

RESOLUTION #176

HEART OF THE VALLEY METROPOLITAN SEWERAGE DISTRICT

PUBLIC DEPOSITORIES

BE IT RESOLVED, that the following banks, savings and loan associations and trust companies are qualified as Public Depositories for the Heart of the Valley Metropolitan Sewerage District:

Associated Bank
BLC Community Bank
Bank of Kaukauna
First Merit Bank - Huntington
Local Government Investment Pool
Wisconsin Investment Trust
Unison Credit Union
Capital Credit Union
Fox Communities Credit Union
Community First Credit Union
East Wisconsin

THEY SHALL BE AND ARE HEREBY DESIGNATED, until further action, as Public Depositories of public monies coming into the hands of the Treasurer of Heart of the Valley Metropolitan Sewerage District, Kaukauna, Wisconsin.

BE IT FURTHER RESOLVED, investment monies may be periodically distributed by direction of the Commission to the above-named Public Depositories, holding company trusts, or the State Investment Trust or Investment Pool by the determination of whichever institution offers the greatest rate of return without sacrificing the funds security, among other factors.

BE IT FURTHER RESOLVED, that collateral will be required on investment monies in designated Public Depositories specifically when investments are in excess of the FDIC and State Insurance coverages. Presently FDIC is \$250,000 the State is \$400,000, and the NCUA is \$250,000.

BE IT FURTHER RESOLVED, that the Heart of the Valley Metropolitan Sewerage District will allow funds to be placed in excess of insurance coverages in any Bank so named above as a Public Depository without the effect of collateralization if the following standards are established:

CAPITALIZATION: Capital adequacy, as a percentage of Total Assets, must meet two tests as follows:
(A) Primary Capital must be 6% or more,
(B) Total Capital must be 7% or more.

DEPOSITS: Dependence on large Certificates of Deposit must not exceed 25% of Total-Deposits.

PROFITABILITY and EARNINGS:

- (A) The ratio of net income as a percentage of assets must be .5% or better for the previous twelve months. Generally larger banks will have smaller percentages.
- (B) Return on equity must be 10.0% or more for the previous twelve months.

QUALITY OF ASSETS:

- (A) Non-performing loans must not exceed 30.0% of primary capital.
- (B) Net loan charge-offs must be ½ of 1% or less of gross loans.
- (C) Loan loss reserves must be 1.2% or more of gross loans.

Primary Capital means capital stock, preferred stock, capital surplus, undivided profits and capital reserves plus loan loss reserves; Total Capital is Primary Capital plus subordinate debt; Non-performing loans are loans that are more than 60 days past due, or are on non-accrual of interest, or are renegotiated. Placement of funds in excess of insurance limits may only be done with approval by the Commission and majority vote.

BE IT FURTHER RESOLVED, that each Bank will be required yearly, to certify all the foregoing standards and supply a current annual report and call report to the District Manager of the Heart of the Valley Metropolitan Sewerage District. This information will be used in order to maintain the Bank's above-named determination as a Public Depository.

BE IT FURTHER RESOLVED, that since it is the intent of this resolution to insure the protection of funds deposited, any Bank not adhering to the aforementioned standards will be restricted to the FDIC and STATE insurance coverages as maximum deposits. However, due to extenuating circumstances within a Bank it may not meet all of the required standards. If after a meeting between an Officer from the Bank and the District Manager and confirmation by the Commission, it may be determined that the sub-standard condition does not affect the viability of the Bank and deposits in excess of insurance limits could be allowed.

BE IT FURTHER RESOLVED, that the withdrawal or disbursements from any one of the above-named Public Depositories shall be by order check or transfer order as provided in Sections 66.0607 and 220.09(8) of the

Wisconsin Statutes, that in accordance therewith all order checks or transfer orders shall be signed by the following person:

A. Payroll Disbursements

1. All payroll disbursements shall be made under the signature of the Treasurer of the District.

B. Operating Account Disbursements

1. Disbursements of Less than \$1,000: The District Manager is authorized to execute all disbursements based on a single signature.

2. Disbursements in Excess of \$1,000 but Less than \$5,000: The District Manager is authorized to execute disbursements, countersigned by the Treasurer of the District.

3. Disbursements of \$5,000 or More: The Treasurer of the District and any officer of the Commission are authorized to execute withdrawals on behalf of the District.

BE IT FURTHER RESOLVED, that facsimile signatures will not be accepted in lieu of the personal signature,

BE IT FURTHER RESOLVED, that the Heart of the Valley Metropolitan Sewerage District shall have the authority to participate in the State of Wisconsin's Local Government Investment Pool, pursuant to the provisions of Section 25.50 of the Wisconsin Statutes. Investments in the Local Government Investment Pool shall be exempt from collateralization of deposits and shall not be limited as to an amount but will be influenced by rate of return.

BE IT FURTHER RESOLVED, that the Heart of the Valley Metropolitan Sewerage District shall have the authority to participate in the Wisconsin Investment Trust, a mutual fund through which municipalities may invest public funds as authorized by Section 66.0603 of the Wisconsin Statutes. Investments in the Wisconsin Investment Trust shall be exempt from collateralization of deposits and shall not be limited as to an amount but will be influenced by rate of return.

BE IT FURTHER RESOLVED, that a certified copy of this resolution shall be delivered by the President or Secretary of the Commission to each of the above depositories and said depository may rely on their resolution until changes by lawful resolution and a certified copy of such resolution has been given to the cashier of the respective above-named depositories.

APPROVED: _____
David J. Casper - President

This is to certify that the foregoing resolution was adopted by the Commissioners of the Heart of the Valley Metropolitan Sewerage District at a meeting held on the 10th day of October, 2017.

ATTEST: _____
Kevin P. Coffey - Secretary