

# REQUEST FOR PROPOSALS

## **ADDENDUM # 1**

### **Questions and Clarifications**

#### **Banking & Investment Management Services**

**RFP# NF2022-09**

**TO:** Prospective Proposers  
**FROM:** Jamie Arbogast, Director of Procurement  
**DATE:** September 1, 2022  
**SUBJECT:** Addendum No. 1 – Questions and Clarifications

The following is included as part of Addendum No.1 and supersedes the language/requirements set forth in the original "Request for Proposals".

### **ADDENDUM # 1 – Questions and Clarifications**

<b>#</b>	<b>Questions submitted or asked</b>	<b>Response from GPMTD</b>
1	Provide the last 3 months of the analysis banking statements.	<i>Decline</i>
2	In looking over the RFP, Exhibit A said you have analysis statements available for review.  Would you have those handy by chance?	<i>N/A, Language will be removed from RFP</i>
3	Can you please provide us with 3 months of GPMTD Analysis Statements?	<i>Decline</i>
4	Can you please provide us with 3 months of GPMTD current investment account statements?	<i>Decline</i>
5	Can you please provide us with a copy of the GPMTD investment policy?	<i>Yes, Policy added to RFP and attached below</i>
6	Can you clarify that the language included in Section 3, "3-14 Insurance Requirements"? Is this provision asking to have the bank add GPMTD officials and employees to our insurance policies along with required coverage amounts? If so, can you please provide a copy of this insurance policy so that we may determine whether we can accommodate a similar structure in our proposal?	<i>The intent of the Insurance Requirements section is for the bidder to confirm that their organization purchases the various insurance coverages specified and at the various limits.  A certificate of insurance evidencing these coverages may be requested.  This is a standard insurance revisions have been updated in the RFP and are posted below in Attachment B.</i>

7	Can you provide an average monthly volume of cash/coin deposits and orders?	<i>4 Weekday Deposits with Single Day Average of \$1,500 bills and \$750 coins. 1 Weekday Deposit each week is multiple days with Average of \$3,000 bills and \$1,300 coins. Currently, Monday and Thursday drop-off at Bank.</i>
8	<p>Can you please provide the following clarifications on your P-Card program?</p> <p>a. What is the company credit limit?</p> <p>b. What is the company annual spend?</p> <p>c. How many active cards do you operate with?</p> <p>d. Do you have separate P-Card programs for purchasing, fleet, and T&amp;E?</p> <p>e. Do you use a virtual card or single use card?</p>	<p>a. <i>TBD</i></p> <p>b. <i>N/A</i></p> <p>c. <i>N/A</i></p> <p>d. <i>No</i></p> <p>e. <i>No</i></p>
9	Does GPMTD currently use an Enterprise Resource Planning or ERP solution, and if so, which one?	<i>GPMTD currently contracts with Avail Technologies, Inc. GPMTD is scheduled to upgrade Avails current FleetNet program in order to convert to its ERP solution myavail. The conversion is scheduled to be complete September 2022.</i>
10	USB: (Section 1-3; pg 11) Bank security does not normally allow for USB for uploading or for access. Can we provide this in an electronic file?	<i>Yes, if you are unable to provide a digital file utilizing a USB contact <a href="mailto:jarbogast@ridacitylink.org">jarbogast@ridacitylink.org</a> on alternate instructions on how to provide the electronic file.</i>
11	<p>Demand Deposit Accounts:</p> <p>a. Cash services:</p> <ol style="list-style-type: none"> <li>1. Indicated in the RFP is a volume of 1,500 for deposits: <ol style="list-style-type: none"> <li>a. Volume for number of bills, volume of coin taken to the branch.</li> <li>b. How many deposits per month?</li> </ol> </li> <li>2. How many GPMTD locations are making deposits? Which locations are making deposits?</li> <li>3. How much cash is ordered? Provide the volume by number of bills and coin.</li> <li>4. Are you utilizing an armored car service?</li> </ol> <p>b. ACH Services: (pg 18)</p> <ol style="list-style-type: none"> <li>1. Provide the number of originated ACH items as well as number of files submitted through online portal.</li> </ol>	<p>a.</p> <ol style="list-style-type: none"> <li>1. <i>See Q7 response</i></li> <li>3. <i>1; downtown, Peoria</i></li> <li>4. <i>500-1888, coins (\$1)</i></li> <li>5. <i>No</i></li> </ol> <p>b.</p> <ol style="list-style-type: none"> <li>1. <i>7-10/ monthly (Debit)</i></li> <li>2. <i>Received ACH (credit); 10-20 monthly</i></li> </ol>

