

BREMEN TOWNSHIP TRUSTEES OF SCHOOLS SPECIAL MEETING

A Special Meeting of the Bremen Township Trustees of Schools, Township 36 North, Range 13 East, Cook County, Illinois held at the Office of the Trustees of Schools – 6109 West 175th Street, Tinley Park Illinois

MINUTES OF SEPTEMBER 19, 2011

Call Meeting to Order: 7:02 p.m. by Mr. Bertrand, President

Pledge of Allegiance

Roll Call

| | |
|-------------------------|--------------------|
| Joseph G. Bertrand, Jr. | President / Member |
| Michael T. Duggan | Member |
| Julienne W. Mallory | Secretary / Member |
| Joseph J. McDonnell | Treasurer / Clerk |

All Officers and Members present.

Approval of Minutes

- July 11, 2011 – Motion to approve minutes by Mr. Duggan – seconded by Ms. Mallory

Discussion:

- Ms. Mallory did not have the opportunity to review the minutes for accuracy prior to meeting because Treasurer / Clerk did not make the meeting recording available. When she was elected Secretary of the Board, Mr. McDonnell was asked to send recording and recording transcriptions of the meeting in a timely fashion. Mr. McDonnell stated that the past procedure, since he has been Treasurer, minutes were not reviewed by any Board member prior to the rest of the Board seeing the minutes. Ms. Mallory stated the role of the secretary is preparing /checking for accuracy not to embellish the facts.

Motion to table the minutes

Motion carried – Mr. Duggan – “No.” Mr. Bertrand and Ms. Mallory – “Ayes”

Discussion:

Mr. Bertrand instructed Mr. McDonnell to be given the opportunity to review the minutes and that this item to be added to the next meeting agenda. Mr. Duggan asked Ms. Mallory if she's asking to prepare the minutes instead of Mr. McDonnell. Mr. McDonnell asked if there is a procedural change for preparing the minutes. Mr. Bertrand stated as Board Secretary, Ms. Mallory should be given the opportunity to review the minutes and to make changes and relay these changes to Mr. McDonnell. If there is a not an agreement between Ms. Mallory and Mr. McDonnell regarding the minutes, then it should be brought to the Board. The minutes should reflect what is on the audio recording. Mr. McDonnell stated he will make this available before he goes on vacation.

Approval of J.P. Morgan Securities LLC Resolution for Corporate Authority Certificate and Trading Authorization for Brokerage Accounts

Presentation by Mr. McDonnell

A letter was received in August that J.P. Morgan Bank, which handles the safekeeping of all our investment securities thru our agreement with A.J. Smith Bank, will no longer provide safekeeping services through their banking operations and will be moving safekeeping services under their J.P. Morgan Securities LLC brokerage platform. Authorized depository resolution, previously approved by the Board, only list J.P. Morgan Chase Bank and does not include J.P. Morgan Securities LLC, which is their brokerage subsidiary. This resolution will allow for the movement of all our investments securities held in safekeeping from the banking platform to the brokerage platform. There are no fees. Since J.P. Morgan Securities LLC is not a bank, it does not fall under the authorized depository resolution, so we need a separate authorization to open the brokerage account and transfer our investment securities under the brokerage platform before the end of October.

A broker at First Tennessee Bank is used, but there is not a safekeeping account for holding securities.

Motion to approve the J.P. Morgan Securities LLC Resolution for Corporate Authority Certificate and Trading Authorization for Brokerage Accounts was made by Mr. Duggan – seconded by Ms. Mallory.

Motion carried – all “Ayes”

Executive Session

Motion to go into Executive Session for discussion and/or consideration of leasing property, exempt under Section 2(c)(6) of the Open Meetings Act, 5 ILCS 120/2(c)(6) and personnel, exempt under Section 2(c)(1) of the Open Meetings Act, 5 ILCS 120/2(C)(1) was made by Mr. Duggan – seconded by Ms. Mallory

Motion carried – all “Ayes”. Time: 7:15 p.m.

