

**AGENDA
CITY OF ST. CHARLES
GOVERNMENT OPERATIONS COMMITTEE
ALD. MAUREEN LEWIS, CHAIR**

**MONDAY, JUNE 3, 2019
IMMEDIATELY FOLLOWING THE CITY COUNCIL MEETING
CITY COUNCIL CHAMBERS – 2 EAST MAIN STREET**

1. Call to Order

2. Roll Call

3. Administrative

- a. Video Gaming Statistics – Information Only

4. Omnibus Vote

Items with an asterisk (*) are considered to be routine matters and will be enacted by one motion. There will be no separate discussion on these items unless a council member/citizen so requests, in which event the item will be removed from the consent agenda and considered in normal sequence on the agenda.

5. Information Systems

- *a. Recommendation to approve an Esri Small Government Enterprise License Agreement for \$35,000 per year for three years.

- *b. Recommendation to approve Police Station Computer Network Equipment Procurement from Continental Resources, in the amount of \$47,011.37.

6. Fire Department

- a. Recommendation to approve an Ordinance Authorizing the Disposal of Surplus Personal Property Owned by the City of St. Charles.

7. Finance Department

- a. Recommendation to approve the Amended City of St. Charles Funds Investment Policy.

8. Executive Session

- Personnel – 5 ILCS 120/2(c)(1)
- Pending Litigation – 5 ILCS 120/2(c)(11)
- Probable or Imminent Litigation – 5 ILCS 120/2(c)(11)
- Property Acquisition – 5 ILCS 120/2(c)(5)
- Collective Bargaining – 5 ILCS 120/2(c)(2)
- Review of Executive Session Minutes – 5 ILCS 120/2(c)(21)

9. Additional Items from Mayor, Council, Staff, or Citizens.

10. Adjournment

ADA Compliance

Any individual with a disability requesting a reasonable accommodation in order to participate in a public meeting should contact the ADA Coordinator, Jennifer McMahon, at least 48 hours in advance of the scheduled meeting. The ADA Coordinator can be reached in person at 2 East Main Street, St. Charles, IL, via telephone at (630) 377 4446 or 800 526 0844 (TDD), or via e-mail at jmcmahon@stcharlesil.gov.

Every effort will be made to allow for meeting participation. Notices of this meeting were posted consistent with the requirements of 5 ILCS 120/1 et seq. (Open Meetings Act).



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 3.a

Title: Video Gaming Statistics – Information Only

Presenter: Jim Keegan, Chief of Police

Meeting: Government Operations Committee

Date: June 3, 2019

Proposed Cost: \$

Budgeted Amount: \$

Not Budgeted:

Executive Summary *(if not budgeted please explain):*

Latest statistics on video gaming and what businesses have been approved by the state and city staff of the St. Charles Police Department, pending applications into the state for approval, and January 2012 – April 2019 report for St. Charles Video Gaming Revenue as of April 2019.

Attachments *(please list):*

Table – Current Licensed Video Gaming Establishments/Pending Applicants
Illinois Gaming Board Video Gaming Report – January 2012 –April 2019
Illinois Gaming Board Video Gaming Report - April 2019

Recommendation/Suggested Action *(briefly explain):*

None – For Information Only

**ILLINOIS GAMING BOARD
VIDEO GAMING REPORT**

5/20/2019

5:35 pm

St. Charles

January 2012 - April 2019

Municipality	Establishment	License Number	VGT Count	VGT Wagering Activity			VGT Income			VGT Tax Distribution				
				Amount Played	Amount Won	Net Wagering Activity	Funds In	Funds Out	NTI	NTI Tax Rate (30%)	State Share	Municipality Share		
St. Charles	A'Salute' Inc.	160702452	2	\$2,091,601.88	\$1,923,949.67	\$167,652.21	\$577,279.00	\$409,626.79	\$167,652.21	\$50,296.35	\$41,913.65	\$8,382.70		
St. Charles	ALIBI BAR & GRILL LTD.	150704430	5	\$268,698.57	\$245,538.48	\$23,160.09	\$97,965.00	\$74,804.86	\$23,160.14	\$6,900.76	\$5,750.66	\$1,150.10		
St. Charles	Alley 64, INC.	160702383	5	\$16,022,995.46	\$14,842,174.22	\$1,180,821.24	\$5,574,402.00	\$4,393,506.51	\$1,180,895.49	\$354,270.30	\$295,225.28	\$59,045.02		
St. Charles	BK & MM VENTURES LLC	160702415	5	\$12,416,937.86	\$11,458,532.28	\$958,405.58	\$3,719,877.00	\$2,761,390.14	\$958,486.86	\$287,547.13	\$239,622.65	\$47,924.48		
St. Charles	CRAZY FOX, LLC	170701805	4	\$830,757.51	\$746,949.75	\$83,807.76	\$267,605.00	\$183,797.19	\$83,807.81	\$25,142.67	\$20,952.24	\$4,190.43		
St. Charles	DAWN'S CAFE, LTD.	160702454	2	\$742,261.66	\$677,242.28	\$65,019.38	\$234,391.00	\$169,371.62	\$65,019.38	\$19,506.33	\$16,255.30	\$3,251.03		
St. Charles	DAWN'S VOODOO ROOM, LTD.	170702226	3	\$131,639.05	\$114,092.97	\$17,546.08	\$48,098.00	\$30,551.92	\$17,546.08	\$5,263.94	\$4,386.62	\$877.32		
St. Charles	GOLREN ENTERPRISES, INC.	160703386	5	\$2,363,441.27	\$2,169,177.13	\$194,264.14	\$822,559.00	\$628,294.86	\$194,264.14	\$58,279.92	\$48,566.66	\$9,713.26		
St. Charles	HDF Entertainment, LLC	180702511	5	\$0.00	\$0.00	\$0.00	\$5.00	\$5.00	\$0.00	\$0.00	\$0.00	\$0.00		
St. Charles	HEALTH NUTS, LTD.	180702391	5	\$637,029.01	\$580,193.61	\$56,835.40	\$237,191.00	\$180,355.60	\$56,835.40	\$17,051.04	\$14,209.21	\$2,841.83		
St. Charles	KILLOUGH LLC	160702650	4	\$323,128.13	\$297,527.05	\$25,601.08	\$127,669.00	\$102,067.92	\$25,601.08	\$7,680.48	\$6,400.40	\$1,280.08		
St. Charles	L. A. MANSON CORPORATION	160703156	5	\$3,482,960.23	\$3,166,394.74	\$316,565.49	\$1,038,252.00	\$721,686.51	\$316,565.49	\$94,971.12	\$79,142.66	\$15,828.46		
St. Charles	MARK VII HOSPITALITY LIMITED	170702225	5	\$7,307,083.70	\$6,775,446.11	\$531,637.59	\$2,146,812.00	\$1,615,150.41	\$531,661.59	\$159,499.20	\$132,916.02	\$26,583.18		
St. Charles	NLHM Inc.	160702847	4	\$2,137,518.09	\$1,974,734.75	\$162,783.34	\$568,814.00	\$406,030.64	\$162,783.36	\$48,835.84	\$40,696.53	\$8,139.31		
St. Charles	Northwoods Pub & Grill Inc.	160702493	5	\$9,873,905.62	\$9,053,117.41	\$820,788.21	\$3,266,383.00	\$2,445,594.74	\$820,788.26	\$246,237.81	\$205,198.24	\$41,039.57		
St. Charles	Panman, LLC	160703257	5	\$20,167.79	\$17,246.68	\$2,921.11	\$8,129.00	\$5,207.89	\$2,921.11	\$876.43	\$730.36	\$146.07		
St. Charles	Pub 47 St Charles Inc.	180700422	5	\$451,127.23	\$407,893.79	\$43,233.44	\$150,077.00	\$106,843.56	\$43,233.44	\$12,970.29	\$10,808.58	\$2,161.71		
St. Charles	Ram Restaurant Group Inc.,	180700820	5	\$332,529.45	\$302,216.78	\$30,312.67	\$121,311.00	\$90,998.02	\$30,312.98	\$9,094.21	\$7,578.51	\$1,515.70		
St. Charles	Riverside Pizza, Inc.	160702553	4	\$4,577,207.72	\$4,220,142.32	\$357,065.40	\$1,577,392.00	\$1,220,326.60	\$357,065.40	\$107,120.28	\$89,266.92	\$17,853.36		
St. Charles	SAINT CHARLES SPORTS, LLC	160702605	5	\$6,836,000.26	\$6,330,170.01	\$505,830.25	\$2,011,805.00	\$1,505,973.75	\$505,831.25	\$151,750.22	\$126,458.55	\$25,291.67		
St. Charles	St. Charles Lodge No. 1368, Loyal Order of Moose	160802392	5	\$4,816,308.83	\$4,375,453.96	\$440,854.87	\$1,620,859.00	\$1,180,004.13	\$440,854.87	\$132,257.89	\$110,214.91	\$22,042.98		
St. Charles	TAP HOUSE GRILL ST. CHARLES, LLC	170702248	5	\$1,967,806.98	\$1,806,834.23	\$160,972.75	\$613,448.00	\$452,475.05	\$160,972.95	\$48,292.56	\$40,243.80	\$8,048.76		
REPORT TOTAL:				22 Establishments	98	\$77,631,106.30	\$71,485,028.22	\$6,146,078.08	\$24,830,323.00	\$18,684,063.71	\$6,146,259.29	\$1,843,844.77	\$1,536,537.75	\$307,307.02