	2. Provide the number of received ACH items.	
12	<p>Credit Card Offering:</p> <p>a. What is the estimated annual spend for the entire credit card program?</p> <p>b. What is the overall credit limit that would be requested for the credit cards?</p> <p>c. Do you currently utilize an expense reporting platform?</p> <p>d. Do you utilize a card program for vendor payments?</p> <p>1. Can you provide a vendor listing for analysis?</p> <p>2. This will be utilized to determine rebate on program.</p>	<p>a. 10 million dollars</p> <p>b. 25,000</p> <p>c. No</p> <p>d. No</p>
13	<p>Remote Deposit</p> <p>a. What volume would you anticipate for the remote capture machine?</p>	3000/ year
14	<p>Investment Services</p> <p>a. How much in total assets is GPMTD looking to have managed?</p> <p>b. Is it one account or multiple accounts? If multiple accounts, would it be possible to get a breakdown of asset size of each account?</p> <p>c. What do the funds represent or what is the purpose of each of the asset pools?</p> <p>d. There is mention of GPMTD's current investment policy (IPS), we didn't see that included, would you be able to provide the policy? Also, if there are multiple accounts, is it the same IPS that covers all the accounts? If not, would you be able to provide the IPS for each of the accounts?</p> <p>e. We also have questions about risk tolerance, liquidity needs, time horizon and benchmark/return expectations – but assume this information would all be covered by the IPS.</p>	<p>a. 7-20 Million</p> <p>b. One account</p> <p>c. CDs, Bonds, Treasury notes/Bills</p> <p>d. Yes, policy added to RFP and attached below</p> <p>e. Yes</p>
15	<p>Insurance Requirements (Section 3-14; pg 25)</p> <p>a. This does not seem to apply to PNC Bank, outside of FDIC coverage. Can you elaborate on the information requested?</p>	<p>The intent of the Insurance Requirements section is for the bidder to confirm that their organization purchases the various insurance coverages specified and at the various limits.</p>

		<p><i>A certificate of insurance evidencing these coverages may be requested.</i></p> <p><i>This is a standard insurance revisions have been updated in the RFP and are posted below in Attachment B.</i></p>
16	<p>Analysis Statements (Exhibit A; pg 55)</p> <p>a. Please provide analysis statements for all the bank accounts – three months is preferred.</p>	<i>decline</i>
17	<p>Other:</p> <p>a. Merchant Services:</p> <p>i. Would merchant services in scope for this proposal?</p> <p>ii. If so, please provide 1-2 merchant statements for analysis.</p> <p>b. Long term strategic plans:</p> <p>i. Are there any future services that you are considering in the next 5 years? This would include online payments, cashless payments, etc.</p>	<p><i>a. No</i></p> <p><i>b. Yes. Open to be provided from Proposal</i></p>
18	<p>Would Greater Peoria Mass Transit District consider Federal Home Loan Bank Letters of Credit (FHLB LOC) or GSE Investment Securities as collateral for the Demand Deposit Accounts related to sections 2-3?</p>	<i>Yes</i>
19	<p>Can GPMTD please provide a copy of your current Investment Policy?</p>	<i>Yes, Policy added to RFP and attached below</i>
20	<p>Does GPMTD currently utilize a Purchasing Card Program?</p>	<i>NO</i>
21	<p>Who is the current purchasing card provider?</p>	<i>N/A</i>
22	<p>Which brand is your current card program: Visa, MasterCard, or American Express?</p>	<i>N/A</i>
23	<p>Could GPMTD please provide a breakdown of current spend?</p> <p>a. Total Spend</p> <p>b. Discounted Spend = Level 3 data and Large Ticket</p>	<i>N/A</i>
24	<p>Is GPMTD willing to provide a full vendor payment file?</p> <p>1. To include - vendor name, address, and last 12 months of spend for each vendor</p>	<i>Not now</i>

