

## Edwardsville Township Meeting Minutes

March 25, 2014

The meeting of Edwardsville Township was called to order by Supervisor Miles at 7:00 p.m. at the Hays Mallory Community Building, Edwardsville, Illinois. Present were Supervisor Miles, Trustees Picarella, Head, Assessor Klopmeier, Highway Commissioner Henschen, Clerk Schulte. Trustee Krumeich was excused and Trustee Kennett was absent.

Trustee Head led the Pledge of Allegiance.

Motion to approve the minutes of the February 25, 2014 meeting made by Trustee Head and seconded by Trustee Picarella. Motion Passed. . Voting "Yes" were Trustees Picarella, Head and Supervisor Miles.

Motion to approve the expenditures of Township and Road District Funds for the month February 15, 2014 to March 14, 2014 made by Trustee Picarella and seconded by Trustee Head. Motion Passed. Voting "Yes" were Trustees Picarella, Head and Supervisor Miles.

Supervisor Miles distributed the Public Hearing Notice from the Madison County Board of Appeals to be held on Thursday 27, 2014 and Wednesday April 2, 2014.

Supervisor Miles distributed the March 2014 Circuit Clerk Fines Report.

Supervisor Miles distributed an Annexation Notice from the City of Edwardsville for 663 East Vandalia Street, Edwardsville, Illinois, 62025.

Supervisor Miles distributed a tax objection from Illinois Bell Telephone Co, case number 14-TX-004-002.

Supervisor Miles reported the Facility Planning Committee met on March 14, 2014. The Committee elected S.J. Morrison Chairman. Three tasks were assigned to the committee, a needs assessment by the Township, a cost estimate for repairs and a real estate appraisal for the land and buildings. The Committee will meet on March 28, 2014.

Supervisor Miles reported the Financial Services Committee met for their final meeting March 13, 2014. The Board will review the recommendations and discuss later in the agenda.

Supervisor Miles received a letter of resignation from Trustee Kennett. Motion to regretfully accept Trustee Kennett's resignation, effective March 25, 2014, made by Trustee Head and seconded by Trustee Picarella. Motion Passed. Voting "Yes" were Trustees Picarella, Head and Supervisor Miles.

Motion by Supervisor Miles and seconded by Trustee Picarella to appoint Randy Williamson to fill the vacancy on the Town Board of Trustees. Motion Passed. Voting "Yes" were Trustees Picarella, Head and Supervisor Miles.

Supervisor Miles asked Clerk Schulte to administer the Oath of Office to Randy Williamson.

Motion to approve the agenda for the Annual Town Meeting made by Trustee Picarella and seconded by Trustee Williamson. Motion Passed. Voting "Yes" were Trustees Picarella, Head, Williamson and Supervisor Miles.

Motion to approve Resolution No.2014-R06, a resolution authorizing a transfer of appropriations for the General Assistance Fund, made by Trustee Head and seconded by Trustee Picarella. Motion Passed. Voting "Yes" were Trustees Picarella, Head, Williamson and Supervisor Miles.

Motion to approve Resolution No. 2014-R07, a resolution authorizing a transfer of appropriations from the Permanent Road Fund, made by Trustee Picarella and seconded by Trustee Williamson. Motion Passed. Voting "Yes" were Trustees Picarella, Head, Williamson and Supervisor Miles.

Motion to approve Resolution No. 2014-R08, a resolution authorizing a transfer of appropriations for the Road Fund, made by Trustee Williamson and seconded by Trustee Head. Motion Passed. Voting "Yes" were Trustees Picarella, Head, Williamson and Supervisor Miles.

Motion to approve Resolution No. 2014-R09, a resolution authorizing a transfer of appropriations for the general Town Fund, made by Trustee Picarella and Trustee Head. Motion Passed. Voting "Yes" were Trustees Picarella, Head, Williamson and Supervisor Miles.

Motion to approve Ordinance No. 2014-O04, an Ordinance adopting Financial Policies, made by Trustee Head and seconded by Trustee Picarella. Motion Passed. Voting "Yes" were Trustees Picarella, Head, Williamson and Supervisor Miles.

Supervisor Miles reported Administrator Jeanne Wojcieszak met at the Glen Carbon Senior Center, on March 21, 2014, with the SW Area Agency on Aging Outreach Team. The purpose was to identify gaps in Senior Services in the Glen Carbon area.