Called by into Open Session: 7:37 p.m. by Mr. Bertrand

Roll Call

| | |
|--------------------------------|---------------------------|
| Joseph G. Bertrand, Jr. | President / Member |
| Michael T. Duggan | Member |
| Julienne W. Mallory | Secretary / Member |
| Joseph J. McDonnell | Treasurer / Clerk |

All Officers and Members present.

Approval of Intergovernmental Exclusive Use Agreement with Bremen Community High School District #228

Motion to approve the Intergovernmental Exclusive Use Agreement with Bremen Community High School District #228 was made by Ms. Mallory – seconded by Mr. Duggan

Motion carried – all “Ayes.”

Treasurer’s Report

- **Bank Cash Balances / Statement of Expenditures along with investment details by type of investment and a detailed listing of all investments in the portfolio as of Jun 30, 2011 and as of July 31, 2011 (Preliminary) was presented to the Trustees. Preliminary reports are unaudited and auditors are in the process. The cash balances for the period ending June 30, 2011 – preliminary were just over \$123.8 million. The reports reviewed were presented orally including graphs of cash balances, interest earnings and monthly average yields. The Statement of Expenditures for the same period was under budget for the fiscal year, discussed during the budget meeting, July 11, 2011.**
- **The graph reflects the annualized average yield on the “pooled funds” portfolio versus various alternative types of investments over 1 through 5 year period. Interest rates are quite low over the past couple years and rates are projected to continue to be low through mid 2013. “Pooled funds” have continued to outperform these alternative types of investments, even under the low interest rate. The rate of over the past year was 1.30% compared to the Illinois School District Liquid Asset Fund (ISDLAF) which**

was 0.02% and the three year average of 0.04% (in terms of dollars, excess earnings over the ISDLAF of more than \$1.5 million. Over the 5 year period the rate of return on the funds was about 3.50%, which exceeded the ISDLAF by 2.00% (excess earnings of almost \$5 million).

- This information will be included in the Annual Investment Report he prepares and presents to all the School Districts on an annual basis. Treasurer is the only one who determines the investments in the pooled funds. The funds are pooled similar to a mutual fund. The First Midwest Bank and the MB Financial Bank are pooled funds, but they are deposit accounts used by the School Districts.
- Cash balances for the period ending July 31, 2011 were \$118.0 million. The large decrease was primarily due to some School Districts have summer payouts for teachers.
- Statement of Expenditures for July 31, 2011 for attorney fees paid to Scariano, Himes and Petrarca, Chtd. was returned and the report reflects expenditures as of July 31, 2010.
- The cash balances by investment type that are marked "call" are government agency investments that were purchased with a callable feature and may be called on that particular date listed on the report. There is usually a quarterly callable feature, so that if the bond does not get called on that particular date, then it moves to the next quarter. Callable agency investments provide an interest rate spread to other non-callable agency securities because of the call feature.

Motion to accept the Treasurer's reports as presented was made by Mr. Duggan – seconded by Ms. Mallory

Motion carried – all "Ayes".

District Communication

- Mr. McDonnell had a meeting with all the School district Business Managers regarding the software conversion. A training schedule was provided to all the Business Managers for them to take back to their district office. Training will start the end of November and proceed through the start of conversion effective July 1, 2012. The goal is to be ahead of schedule and have everyone trained and converted to the new software for processing the June 2012 payrolls.

Old Business

- At the last meeting there was some discussion about written performance evaluations and that the Board does not have a policy regarding written performance evaluations. Mr. McDonnell does performance evaluations by meeting with each staff member and verbally discuss their evaluation, salary increase, etc., but does not use a formal written document. The Board would like to change that policy to a more effective formal evaluation. Treasurer will put together a recommended formal performance evaluation policy for the office staff and present to the Trustees for approval. The Trustees are working on an evaluation for the Treasurer.
- The Board needs to put together a policy that allows the Trustees to review the budget before it is on the agenda for approval. The Board needs to have a better timeframe for approving the budget. Mr. Bertrand will meet with Mr. McDonnell to go over those requirements for a policy and present it to the Trustees.

