

**Collinsville Township
By-Laws and Procedures**

ARTICLE I- MEETINGS OF THE TOWNSHIP BOARD OF TRUSTEES

SECTION 1: All meetings of the Collinsville Township Board of Trustees shall be held upon notice given by the Township Supervisor, which said notice shall conform to the Open Meetings Act as provided for the in state statuses.

SECTION 2: All meetings of the Collinsville Township Board of Trustees shall be open to the public and held in conformance to Robert's Rules of Order, latest edition.

SECTION 3: Regular meetings of the Collinsville Township Board of Trustees are held on the second and fourth Tuesday of each month at 7:00 PM.

SECTION 4: Special meetings shall be called by the Township Clerk on the written request of the Supervisor or of any two members of the Board of Trustees, on at least 48 hours written notice to each member of Board of Trustees, served personally or left at his usual place of residence.

No business shall be transacted at any special meeting of the Collinsville Township Board of Trustees except for which it is called, as set out in the notice of such meeting.

SECTION 5: If a "bona fide" emergency situation required the calling of an emergency meeting, the Township will give notice of the emergency meeting as soon as practicable.

SECTION 6: Any member who has any conflict of interest in any matter before the Collinsville Township Board of Trustees shall remove themselves from consideration of any matter which will come before the Board.

SECTION 7: The Township Supervisor shall have the power to cancel or continue meetings, as may be necessary or convenient for the transaction of the Board's business.

SECTION 8: No meetings shall be conducted without a quorum physically present. A quorum shall consist of a majority of the Board of Trustees.

SECTION 9: Meetings of the Collinsville Township Board of Trustees shall proceed substantially as follows:

Call to Order:

The township Supervisor officially calls the meeting to order by announcing the date and time.

Pledge:

The supervisor shall designate one of the audience or a Board member to lead the pledge of allegiance. All present rise and face the flag for the pledge.

Roll Call:

The Township Clerk takes a roll call of the Board members present beginning with the senior Trustee first and the newest Trustee last and quorum is determined.

Presentations:

Any formal recognitions, presentations, etc. are made at this time, as requested.

Communications:

Letters for the public or directed to the Township will not appear on the Board agenda as individual matters for discussion but will be distributed as part of the Board agenda packet with a cover sheet identifying the author and subject matter and will be listed under "Communications". All communications shall be simply deemed received without any formal action by the Board. A Trustee may refer a communication for action, if appropriate, or prepare an action item for placement on a future agenda.

Consent Agenda:

The Township Supervisor introduces the Consent Agenda by announcing that items on the Consent Agenda have been deemed non-controversial by the Supervisor and Town Clerk. No item will be discussed unless a trustee specifically requests that it be removed from the agenda for that purpose. Any citizen wishing to address the Township on any of these items must advise the Clerk prior to the reading of the Consent Agenda. Once the items are removed the Town Clerk proceeds to read the remaining items on the Consent Agenda. The Supervisor requests a motion to approve the Consent Agenda and the Town Clerk takes a roll call vote. Items removed are then discussed individually with the Town Clerk announcing each item. Discussion/action follows until all items are addressed.

Public Hearing:

Any required formal public hearings are called as necessary. Relative public commentary is heard.

Citizen Participation:

The public is invited to present commentary at will regarding any item not on the agenda. Each person addressing the Board shall first give their name and address in an audible tone of voice for the record. All remarks shall be addressed to the Board as a body and not to any member thereof. No one other than the Board and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the Board, without the permission of the Supervisor. There is a time limit of 5 minutes.

Committee Reports:

Any Standing Committee or Special Committees that have been appointed may make their report at this time.

Agenda Items under New Business:

The Supervisor introduces all agenda items as listed under New Business. Discussion follows with consideration and motions are made to approve such items as necessary.

Agenda Items under Old Business:

Once the Supervisor has announced that the Board has completed all items under New Business, items listed are discussed and action is taken if necessary.

Supervisors and Trustee Comments:

The Supervisor may wish to make announcements or address pertinent issues at this time and Trustees may make comments on pertinent issues.