Supervisor Miles reported the Township is partnering with Edwardsville High School for a Township Logo Contest. The winning logo will best represent the functions of the Edwardsville Township government, the residents of Edwardsville Township, and the geographic area served by the Township. Turn in deadline is Friday May 2, 2014 at 4:30 P.M. The winning logo will be recommended to the Board by three local design professionals- Steve Hartman, Creative Director at Faulk Harrison; Carolyn Green, President of C. Green & Associates; Jan Carpenter, Principal and Art Director at Cork Tree Creative. The board will select the winning logo and be announced at the May 27, 2014 Board Meeting.

There being no further business to come before this Board, motion made by Trustee Head and seconded by Trustee Picarella to adjourn. Motion Passed.

Attest     *Fred Schulto*    

Town Clerk

COPY

RESOLUTION NO. 2014-R06

A RESOLUTION AUTHORIZING A TRANSFER OF APPROPRIATIONS FOR THE  
GENERAL ASSISTANCE FUND

**WHEREAS**, there was adopted on the 16<sup>th</sup> day of April, 2013, by the Board of Trustees of Edwardsville Township, Madison County, Illinois a Budget & Appropriation Ordinance for the fiscal year beginning April 1, 2013 and ending March 31, 2014; and

**WHEREAS**, it now appears that certain adjustments between appropriated line items in the General Assistance Fund in said ordinance are desirable and necessary; and

**WHEREAS**, Section 3 of the Illinois Municipal Budget Law (50 ILCS 330/3), as approved July 12, 1937, as amended, authorizes transfer between the various line items within any fund in such Appropriation Ordinance not exceeding 10% of the total amount appropriated in such fund by such ordinance.

**NOW, THEREFORE, BE IT RESOLVED** by the Township Board of Edwardsville, Madison County, Illinois as follows:

**SECTION 1:** That there is hereby transferred from the unexpended balance of the line item **Contingencies** in the **General Assistance Fund Four Hundred Eighty-One Dollars and Two Cents (\$481.02)** which transferred sum is hereby added to the line item **Travel Expense** in the same fund, making the adjusted appropriation for the first line item aforesaid **Five Thousand Two Hundred Eighteen dollars and Ninety-eight Cents (\$5,218.98)**, and the second line item aforesaid **Five Hundred Thirty-One Dollars and Two Cents (\$531.02)**.

**SECTION 2:** That there is hereby transferred from the unexpended balance of the line item **Contingencies** in the **General Assistance Fund Two Hundred Three Dollars and Four Cents (\$203.04)** which transferred sum is hereby added to the line item **Salaries-Personnel** in the same fund, making the adjusted appropriation for the first line item aforesaid **Five Thousand Fifteen dollars and Ninety-Four Cents (\$5,015.94)**, and the second line item aforesaid **Twenty-Four Thousand Five Hundred and Three Dollars and Four Cents (\$24,503.04)**.

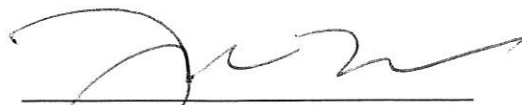
Motion was made by Trustee Head, seconded by Trustee Picarella  
that the Resolution be adopted and approved by 4 Ayes and 0 Nays.

**PASSED BY THE TOWNSHIP BOARD OF EDWARDSVILLE TOWNSHIP, MADISON COUNTY, ILLINOIS, IN REGULAR AND PUBLIC SESSION THIS 25<sup>TH</sup> OF MARCH, 2014.**

ATTEST:

APPROVED:

  
Township Clerk

  
Township Supervisor



COPY

RESOLUTION NO. 2014-R07

**A RESOLUTION AUTHORIZING A TRANSFER OF APPROPRIATIONS  
FOR THE PERMANENT ROAD FUND**

**WHEREAS**, there was adopted on the 16<sup>th</sup> day of April, 2013, by the Board of Trustees of Edwardsville Township, Madison County, Illinois a Budget & Appropriation Ordinance for Road & Bridge for the fiscal year beginning April 1, 2013 and ending March 31, 2014; and

**WHEREAS**, it now appears that certain adjustments between appropriated line items in the Permanent Road Fund in said ordinance are desirable and necessary; and

**WHEREAS**, Section 3 of the Illinois Municipal Budget Law (50 ILCS 330/3), as approved July 12, 1937, as amended, authorizes transfer between the various line items within any fund in such Appropriation Ordinance not exceeding 10% of the total amount appropriated in such fund by such ordinance.

