

**NORTH SHORE CENTRAL SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK**

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

Overview

The North Shore Central 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 Ecosystem Energy Services USA Inc. (the "Performance Contract"). The Performance Contract with Ecosystem Energy Services USA Inc. was executed in June 2020. NYSED approval was received in August 2021.

The District seeks competitive proposals for a \$7,190,000 lease-purchase on the basis of a 14.6-year term with maturity on June 15, 2036.

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: North Shore High School, North Shore Middle School, Glen Head Elementary School, Glenwood Landing Elementary School, Seacliff Elementary School, the Administration Building and the Transportation Building.

Equipment Measures by Category	Project Cost
Interior Lighting Upgrade	\$ 702,499
Exterior Lighting Upgrade	68,068
Heating Network & Building Envelope Optimization	852,414
Controls Optimization	663,184
Computer Power and Plug Load Management	303,140
Air Conditioning	2,115,950
Solar PV	2,334,745
Measurement and Verification	150,000
	<hr/>
	\$ 7,190,000

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 standard contractual terms and conditions. The form of the lease purchase 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.

Amount

The amount to be financed under the Lease is \$7,190,000. 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. 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 June 15, 2036 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 required upon the execution of 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.

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 28, 2021 when developing an amortization schedule. Thereafter payments of principal and interest will be made semiannually in arrears on each June 15th and December 15th with the first combined principal and interest lease payment to be due on June 15, 2022. 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 November 4, 2021. The Lease shall not become effective until the delivery of funds.

Term The Lease-Purchase Agreement is scheduled to close on October 28, 2021 and mature on June 15, 2036.

Escrow Upon closing, it is anticipated that lease proceeds will be deposited in an escrow account to be utilized over the course of project construction (the "Project Fund"). The escrow provider 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 the New York State General Municipal Law Sections 10 and 11 as well as District investment policy. ***A copy of the District's Investment Policy is attached to this RFP.*** 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. 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 shall not be subject to levy, 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 or charges.

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 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 **October 5, 2021**. 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.

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 "Aa1" 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, assuming the Lessor does not reoffer the Agreement to the general public, 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 Ecosystem Energy Services USA Inc. dated June 2020: <http://www.capmark.org/RFPs.html>
- Link to Official Statement related to the District's \$13,565,000 School District Serial Bonds-2021: <https://emma.msrb.org/P21550362.pdf>
- Link to 2021-2022 Budget Information: <https://northshoreschools.org/boe/Budget.html#>
- Link to FYE 6/30/2020 Audit: <https://emma.msrb.org/P11532154.pdf>
- Link to FYE 6/30/2019 Audit: <https://emma.msrb.org/ES1441622.pdf>
- Link to FYE 6/30/2018 Audit: <https://emma.msrb.org/ER1318478.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 lease financings for school districts in New York State;
2. Three 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 favor the use of your financial institution by the District.

Proposals are due by **11:00 a.m. on Wednesday, September 22, 2021** by e-mail to:

Ms. Olivia Buatsi

Assistant Superintendent for Business

North Shore Central School District

Tel: (516) 277-7815

buatsio@northshoreschools.org

Ms. Janet Morley

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 21, 2021 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 under 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. 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 Frazer & Feldman, LLP (“School Attorney”), dated the closing date, including a statement to the effect that 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:	September 9, 2021
Proposal and Response Form Due:	September 22, 2021 (by 11:00 a.m.)
Selected Lessor Tentatively Approved:	September 22, 2021 *
Credit Approval Completed:	September 28, 2021
Draft Documents Delivered:	October 5, 2021
District Board Meeting Date:	October 21, 2021 Lease approved
Closing of Lease:	October 28, 2021

*Subject to formal award by members of the Board of Education on October 21, 2021.

The District reserves the right to modify these dates.

Thank you for your interest in the North Shore Schools.

END OF RFP

PROPOSAL RESPONSE FORM

September 22, 2021

Ladies and Gentlemen:

In response to North Shore Central 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 Ecosystem Energy Services USA Inc. 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 loan 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 November 8, 2021, is as follows:

The principal amount of the lease will be: \$7,190,000

Lease Maturity will be: June 15, 2036

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

INVESTMENTS

The objectives of the district's investment policy are to safeguard district funds and to minimize risk, to ensure that investments mature when cash is required to finance operations and to ensure a competitive rate of return. In accordance with this policy, the Treasurer or his/her designee is authorized to invest and/or deposit all funds, including proceeds of obligations and reserve funds, in time-deposit accounts, certificates of deposit, short-term government securities, repurchase agreements or other investment instruments permitted by law, subject to the investment regulations approved by the Board of Education.

To the extent feasible, investments and deposits shall be made in and through local or regional financial institutions. Concentration of investments in a single financial institution should be avoided. Diversification of investments and deposits is encouraged.

This policy will be annually reviewed by the Board and may be amended from time to time in accordance with the provisions of section 39 of the General Municipal Law.

Ref: Education Law §§1604-a; 1723-a; 3651; 3652
Local Finance Law §165.00
General Municipal Law §§6-c-6-e; 6-j-6-n; 10; 11; 39

Adoption date: June 15, 2006

Reviewed: December 2, 2010

INVESTMENTS REGULATION

Responsibility for investment of funds is delegated to the Assistant Superintendent for Business, the Treasurer and the Deputy Treasurer. Investments shall be in accordance with State law and Board policy and shall be in the best interest of the North Shore Schools.