New Business

- Mr. McDonnell will provide the Trustees with a listing of all our School District Superintendents and Business Managers, along with their contact information.

Motion to open the floor to recognition to the public was made by Mr. Duggan – seconded by Ms. Mallory

Motion carried – all “Ayes”.

- Ms. Debi Stearns, Board Member from School District #228: *I previously asked if you ever considered the districts input in the respect to the treasurer’s evaluation, I believe you should inquire as to the districts’ opinion.*
 - That is why a listing of the Superintendents and Business Managers request was made.
- Ms. Evelyn Gleason, Board Member from School district #228: Regarding the budget, School District #228 adopts a tentative budget in May, which is basically the prior year’s budget, so the district a has something to operate under. In July a preliminary budget is approved. We will not adopt a final budget until the Board meeting tomorrow, September 20th. Until the numbers are provided by the State of Illinois, you don’t know what state you’re in. If the Trustees are going to make a policy that approves a formal budget before July 1st, you may have a hard time meeting that deadline. To approve a tentative budget will allow the Treasurer’s Office to continue to operate.
 - In agreement with Ms. Gleason, the concern is that the Trustees were not given a tentative budget, but they were given a final budget. The Trustees do not want to have a situation again where there is a possibility the Treasurer’s

Office will shut down, teachers cannot be paid because the Trustees did not pass a budget that's presented to them that night without review. That is why the Trustees are looking at the process and policy of the Board. If the Trustees were given the opportunity to review the budget, have an understanding of all the line items prior, we would be able to act. However, the Trustees were given the document 3 days to review before meeting and expected to come into the meeting and pass it. Thank you for your valuable advice.

Motion to close the floor to communications from the public was made by Mr. Duggan – seconded by Ms. Mallory

Motion carried – all “Ayes”.

There being no further business before the board, a motion to adjourn was made by Mr. Bertrand – seconded by Mr. Duggan

Motion carried – all “Ayes”.

Adjournment: 8:05 p.m.



Joseph G. Bertrand, Jr., President



Julienne W. Mallory, Secretary

**Corporate
Authority Certificate and Trading Authorization
For Brokerage Accounts
(For use by Corporations Only)**

- Complete all sections, sign and return.

Account Number(s)

Account Title:

Advisor (if applicable):

Bremen Township School Treasurer

I, Joseph G. Bertrand, Jr., being the President of Bremen Twsp. Trustees of Schools a corporation duly organized and validly existing under the laws of Illinois, and having its chief executive office or its only place of business at 6109 W. 175th Street, Tinley Park, Illinois 60477 (the "Corporation"), in the name and on behalf of the Corporation, hereby:

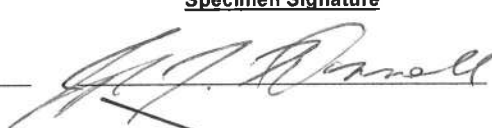
- (a) represent, and warrant that I am a duly authorized representative of the Corporation and am authorized to execute this Certificate on behalf of the Corporation;
- (b) certify that below is a true, complete and correct copy of the resolutions¹ (the "Resolutions") duly adopted by the Board of Directors of the Corporation as of 09/19/2011, which resolutions have not been amended, modified, revoked or rescinded since their adoption to and including the date hereof;

RESOLVED, that Bremen Twsp. Trustees of Schools (the "Corporation") is hereby authorized and directed to establish and maintain one or more accounts, including margin accounts (if the Corporation is authorized to open a margin account, the Corporation has checked the box at the end of the Certificate), (each, an "Account"), and to engage in any of the transactions hereinafter described, in each case, with or through J.P. Morgan Securities LLC, J.P. Morgan Clearing Corp., J.P. Morgan Markets Limited and/or any of their now or hereafter existing affiliated entities (collectively, "JP Morgan"), through an Account or otherwise, with JP Morgan acting as principal or agent in such transactions;

