

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
OCTOBER 16, 2012 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Investment Agreements	✓ Resolution Ordinance Motion Discussion Only	Judy Buttny Finance Director

SYNOPSIS

Resolutions have been prepared to enter into agreements with Cole Taylor (CDARS), MB Financial, Associated Bank, First Empire Securities and Raymond James to invest Village funds pursuant to the provisions of the Cash Management and Investment Policy. Charter One has notified the Village that it is no longer involved in government banking in this area and does not wish to continue to participate in the Village’s Investment Program.

STRATEGIC PLAN ALIGNMENT

The Goals for 2011-2018 include *Steward of Financial and Environmental Sustainability*.

FISCAL IMPACT

By expanding the financial institutions that can bid on investments the Village will be able to maximize its interest income. While yields are relatively modest today, there still are variations in secure approved financial instruments that are carried by various institutions. This may allow the Village to take advantage of those variations in yield in the future.

RECOMMENDATION

Approval on the October 16, 2012 consent agenda.

BACKGROUND

Early in 2008, Village Council approved revisions to the Cash Management and Investment Policy following review by the Finance & Administrative Committee. Among the revisions to the policy was the creation of a Cash Investment Program, which expanded the universe of qualified financial institutions available to the Village for cash management, and created a competitive bidding process to allow the Village to receive the highest secure return on investments. In June 2008, the Village Council approved seven additional financial institutions to participate in the Cash Investment Program, along with incumbent PMA. In January of 2009 the Village Council approved IMET to be added to the program.

Of the five recommended additions three are banks, one is a brokerage firm and one is due to the purchase of an existing financial firm (Raymond James purchased Morgan Keegan). All have provided references and all have provided documentation that they will abide by our investment policies and provide appropriate collateralization. Also Charter One has requested to be decertified as they no longer provide services to Government in this region. After these actions, there will be 13 certified institutions.

A full list of the current and new institutions is below.

Current Members of Village of Downers Grove Investment Group

- PMA
- Illinois Funds
- Harris Bank
- Wintrust – Community Bank of Downers Grove
- US Bank
- Fifth Third Bank
- Federated Money Market
- Charter One (decertifying)
- Morgan Keegan (purchased by Raymond Jones)
- IMET

New Members of Investment Group

- Cole Taylor Bank
- Associated Bank
- MB Financial Bank
- First Empire Securities
- Raymond James (purchased by Morgan Keegan)

ATTACHMENTS

Resolutions

Contract Documents

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING EXECUTION OF AN
AGREEMENT BETWEEN THE VILLAGE OF
DOWNERS GROVE AND ASSOCIATED BANK, N.A.**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Agreement (the “Agreement”), between the Village of Downers Grove (“Customer”) and Associated Bank, N.A. (“Bank”), for the investment of Village funds, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement and that the Village Manager is authorized to designate certain Village employees as “authorized persons” to carry out activities under the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____
Village Clerk

W.B.A.

386 IL (4/93)
386 MN (3/93)
386 WI (4/93)

41102
31102
11102

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WIRE TRANSFER AGREEMENT

Associated Bank, NA

(NAME AND ADDRESS OF BANK)

In consideration of the services to be provided under this Agreement by the Bank named above ("the Bank"), the undersigned Customer ("the Customer") agrees as follows:

1. In addition to the authority otherwise given by the Customer, any one of the persons designated in writing from time to time to the Bank by the person signing this Agreement for the Customer (each an "Authorized Person") is authorized to order transfers of funds by wire or other electronic transmission from any account maintained by the Customer with the Bank (each an "Account") for credit or payment to another Account or to other persons designated by the Authorized Person (each a "payment order"). The Customer agrees to pay a fee for this service as set forth in the Bank's fee schedule provided in connection with the Account, and the Bank may deduct such fees and the amount of the payment order from any Account.

2. Other provisions (if none stated, there are no other provisions except the Additional Provisions on Page 2).

By signature below, I hereby authorize Associated Bank to monitor activities and balances in accounts listed to transfer funds and/or confirm funds as part of Cash Management services provided to the Accountholder/Customer.