**ILLINOIS GAMING BOARD
VIDEO GAMING REPORT**

St. Charles

April 2019

5/20/2019

5:33 pm

Municipality	Establishment	License Number	VGT Count	VGT Wagering Activity			VGT Income			VGT Tax Distribution			
				Amount Played	Amount Won	Net Wagering Activity	Funds In	Funds Out	NTI	NTI Tax Rate (30%)	State Share	Municipality Share	
St. Charles	ALIBI BAR & GRILL LTD.	150704430	5	\$19,328.84	\$17,561.04	\$1,767.80	\$6,177.00	\$4,429.42	\$1,747.58	\$524.29	\$436.91	\$87.38	
St. Charles	Alley 64, INC.	160702383	5	\$391,138.94	\$360,315.64	\$30,823.30	\$149,116.00	\$118,292.90	\$30,823.10	\$9,247.02	\$7,705.85	\$1,541.17	
St. Charles	BK & MM VENTURES LLC	160702415	5	\$515,235.91	\$473,968.33	\$41,267.58	\$138,772.00	\$97,504.34	\$41,267.66	\$12,380.30	\$10,316.92	\$2,063.38	
St. Charles	CRAZY FOX, LLC	170701805	4	\$135,403.48	\$123,479.16	\$11,924.32	\$41,980.00	\$30,056.04	\$11,923.96	\$3,577.27	\$2,981.06	\$596.21	
St. Charles	DAWN'S CAFE, LTD.	160702454	2	\$14,250.39	\$13,061.19	\$1,189.20	\$4,706.00	\$3,516.80	\$1,189.20	\$356.76	\$297.30	\$59.46	
St. Charles	HDF Entertainment, LLC	180702511	5	\$0.00	\$0.00	\$0.00	\$5.00	\$5.00	\$0.00	\$0.00	\$0.00	\$0.00	
St. Charles	HEALTH NUTS, LTD.	180702391	5	\$147,898.95	\$140,168.82	\$7,730.13	\$54,461.00	\$46,730.87	\$7,730.13	\$2,319.12	\$1,932.61	\$386.51	
St. Charles	L. A. MANSON CORPORATION	160703156	5	\$168,103.68	\$151,791.90	\$16,311.78	\$49,042.00	\$32,730.30	\$16,311.70	\$4,893.56	\$4,077.97	\$815.59	
St. Charles	MARK VII HOSPITALITY LIMITED	170702225	5	\$521,866.46	\$477,860.98	\$44,005.48	\$156,744.00	\$112,736.67	\$44,007.33	\$13,202.21	\$11,001.85	\$2,200.36	
St. Charles	NLHM Inc.	160702847	4	\$173,340.92	\$161,946.07	\$11,394.85	\$45,645.00	\$34,250.13	\$11,394.87	\$3,418.46	\$2,848.72	\$569.74	
St. Charles	Northwoods Pub & Grill Inc.	160702493	5	\$329,800.52	\$303,497.60	\$26,302.92	\$115,588.00	\$89,285.03	\$26,302.97	\$7,890.99	\$6,575.83	\$1,315.16	
St. Charles	Riverside Pizza, Inc.	160702553	4	\$205,167.47	\$190,763.09	\$14,404.38	\$66,688.00	\$52,283.62	\$14,404.38	\$4,321.34	\$3,601.12	\$720.22	
St. Charles	SAINT CHARLES SPORTS, LLC	160702605	5	\$395,938.81	\$368,037.02	\$27,901.79	\$111,228.00	\$83,326.39	\$27,901.61	\$8,370.50	\$6,975.42	\$1,395.08	
St. Charles	St. Charles Lodge No. 1368, Loyal Order of Moose	160802392	5	\$139,521.52	\$127,489.87	\$12,031.65	\$47,967.00	\$35,935.35	\$12,031.65	\$3,609.56	\$3,007.96	\$601.60	
St. Charles	TAP HOUSE GRILL ST. CHARLES, LLC	170702248	5	\$315,438.15	\$295,318.82	\$20,119.33	\$89,387.00	\$69,267.47	\$20,119.53	\$6,035.94	\$5,029.95	\$1,005.99	
REPORT TOTAL:			15 Establishments	69	\$3,472,434.04	\$3,205,259.53	\$267,174.51	\$1,077,506.00	\$810,350.33	\$267,155.67	\$80,147.32	\$66,789.47	\$13,357.85