25	The Bank partners with an outside vendor for our business credit card and P-Card/ solutions. Would the vendor be considered a subcontractor, and does the firm need to be listed on Attachment G – Firm Data Sheet?	<i>No</i>
26	Does the GPMTD ERP/Accounting system have the capability to import bank feeds?	<i>District is currently under “upgrade progress” for our ERP system. See Question #9</i>
27	Does the GPMTD ERP/Accounting system have the ability to export data files?	<i>District is currently under “upgrade progress” for our ERP system. See Question #9</i>
28	Please define “electronic notification of transactions” related to the RFP section 2-4 Online Banking #10.	<i>Email communication or system generate message via on- line banking system.</i>
29	Please define “viewing information on refunds, voids or deletions of deposits or receipts” related to the RFP 2-4 Online Banking #11.	<i>The transactions details on refunds, voids or deletion of deposit are available through online banking system in real time.</i>
30	Could you provide the most recent account analysis statements containing the average collected balances in each of the accounts listed below? The account analysis statements should contain the activity volumes and all service utilized on each account. (You can redact the current pricing)	<i>decline</i>
31	<p>GPMTD will require the following separate banking accounts:</p> <ol style="list-style-type: none"> <li>1. General Operating Account</li> <li>2. Self-Insurance Account</li> <li>3. Working cash Reserves Account</li> <li>4. Capital Development Reserves Account</li> <li>5. Contractual Service Account</li> <li>6. OPEB Reserve Account</li> </ol> <ol style="list-style-type: none"> <li>a. What is the maximum coin and currency that you deposit? How frequently does that occur?</li> <li>b. What are the standard coin and currency orders and frequency?</li> <li>c. How many wires do you send in an average month?</li> </ol>	<ol style="list-style-type: none"> <li><i>a. Single Day Average of \$5000 bills and \$3000 coins. Twice a week</i></li> <li><i>b. Depends on needs, varies. from \$500-1,888</i></li> <li><i>c. Couple times a year</i></li> </ol>

	<p>d. Are all your depository accounts currently set up on check positive pay and Ach Fraud Filter?</p>	<p><i>d. Only General Operating Account and Self Insurance Account now, but would like to include all accounts in the future.</i></p>
32	<p>P-Card Questions</p> <p>Do you currently have a P-Card Program?</p> <ul style="list-style-type: none"> <li>• If yes, what is the average dollar volume of usages (annual spend) and how many card holders do you currently have?</li> <li>• If no, what do you anticipate the average dollar volume (annual spend) and how many cards do you anticipate needing?</li> </ul>	<p><i>No</i></p> <p><i>10Million dollars</i></p> <p><i>10</i></p>
33	<p>Remote Deposit Questions</p> <p>How many accounts are you using remote deposit for currently?</p> <ul style="list-style-type: none"> <li>• Do you currently own your scanner? What make and model is the scanner(s)?</li> <li>• How many scanners do you have in use?</li> <li>• How many items are you depositing on average per month through remote deposit?</li> </ul>	<p><i>None</i></p>
34	<p>Investment (Wealth Management) Service Q</p> <ol style="list-style-type: none"> <li>1. Who are the Investment services for? GPMTD, the employees or both? <ol style="list-style-type: none"> <li>a. What amount of fund will be invested?</li> </ol> </li> <li>2. Will it be separated into different accounts or titles or bundled into one larger account?</li> <li>3. Is it for a Pension/ 4013-b or excess cash?</li> <li>4. Can you provide your investment policy?</li> <li>5. Will Service from the Wealth Management portion be delivered at the facility or at our local branch?</li> </ol>	<ol style="list-style-type: none"> <li><i>1. GPMTD</i></li> <li><i>2. One large account</i></li> <li><i>3. Excess cash</i></li> <li><i>4. Provided below</i></li> <li><i>5. Facility</i></li> </ol>
35	<p>Insurance Requirement Questions Can you describe the insurance in place with your current financial institution beyond the traditional FDIC coverage and municipal collateralization?</p>	<p><i>The intent of the Insurance Requirements section is for the bidder to confirm that their organization purchases the various insurance coverages specified and at the various limits.</i></p> <p><i>A certificate of insurance evidencing these coverages may be requested.</i></p> <p><i>This is a standard insurance revisions have been updated in the RFP and are posted below in Attachment B.</i></p>