Date: _____

_____ (SEAL) Customer	_____ (SEAL) (Customer)
_____ (SEAL) Customer	_____ (Type of Organization)
_____ (SEAL) Customer	_____ (State of Organization)
_____ (SEAL) Customer	_____ (SEAL) Signature
Address: _____	_____ (SEAL) Type Name
_____	_____ (SEAL) Signature
(Customer Phone Number) _____	_____ (SEAL) Type Name
For the Bank _____	_____
Customer Branch #: _____	Date: _____

DESIGNATION OF PERSONS AUTHORIZED TO MAKE TRANSFERS AND TO RECEIVE CONFIRMATION CALLS

The following are the Authorized Persons who may issue payment orders to the Bank under this Agreement for any of the Account(s) shown. Any one of the Authorized Persons may issue such a payment order on any Account.

Authorized Persons (Type or Print Names)	Account Nos.	Account SSN/EIN
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

The following individuals are authorized to receive calls from the Bank in accordance with paragraph 8 of this Agreement to confirm payment orders transmitted to the Bank. To confirm a payment order, the Bank may call any person named below except the person who issued the payment order.

Approved Persons (Type or Print Names)	Telephone No.
_____	_____
_____	_____
_____	_____
_____	_____

This designation supersedes all previous payment order designations and is effective until the Bank receives written notice of revocation or modification.

ADDITIONAL PROVISIONS

3. Payment orders may be transmitted to the Bank by any means approved by the Bank, including oral, written, or electronic communication. The Bank may transfer funds by using any commercially reasonable funds transfer system, and the transfer may be made in whole or in part through the automated payments network operated by the Federal Reserve System called Fedwire. The Bank is authorized to record electronically all oral payment orders and confirmations. Payment of a payment order may be made to a person or account on the basis of an identifying number provided by the Customer in the payment order even if it identifies a person different from the person named in the payment order. If the payment order identifies a bank to which the order is to be issued by an identifying number, the Bank may rely on the number as the proper identification of the other bank even if it identifies a bank different from a bank identified by name in the payment order. Payment orders may be transmitted to the Bank during that part of any business day when the Bank is open for the receipt, processing and transmittal of payment orders and cancellations and amendments of payment orders (a "business day"). The Customer agrees to not issue a payment order that instructs the Bank to execute the order on a business day that is later than the business day on which the order is received by the Bank, and the Bank may execute any payment order on the business day of its receipt even though it specifies a later execution date, unless the Bank agrees to follow such instructions.
4. The Bank may decline to execute a payment order for any reason, including but not limited to the Bank's belief that the payment order (a) was not initiated in accordance with the Bank's procedures for such orders, (b) would result in a charge against funds that are deemed by the Bank not to be collected or sufficient funds, (c) inaccurately describes the beneficiary or the beneficiary's bank, (d) is ambiguous, (e) is conditional, (f) has been cancelled or amended, or (g) cannot be executed because of equipment failure. The Bank's rejection of a payment order is effective when given if the notice of rejection is given by the same means the payment order was transmitted to the Bank or by any other means that is reasonable under the circumstances. If an overdraft in the Account occurs, the Customer agrees to pay the Bank on demand an amount equal to the overdraft together with the Bank's normal charges for overdrafts and costs of collection, including reasonable attorneys' fees. If more than one payment order is made at or about the same time, and available funds on deposit in the Account do not cover all of the payment orders, the Bank may, at its option, execute as many payment orders as possible within the dollar limits of the available funds in any order determined by the Bank.
5. Any Authorized Person may amend or cancel a payment order if the communication cancelling or amending the order is received by the Bank at a time on a business day and in a manner affording the Bank a reasonable opportunity to act on it before execution of the order. If a security procedure was used with respect to the order, a communication is not effective to cancel or amend the order unless the security procedure is also used with respect to the cancellation or amendment, or the Bank agrees to the cancellation or amendment. The effect of cancellation of an order is to treat the order as never having been issued by the Customer. The effect of an amendment of an order is to treat the order as originally having been issued in the amended form. If the Bank accepts the cancellation or amendment, the Customer holds harmless the Bank from and indemnifies the Bank against any and all losses and expenses, including reasonable attorneys' fees, incurred or suffered by the Bank as a result of the cancellation or amendment or attempted cancellation or amendment.
6. The Bank may establish from time to time a cut-off time on a business day for the receipt and processing of payment orders, cancellations or amendments, and any payment order or communication cancelling or amending a payment order received after the cut-off time, may be treated as received at the opening of the next business day.
7. The Customer agrees to inform the Bank promptly in writing whenever there are deletions from or additions to the list of Authorized Persons or Accounts. Until the Bank is in receipt of a new designation changing Authorized Persons or Accounts, it may continue to act pursuant to designations on file.
8. This funds transfer service is provided as a convenience to the Customer. The Customer assumes full responsibility for all transfers made by the Bank in accordance with this Agreement and at the request of any Authorized Person or any one who identifies himself or herself to be an Authorized Person. If a security procedure is in effect at the Bank with respect to orders received by it from the Customer, the Customer is bound by any payment order if the Bank complied with the security procedure or the Customer did not comply with the security procedure. Unless the Bank and the Customer agree in writing to a different security procedure as described on an exhibit attached or referring to this Agreement, if any, the Bank and the Customer agree that the authenticity of payment orders shall be verified pursuant to a callback procedure followed by the Bank, which procedure shall be deemed a commercially reasonable method of providing security against unauthorized payment orders. Any other security procedure used by the Bank shall be deemed to be commercially reasonable if it was chosen by the Customer after the Bank offered, and the Customer refused, an alternative security procedure that would have been commercially reasonable for the Customer, and the Customer agrees that it will be bound by any payment order, whether or not authorized by the Customer, issued in the Customer's name and accepted by the Bank in compliance with the security procedure chosen by the Customer. The Bank shall have no responsibility for any inaccuracy, interruption, delay or failure in transmission or for any claims occasioned by any actions or inactions of any kind or nature beyond the control of the Bank, including mechanical, electronic or equipment failure, or acts of third parties.
9. The Customer agrees to notify the Bank of any unauthorized payment order or amended payment order, any payment to a beneficiary, not intended by the Customer, any payment in an amount greater than the amount intended by the Customer and any payment order duplicative of a payment order previously sent by the Customer, along with the relevant facts relating to the error, within 20 days after the Customer receives notice from the Bank that the payment order was accepted by the Bank or that an Account was debited with respect to the order. The Customer shall be liable to the Bank for any loss the Bank incurs as a result of the Customer's failure to discover the error and notify the Bank. This duty on the part of the Customer to discover errors and notify the Bank shall also apply to amendments to payment orders. The Bank shall not be liable for indirect, incidental, or consequential damages, including loss of earnings, or attorneys' fees. All claims arising by reason of any transfer must be submitted to the Bank in writing within one year after the Customer receives notification from the Bank identifying the order. Any claims not so submitted shall be void.
10. The Bank may terminate this transfer service at any time with or without notice to the Customer.
11. Except as provided below, this Agreement is governed by the internal laws of Wisconsin; provided, however, that this Agreement shall be governed by Subpart B of Regulation J promulgated by the Federal Reserve Board if all or any part of the funds transfer is made through Fedwire. This Agreement shall also be subject to any other rules or agreements governing or referring to the Account or payment orders. In cases of inconsistency or conflict between the other rules or agreements and this Agreement, the other rules or agreements governing or referring to the Account or payment orders will control.