City of St. Charles
Video Gaming Statistics
April, 2019

LICENSED ESTABLISHMENTS

Alexanders Café, Inc.	1650 W. Main Street	St. Charles
Alibi Bar & Grill, LTD	12 N. 3rd Street	St. Charles
Alley 64, Inc.	212 W. Main Street	St. Charles
Kane County Rookies, LLC	1545 W. Main Street	St. Charles
Crazy Fox, LLC	104 E Main St	St. Charles
Dawn's Café, LTD	8 N Third Street	St. Charles
Main Street Pub	204 W Main St	St. Charles
The Filling Station, LTD	300 W. MAIN ST.	St. Charles
St. Charles Bowl	2520 W Main St	St. Charles
Second Street Tavern	221 S. 2nd Street	St. Charles
Brown's Chicken	1910 Lincoln Highway	St. Charles
The Evergreen Pub & Grill, Inc.	1400 W Main St	St. Charles
Riverside Pizza & Pub	102 E Main St	St. Charles
Spotted Fox Alehouse, LLC	3615 E. MAIN ST	St. Charles
Tap House Grill, LLC	3341 W MAIN ST	St. Charles
St Charles Moose Lodge 1368	2250 W Rt 38	St. Charles

LICENSE PENDING

ROMANO MERCATO ITALIANO INC.,	210 Cedar Street	St. Charles
Yummy Place Burrito Los Asaderos, Inc.	2400 E. Main Street	St. Charles



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: *5.a

Title:	Recommendation to approve an Esri Small Government Enterprise License Agreement for \$35,000 per year for three years.
Presenter:	Keith Nightlinger, GIS Manager

Meeting: Government Operations Committee

Date: June 3, 2019

Proposed Cost: \$105,000 (\$35,000 for 3 years)

Budgeted Amount: \$35,000 (FY 20)

Not Budgeted:

Executive Summary (if not budgeted please explain):

Geographic Information Systems (GIS) is used at the City to manage utility infrastructure, property information, emergency management, and communicate information to the public through interactive web applications such as MyNeighborhood, America In Bloom, and the Capital Improvement Program.

In lieu of purchasing GIS software outright, Esri, the City’s software provider, offers a small government Enterprise License Agreement (ELA) for cities with populations between 25,001 and 50,000. In 2017, the City moved to an ELA as a lower cost alternative to purchasing the software.

Staff is recommending a new 3-year agreement with Esri for \$35,000 each year. It will provide the City unlimited access to the primary software and extensions, 100 named users to ArcGIS Online and unlimited virtual training. The following table shows the cost savings to the City over three years of the ELA over the costs of purchasing the software. Note that the cost of this agreement has not increased from the previous agreement with Esri.

	Year 1	Year 2	Year 3
Software Purchase	\$61,000		
Annual Maintenance	\$37,900	\$37,900	\$37,900
3 Year Total			\$174,700
Enterprise License Agreement	\$35,000	\$35,000	\$35,000
3 Year Total			\$105,000

Attachments (please list):

Esri Small Government Enterprise Agreement

Recommendation/Suggested Action (briefly explain):

Recommendation to approve an Esri Small Government Enterprise License Agreement for \$35,000 per year for three years.



Quotation # 20548714

Date: April 9, 2019

Environmental Systems Research Institute, Inc.
380 New York St
Redlands, CA 92373-8100
Phone: 909-793-2853 Fax: 909-307-3049
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

Customer # 256012 Contract #

City of Saint Charles
Information Technology Dept
2 E Main St
Saint Charles, IL 60174

To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 04/09/2019 To: 07/08/2019

ATTENTION: Keith Nightlinger
PHONE: (630) 762-7076
FAX: 630-377-4487

Material	Qty	Description	Unit Price	Total
110036	1	Populations of 25,001 to 50,000 Small Government Term Enterprise License Agreement (Year 1 of SGEA)	35,000.00	35,000.00
110036	1	Populations of 25,001 to 50,000 Small Government Term Enterprise License Agreement (Year 2 of SGEA)	35,000.00	35,000.00
110036	1	Populations of 25,001 to 50,000 Small Government Term Enterprise License Agreement (Year 3 of SGEA)	35,000.00	35,000.00
			Item Total:	105,000.00
			Subtotal:	105,000.00
			Sales Tax:	0.00
			Estimated Shipping & Handling(2 Day Delivery) :	0.00
			Contract Pricing Adjust:	0.00
			Total:	\$105,000.00

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Joe Araiza

Email: jaraiza@esri.com

Phone: 312-609-0966 x5383

The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at <https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf>, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at <https://assets.esri.com/content/dam/esrisites/media/legal/ma-full/ma-full.pdf> apply to your purchase of that item. Federal government entities and government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at <https://www.esri.com/en-us/legal/terms/state-supplemental> apply to some state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin.

If sending remittance, please address to: Esri, P.O. Box 741076, Los Angeles, CA 90074-1076



Quotation # 20548714

Date: April 9, 2019

Environmental Systems Research Institute, Inc.
380 New York St
Redlands, CA 92373-8100
Phone: 909-793-2853 Fax: 909-307-3049
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

Customer # 256012 Contract #

City of Saint Charles
Information Technology Dept
2 E Main St
Saint Charles, IL 60174

ATTENTION: Keith Nightlinger
PHONE: (630) 762-7076
FAX: 630-377-4487

*To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 04/09/2019 To: 07/08/2019*

If you have made ANY alterations to the line items included in this quote and have chosen to sign the quote to indicate your acceptance, you must fax Esri the signed quote in its entirety in order for the quote to be accepted. You will be contacted by your Customer Service Representative if additional information is required to complete your request.

If your organization is a US Federal, state, or local government agency; an educational facility; or a company that will not pay an invoice without having issued a formal purchase order, a signed quotation will not be accepted unless it is accompanied by your purchase order.

In order to expedite processing, please reference the quotation number and any/all applicable Esri contract number(s) (e.g. MPA, ELA, SmartBuy, GSA, BPA) on your ordering document.