**NOW, THEREFORE, BE IT RESOLVED** by the Township Board of Edwardsville, Madison County, Illinois as follows:

**SECTION 1:** That there is hereby transferred from the unexpended balance of the line item **Contingencies** in the **Permanent Road Fund Seventy Dollars (\$70.00)** which transferred sum is hereby added to the line item **Towing** in the same fund, making the adjusted appropriation for the first line item aforesaid **Six Thousand Two Hundred Eighty Dollars (\$6,280.00)**, and the second line item aforesaid **Five Hundred Seventy Dollars (\$570.00)**.


Motion was made by Trustee Picarella, seconded by Trustee Williamson that the Resolution be adopted and approved by 4 Ayes and 0 Nays.

**PASSED BY THE TOWNSHIP BOARD OF EDWARDSVILLE TOWNSHIP, MADISON COUNTY, ILLINOIS, IN REGULAR AND PUBLIC SESSION THIS 25<sup>TH</sup> OF MARCH, 2014.**

ATTEST:

APPROVED:

  
Township Clerk

  
Township Supervisor

COPY

RESOLUTION NO. 2014-R08

A RESOLUTION AUTHORIZING A TRANSFER OF APPROPRIATIONS  
FOR THE ROAD FUND

**WHEREAS**, there was adopted on the 16<sup>th</sup> day of April, 2013, by the Board of Trustees of Edwardsville Township, Madison County, Illinois a Budget & Appropriation Ordinance for Road & Bridge for the fiscal year beginning April 1, 2013 and ending March 31, 2014; and

**WHEREAS**, it now appears that certain adjustments between appropriated line items in the Road Fund in said ordinance are desirable and necessary; and

**WHEREAS**, Section 3 of the Illinois Municipal Budget Law (50 ILCS 330/3), as approved July 12, 1937, as amended, authorizes transfer between the various line items within any fund in such Appropriation Ordinance not exceeding 10% of the total amount appropriated in such fund by such ordinance.

**NOW, THEREFORE, BE IT RESOLVED** by the Township Board of Edwardsville, Madison County, Illinois as follows:


**SECTION 1:** That there is hereby transferred from the unexpended balance of the line item **Miscellaneous Expense** in the **Road Fund Fifteen Dollars and Fifty-Six Cents (\$15.56)** which transferred sum is hereby added to the line item **Purchase New Equipment** in the same fund, making the adjusted appropriation for the first line item aforesaid **Two Hundred Fourteen Dollars and Fifteen Cents (\$214.15)**, and the second line item aforesaid **Two Thousand Fifteen Dollars and Fifty-Six Cents (\$2,015.56)**.


Motion was made by Trustee Williamson, seconded by Trustee Head  
that the Resolution be adopted and approved by 4 Ayes and 0 Nays.

**PASSED BY THE TOWNSHIP BOARD OF EDWARDSVILLE TOWNSHIP, MADISON COUNTY, ILLINOIS, IN REGULAR AND PUBLIC SESSION THIS 25<sup>TH</sup> OF MARCH, 2014.**

**ATTEST:**

**APPROVED:**

  
Township Clerk

  
Township Supervisor

COPY

RESOLUTION NO. 2014-R09

A RESOLUTION AUTHORIZING A TRANSFER OF APPROPRIATIONS  
FOR THE GENERAL TOWN FUND

**WHEREAS**, there was adopted on the 16<sup>th</sup> day of April, 2013, by the Board of Trustees of Edwardsville Township, Madison County, Illinois a Budget & Appropriation Ordinance for the fiscal year beginning April 1, 2013 and ending March 31, 2014; and

**WHEREAS**, it now appears that certain adjustments between appropriated line items in the General Town Fund in said ordinance are desirable and necessary; and

**WHEREAS**, Section 3 of the Illinois Municipal Budget Law (50 ILCS 330/3), as approved July 12, 1937, as amended, authorizes transfer between the various line items within any fund in such Appropriation Ordinance not exceeding 10% of the total amount appropriated in such fund by such ordinance.