36	Can you provide us with a copy of all the other questions related to this RFP and your responses to those questions? Or will this be provided to everyone on September 6, 2022?	<i>Will be posted as Addendums</i>															
37	Would you be able to provide the last month's bank statements without disclosing current pricing? Striking out the bank fees?	<i>decline</i>															
38	<p>How many checks do you write per month in total between all 6 accounts? Is it 3050 annually between all six checking accounts?</p> <p style="text-align: center;"><b>EXHIBIT A – BANK SERVICES BID FORM</b></p> <p>a summary of services. Analysis statements are available for more detail upon request. The following charts indicates the annual transactions for BANKING Service:</p> <table border="1" data-bbox="289 730 816 890"> <thead> <tr> <th>SERVICE</th> <th>MAIN ACCT (annual #)</th> <th>OTHER ACCTS</th> </tr> </thead> <tbody> <tr> <td>Branch Deposits</td> <td>1500</td> <td>100</td> </tr> <tr> <td>Desktop Deposit Items</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Lockbox</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Positive Pay</td> <td>3000</td> <td>50</td> </tr> </tbody> </table>	SERVICE	MAIN ACCT (annual #)	OTHER ACCTS	Branch Deposits	1500	100	Desktop Deposit Items	N/A	N/A	Lockbox	N/A	N/A	Positive Pay	3000	50	<p><i>250</i></p> <p><i>Yes, all 6 accounts</i></p>
SERVICE	MAIN ACCT (annual #)	OTHER ACCTS															
Branch Deposits	1500	100															
Desktop Deposit Items	N/A	N/A															
Lockbox	N/A	N/A															
Positive Pay	3000	50															
39	<p>Deposits at the Branch</p> <ol style="list-style-type: none"> <li>How many days a week do you deposit funds with a bank teller at a local branch (in total between all 6 accounts)?</li> <li>How many deposits do you make per week with a bank teller at a local branch (in total between all 6 accounts)?</li> <li>When you see the teller to make a deposit, how many checks are inside of each deposit (in total between all 6 accounts)?</li> </ol>	<ol style="list-style-type: none"> <li><i>twice a week</i></li> <li><i>varies, depends on activities</i></li> <li><i>15-30</i></li> </ol>															
40	<p>Remote Deposit Scanning</p> <ol style="list-style-type: none"> <li>When you use a remote deposit scanner, how many checks are in each deposit (in total between all 6 accounts)?</li> <li>How many remote deposit scanning machines would you need?</li> <li>How many locations will be using remote deposit scanning?</li> <li>Do you use remote lockbox scanning at this time?</li> </ol>	<i>District doesn't use Remote Deposit function currently.</i>															
41	<p>Cash Needs</p> <ol style="list-style-type: none"> <li>How often do you need change orders? And how quickly do you need them?</li> <li>How much is a typical range of change orders?</li> </ol>	<ol style="list-style-type: none"> <li><i>Weekly, within the same day.</i></li> <li><i>500-1888</i></li> <li><i>No</i></li> </ol>															

	3. Do you currently have an armed courier service in place that transports funds back to the bank like a Brinks or Thillens?	
42	Sweep 1. Do you currently sweep between the six checking accounts? 2. If you do sweep between the checking accounts, how many sweeps do you have in place?	1. <i>Yes</i> 2. <i>6</i>
43	FDIC Insurance 1. Do you currently sweep the bulk of funds to FDIC insured accounts or brokerage investments?	<i>Repurchase agreement</i>
44	Wires 1. How many domestic wires do you send each month? 2. How many domestic wires do you receive each month?	1. <i>Couple times a year</i> 2. <i>None</i>
45	ACH 1. Do you have any of the six accounts that strictly use ACH only? 2. Do you currently have ACH positive pay or may be known as ACH filter? 3. Do you originate ACH transactions using templates through your online banking or do you upload ACH formatted files to an FTP site? 4. If you use ACH origination, how many items do you originates per month? 5. If you use ACH origination, how many file batches do you send each month?	1. <i>No</i> 2. <i>Yes, positive pay</i> 3. <i>On-line banking</i> 4. <i>7-10 / monthly</i> 5. <i>7-10</i>
46	Purchasing Card 1. Do you currently have a P-Card Program? 2. If you have a current P-Card Program, could you send a current statement?	<i>Do not have purchasing card program now.</i>
47	Wealth & Investments 1. Do you have a copy of your Investment Policy Statement available? 2. Is there a current investment portfolio? a. NO – no further questions b. YES – what assets are currently held in this account and what is approximate balance (Balance used partially in fee schedule)? i. How will this investment account be used?	1. <i>Provided below</i> 2. <i>Yes. Mix ST and LT</i>