BY SIGNING BELOW, YOU CONFIRM THAT YOU ARE AUTHORIZED TO OBLIGATE FUNDS FOR YOUR ORGANIZATION, AND YOU ARE AUTHORIZING ESRI TO ISSUE AN INVOICE FOR THE ITEMS INCLUDED IN THE ABOVE QUOTE IN THE AMOUNT OF \$ _____, PLUS SALES TAXES IF APPLICABLE. DO NOT USE THIS FORM IF YOUR ORGANIZATION WILL NOT HONOR AND PAY ESRI'S INVOICE WITHOUT ADDITIONAL AUTHORIZING PAPERWORK.

Please check one of the following:

- I agree to pay any applicable sales tax.
- I am tax exempt, please contact me if exempt information is not currently on file with Esri.

Signature of Authorized Representative

Date

Name (Please Print)

Title

The quotation information is proprietary and may not be copied or released other than for the express purpose of system selection and purchase/license. This information may not be given to outside parties or used for any other purpose without consent from Environmental Systems Research Institute, Inc. (Esri).

Any estimated sales and/or use tax reflected on this quote has been calculated as of the date of this quotation and is merely provided as a convenience for your organization's budgetary purposes. Esri reserves the right to adjust and collect sales and/or use tax at the actual date of invoicing. If your organization is tax exempt or pays state tax directly, then prior to invoicing, your organization must provide Esri with a copy of a current tax exemption certificate issued by your state's taxing authority for the given jurisdiction.

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Joe Araiza

Email: jaraiza@esri.com

Phone: 312-609-0966 x5383

The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at <https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf>, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at <https://assets.esri.com/content/dam/esrisites/media/legal/ma-full/ma-full.pdf> apply to your purchase of that item. Federal government entities and government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at <https://www.esri.com/en-us/legal/terms/state-supplemental> apply to some state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin.

If sending remittance, please address to: Esri, P.O. Box 741076, Los Angeles, CA 90074-1076

Esri Use Only:

Cust. Name _____
Cust. # _____
PO # _____
Esri Agreement # _____



**SMALL ENTERPRISE AGREEMENT
COUNTY AND MUNICIPALITY GOVERNMENT
(E214-2)**

This Agreement is by and between the organization identified in the Quotation ("**Customer**") and **Environmental Systems Research Institute, Inc. ("Esri")**.

This Agreement sets forth the terms for Customer's use of Products and incorporates by reference (i) the Quotation and (ii) the Master Agreement. Should there be any conflict between the terms and conditions of the documents that comprise this Agreement, the order of precedence for the documents shall be as follows: (i) the Quotation, (ii) this Agreement, and (iii) the Master Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state in which Customer is located without reference to conflict of laws principles, and the United States of America federal law shall govern in matters of intellectual property. The modifications and additional rights granted in this Agreement apply only to the Products listed in Table A.

**Table A
List of Products**

Uncapped Quantities

Desktop Software and Extensions (Single Use)

ArcGIS Desktop Advanced
ArcGIS Desktop Standard
ArcGIS Desktop Basic
ArcGIS Desktop Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Publisher, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager, ArcGIS Data Reviewer

Enterprise Software and Extensions

ArcGIS Enterprise and Workgroup (Advanced and Standard)
ArcGIS Enterprise Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager

Enterprise Additional Capability Servers

ArcGIS Image Server

Developer Tools

ArcGIS Engine
ArcGIS Engine Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Engine Geodatabase Update, ArcGIS Network Analyst, ArcGIS Schematics
ArcGIS Runtime (Standard)
ArcGIS Runtime Analysis Extension

Limited Quantities

One (1) Professional subscription to ArcGIS Developer*
Two (2) Esri CityEngine Advanced Single Use Licenses
100 ArcGIS Online Viewers
100 ArcGIS Online Creators
17,500 ArcGIS Online Service Credits
100 ArcGIS Enterprise Creators
3 Insights for ArcGIS for use with ArcGIS Enterprise
3 Insights for ArcGIS for use with ArcGIS Online

OTHER BENEFITS

Number of Esri User Conference registrations provided annually	3
Number of Tier 1 Help Desk individuals authorized to call Esri	3
Maximum number of sets of backup media, if requested**	2
Self-Paced e-Learning	Uncapped
Five percent (5%) discount on all individual commercially available instructor-led training classes at Esri facilities purchased outside this Agreement (Discount does not apply to Small Enterprise Training Package)	

* Maintenance is not provided for these items

** Additional sets of backup media may be purchased for a fee

Customer may accept this Agreement by signing and returning the whole Agreement with (i) the Quotation attached, (ii) a purchase order, or (iii) another document that matches the Quotation and references this Agreement ("**Ordering Document**"). **ADDITIONAL OR CONFLICTING TERMS IN CUSTOMER'S PURCHASE ORDER OR OTHER DOCUMENT WILL NOT APPLY, AND THE TERMS OF THIS AGREEMENT WILL GOVERN.** This Agreement is effective as of the date of Esri's receipt of an Ordering Document, unless otherwise agreed to by the parties ("**Effective Date**").

Term of Agreement: Three (3) years

This Agreement supersedes any previous agreements, proposals, presentations, understandings, and arrangements between the parties relating to the licensing of the Products. Except as provided in Article 4—Product Updates, no modifications can be made to this Agreement.

Accepted and Agreed:

(Customer)

By: _____
Authorized Signature

Printed Name: _____

Title: _____

Date: _____

CUSTOMER CONTACT INFORMATION

Contact: _____

Telephone: _____

Address: _____

Fax: _____

City, State, Postal Code: _____

E-mail: _____

Country: _____

Quotation Number (if applicable): _____

1.0—ADDITIONAL DEFINITIONS

In addition to the definitions provided in the Master Agreement, the following definitions apply to this Agreement:

"Case" means a failure of the Software or Online Services to operate according to the Documentation where such failure substantially impacts operational or functional performance.

"Deploy", "Deployed" and "Deployment" mean to redistribute and install the Products and related Authorization Codes within Customer's organization(s).

"Fee" means the fee set forth in the Quotation.

"Maintenance" means Tier 2 Support, Product updates, and Product patches provided to Customer during the Term of Agreement.

"Master Agreement" means the applicable master agreement for Esri Products incorporated by this reference that is (i) found at <http://www.esri.com/legal/software-license> and available in the installation process requiring acceptance by electronic acknowledgment or (ii) a signed Esri master agreement or license agreement that supersedes such electronically acknowledged master agreement.

"Product(s)" means the products identified in Table A—List of Products and any updates to the list Esri provides in writing.

"Quotation" means the offer letter and quotation provided separately to Customer.

"Technical Support" means the technical assistance for attempting resolution of a reported Case through error correction, patches, hot fixes, workarounds, replacement deliveries, or any other type of Product corrections or modifications.