**NOW, THEREFORE, BE IT RESOLVED** by the Township Board of Edwardsville, Madison County, Illinois as follows:

**SECTION 1:** That there is hereby transferred from the unexpended balance of the line item **Contingencies** in the **General Town Fund Seven Hundred Seventy Dollars and Four Cents (\$770.04)** which transferred sum is hereby added to the line item **Office Supplies** in the same fund, making the adjusted appropriation for the first line item aforesaid **Nine Thousand Two Hundred Twenty-Nine Dollars and Ninety-Six Cents (\$9,229.96)**, and the second line item aforesaid **Three Thousand Seven Hundred Seventy Dollars and Four Cents (\$3,770.04)**.

**SECTION 2:** That there is hereby transferred from the unexpended balance of the line item **Contingencies** in the **General Town Fund One Thousand Eight Hundred Ten Dollars (\$1,810.00)** which transferred sum is hereby added to the line item **Legal** in the same fund, making the adjusted appropriation for the first line item aforesaid **Seven Thousand Four Hundred Nineteen Dollars and Ninety-Six Cents (\$7,419.96)**, and the second line item aforesaid **Five Thousand Eight Hundred Ten Dollars (\$5,810.00)**.

**SECTION 3:** That there is hereby transferred from the unexpended balance of the line item **Contingencies** in the **General Town Fund Two Hundred Forty-Four Dollars and Twenty Cents (\$244.20)** which transferred sum is hereby added to the line item **Supervisor Office Training** in the same fund, making the adjusted appropriation for the first line item aforesaid **Seven Thousand One Hundred Seventy-Five Dollars and Seventy-Six Cents (\$7,175.76)**, and the second line item aforesaid **Seven Hundred Forty-Four Dollars and Twenty Cents (\$744.20)**.

**SECTION 4:** That there is hereby transferred from the unexpended balance of the line item **Contingencies** in the **General Town Fund Four Thousand Eighty-One Dollars and Ninety-Eight Cents (\$4,081.98)** which transferred sum is hereby added to the line item **Supervisor Office Employee's Salary** in the same fund, making the adjusted appropriation for the first line item aforesaid **Three Thousand Ninety-Three Dollars and Seventy-Eight Cents (\$3,093.78)**, and the second line item aforesaid **Fifty-Nine Thousand Three Hundred Ten Dollars and Eighty-One Cents (\$59,310.81)**.



**SECTION 5:** That there is hereby transferred from the unexpended balance of the line item **Contingencies** in the **General Town Fund One Dollar (\$1.00)** which transferred sum is hereby added to the line item **Town Clerk Salary** in the same fund, making the adjusted appropriation for the first line item aforesaid **Three Thousand Ninety-Two Dollars and Seventy-Eight Cents (\$3,092.78)**, and the second line item aforesaid **Six Thousand Three Hundred Ten Dollars and Seventy-One Cents (\$6,310.71)**.

**SECTION 6:** That there is hereby transferred from the unexpended balance of the line item **Contingencies** in the **General Town Fund Three Thousand Ninety-Two Dollars and Seventy-Eight Cents (\$3,092.78)** which transferred sum is hereby added to the line item **Supervisor Salary** in the same fund, making the adjusted appropriation for the first line item aforesaid **Zero Dollars (\$0.00)**, and the second line item aforesaid **Twenty-Eight Thousand Two Hundred Fifty-One Dollars and Twenty-Four Cents (\$28,251.24)**.

**SECTION 7:** That there is hereby transferred from the unexpended balance of the line item **Highway Commissioner Salary** in the **General Town Fund One Thousand One Hundred Forty-Two Dollars and Forty Cents (\$1,142.40)** which transferred sum is hereby added to the line item **Supervisor Salary** in the same fund, making the adjusted appropriation for the first line item aforesaid **Twenty-Seven Thousand Six Hundred Fifty-Seven Dollars and Sixty Cents (\$27,657.60)**, and the second line item aforesaid **Twenty-Nine Thousand Three Hundred Ninety-Three Dollars and Sixty-One Cents (\$29,393.61)**.

**SECTION 8:** That there is hereby transferred from the unexpended balance of the line item **Workmen's Compensation** in the **General Town Fund Three Hundred Seventy-Six Dollars and Ninety-Two Cents (\$376.92)** which transferred sum is hereby added to the line item **Supervisor Salary** in the same fund, making the adjusted appropriation for the first line item aforesaid **Six Thousand Six Hundred Twenty-Three Dollars and Eight Cents (\$6,623.08)**, and the second line item aforesaid **Twenty-Nine Thousand Seven Hundred Seventy Dollars and Fifty-Six Cents (\$29,770.56)**.