Highway Commissioner Comments:

The Township Highway Commissioner may wish to make announcements or address pertinent issues at this time.

Township Assessor Comments:

The Township Assessor may wish to make announcements or address pertinent issues at this time.

Executive Session:

The Township Board may recess to meet in private to discuss matters such as personnel, land acquisition and collective bargaining and in the motion going into Executive Session such stipulation must be addressed. No final action is ever taken in Executive Session. The Board must reconvene back into regular session where they may take action on the matters discussed in Executive Session.

Adjournment:

The Township Supervisor officially calls for motion to adjourn the meeting. A vote is taken and the meeting concludes.

Section 10: Township Actions

The Collinsville Township Board of Trustees shall act only by ordinance, resolution, or motion. All legislative enactments shall be in the form of ordinances. All other actions, except as herein provided, may be in the form of resolutions or motions. A true copy of every ordinance, and resolution hereafter adopted shall be numbered and recorded in the official records of the Township.

Section 11: Motions and Precedence of Motions

When a question is before the Board, no motion shall be entertained except:

- a. To adjourn,
- b. To fix the hour of adjournment,
- c. To lay on the table,
- d. For the previous question,
- e. To postpone to a certain day,
- f. To refer,
- g. To amend,
- h. To substitute, and
- i. To postpone indefinitely.

These, motions shall have precedence in order indicated. Any such motion, except a motion to adjourn, amend, or substitute, shall be put to a vote without debate.

Section 12: Disorderly Conduct

If any person acts in a disorderly manner at any meeting and, after notice from the moderator, persists in that conduct, the moderator may order the person to withdraw from the meeting. If the person refuses to withdraw, the moderator may order any police officer or other person to take the disorderly person from the meeting and confine him or her in some convenient place until the meeting is adjourned. The person refusing to withdraw shall, for that offense, forfeit a sum not exceeding \$10 for the use of the Township to be recovered in a civil action in the name of the Township in the circuit court.

ARTICLE II- ABSENCES AND VACANCIES

SECTION 1: If a Trustee cannot attend a Board meeting, they shall notify the Township Supervisor of their intended absence in order to obtain an excused absence. Any Trustee who fails to attend five meetings consecutively without an excused absence, shall be deemed absent from the Board, and the Township Supervisor shall then fill the vacancy by appointment with consent of the Board.

SECTION 2: The following absences will be considered excused:

- a. Personal illness or disability,
- b. A family or other emergency, or
- c. The business of the Township.

SECTION 3: The Board of Trustees shall annually designate a Supervisor Pro-Tem to serve in the absence of the Supervisor. The Supervisor Pro-Tem shall act only to conduct the business of the Township at the meeting on the absence of the Supervisor. The Supervisor Pro-Tem shall be designated by nomination and vote by the Trustee present at such meeting.

ARTICLE IV AMENDMENT OF RULES

SECTION 1: These rules may be amended by an affirmative majority vote of all members of the board.

SECTION 2: Any proposed amendment must be presented in writing at a regular or special meeting preceding the meeting at which the vote is taken.

These foregoing rules and regulations are hereby adopted by the Board of Trustees of the Collinsville Township, Madison County, Illinois on this 9th day of March, 2010.

Supervisor

Town Clerk

Collinsville 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 wages

II. Procedures:

- a. The Administrator will receive payables, review changes, 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.

Collinsville 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 Collinsville 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 methods. 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 Collinsville Township is maintained by the outside accounting firm providing the annual financial statement. The schedule is owned by the Township.

Collinsville Township
Financial Reserve Policy

I. Policy

1. Collinsville 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 on unreserved fund balance and reports the amount (in 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.

Collinsville Township

Investment Policy

I. Policy

It is the policy of Collinsville 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 goods.

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, broker/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 values 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 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 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 required 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 constrains 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 deprived".

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 control 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 designated 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 designated 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 and 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, 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 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 a review by 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 temporarily exempt 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