"Tier 1 Help Desk" means Customer's point of contact(s) to provide all Tier 1 Support within Customer's organization(s).

"Tier 1 Support" means the Technical Support provided by the Tier 1 Help Desk.

"Tier 2 Support" means the Esri Technical Support provided to the Tier 1 Help Desk when a Case cannot be resolved through Tier 1 Support.

2.0—ADDITIONAL GRANT OF LICENSE

2.1 Grant of License. Subject to the terms and conditions of this Agreement, Esri grants to Customer a personal, nonexclusive, nontransferable license solely to use, copy, and Deploy quantities of the Products listed in Table A—List of Products for the Term of Agreement (i) for the applicable Fee and (ii) in accordance with the Master Agreement.

2.2 Consultant Access. Esri grants Customer the right to permit Customer's consultants or contractors to use the Products exclusively for Customer's benefit. Customer will be solely responsible for compliance by consultants and contractors with this Agreement and will ensure that the consultant or contractor discontinues use of Products upon completion of work for Customer. Access to or use of Products by consultants or contractors not exclusively for Customer's benefit is prohibited. Customer may not permit its consultants or contractors to install Software or Data on consultant, contractor, or third-party computers or remove Software or Data from Customer locations, except for the purpose of hosting the Software or Data on Contractor servers for the benefit of Customer.

3.0—TERM, TERMINATION, AND EXPIRATION

3.1 Term. This Agreement and all licenses hereunder will commence on the Effective Date and continue for the duration identified in the Term of Agreement, unless this Agreement is terminated earlier as provided herein. Customer is only authorized to use Products during the Term of Agreement. For an Agreement with a limited term, Esri does not grant Customer an indefinite or a perpetual license to Products.

3.2 No Use upon Agreement Expiration or Termination. All Product licenses, all Maintenance, and Esri User Conference registrations terminate upon expiration or termination of this Agreement.

3.3 Termination for a Material Breach. Either party may terminate this Agreement for a material breach by the other party. The breaching party will have thirty (30) days from the date of written notice to cure any material breach.

3.4 Termination for Lack of Funds. For an Agreement with government or government-owned entities, either party may terminate this Agreement before any subsequent year if

Customer is unable to secure funding through the legislative or governing body's approval process.

3.5 Follow-on Term. If the parties enter into another agreement substantially similar to this Agreement for an additional term, the effective date of the follow-on agreement will be the day after the expiration date of this Agreement.

4.0—PRODUCT UPDATES

4.1 Future Updates. Esri reserves the right to update the list of Products in Table A—List of Products by providing written notice to Customer. Customer may continue to use all Products that have been Deployed, but support and upgrades for deleted items may not be available. As new Products are incorporated into the standard program, they will be offered to Customer via written notice for incorporation into the Products schedule at no additional charge. Customer's use of new or updated Products requires Customer to adhere to applicable additional or revised terms and conditions in the Master Agreement.

4.2 Product Life Cycle. During the Term of Agreement, some Products may be retired or may no longer be available to Deploy in the identified quantities. Maintenance will be subject to the individual Product Life Cycle Support Status and Product Life Cycle Support Policy, which can be found at <http://support.esri.com/en/content/productlifecycles>. Updates for Products in the mature and retired phases may not be available. Customer may continue to use Products already Deployed, but Customer will not be able to Deploy retired Products.

5.0—MAINTENANCE

The Fee includes standard maintenance benefits during the Term of Agreement as specified in the most current applicable Esri Maintenance and Support Program document (found at <http://www.esri.com/legal>). At Esri's sole discretion, Esri may make patches, hot fixes, or updates available for download. No Software other than the defined Products will receive Maintenance. Customer may acquire maintenance for other Software outside this Agreement.

a. Tier 1 Support

1. Customer will provide Tier 1 Support through the Tier 1 Help Desk to all Customer's authorized users.
2. The Tier 1 Help Desk will be fully trained in the Products.
3. At a minimum, Tier 1 Support will include those activities that assist the user in resolving how-to and operational questions as well as questions on installation and troubleshooting procedures.
4. The Tier 1 Help Desk will be the initial point of contact for all questions and reporting of a Case. The Tier 1 Help Desk will obtain a full description of each reported Case and the system configuration from the user. This may include obtaining any customizations, code samples, or data involved in the Case.
5. If the Tier 1 Help Desk cannot resolve the Case, an authorized Tier 1 Help Desk individual may contact Tier 2 Support. The Tier 1 Help Desk will provide support in such a way as to minimize repeat calls and make solutions to problems available to Customer's organization.
6. Tier 1 Help Desk individuals are the only individuals authorized to contact Tier 2 Support. Customer may change the Tier 1 Help Desk individuals by written notice to Esri.

b. Tier 2 Support

1. Tier 2 Support will log the calls received from Tier 1 Help Desk.
2. Tier 2 Support will review all information collected by and received from the Tier 1 Help Desk including preliminary documented troubleshooting provided by the Tier 1 Help Desk when Tier 2 Support is required.
3. Tier 2 Support may request that Tier 1 Help Desk individuals provide verification of information, additional information, or answers to additional questions to supplement any preliminary information gathering or troubleshooting performed by Tier 1 Help Desk.
4. Tier 2 Support will attempt to resolve the Case submitted by Tier 1 Help Desk.

5. When the Case is resolved, Tier 2 Support will communicate the information to Tier 1 Help Desk, and Tier 1 Help Desk will disseminate the resolution to the user(s).

6.0—ENDORSEMENT AND PUBLICITY

This Agreement will not be construed or interpreted as an exclusive dealings agreement or Customer's endorsement of Products. Either party may publicize the existence of this Agreement.

7.0—ADMINISTRATIVE REQUIREMENTS

7.1 OEM Licenses. Under Esri's OEM or Solution OEM programs, OEM partners are authorized to embed or bundle portions of Esri products and services with their application or service. OEM partners' business model, licensing terms and conditions, and pricing are independent of this Agreement. Customer will not seek any discount from the OEM partner or Esri based on the availability of Products under this Agreement. Customer will not decouple Esri products or services from the OEM partners' application or service.

7.2 Annual Report of Deployments. At each anniversary date and ninety (90) calendar days prior to the expiration of this Agreement, Customer will provide Esri with a written report detailing all Deployments. Upon request, Customer will provide records sufficient to verify the accuracy of the annual report.

8.0—ORDERING, ADMINISTRATIVE PROCEDURES, DELIVERY, AND DEPLOYMENT

8.1 Orders, Delivery, and Deployment

- a. Upon the Effective Date, Esri will invoice Customer and provide Authorization Codes to activate the nondestructive copy protection program that enables Customer to download, operate, or allow access to the Products. If this is a multi-year Agreement, Esri may invoice the Fee before the annual anniversary date for each year.
- b. Undisputed invoices will be due and payable within thirty (30) calendar days from the date of invoice. Esri's federal ID number is 95-2775-732.