**CALL-BACK PROCEDURES AND NOTIFICATION
ADDENDUM TO WIRE TRANSFER AGREEMENT**

Call-Back Procedures

A call-back will be made to the customer within one hour of wire initiation as indicated in Provision 8 of the Wire Transfer Agreement, except under the following circumstances:

- The amount of the transfer is \$50,000 or less, or
- The transfer is repetitive, the wire has been formatted, and the caller identifies the correct set-up code and correct personal identification number (PIN).

Notification (Confirmation)*

A notification (confirmation) of wire transfer activity will be communicated to the customer for each wire transaction. Please indicate your choice of notification procedure:

Incoming Wire Credits:

Phone, Mail, Fax, Email or None

Outgoing Wire Requests:

Mail, Fax, Email or None

Email or Fax Notification upon completion

Faxed to customer at _____

Emailed to customer upon completion. Enter email address(es) below:

Incoming	Outgoing
1) _____	1) _____
2) _____	2) _____
3) _____	3) _____
4) _____	4) _____
5) _____	5) _____

**All wire transfer confirmations (fax, email, phone, or mail) will be charged per the Account Fee Schedule.*

NOTIFICATION OF WIRE TRANSFER ACTIVITY OPT-OUT INDEMNIFICATION AND LIMITATION OF LIABILITY

Notification of Wire Transfer Activity Opt-Out Indemnification:

In the event that Customer elects to opt-out of the notification of wire transfer activity service (via email, mail, fax or phone) provided by Bank, Customer agrees to indemnify, defend and hold harmless Bank, its officers, directors, employees, agents and representatives from and against any and all losses, liabilities, claims, suits, judgments, damages, costs and expenses, including reasonable attorneys' fees and costs as associated therewith arising out of, resulting from, or relating to the decision to decline such service.

