

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES
December 15, 1999

The regular meeting of the Board of Trustees of the Northwest Mosquito Abatement District was held Wednesday, December 15, 1999 at 7:30 pm.

There being a presence of a quorum, Arnold D. Kincaid, President called the meeting to order.

Trustees present: Arnold D. Kincaid, President; Daniel R. Ansani, Vice President and Assistant Secretary; Richard A. David, Secretary and Assistant Treasurer; Karen V. Mills, Assistant Secretary/Treasurer.

Trustees absent: William Schneck, Treasurer.

Also present: Donald Veverka, Attorney; Michael Szyska, Director.

The minutes of the November 1999 meeting were read. Daniel R. Ansani made a motion to accept the minutes as read and Karen V. Mills seconded the motion.

The Secretary called the roll and all ayes had been cast for approval of the motion and thereby declared the motion carried.

The Treasurer's Report for November 1999 was presented and all checks were approved for payment. Richard A. David made a motion to accept the report as read and Daniel R. Ansani seconded the motion.

The Secretary called the roll and all ayes had been cast for approval of the motion and thereby declared the motion carried.

The District's attorney Donald J. Veverka reminded the Board that Illinois Public Act 90-0688, signed into law in 1998, amends the Public Funds Investment Act by calling for every unit of government in Illinois to adopt by January 1, 2000 a written policy governing its investment activity. There was a general discussion of the draft Investment Policy previously circulated, and upon motion by Trustee Mills seconded by Trustee David, the following resolutions were unanimously approved.

Resolved, that the following Investment Policy is hereby approved.

INVESTMENT POLICY
NORTHWEST MOSQUITO ABATEMENT DISTRICT

I. Policy

It is the policy of the Northwest Mosquito Abatement District to invest

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public funds in a manner which will provide the highest investment return with maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds.

II. Scope

This policy includes all funds governed by the Board of Trustees.

III. 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 an overall portfolio. The "Prudent person" standard states: "Investments shall be made with judgement 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."

IV. Objectives

The primary objectives, in order of priority, shall be:

1. Legality-conformance with federal, state or other legal requirements
2. Safety-preservation of capital and protection of investment principal
3. Liquidity-maintenance of sufficient liquidity to meet operating requirements
4. Yield-attainment of market rates of return

The portfolio should be reviewed periodically as to its effectiveness in meeting the entity's needs for safety, liquidity, rate of return, diversification and its general performance.

V. Delegation of Authority

Management and administrative responsibility for the investment program is hereby delegated to the Treasurer who, under the delegation of the Board of Trustees, shall establish written procedures for the operation of the investment program.

VI. Authorized and Suitable Investments

Investments may be made in any type of security allowed for in Illinois statutes regarding the investment of public funds. Investments shall be

made that reflect the cash flow needs of the fund type being invested.

VII. Investment Guidelines

To the extent possible, the District shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than two years from the date of purchase. Reserve funds may be invested in securities exceeding two years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds. All security transactions entered into by the District shall be evidenced by safekeeping receipts and written transaction confirmations.

VIII. Diversification

The District shall diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity.

IX. Collateralization

Funds on deposit (checking accounts, certificates of deposit, etc.) in excess of FDIC limits do not need to be collateralized. However, any deposits may be secured by collateral if, in the judgement of the Treasurer, that best serves the District's interests.

X. Internal Control

The Director and Office Manager, under the supervision of the Treasurer and with the aid of the District's accountants, are responsible for establishing and maintaining an internal control document designed to insure that the assets of the District are protected from loss, theft or misuse. The internal control document shall be designed to provide reasonable assurance that these objectives are met. The internal controls shall address the following points:

Control of collusion

Separation of transaction authority from accounting

Custodial safekeeping

Written confirmation of telephone transactions for investments and wire transfers

XI. Performance Standards

This investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a competitive rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to benchmarks with similar maturity, liquidity and credit quality as the portfolio.

XII. Reporting

The Office Manager shall prepare a monthly investment report. The report should be provided to the Board of Trustees and be available on request. The report should be in a format suitable for review by the general public and include the market value of the portfolio. An annual report should also be provided to the Board.

XIII. Authorized Financial Institutions

The Treasurer will maintain a list of financial institutions authorized to provide investment services. A list will also be maintained of security brokers/dealers selected for credit worthiness. If investment advisors, money managers or portfolio managers are to be used, they must be selected and approved by the Board of Trustees.

XIV. 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.

Further Resolved, that the attached document setting forth the current internal operational and control procedures be adopted.

Mr. Veverka reminded everyone that the Board needs to appoint a Budget Committee to prepare a tentative budget which needs to be adopted at the February Board meeting. As in prior years, the Board unanimously agreed to form a budget committee composed of the Board of Trustees and Michael Szyska to prepare the Tentative Budget. Mr. Veverka verified that the AMCA convention will not interfere with the budget schedule.

Mr. Veverka asked if the District has received the information for the Ethics Statements. Mr. Szyska stated that the office received the request

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for eligible names and has submitted the appropriate names to the County. A copy was faxed to Richard Rosen.

Mr. Veverka verified with Mr. Szyska that the tax exempt status has been renewed.

Mr. Richard A. David made a motion, seconded by Karen V. Mills that the slate of officers of the Northwest Mosquito Abatement District should be as follows: Arnold D. Kincaid be elected President; Daniel R. Ansani be elected as Vice President and Assistant Secretary; William Schneck be elected Treasurer; Richard A. David be elected Secretary and Assistant Treasurer; and Karen V. Mills be elected Assistant Secretary/Treasurer.

The President called the roll and all ayes had been cast for approval of the motion and thereby declared the motion carried.

The President is instructed to advise the aforementioned elected officers that their term of office has commenced as of this date and shall terminate at the first regular meeting of the Board of Trustees in the month of December 2000 or until their successors are duly elected.

Mr. Szyska confirmed that the Board received the Staff Meeting Minutes and the additional mailing. A brief discussion followed as Mr. Szyska mentioned some items in the report. There was a discussion regarding new flooring for the Wheeling shop lunchroom.

Mr. Szyska lead a discussion regarding arrangements for the upcoming AMCA meeting.

There being no further business to come before the Board a motion was made to adjourn into Executive session pursuant to 5 ILCS 120/2(c), and the motion passed unanimously.

President

Secretary

The Board then met in Executive session.