- c. If requested, Esri will ship backup media to the ship-to address identified on the Ordering Document, FOB Destination, with shipping charges prepaid. Customer acknowledges that should sales or use taxes become due as a result of any shipments of tangible media, Esri has a right to invoice and Customer will pay any such sales or use tax associated with the receipt of tangible media.

8.2 Order Requirements. Esri does not require Customer to issue a purchase order. Customer may submit a purchase order in accordance with its own process requirements, provided that if Customer issues a purchase order, Customer will submit its initial purchase order on the Effective Date. If this is a multi-year Agreement, Customer will submit subsequent purchase orders to Esri at least thirty (30) calendar days before the annual anniversary date for each year.

- a. All orders pertaining to this Agreement will be processed through Customer's centralized point of contact.
- b. The following information will be included in each Ordering Document:
 - (1) Customer name; Esri customer number, if known; and bill-to and ship-to addresses
 - (2) Order number
 - (3) Applicable annual payment due

9.0—MERGERS, ACQUISITIONS, OR DIVESTITURES

If Customer is a commercial entity, Customer will notify Esri in writing in the event of (i) a consolidation, merger, or reorganization of Customer with or into another corporation or entity; (ii) Customer's acquisition of another entity; or (iii) a transfer or sale of all or part of Customer's organization (subsections i, ii, and iii, collectively referred to as "**Ownership Change**"). There will be no decrease in Fee as a result of any Ownership Change.

- 9.1 If an Ownership Change increases the cumulative program count beyond the maximum level for this Agreement, Esri reserves the right to increase the Fee or terminate this Agreement and the parties will negotiate a new agreement.
- 9.2 If an Ownership Change results in transfer or sale of a portion of Customer's organization, that portion of Customer's organization will transfer

the Products to Customer or uninstall, remove, and destroy all copies of the Products.

9.3 This Agreement may not be assigned to a successor entity as a result of an Ownership Change unless approved by Esri in writing in advance. If the assignment to the new entity is not approved, Customer will require any successor entity to uninstall, remove, and destroy the Products. This Agreement will terminate upon such Ownership Change.



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: *5.b

Title:	Recommendation to approve Police Station Computer Network Equipment Procurement from Continental Resources, in the amount of \$47,011.37.
Presenters:	Steve Weishaar, Network Manager

Meeting: Government Operations Committee

Date: June 3, 2019

Proposed Cost: \$47,011.37

Budgeted Amount: \$47,011.37

Not Budgeted:

Executive Summary (if not budgeted please explain):

The City’s computer network is a digital communications system that enables the City’s personal computers, laptops, servers, and telephones to exchange information with each other and, if required, the Internet. As a result, the City’s computer network is essential to its business operations.

In order to provide computer services to support Police Department operations at the new Police Station, network equipment is required. To meet this need, Information Systems Department staff released a request for quote for the purchase of 25 wireless access points, six network switches and supporting technology. Six computer equipment vendors submitted bids to the City, and Continental Resources was the lowest bidder at \$47,011.37. Following is a summary of the bid tabulation:

Vendor	Total
Continental Resources	\$ 47,011.37
CDWG	\$ 69,999.08
GovConnection	\$ 73,622.55
SHI	\$ 74,503.73
Presidio	\$ 78,120.14
Orbis	\$ 93,044.80

In addition to providing network equipment for the new Police Station, this purchase is the first phase in the City’s FY 20 project to replace its core network infrastructure. As a result, later in the year additional network equipment will be purchased to support the computing environment at the Police Station, as well as at most City buildings.

Attachments (please list):

None

Recommendation/Suggested Action (briefly explain):

Recommend approval of network equipment procurement from Continental Resources, in the amount of \$47,011.37.



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 6.a

Title:

Recommendation to approve an Ordinance Authorizing the Disposal of Surplus Personal Property Owned by the City of St. Charles.

Presenter:

Fire Chief Joseph Schelstreet

Meeting: Government Operations Committee

Date: June 3, 2019

Proposed Cost: \$0

Budgeted Amount: \$0

Not Budgeted:

Executive Summary *(if not budgeted please explain):*

The Fire Department currently possesses a surplus 1997 Seagrave Fire Engine that was replaced in 2017. The Fire Engine was approved to be sold when the Council authorized the ordering of a replacement apparatus in November of 2015. For the last two years both the Fire Department and the Purchasing Office have worked to try and find a buyer. We have listed the vehicle on the City auction website and utilized two private vendors to no avail. At this time, the Fire Department would like permission to donate the apparatus to the Office of the State Fire Marshal through their program that assists departments in need. We have the proper contacts established however, when the apparatus was declared surplus, it was approved for sale and not for donation. We would like permission to donate the apparatus at this time.

Attachments *(please list):*

Proposed ordinance for the donation of a 1997 Seagrave apparatus.

Recommendation/Suggested Action *(briefly explain):*

Staff requests approval of the ordinance donating the surplus fire engine to the Office of the State Fire Marshal.

City of St. Charles, Illinois
Ordinance No. 2019-M

**Ordinance Authorizing the Disposal of Surplus Personal
Property Owned by the City Of St. Charles**

WHEREAS, the City of St. Charles is owner of certain personal property; and

WHEREAS, in the opinion of a simple majority of the Corporate authorities of the City of St. Charles, it is no longer necessary or useful to or for the best interest of the City of St. Charles to retain the personal property; and

WHEREAS, the City of St. Charles deems the personal property as surplus;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS AS FOLLOWS:

SECTION ONE: Pursuant to Illinois Compiled Statutes, 65ILCS 5/11-76-4, the City Council finds that the following personal property now owned by the City of St. Charles is no longer necessary or useful to the City of St. Charles and the best interests of the City of St. Charles will be served by declaring it surplus:

1 1997 Seagrave Fire Engine: Model JB50DF: VIN#1F9EV28J1VCST2003

SECTION TWO: Pursuant to said Section 65ILCS 5/11-76-4, the Purchasing Manager be, and he is hereby authorized and directed to dispose of the foregoing described personal property in a manner that is in the best interest of the City of St. Charles.

SECTION THREE: That after the adoption and approval hereof the Ordinance shall (i) be printed or published in book or pamphlet form, published by the authority of the Council, or (ii) within thirty (30) days after the adoption and approval hereof, be published in a newspaper published in and with a general circulation within the City of St. Charles.

PRESENTED to the City Council of the City of St. Charles, Illinois, this _____ day of _____ 2019.