**SECTION 9:** That there is hereby transferred from the unexpended balance of the line item **Workmen's Compensation** in the **General Town Fund Ninety-Five Dollars and Sixty-Four Cents (\$95.64)** which transferred sum is hereby added to the line item **Supervisor Office Employee Salary** in the same fund, making the adjusted appropriation for the first line item aforesaid **Six Thousand Five Hundred Twenty-Seven Dollars and Forty-Four Cents (\$6,527.44)**, and the second line item aforesaid **Fifty-Nine Thousand Four Hundred Six Dollars and Forty-Five Cents (\$59,406.45)**.


Motion was made by Trustee Picarella, seconded by Trustee Head  
that the Resolution be adopted and approved by 4 Ayes and 0 Nays.

**PASSED BY THE TOWNSHIP BOARD OF EDWARDSVILLE TOWNSHIP, MADISON COUNTY, ILLINOIS, IN REGULAR AND PUBLIC SESSION THIS 25<sup>TH</sup> OF MARCH, 2014.**

**ATTEST:**

  
\_\_\_\_\_  
**Township Clerk**

**APPROVED:**

  
\_\_\_\_\_  
**Township Supervisor**

**ORDINANCE NO. 2014-004**

**AN ORDINANCE ADOPTING FINANCIAL POLICIES**

**WHEREAS**, the Board of Trustees is responsible for setting the financial policy for the Township of Edwardsville; and

**WHEREAS**, a Financial Services Committee appointed by the Township Supervisor has reviewed current Township financial management policies and compared them to the policies of other Illinois townships. After examination of the current Edwardsville Township policies and the policies of other townships, the Financial Services Committee recommended that Edwardsville Township adopt the policies set forth in this ordinance; and

**WHEREAS**, the Board, upon the recommendation of the Financial Services Committee, wishes to rescind prior financial policies adopted by the Township; and

**WHEREAS**, the Board affirms that the purpose and objectives stated in the attached policies are in the best interest of Edwardsville Township.

**NOW, THEREFORE, BE IT ORDAINED** by the Township Board of Edwardsville, Madison County, Illinois as follows:

**SECTION 1:** That as of the effective date of this ordinance, all previous ordinances and resolutions regarding financial policies are repealed and the following attached policies are adopted as the policies governing the financial operation of Edwardsville Township:

- 1.1 – Accounts Payable Policy
- 1.2 – Financial Reserve Policy
- 1.3 – Capital Asset Policy
- 1.4 – Investment Policy
- 1.5 – Credit Card Policy

**SECTION 2:** That additions and modifications to these financial policies may be made by motion and passage shall be by a majority affirmative vote of the Township Board.

**SECTION 3:** That if any one or more sections, subsections, or sentences of this ordinance are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.

**SECTION 4:** That this ordinance shall be in full force and effect after its adoption as provided by law.

**ADOPTED BY THE TOWNSHIP BOARD OF EDWARDSVILLE TOWNSHIP, MADISON COUNTY, ILLINOIS, IN REGULAR AND PUBLIC SESSION THIS 25<sup>TH</sup> OF MARCH, 2014, PURSUANT TO A ROLL CALL VOTE.**



**BOARD OF TRUSTEES**

**AYE**

**NAY**

**ABSENT**

Danny Picarella  
\_\_\_\_\_

X

\_\_\_\_\_

\_\_\_\_\_

Gary Head  
\_\_\_\_\_

X

\_\_\_\_\_

\_\_\_\_\_

Randy Williamson  
\_\_\_\_\_

X

\_\_\_\_\_

\_\_\_\_\_

Frank Miles  
\_\_\_\_\_

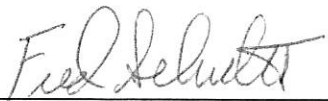
X

\_\_\_\_\_

\_\_\_\_\_

**ATTEST:**

**APPROVED:**

  
\_\_\_\_\_  
**Township Clerk**

  
\_\_\_\_\_  
**Township Supervisor**

**Edwardsville Township**  
**Financial Reserve Policy**

**I. Policy**

1. Edwardsville Township has a policy to maintain an unreserved fund balance equal to 50% of budgeted operating expenses.
2. After the independent audit is completed for a fiscal year, staff prepares a report to the Board summarizing the results of operations. The report includes a determination of unreserved fund balance and reports the amount (if any) of funds available that exceed the fund balance policy.
3. If desired, any funds exceeding the fund balance policy may be transferred to appropriate reserve accounts (i.e. capital development fund) with approval from the Board of Trustees by a resolution.