Notification of Wire Transfer Activity Service Limitation of Liability:

In the event that Customer elects to opt-out of the notification of wire transfer activity service (via email, mail, fax or phone) provided by the Bank, Customer agrees that Bank will not be liable to the Customer for any exemplary, punitive, special or consequential damages, including lost revenues, lost profits or lost prospective economic advantage arising from said decision to decline such service and Customer hereby releases and waives any claims against Bank regarding such damages.

The undersigned customer agrees to the above Addendum to the Wire Transfer Agreement.

Account #/Type: _____ DDA B Analysis _____ SSN/TIN: _____

Account #/Type: _____ SSN/TIN: _____

Account #/Type: _____ SSN/TIN: _____

Account Name: _____

Signature of Authorized Signer: _____

Print Name of Authorized Signer: _____

Date: _____

FOR BANK OFFICER USE ONLY

Does customer have Online Banking wire access? _____

Add Online Wires-Domestic _____

Anticipated Domestic wires per day: _____

Anticipated daily Domestic dollar volume: _____

Anticipated International wires per day: _____

Anticipated daily International dollar volume: _____

Countries sending outgoing International wire to: _____

Approved By (Bank Officer Name and Officer #) _____

Wire Transfers Toll Free Phone No.: 800-236-0048

Deliver the original form to:

Customers Only:	Associated Bank
Associated Bank	Branches Only:
P.O. Box 19097	Wire Transfer Ctr
Green Bay, WI 54307-9757	Mail Stop 030



Federal Reserve Bank Joint Custody Service via FedMail® Request Form

Internal FR
(Upon receipt by the Federal Reserve Bank)

Federal Reserve Bank Use Only	
Due Diligence Verified:	_____
Initials:	_____
Date:	_____

PLEASE TYPE FORM, PRINT, & SUBMIT (handwritten forms may delay processing)

Use of the FedMail® access solution is governed by Federal Reserve Bank Operating Circular 5, Electronic Access ("OC 5"). Depending on the services you choose to access using FedMail, additional Operating Circulars may govern. Federal Reserve Bank Operating Circulars are available at FRBservices.org/regulations/operating_circulars.html. Submission of this form constitutes acceptance of the terms and conditions of OC 5 and other applicable Operating Circulars and agreements. The Federal Reserve Banks have no obligation to verify the accuracy of the information you provide below and have the right to rely on such information in connection with the provision of FedMail access to the services you are requesting. Except to the extent prohibited by law or regulation, you agree to indemnify, hold harmless and defend the Federal Reserve Banks against any claim, loss, liability, or expense made against or incurred by the Federal Reserve Banks in connection with their reliance on the information provided below.

Section 1 – General

* Required Fields

State or Local Government Institution Name *		
Telephone *	Phone	Extension
Joint Custody Account Number(s) *	<i>Provide the 4-digit alpha-numeric account number(s) below that are listed as "institution ID" on your statement. This form may be used for multiple account numbers being delivered to the same addresses, with a maximum of four account numbers.</i>	
Account #1		
Account #2		
Account #3		
Account #4		

Section 2 – Service Profile

Instructions

1. For email delivery, please provide more than one email address.
2. If updates are required to your current Joint Custody pledgee agreement, please call 800-327-0147 and select option 4.

The email address(es) and/or fax number(s) below will remain in effect until an updated Joint Custody FedMail Request Form is submitted.

Joint Custody Service (JCCR)

Email Address or Fax Number <i>This list replaces the prior email addresses and/or fax numbers on file for your organization.</i>

Federal Reserve Bank Joint Custody Service via FedMail® Request Form

Section 3 – Service Description

Service	Description
Joint Custody Service (JCCR)	Provides the ability to receive Joint Custody Daily Activity Statements and monthly Securities Holdings Reports electronically. The email is sent in text format; the statements and reports are sent as attachments, which may be viewed with a text editor, spreadsheet or word processing software.