PASSED by the City Council of the City of St. Charles, Illinois, this _____ day of _____ 2019.

APPROVED by the Mayor of the City of St. Charles, Illinois, this _____ day of _____ 2019.

Ordinance No. _____

Page 2

Raymond P. Rogina, Mayor

Attest:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:

APPROVED AS TO FORM:

City Attorney

Date: _____



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 7.a

Title:

Recommendation to approve the Amended City of St. Charles Corporate Funds Investment Policy

Presenter:

Colleen Lavery

Meeting: Government Operations Committee

Date: June 3, 2019

Proposed Cost: N/A

Budgeted Amount: N/A

Not Budgeted:

The City of St. Charles first implemented a Corporate Funds Investment Policy in December, 1999. The City’s investment policy describes the parameters for investing government funds and identifies the investment objectives, preferences or tolerance for risk, constraints on the investment portfolio, and how the investment program will be managed and monitored. The policy is applicable to the investment activities of all accounting funds of the City except for the St. Charles Police Pension Fund and the St. Charles Firefighters’ Pension Fund.

The investment policy is an important component of an investment program because it establishes guidelines and priorities which enhance the quality of decision making and demonstrates a commitment to the fiduciary care of public funds. One of the elements of the investment policy is that it be reviewed annually and updated when necessary to ensure compliance with state and local laws, regulations, and policies concerning the investment of public funds. In addition, the policy is evaluated to ensure that the City’s investment objectives are being met.

The most recent review resulted in several changes which can be summarized as follows:

1. Added *legal compliance* as a fifth objective and top priority of the investment program.
2. Edited the list of defined terms that are referenced throughout the document.
3. Expanded the safety and custody section by detailing the assets deemed acceptable for collateralization.
4. Identified the Illinois Investment Trust Pool as permissible Local Governmental Investment Pools.
5. Supplemented the investment parameters section to identify permissible investment types, maturity lengths and maximum holdings of an investment type.
6. Removed the attachments section of the document.

Formalizing the revisions made to the Corporate Funds Investment Policy is a housekeeping matter.

Attachments *(please list):*

Amended City of St. Charles Investment Policy

Recommendation/Suggested Action *(briefly explain):*

Recommendation to Council to approve the Amended City of St. Charles Investment Policy.

City of St. Charles

Corporate Funds Investment Policy

Applicability and Scope

This policy is applicable to those in the Finance Department that are involved in making investment decisions and to those managing the cash flow of funds. This policy includes all funds established by the City of St. Charles. The City will consolidate cash balances from all funds to maximize investment earnings whenever possible. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

Purpose

In order to ensure that the City of St. Charles maximizes its return on investments while meeting its investment objectives.

I. Objectives

- A. The primary objectives of investment activities, in order of priority, shall be legal compliance, safety, liquidity, yield, and diversification.
 1. *Legal Compliance* – Investments shall be undertaken in compliance with the applicable provisions of Illinois Compiled Statutes and in accordance with the provisions of this policy.
 2. *Safety and Risk Avoidance* – After ensuring the legality of an investment, the primary objective shall be to preserve investment principal. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. The objective will be to mitigate credit risk and interest rate risk.
 3. *Liquidity* - The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements.
 4. *Yield* - The City will seek to maximize its return on investments while remembering its primary objective is risk avoidance. The objective shall be to regularly exceed the average return for six-month treasury bills.
 5. *Diversification* - The City shall diversify its investments to avoid incurring unreasonable risks regarding specific security types and or individual financial institutions.

II. Definitions

- A. Collateralization - Securities pledged by an institution to cover deposits or investments of the City not covered by the Federal Deposit Insurance Corporation (FDIC) insurance limits (Currently \$250,000).
- B. Government Securities - Direct obligations of the US Treasury backed by the full faith and credit of the US Government or one of its agencies backed by the US Government.
- C. Certificates of Deposit - Obligations of a financial institution insured up to current FDIC insurance limits. \$. Jumbo CD's which are greater than current FDIC insurance limits must be collateralized or insured by a standard insuring agency..
- D. Local Governmental Investment Pool (LGIP) A pool of government investors and

depositors managed so as to attain a higher rate of return by pooling investments. Illinois Funds, the Illinois Investment Trust Pool, and the Illinois Metropolitan Investment Fund (IMET) are popular examples of local governmental investment pools (LGIP's).

- E. Commercial Paper - Direct obligations of US corporations.
- F. Delivery vs. Payment (DVP) - A method of buying a security which insures delivery of the security by not allowing payment without obtaining possession of the exact security instructed to be purchased.
- G. Book Entry - Most securities are not physical. They are "book entry" at the Federal Reserve, which means they are recorded but are not actually a "physical certificate."
- H. Third Party Safekeeping - A method of holding securities by a party other than the parties involved in the transaction so as to ensure the safety of the investments.
- I. Offer - This is the term used when one wants to "Buy" a security.
- J. Bid - Solicitation for the "sale" of a security.
- K. Long Bond - The 30 year Treasury bond that causes interest rates to fluctuate up or down depending on its price. The yield moves in the opposite direction of its price, therefore, if the price is up yields go down and if the price is down yields go up.
- L. Basis Point - .01 percent (.0001).
- M. Dollar Price - The decimal equivalent of the total dollar amount of an investment.
- N. Interfund Sale - The sale of an investment or portion thereof, from one fund to another based on the City's cumulative cash flow needs.
- O. Effective Interest - The method used to value investments based on amortizing the premium or discount of the investment.
- P. Book Value - The "value" of an investment based on the cost of the investment amortized to the current date.
- Q. Market Value - The "value" of an investment based on the price one would receive from the market if they were to sell the investment that day. The difference between book and market value would constitute an unrealized gain or loss.

III. Standards of Care

- A. At all times the individual maintaining the investments shall follow the "prudent person rule." This rule obligates the individual making investments to exercise the degree of 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. Investment officers 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 changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.
- B. In addition to the prohibitions contained in the Public Funds Investment Act, 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. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of St. Charles.

- C. Authority to manage the investment program is granted to the Director of Finance. Responsibility for the operation of the investment program is hereby delegated to the Director of Finance, who shall act in accordance with established written procedures and internal controls for the operation of the investment program established within this policy. No person may engage in an investment transaction except as provided under the terms of this policy and under the direction of the Director of Finance. The Director of Finance shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

IV. Safekeeping and Custody

- A. It shall be the policy of the City to require that funds on deposit in excess of FDIC limits, or investments not guaranteed by the United States of America or any agency of the United States of America be secured by some form of collateral. The City will accept any of the following assets as collateral:
 - 1. Negotiable obligations of the United States Government.
 - 2. Negotiable obligations including FHLB letters of credit of any agency or instrumentality of the United States Government guaranteed by the full faith and credit of the United States Government.
 - 3. Negotiable obligations of the State of Illinois, or of any county, city, town or municipal corporation of this State or any other political subdivision of this State which are rated A or better by Moody's or Standard and Poors rating thereof.
 - 4. Negotiable obligations of any State of the United States, or any municipal or other political subdivision thereof which are rated A or better by Moody's or Standard and Poors rating thereof.