This policy was approved on 03/25/2014 by Ordinance No. 2014-O04.

## Edwardsville Township

### Investment Policy

#### I. Policy

It is the policy of Edwardsville Township to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Township and conforming to all state and Township ordinances governing the investment of public funds.

#### II. Scope

This policy includes all Township funds. Except for certain restricted special funds, the Township will maximize investment earnings and increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

#### III. Objectives

Investment yield is of secondary importance to legality, safety, and liquidity. The primary objectives, in order of priority, shall be:

1. **Legality:** The investment program shall be operating in conformance with federal, state and local requirements.
2. **Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objectives will be to mitigate credit risk and interest rate risk.
  - a. *Credit Risk:* The Township will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer by:
    - i. Limiting investments to the types of securities listed in Section VII of the Investment Policy.
    - ii. Pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors with which the Township will do business in accordance with Section IV.
    - iii. Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
  - b. *Interest Rate Risk:* The Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:
    - i. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.



- ii. Investing operating funds primarily in shorter-term securities, money market funds, or similar investment pools and limiting the maximum maturity. The Township will not directly invest in securities maturing more than five years from the date of purchase unless matched to a specific cash flow.
- c. *Custodial Credit Risk*: In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. In order to avoid this risk, the Township requires the collateralization of public deposits whenever the amount on deposit exceeds the Federal Deposit Insurance Corporation's balance limitations.

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession on an outside part. The Township requires that its investments be held by an independent third party custodian to eliminate this risk.

- 3. **Liquidity**: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should include securities with active secondary or resale markets. A portion of the portfolio may be placed in money market funds or the government investment pool which offer same day liquidity.
- 4. **Yield**: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the legality, safety and liquidity objectives. Securities shall generally be held until maturity with the following exceptions:
  - a. A security with declining credit may be sold early to minimize loss of principal.
  - b. Liquidity needs of the portfolio require that the security be sold.

The portfolio should be reviewed periodically as to its effectiveness in meeting the Township's investment objectives and its general performance.

#### IV. Standards of Care

- 1. **Prudence**: The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing and overall portfolio. Township Supervisors acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price change.

The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived."

- 2. **Ethics and Conflicts of Interest**: Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and

management of the investment program, or that could impair their ability to make impartial decisions.

3. **Delegation of Authority:** Management and administrative responsibility for the investment program is hereby delegated to the Township Supervisor who, under the direction of the Township Administrator, shall establish investment policies approved by the Township Board for the operation of the investment program.

The Township Supervisor shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Township Supervisor.

#### V. **Authorized Financial Institutions, Depositories, and Broker / Dealers**

The Township Supervisor will maintain a list of financial institutions authorized to provide investment services. In addition, a list will be maintained of approved security broker dealers selected by creditworthiness. These may include primary dealers or regional dealers.

1. Only financial institutions with a Bauer financial rating of at least four stars will be considered.
2. The Board of Trustees may approve by resolution a list of approved brokers.

#### VI. **Safekeeping and Custody**

1. **Delivery vs. Payment:** All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.
2. **Safekeeping:** Securities will be held by an independent third-party custodian designated by the Township Supervisor and evidenced a written custodial agreement.
3. **Internal Controls:** The Township Supervisor is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Township are protected from loss, theft, or misuse. Details of the internal control system shall be documented in an investment procedures and internal control manual and shall be reviewed and updated periodically. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

- Control of collusion.
- Separation of transaction authority from accounting.
- Custodial safekeeping.
- Clear delegation of authority to subordinate staff members.

## VII. Suitable and Authorized Investments

1. **Investment Types:** Investments may be made in any type of security authorized per Illinois Compiled Statutes regarding the investment of public funds.
2. **Collateralization:** Collateralization of deposits by the financial institution is required for all demand deposit accounts, including checking accounts, money market accounts and certificates of deposit, whenever the total amount on deposit at that institution exceeds the limits established by the Federal Deposit Insurance Corporation. The collateral shall be held by an independent third party institution in the name of the Township. A written collateralization agreement shall be executed by the financial institution, the Federal Reserve Bank and the Township.

