency of such bank or trust company.

VIII. Collateralizing of Deposits

In accordance with the provisions of General Municipal Law, §10, all deposits of Port Washington Union Free School District 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.

1. By a pledge of "eligible securities" with an aggregate "market value" as provided by GML §10, at least equal to the aggregate amount of deposits from the categories designated in Appendix A to the policy, or by a pledge of a pro rata portion of a pool of eligible securities having in the aggregate a market value at least equal to the aggregate amount of public deposits from all such officers within the state at such bank or trust company.
2. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the District for a term not to exceed ninety days with an aggregate value equal to 102 percent of the aggregate amount of deposits and the agreed upon interest, if any. 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.

3. In lieu of or in addition to the deposit of eligible securities, the officers making a deposit may, in the case of an irrevocable letter of credit issued in favor of the District by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest category by at least one nationally recognized statistical rating organization, accept such letter of credit payable to the District as security for payment of 100 percent of the aggregate amount of public deposits from such officers and the agreed upon interest, if any.
4. By an eligible surety bond payable to the District for an amount at least equal to 102 percent of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

Such collateral will be monitored no less frequently than on a weekly basis.

IX. Security Agreements

Eligible securities used for collateralizing deposits shall be held by the bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities or pro rata portion of a pool of eligible securities are being pledged to secure District deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon a default. It shall also provide the conditions under which the securities or pro rata portion of a pool of eligible securities held may be sold, presented for payment, substituted or released and the events, which will enable the District to exercise its rights against the pledged securities.

The custodial agreement shall provide that pledged securities or pro rata portion of a pool of eligible securities will be held by the bank or trust company, as agent of and custodian for, the District, will be kept separate and apart from the general assets of the custodial bank or trust company and shall also provide for the manner in which the custodial bank or trust company will confirm the receipt, substitution or release of the collateral. The agreement should also describe that the custodian shall confirm the receipt, revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the District a perfected interest in the securities.

X. Temporary Investments

As authorized by General Municipal Law, 11, the Port Washington Union Free School District authorizes the Assistant Superintendent for Business to temporarily invest monies not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- “Special time deposit accounts” or “certificates of deposit” issued by a bank or trust company located in and authorized to do business in New York State (provided that the time deposit account or certificate of deposit shall be payable within such time as the proceeds are needed to satisfy the District’s expenditures, and provided further that such time deposit account or certificate of deposit must be secured by collateral in accordance with Section VIII or this Policy and applicable law;
- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York;
- Tax Anticipation Notes (TANs) and Revenue Anticipation Notes (RANs) issued pursuant to Local Finance Law (LFL) § 24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the Port Washington Union Free School District;
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statute governing such entities or whose specific enabling legislation authorizes such investments;
- Certitudes of Participation (COPs) issued pursuant to GML §109-b; subject to approval by the Board of Education;
- Obligations of the Port Washington Union Free School District, but only with any monies in a reserve fund established by the Port Washington Union Free School District pursuant to General Municipal Law (GML) §§6-c, 6-d, 6-e, 6-f, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m, or 6-n.

All investment obligations shall be payable or redeemable at the option of the Port Washington Union Free School District within such times as the proceeds will be needed to meet expenditures for purposes for which the monies were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Port Washington Union Free School District within two years of the date of purchase.

Collateral will not be required with respect to the direct purchase of obligations of New York State and the United States and federal agencies, the principal and interest of which are guaranteed by the United States Government.

XI. Authorized Financial Institutions and Dealers

The Port Washington Union Free School District shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the District conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Port Washington Union Free School District. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Assistant Superintendent for Business is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

XII. Purchase of Investments

The Assistant Superintendent for Business is authorized to contract for the purchase of investments:

1. Directly, including through a repurchase agreement, from an authorized trading partner.
2. By participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the governing board.
3. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of the local District, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Port Washington Union Free School District by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law, §10.

XIII. Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

- All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
- Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- Obligations shall be limited to obligations of the United States of America and obligations by agencies of the United States of America.
- No substitution of securities will be allowed.
- The custodian shall be a party other than the trading partner.

XIV. Operations, Audit and Reporting

- a. The Superintendent of Schools or designee shall authorize the purchase and sale of all securities and execute contracts for investments and deposits on behalf of the School District. Oral directions concerning the purchase or sale of securities shall be confirmed in writing. The School District shall pay for purchased securities upon the simultaneous delivery or book entry thereof.
- b. The School District will encourage the purchase and sale of securities through a competitive process involving telephone solicitation for at least three quotations.
- c. The independent auditors shall audit the investments and investment proceeds of the School District for compliance with the provisions of this Investment Policy.
- d. Monthly reports will be furnished to the Board of Education.

APPENDIX A

Schedule of Eligible Securities Permitted as Collateral

- (i) Obligations 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.
- (ii) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank.
- (iii) Obligations 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.
- (iv) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public monies.
- (v) Obligations issued by states (other than this state) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (vi) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (vii) Obligations 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.
- (viii) Obligations of domestic corporation rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.
- (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.
- (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 not longer than sixty days from the date they are pledged.
- (xi) Zero-coupon obligations of the United States District marketed as "Treasury STRIPS".

Determining the “Market Value” of Eligible Securities

The eligible securities listed in paragraphs (viii), (x) and (xi) above shall be valued at 80 percent of their market value.

The eligible securities list in paragraph (ix) above shall be valued at 70 percent of market value.

Of the eligible securities listed in paragraphs (v), (vi) and (vii) above, those securities rated in the highest category shall be valued at 100 percent of their market value. Those rated in the second highest category shall be valued at 90 percent of their market value. Those rated in the third highest category shall be valued at 80 percent of their market value. When two nationally recognized statistical rating organizations rate a security in two different categories, the security shall be considered to be rated in the higher of the two categories.

Legal References: Education Law

1709	Powers and duties of Boards of Education
1723 - a	Temporary investment of school monies
1804	Boards of Education; election; powers and duties
3652	Investment of monies in reserve funds

General Municipal Law

§§6c-6n	Investments of monies in reserve funds
§10,11	Deposit, Investing and Securing of Public Funds
§39	Investment Policies for Local Districts

Local Finance Law

165	Deposit and use of proceeds from sale of financial instruments
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