I. Scope

This policy applies to all monies and other financial resources available for investment.

II. Objectives

In priority order, investments shall

- conform with all applicable federal, state and other legal requirements;
- safeguard principal adequately;
- provide sufficient liquidity to meet all operating requirements; and
- obtain a reasonable rate of return.

III. Delegation of Authority

The Assistant Superintendent for Business shall establish written procedures for investment consistent with this policy. The procedures shall include an internal control structure to (a) provide accountability based on a database or records of investments descriptions and amounts, transaction dates, and other relevant information and (b) regulate the employee activities.

IV. Prudence

All participants in investment are custodians of the public trust and shall avoid any transaction that might impair public confidence in the North Shore Schools.

Investments shall be made without speculation and with prudence, discretion and intelligence, considering the safety of the principal as well as the probable income to be derived.

All participants involved in investment shall refrain from personal business activity that could conflict with proper execution of the program or which could impair their ability to make impartial investment decisions.

V. Diversification

The North Shore Schools shall diversify deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

VI. Internal Controls

All monies collected by any officer or employee of the government shall be transferred to the Assistant Superintendent for Business and/or the District Treasurer in a timely manner.

The Treasurer shall establish and maintain an internal control structure to provide reasonable, though not absolute, assurance that deposits and investments are safeguarded against losses from unauthorized use or disposition, that transactions are executed consistent with management authorization and are recorded properly, and are managed consistent with applicable laws and regulations.

VII. Designation of Depositories

The banks and trust companies authorized for funds deposits are designated at the annual organizational meeting.

VIII. Collateralizing of Deposits

Under the provisions of General Municipal Law, Section 10, all deposits, 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 Section 10, equal to the aggregate amount of deposits from the categories designated in Schedule A.
2. By an eligible "letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the North Shore Central School District for a term not to exceed ninety (90) days with an aggregate value equal to one hundred forty percent (140%) 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 (1) of the three (3) highest rating categories by at least one (1) nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.

3. By an eligible surety bond payable to the North Shore Central School District for an amount at least equal to one hundred percent (100%) 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 (2) nationally recognized statistical rating organizations.
4. By an “irrevocable letter of credit” issued in favor of the North Shore Central School District by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, as security for the payment of one hundred percent (100%) of the aggregate amount of deposits and the agreed-upon interest, if any.

Schedule of Eligible Securities for 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 State government sponsored corporation.
- (ii) Obligations issued or fully insured or guaranteed by the State of New York or general obligations issued by a municipal corporation, school district or district corporation of such state.

IX. Safekeeping and Collateralization

Eligible securities for collateralizing deposits shall be held by a third party bank or trust company subject to security and custodial agreement.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also specify the conditions under which securities may be sold, presented for payment, substituted or released, and the events which will enable the local government to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the local government, they shall be delivered in a form suitable for transfer, or with an assignment in blank to the North Shore Schools or their custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or an agent of and custodian for the Schools, will be kept separate and apart from the general assets of the custodial bank or trust

company and shall not be commingled with or become part of the backing for any other deposit or other liability. The agreement should also state that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for reasonable frequency of revaluation of eligible securities and provide 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 local government a perfected interest in the securities.

X. Permitted Investments

As authorized by General Municipal Law, Section 11, the Assistant Superintendent for Business and/or The District Treasurer is authorized to invest monies not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Money Market and Now Accounts
- Certificates of Deposit
- General obligations of the United States of America
- General obligations of the State of New York
- General obligations issued pursuant to LFL Section 24.00 or 25.00 (with approval of the State Comptroller) by any municipality or school district other than the North Shore Central School District

All investment obligations shall be payable or redeemable at the option of the North Shore Schools within the time proceeds will be needed to meet expenditures for purposes for which the monies were provided. Obligations purchased with the proceeds of bonds or notes shall be payable or redeemable at the option of the North Shore Schools within two years of the date of purchase.

XI. Authorized Financial Institutions and Dealers

The North Shore Schools shall maintain a list of financial institutions and dealers approved for investment purposes. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated report of Condition (Call Report) at the request of the North Shore Schools.

Security dealers not affiliated with a bank must be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Assistant Superintendent for Business shall evaluate the financial position of institutions and dealers and maintain a listing of proposed depositories, trading partners and custodians. The listing shall be evaluated at least annually.

North Shore Central School District

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XII. Purchase of Investments

The Assistant Superintendent for Business and/or The District Treasurer are authorized to contract for the purchase of investments.

All purchased obligations, unless registered or inscribed in the name of the schools, 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 Assistant Superintendent for Business. All such transactions shall be confirmed in writing to the North Shore Central School District by the bank or trust company. Any obligation in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law, Section 10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and shall not be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

XIII. Selection of Financial Institutions

The Treasurer will periodically monitor, to the extent practical but not less than annually, the financial strength, credit-worthiness, experience, size and any other criteria of importance to the district, of all institutions and trading partners through which the district's investments are made.

Investments in time deposits and certificates of deposit are to be made only with commercial banks or trust companies, as permitted by law.

XIV. Operations, Audit, and Reporting

The school district will encourage the purchase and sale of securities through a competitive process involving telephone solicitation for at least three quotations.

The independent auditors will audit the investment proceeds of the school district for compliance with the provisions of this Investment Regulation.

Monthly investment reports will be furnished to the Board of Education.

Adoption date: June 15, 2006

Revised: December 2, 2010

Revised: January 16, 2014

Revised: July 5, 2016