## VIII. Investment Parameters

1. **Diversification:** It is the policy of the Township to diversify its investment portfolio to eliminate risk of loss resulting from the over concentration of assets in a specific maturity, issuer or class of securities. The Township shall diversify its investments to the best of its ability based on the types of funds invested and the cash flow needs of those funds. Diversification can be by the type of investment, number of institutions invested in, and the length of maturity.
2. **Maximum Maturities:** To the extent possible, the Township shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Township will directly invest in securities with an average maturity of two (2) years or less, not to exceed a final maturity of five years. No investments will be bought between January 1 and June 1 during an election year.

Because of the inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.

An exception to not directly investing in securities maturing more than (5) years from the date of purchase would be securities purchased prior to the effective date of this policy.

## IX. Reporting

1. **Methods:** The Township Supervisor shall prepare an investment report and submit it to the Township Board quarterly. The report shall be accompanied by a management summary that provides an analysis of the status of the current investment portfolio. The report will be available upon request to the Board of Trustees and will be in a format suitable for review by the general public. The report will include a listing of individual securities held at the end of the reporting period.
2. **Performance Standards:** This investment portfolio will be managed in accordance with the parameters specified within this policy. A series of appropriate benchmarks shall be established which may include the Illinois Funds rate, certificate of deposit rates and U.S. Treasury and Agency rates. The benchmarks shall be reflective of the actual securities being purchased.
3. **Marking to Market:** The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed.



**X. Policy Considerations**

- 1. Exemption:** Any investment currently held that does not meet the guidelines of this policy shall be temporarily exempted from the requirements of this policy and reported to the Township Supervisor. Investments must come in conformance with the policy within six months of the policy's adoption or the Township Supervisor must be presented with a plan through which investments will come into conformance.
- 2. Amendments:** This policy shall be reviewed on an annual basis. Any changes must be approved by the Township Supervisor and Board of Trustees.

**XI. Investment Policy Adoption**

The investment policy shall be approved and adopted by the Board of Trustees.

This policy was approved on March 25, 2014 by Ordinance No. 2014-O04.

**Edwardsville Township**  
**Capital Asset Policy**

**I. Scope**

Capital assets include property, plant, equipment, intangibles and infrastructure assets. All capital assets are valued at historical cost or estimated historical cost if the actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Capital assets are defined by Edwardsville Township as assets with an initial individual cost of more than \$2,500 for equipment, \$10,000 for buildings, and \$50,000 for road improvements. Repairs and maintenance are recorded as expenses.

The Township has elected not to retroactively report major infrastructure assets as allowed under GASB 34. These assets are roads, bridges and other land improvements. New infrastructure assets are being capitalized and depreciated from April 1, 2004 and on.

**II. Depreciation**

Assets capitalized are depreciated using the straight-line method. Estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Equipment	7
Vehicles	5
Buildings	40
Road Improvements	10
Other Improvements	20
New Infrastructure	40

**III. Maintenance**

The asset schedule of Edwardsville Township is maintained by the outside accounting firm providing the annual financial statement. The schedule is owned by the Township.

This policy was approved on 03/25/2014 by Ordinance No. 2014-004.

**Edwardsville Township  
Accounts Payable Policy**

**I. Objectives**

- a. The Township Board must examine and audit township and road district bills before they are paid. 60 ILCS 1/80-10, 80-15
  - i. Except general assistance, wages, social security taxes

**II. Procedures**

- a. The Administrator will receive payables, review charges, and forward payables to the Bookkeeper who will prepare the bills for approval and payment.
- b. The Supervisor, Assessor, and Highway Commissioner will approve their associated payables.
- c. Payables will then be presented to the Board of Trustees for approval at the monthly board meeting. Once approved by the Board of Trustees, payments will be made.
- d. The Township Board will grant the Township Supervisor the approval to pay the following payables without prior approval by the Township Board:
  - i. IMRF contributions
  - ii. Utility bills – gas, electric, phone, internet, water, sewer, trash
  - iii. Ordinary payments on operational contracts with an annual value less than \$5,000 that have already been approved by the Township Board
  - iv. Employee reimbursements and mileage expenses less than \$500

This policy was approved on 03/25/2014 by Ordinance No. 2014-O04.