	<ol style="list-style-type: none"> <li>1. Short Term Investments (i.e. needing principal protection)</li> <li>2. Long-Term Investments (can be assumed to not be withdrawn for a minimum of 3-5 years)</li> </ol>	
48	<p>Online Banking</p> <ol style="list-style-type: none"> <li>1. Will all 6 accounts need to have current day view within Online Banking?</li> <li>2. You indicated wire transfers. How many wires are sent domestically vs internationally on an annual basis?</li> </ol>	<ol style="list-style-type: none"> <li>1. <i>Yes</i></li> <li>2. <i>Domestically, once a while.</i></li> </ol>
49	<p>ACH Services</p> <ol style="list-style-type: none"> <li>1. What are the average dollar size of the ACH files/batches originated?</li> <li>2. Are the ACH Debits , ACH Credit or both ?</li> </ol>	<ol style="list-style-type: none"> <li>1. <i>2000 to 750,000 currently</i></li> <li>2. <i>Both</i></li> </ol>
50	<p>P-Card or Purchase Card</p> <p>Plastic Cards:</p> <ol style="list-style-type: none"> <li>1. How many plastic cards do you have issued today?</li> <li>2. What is the annual spend put on the plastic cards today?</li> <li>3. What is the average ticket (volume/number of transactions) on the plastic cards?</li> <li>4. Are you utilizing a workflow approval tool?</li> </ol> <p>Vendor Payables/ AP Card Program</p> <ol style="list-style-type: none"> <li>1. Do you have a virtual card program in place today? <ol style="list-style-type: none"> <li>a. If so, What are the payment terms? Are you transmitting a payment instruction file to your provider?</li> </ol> </li> <li>2. Can you please provide a supplier spend file with the following data (in Excel): <ol style="list-style-type: none"> <li>a. Vendor name</li> <li>b. Vendor Address/phone</li> <li>c. 12 months spend volume</li> <li>d. Payment type today</li> <li>e. Number of payments</li> </ol> </li> </ol>	<p><i>District doesn't have P-Card program now</i></p>
51	<p>Remote Deposit Services</p> <p>Do you currently utilize a Remote Deposit scanner?</p> <p>If so, do you own the hardware? And what is the Model and Manufacturer?</p>	<p><i>No</i></p>

52	Investment (Wealth Management) Service Can you please provide your Investment Policy Statement?	<i>Provided below</i>
53	Please provide the Account Analysis Statements for all accounts – per exhibit A	<i>decline</i>
54	Are you currently receiving an Earnings Credit Rate on your balances to help offset fees? If so, what is your Earnings Credit Rate?	<i>No, service fee charged.</i>
55	Do you currently utilize a Repurchase Sweep? 1. If so, how is it indexed (i.e. percentage of Fed Funds or just standard rate) 2. What is the average balance held in the Sweep?	<i>Yes</i> <i>1. Not available</i> <i>2. Varies in different account. From \$2000 to \$15 million</i>

# **ATTACHMENT A INVESTMENT POLICY**

*of the  
Greater Peoria Mass Transit District*

## **SCOPE**

This investment policy applies to all financial assets of the District. These funds are accounted for in the District's annual financial report and include the General Operating Fund, Restricted funds, Capital Development fund and any other funds that may be created from time to time. All transactions involving the financial assets and related activity of the forgoing funds shall be administered in accordance with the provisions of this policy.

### Pooling of Funds

Except for cash in certain restricted and special funds, the District will consider consolidation of cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles in the United States of America.

## **OBJECTIVES**

The primary objectives, in priority order, of investment activities involving the financial assets of the District shall be safety, liquidity and return:

### 1. 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. Achieving this objective requires diversification so that potential losses on individual securities and/or financial institutions do not exceed the income generated from the remainder of the portfolio.

The objective will be to mitigate credit risk and interest rate risk.