The amount of collateral provided will not be less than 105% of the fair market value of the net amount of public funds secured. Pledged collateral will be held in third party safekeeping as evidenced by a safekeeping agreement. The City shall require monthly reports that include the market value of securities pledged in the City's name.

- B. The Director of Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits derived and (2) the valuation of costs and benefits require estimates and judgements by management. To assure compliance with such policies and procedures, the internal control structure shall be reviewed annually by an external auditor in conjunction with the annual examination of the financial statement of the City.
- C. All trades where applicable 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. Securities will be held by a third party custodian as evidenced by safekeeping receipts.
- D. The actual delivery of an investment depends on the settlement that is decided on at the time of the trade.
 - 1. Cash Settlement - trade settles the same day
 - 2. Regular Settlement (Reg) - trade settles the next banking day
 - 3. Corporate – trade settles 3 banking days later

4. New Issue – trade settles the day the issue is done – these trades can transact as much as one month before actual settlement

V. Suitable and Authorized Investments

- A. The City of St. Charles can invest in any type of security allowed by law as set out in the Illinois Compiled Statutes. However, the City chooses to impose some additional restrictions on derivative types of securities. The term derivative is a broad term and cannot be easily defined. Technically the term includes any security that derives its value from an underlying factor such as securities, currencies or interest rates. The City does allow investment in derivatives but not those that are considered "high risk". These high-risk securities include, but are not limited to, floating rate securities, interest only strips, principal only strips, forwards, futures, currency and interest rate swaps, options, and reverse repurchase agreements. Collateralized Mortgage Obligations (CMO's) are derivatives. The City does allow investment in CMO's, however, the maximum final maturity cannot go beyond 5 years, regardless of what the average life or duration is.
- B. The following investments are permitted:
 1. U.S. Government Securities including bonds, notes, bills, strips, and debentures backed by the full faith and credit of the US Government or its Agencies, which have a liquid market with a readily determinable value.
Short term (less than 360 days) discount obligations of the Federal National Mortgage Association.
Interest bearing time deposits that are fully insured or collateralized.
 2. Debt of states, municipalities, and their political subdivisions
 3. Illinois Funds Investment Pool, IMET, the Illinois Investment Trust Pool and other local government investment pools.
 4. Short term obligations of US corporations (commercial paper) with assets exceeding \$500,000,000 if (a) such obligations are rated at the time of purchase within the three highest classifications (such as A1P1, A2D2, A3P3) established by at least two standard rating services and which mature not later than 180 days from the date of purchase, (b) and no more than 25% of all funds are invested in such obligations at any time and (c) such purchases do not exceed 10% of the corporation's outstanding obligations.
 5. Money market mutual funds regulated by the Securities and Exchange Commission and as authorized under Illinois Compiled Statutes.

VI. Investment Parameters

- A. In order to reduce the risk of default City shall always have third party safekeeping of collateral. The investment portfolio shall be diversified in order to limit its exposure to market and credit risk. The following parameters shall be followed.
 1. U.S. Government Securities including bonds, notes, bills, strips, and debentures backed by the full faith and credit of the US Government or its Agencies, which have a liquid market with a readily determinable value shall be permitted in any amount. However, care should be taken to vary the investments in other ways such as differing securities, agency types, maturities etc. provided the diversification otherwise fits into the parameters of this policy.
 2. Commercial paper shall not exceed 25% of the of the investment portfolio.
 3. Investments to be used for purposes of trading for capital gain shall not exceed 9% of the portfolio.

4. Investments will have varied maturities.
 5. When investing in state or municipal securities, the City shall limit its investments so that no more than 10% of its investment portfolio shall be invested in one issuer.
 6. Investments in local governmental investment pools shall be permitted in any amount provided that the local governmental investment pool in question adheres to the same guidelines as the City's general investment policy.
 7. Investments in customized managed accounts offered by financial institutions and entities offering Local Governmental Investment Pools, provided such customized managed accounts are in accordance with the provisions of this policy and Illinois Compiled Statutes.
- B. To the extent possible, the City shall attempt to match investments with anticipated cash flow requirements. Unless matched to a specific cash flow or part of the 9% allowed for investing for capital gain, the City will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with State statutes. Reserve funds and other funds with longer-term horizons may be invested in securities exceeding five (5) years if the maturity of such investments is made to coincide as nearly practicable with the expected use of funds.
- C. A list of financial dealers and institutions authorized to provide investment services will be maintained.

VII. Reporting

- A. The Director of Finance or a designee shall prepare an investment report at least quarterly, including a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made. This summary will be prepared in a manner that will allow the entity to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be presented to the City Council and will include the following:
1. A listing of individual securities held at the end of the reporting period by maturity date.
 2. Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held to maturity (in accordance with GASB requirements).
 3. Average weighted yield to maturity of the portfolio as compared to applicable benchmarks.
 4. Percentage of the portfolio by investment type.
- B. The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. The City shall compare its return to the average return on the six-month Treasury bill and the average six-month certificate of deposit.
- C. The market value of the portfolio shall be calculated on an annual basis and a statement of the market value of the portfolio shall be issued. This will ensure the review of the investment portfolio in terms of value and price volatility. These reports will represent paper gains and losses only. It will be the City's policy to hold an investment until

maturity unless a sale is required to meet unanticipated expenses or would be beneficial to the City for the purpose of capital gain.

VIII. Policy Considerations

- A. Any investment purchased before the date of the implementation of this policy that is not within the parameters of this policy shall be exempted from the requirements of this policy and will be held to maturity or to the time that it is deemed appropriate to sell the investment. At that time such monies will be reinvested only as provided by this policy.
- B. This policy shall be reviewed on an annual basis. The Director of Finance must approve any changes and if deemed significant, then approval will be made by the City Council.
- C. In the event of any conflict between this policy and the Illinois Compiled Statutes or case decisions of the State of Illinois, then the statutes and case law shall control.

IX. Accounting for Investments

- A. All investments are recorded at Par. Amortization of the discount or premium is recorded using the effective interest method.
- B. Investments will be marked to market on an annual basis.
- C. Any gains or losses are recorded based on the amortized value of the investment.
- D. Interfund sales are allowed when a fund has a negative cash balance in excess of 45 days. Price will be based on book value at the time of the transfer.