

## **RESOLUTION #201**

### **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, Kaukauna, WI  
BLC Community Bank, Little Chute, WI  
Bank of Kaukauna, Kaukauna, WI  
Local Government Investment Pool, Madison, WI  
Unison Credit Union, Kaukauna, WI  
Capital Credit Union, Little Chute, WI  
Fox Communities Credit Union, Combined Locks, WI  
Community First Credit Union, Kimberly, WI  
East Wisconsin Savings Bank, Kaukauna, WI

**THEY SHALL BE AND ARE HEREBY DESIGNATED**, until further action, as Public Depositories of public monies of the 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 Local Government 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 (over \$250,000) 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 Director 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 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 since it is the intent of this resolution to ensure the protection of funds deposited, any bank or credit union 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 Director 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.

APPROVED: \_\_\_\_\_  
Bruce M. Siebers - Vice President

This is to certify that the foregoing Resolution was adopted by the Commission of the Heart of the Valley Metropolitan Sewerage District at a meeting held on the 11th day of October, 2022.

ATTEST: \_\_\_\_\_  
Patrick E. Hennessey - Secretary