- a. Credit Risk: Credit risk is the risk that an issuer of a debt security will not pay its par value upon maturity. The goal will be to minimize credit risk by:
  - Limiting investments to the types of securities identified in this Policy; and
  - Diversifying the Portfolio in accordance with this Policy, so that potential losses on individual securities will be minimized. Diversification reduces the risk that potential losses on individual securities might exceed the income generated from the remainder of the Portfolio.
  
- b. Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The goal will be to minimize interest rate risk by:
  - Structuring the 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; and
  - Investing operating funds primarily in shorter-term securities, money markets, or similar investment pools.

## 2. Liquidity :

The District's investment portfolio shall remain sufficiently liquid to enable the District to meet all operating requirements which may be reasonably anticipated in any District fund. Maturities of investment of all funds except as noted below shall not exceed one year, unless a temporary extension of maturities is approved by the Board of Trustees. Maturities of investment of Capital Development and Restricted funds shall not exceed eight years. A portion of the portfolio also may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity for short-term funds.

## 3. Return of Investments:

The investment portfolio of the District shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the District's risk constraints, the cash flow characteristics of the portfolio and legal restrictions for investment of funds.

## 4. Maintaining the Public's Trust:

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 District.

## 5. Prudence :

Investment shall be made with the judgment and care normally undertaken by, persons of prudence, discretion and intelligence 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. The standard of prudence to be used by investment officials shall be the "prudent person" and shall be applied in the context of managing an overall portfolio.

### ***Investment Instruments***

The District may invest in any type of security allowed by Illinois law, notably 30 Illinois Compiled Statutes 235. A summary of the allowable instruments are:

1. Savings account
2. Now, Super Now and Money Market Accounts
3. Commercial Paper - issuer must be a U.S. Corporation with more than \$500 million in assets, rating must be within three (3) highest classifications by two standards rating services, must mature within 180 days of purchase and such purchase cannot exceed 10% of the corporations' outstanding obligations.
4. A Public Treasurers' Investment Pool created under Section 17 of the State Treasurer Act (Illinois Funds);
5. Money Market Mutual Funds - registered under the Investment Company Act of 1940, provided the portfolio is limited to bonds, notes, certificates, treasury bills, or other securities which are guaranteed by the federal government as to principal and interest. These funds must state in their prospectus that they are funds which maintain a stable net asset value per share of one dollar. The only FNMA (Federal National Mortgage Association) held by the mutual fund shall be short term discount obligations. Longer term obligations of FNMA are not permitted by the fund.
6. Repurchase Agreements - collateralized by the full faith and credit U.S. Treasury securities.
7. Certificates of Deposit and Time Deposits
8. Constituting direct obligations of any bank as defined by the Illinois Banking Act and only those insured by the FDIC.

9. Legally issuable by savings and loan associations incorporated under the laws of the State of Illinois or any other state or under the laws of the United States.
10. Bonds, notes, certificates of indebtedness, Treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest.
11. Obligations of U.S. Government agencies which are guaranteed by the full faith and credit of the United States Government.
12. Short term discount obligations of the Federal National Mortgage Association (FNMA).
13. Insured accounts of credit unions whose principal office is in Illinois.
14. Various tax-exempt securities.
15. Illinois Metropolitan Investment Fund (IMET);
16. Illinois Trust (formerly Illinois Institutional Investors Trust), IIIT Class;
17. Any other investment permitted by Illinois statute

## ***Investment Guidelines***

### ***Repurchase Agreements***

The District shall periodically review its repurchase agreement activity compliance with State law. Repurchase agreements shall be consistent with GFOA (Government Finance Officers Association) Recommended Practices on Repurchase Agreements.

### ***Diversification***

It is the policy of the District to diversify its investment portfolio. Investments shall be diversified to minimize the risk of loss resulting in over concentration in a specific maturity, issuer, or class of securities.

Investment shall be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer;
- Investing in securities with varying maturities;
- Investing a portion of the Portfolio in readily available funds such as bank cash management accounts, money market funds, Illinois Funds, or IMET Convenience Fund to ensure liquidity is maintained to meet ongoing obligations.

With the exception of U.S. Treasury and U.S. agency securities, as well as Illinois Funds, IMET, and Illinois Trust no more than 90% of the District's total investment portfolio will be invested in a single security type and no more than 60% of the District's total investment portfolio will be invested with a single financial institution.