Section 4 – Authorized Approval

Name *	First	Middle Initial	Last
Signature * <i>The person signing this form must be listed on your current pledgee agreement on file with the Federal Reserve Bank as authorized to act for your account.</i>			
Date *			
Telephone *	Phone	Extension	

Please submit this form to the Customer Contact Center at:

Email: [ccc.coordinators@kc.frb.org](mailto:ccc coordinators@kc.frb.org)

Fax: 800-660-7856

Mail:

Customer Contact Center
Federal Reserve Bank of Kansas City
P.O. Box 219416
Kansas City, MO 64121-9416

Pledgee Agreement Form

To: Federal Reserve Bank of Boston
PO Box 55882
Boston, MA 02205
Attn: Joint Custody

Tel: 800-327-0147, #1
Fax: 877-973-8972

Date: _____

We, the _____ agree to the terms of **Appendix C** of your *Operating Circular 7*, dated August 19, 2005, as it may be amended from time to time with respect to the account on your books designated _____ (4 digit alpha-numeric account number)

We further agree that you may accept par for par substitutions: securities from the Pledgor as a replacement of, or in substitution for, those securities presently held (please check one):

NO (Instructions required for each withdrawal)

YES (Standing approval)

provided that the replacement or substitution does not reduce the aggregate par amount of securities held in custody for us. (See *Operating Circular 7, Appendix C, Section 4.3.*)

We authorize you to use the following call-back procedure for securities transactions pertaining to this account (please check one):

Three-party call-back

Four-party call-back

We certify that the individuals listed below may take authoritative action on our behalf with respect to the account, including a direction to release collateral from the account. You may rely on the authority of these individuals with respect to the account until we otherwise notify you.

Telephone: _____

Print Name: _____ Title: _____

Fax: _____

Signature: _____ Date: _____

Telephone: _____

Print Name: _____ Title: _____

Fax: _____

Signature: _____ Date: _____

Telephone: _____

Print Name: _____ Title: _____

Fax: _____

Signature: _____ Date: _____

Pledgee Agreement
(page 2 of 2)

Telephone: _____

Print Name: _____ Title: _____

Fax: _____

Signature: _____ Date: _____

The Undersigned hereby certifies that he/she is the present lawful incumbent of the designated public office.

Pledgee

Name of governmental unit

Street Address or P.O. Box Number

City, State, Zip Code

Official Signature/ Date

Printed Name and Title

Notary

State of _____

County of _____

On this ____ day of _____, 20__ before me personally appeared _____, to me personally known or satisfactorily proven, who by me duly sworn, did depose and say that he/she resides at _____, in the City of _____, in the State of _____, that he/she is the _____ [Title] of _____ and that he/she executed this document on behalf of _____ before me.

(Signature of Notary)

(Print name of Notary)

My commission expires on _____ [Date]

TITLE OF ORGANIZATION ACCOUNT

ACCOUNT OR CERTIFICATE NUMBER

BANK NAME
Associated Bank, NA

DATE ACCOUNT OPENED
New Status

ACCOUNT TYPE:

The depositor acknowledges receipt of the deposit account agreement, product disclosure(s), and fee schedule; and depositor agrees to be bound by such documents and any amendments to them.

In the following, "I" refers to depositor. Check either the W-8 statement or the Certification, as applicable. If the "CERTIFICATION: Under penalties of perjury" below is unchecked, depositor is not making the certification.

If checked, complete IRS form W-8BEN, W-8ECI, W-8EXP or W-8IMY. The depositor is not a U.S. citizen or resident (or the depositor is filing for a foreign corporation, partnership, estate or trust).

CERTIFICATION: Under penalties of perjury, the depositor certifies that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Number of required signatures: _____

NAME OF OFFICE OR TITLE

_____*

_____*

_____*

_____*

_____*

Signatures shown above are specimen or facsimile signatures of person(s) authorized to effect transactions on account by current depository resolution filed with Bank.

* Type or print name signed above

Failure to provide a taxpayer identification number may subject the account to backup withholding.

PHONE

TAX I.D. NO

ADDRESS

FIRST DEP. \$

PREPARED BY

Harrison, Laura

1PB3T

FROM

263

Required: (Complete one of the following sections)

If Organization/Non-profit (required for individual opening this account, not required for authorized signers):

Individual's Name: _____ Birth Date: _____ Taxpayer I.D. No: _____

Address (if different from Acct Addr): _____

ID1: DL/National ID _____ Phone: _____

ID1: DL/National Issuer _____ Issue Date _____ Expiration Date _____

ID2: DL/National No. _____ Issue Date _____ Expiration Date _____

ID3: DL/National No. _____ Issue Date _____ Expiration Date _____

If Corporate/Partnership/LLC/LLP (Please describe type of documentation provided [e.g., Articles of Incorporation, etc.]). All documentation must be forwarded to the CIF Dept. MS 7012.

Date _____

DEPOSITOR

Name or Organization _____

By _____

Secretary (Other) _____