Diversification strategies shall be determined and revised periodically by the Finance Committee and approved by the Board of Trustees.

## **Collateralization**

1. It is the policy of the District to require that time deposits in banks and S&Ls in excess of FDIC (Federal Deposit Insurance Corporation) insurable limits be secured by some form of collateral to protect public deposits in a single financial institution if it were to default due to poor management or economic factors.

The amount of collateral provided will not be less than 105% of the market value of the net amount of public funds secured. The ratio of fair market value of collateral to the amount of funds secured shall be reviewed monthly and additional collateral will be requested when the ratio declines below the level required.

### **2. Safekeeping of Collateral**

- a. Third party safekeeping is required for all collateral. To accomplish this, the securities can be held at the following locations:
  1. A Federal Reserve Bank or its branch office
  2. At another custodial facility - generally in a trust department through book-entry at the Federal Reserve, unless physical securities are involved.
  3. By an escrow agent of the pledging institution.

- b) Safekeeping will be documented by an approved written agreement. This may be in the form of a safekeeping agreement, trust agreement, escrow agreement, custody or account agreement.
  
- c) Substitution or exchange of securities held in safekeeping can be done without prior written notice of the District provided the market value of the replacement securities are equal or greater than the market value of the securities being replaced. The District will be notified in writing of all substitutions.

### ***Safekeeping of Securities***

- 1. Third party safekeeping is required for all securities. To accomplish this, the securities can be held at the following locations:
  - a) Federal Reserve Bank or its branch office
  - b) At another custodial facility- generally in a trust department through book-entry at the Federal Reserve, unless physical securities are involved
  - c) By an escrow agent of the pledging institution
  - d) A financial institution on the Illinois State Treasurer's approved list of safekeeping banks.
  - e) A brokerage account with SIPC (Securities Investor Protection Corporation) in excess of 105% of account market value.
  
- 2. Safekeeping will be documented by an approved written agreement. This may be in the form of a safekeeping agreement, trust agreement, escrow agreement custody or account agreement.

### ***Qualified Financial Institutions***

- 1. Depositories - Demand Deposits
  - a) Any Financial Institution selected by the District shall provide normal banking services, including, but not limited to: checking accounts, wire transfers, purchase and sale of U.S. Treasury securities and safekeeping services.
  - b) The District will not maintain funds in any financial institution that is not a member of the FDIC system unless banking services are provided by a brokerage account which provides equivalent protection through the use of SIPC insurance and depository

agreements with clearing banks which collateralize funds as they proceed through the banking system. In addition, the District will not maintain funds in any institution that is not willing or capable of posting required collateral for funds in excess of FDIC insurable limits.

- c) To qualify as a depository, a financial institution must furnish the Treasurer or the Treasurer's Agent with copies of the latest two statements of condition which it is required to furnish to the Director of Financial Institutions or to the comptroller of Currency as the case may be. While acting as a depository, a financial institution must continue to furnish such statement to the Treasurer or the Treasurer's Agent within 45 days of the end of each year.
- d) Fees for banking services shall be mutually agreed to by an authorized representative of the financial institution and the Director of Finance on an annual basis. Fees for services shall be substantiated by a monthly account analysis and shall be reimbursed by means of compensating balances, direct payment or a combination of the two.
- e) All financial institutions acting as a depository for the District must enter into a written agreement with the District agreeing to these terms.

## 2. Banks and Savings and Loans - Certificates of Deposit

Any financial institution from whom the District will directly purchase certificates of deposit must meet the following requirements:

- a) Shall provide wire transfer and safekeeping services
- b) Shall be a member of FDIC system and shall be willing and capable of posting required collateral for funds in excess of FDIC insurable limits.
- c) To qualify as a depository, a financial institution must furnish the Treasurer or the Treasurer's Agent with copies of the latest two statements of condition which it is required to furnish to the Director of Financial Institutions or to the Comptroller of Currency as the case may be. While acting as a depository, a financial institution must continue to furnish such statements to the Treasurer or the Treasurer's Agent within 45 days of the end of each quarter.

## 3. Sixty Percent Rule

The amount of funds deposited and/or invested in a financial institution shall not exceed 60% of the capital stock and surplus of such institution unless collateral security has been pledged, in which case the amount of such deposits and/or investment shall not exceed 75%.

## ***Management of Program***

1. Oversight responsibility of the Investment Program shall reside in the ***Finance Committee*** which shall consist of the following individuals:
  - a) Treasurer
  - b) General Manager
  - c) Director of Finance
  - d) Any other individual so appointed by the Chairman of the Board of Trustees
2. Investment recommendations shall be developed by the Finance Committee to be approved by the Board of Trustees on at least a quarterly basis.
3. Once approved by the Board of Trustees, any of the above named members of the Finance Committee are authorized to execute the approved investment(s) or its nearest equivalent if the original is no longer available. This authorization allows the individual to purchase and sell investments, authorize wire transfers, authorize the release of pledged collateral, and to execute any documents required under this policy.
4. Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall establish written procedures for the operation of the investment program, consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in any investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance. The Director of Finance shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.
5. The wording of agreements necessary to fulfill the investment responsibilities is the responsibility of the Director of Finance who shall periodically review them for the consistency with District policy and State law and who shall be assisted in this function by District legal counsel. These agreements include but are not limited to:
  - a) Master Repurchase Agreement
  - b) Wire Transfer Agreement
  - c) Depository Agreement

- d) Safekeeping Agreement
- e) Custody Agreement
- f) Account Agreement

### ***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 of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the District any material financial interests in financial institutions that conduct business with the District, and they shall further disclose any large personal financial or investment positions that could be related to the performance of the District's portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity.

### ***Indemnification***

Investment officers and employees of the District ,acting in accordance with this Investment Policy and written procedures as have been or may be established ,and exercising due diligence shall be relieved of personal liability for an individual security's credit risk or market changes.

### ***Reporting***

- Quarterly: The Director of Finance shall ensure that the Portfolio is reviewed to determine its general performance and effectiveness in meeting the Objectives.
- Annually: The Comprehensive Annual Financial Report of the District shall include all investment information and disclosures required by accounting principles generally accepted in the United States of America as promulgated by the Government Accounting Standards Board

### ***Amendment***

This policy shall be reviewed from time to time and revisions shall be presented to the Board of Trustees for their approval.

In the event that any state or federal legislation or regulation should further restrict instruments, institutions or procedures authorized by this Policy, such restrictions shall be deemed to be immediately incorporated in this Policy. If new legislation or regulation should liberalize the permitted instruments, institutions or procedures, such changes shall be available and included in this Policy only after written notification to the Board and their subsequent approval of said changes.

### ***Legislation and Documentation***

The District's investment program shall comply at all times with the Illinois Public Funds Investment Act {30 ILCS 235/1 *et seq.*} and other state laws governing the investment of public funds, as amended from time to time. In the event of any conflict between this Policy and the Illinois Public Funds Investment Act and other state laws, the provisions of the Illinois Public Funds Investment Act and other state laws shall control.

The General Manager and Director of Finance will maintain a list and are hereby authorized to deposit District monies, in accordance with 65 ILCS 5/3.1-35-50 in financial institutions. The General Manager and Director of Finance shall review this list from time to time and shall submit any modifications thereto to the Board for approval. The General Manager and Director of Finance shall be discharged from responsibility for all funds or money the General Manager and Director of Finance deposits in a designated financial institution while the funds and money are so deposited.

### ***Adoption***

Adopted by the Board of Trustees (Resolution #97-016): 06- 23- 1997

Amended 11-9-2015

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# ATTACHMENT B

## Revised Insurance Provisions

### 3-14.1 Required Coverages

Contractor and each of its Subcontractors shall adhere to the following provisions and in those respects shall maintain the following minimum insurance coverage. When the term “Each” is used it refers to the “Contractor” and any Subcontractors hired or engaged by the “Contractor” both separately and collectively.

- A. **Financial Institutions Bond** Contractor shall add GPMTD as a covered party on their Financial Institutions Bond for the duration of the contract. The Aggregate Limit of Liability shall be no less than \$1,000,000
- B. **Cyber Insurance** Contractor will add GPMTD as a covered party on their cyber insurance for a value of no less than \$1,000,000
- C. **Professional Liability (Errors and Omissions)** Insurance appropriate to the Consultant’s profession, with limit no less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the GPMTD requires and shall be entitled to the broader coverage and/or the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the GPMTD.

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