RESOLVED, that the Corporation is hereby authorized and empowered to purchase (including on a forward or when-issued basis or on margin) hold, finance, pledge, exercise, convert, tender, redeem, exchange, transfer, assign, sell (including on a short, when-issued or forward basis), enter into, write, issue, terminate, amend and otherwise deal and trade, singly or in combination, in the following: any and all forms of securities, evidences of interest, participation, or indebtedness, instruments of any issuer (whether publicly registered or exempt from registration) transactions and investments, including, but not limited to common or preferred stock, scrip, warrants and rights; bills, notes, bonds or debentures of any coupon, (including "zero coupon" or maturity; certificates of deposit, bank notes or deposit notes; commercial paper, money market instruments; listed and/or over-the-counter options, commodities, commodity futures, options on futures (including single stock futures contracts and other securities futures products), transactions in foreign currencies; limited partnership interests and other interests in hedge funds, buyout funds, real estate investment trusts, venture capital funds, private equity funds and private equity investment vehicles; whole mortgage loans, any and all interests and participations in mortgage loans, mortgage-backed and asset backed securities; any kind of derivative investment, including interest rate, currency, credit, equity or other swap transactions; repurchase and reverse* repurchase transactions, buy/forward sale transactions, dollar rolls, secured lending transactions and any instrument or interest generally regarded as an investment or hedge, secured or unsecured, or any transaction, that is similar to any of those described above (including an option with respect to any of them) (each of the foregoing, an "Activity");

RESOLVED, that each of the directors, officers, employees and agents of the Corporation listed below ("each, an Authorized Person") is hereby individually authorized for and on behalf of the Corporation by oral, written, electronic or other means to: (1) give to and receive from JP Morgan oral, written or electronic instructions, confirmations, notices or demands with respect to any Account, Activity or transaction; (2) bind the Corporation to enter into and perform any transaction or agreement, amendment or modification thereof, relating to any Account, Activity or transaction involving the Corporation; (3) lend or borrow money or securities and secure the repayment thereof with the property of the Corporation; (4) pay in cash or by check or by credit or debit card or draft drawn upon the funds of the Corporation any sums required to be paid in connection with any Account, Activity or transaction; (5) order the transfer of record of any securities, funds or other property to any name and to accept delivery of any securities, funds or other property; (6) direct the sale or exercise of any rights with respect to any securities or other property; (7) agree to any terms or conditions or execute or otherwise assent to any document or agreement affecting any Account, Activity or transaction; (8) endorse any securities or other property in order to pass title thereto (or any interest therein); (9) direct JP Morgan to surrender any securities or other property for the purpose of effecting any exchange or conversion thereof; (10) appoint any other person or persons to do any and all things which such director, officer, employee or agent of the Corporation is hereby empowered to do; and (11) generally, take all such action as such director, officer, employee or agent of the Corporation may deem necessary or desirable to implement or facilitate the trading activities described herein;

AUTHORIZED PERSONS

| <u>Name of Director, Officer or Employee of Corporation or Agent</u> | <u>Title / Position</u> | <u>Specimen Signature</u> |
|--|-------------------------|--|
| Joseph J. McDonnell | School Treasurer |  |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

¹ Please ensure that the resolutions set forth in the certificate are identical to the resolutions adopted by the Corporation.

* Unless representation (d) below provides to the contrary.

RESOLVED, that each of the Authorized Persons listed above is hereby individually authorized, for and on behalf of the Corporation, to execute or otherwise assent to or enter into on behalf of the Corporation all agreements, confirmations, releases, assignments, powers of attorney or other documents in connection with any Account, Activity or transaction, including without limitation, to execute and deliver instructions to JP Morgan to receive or deliver funds or securities, whether free or versus payment, or trade or non-trade related (including to any Authorized Persons);

RESOLVED, that notwithstanding the foregoing resolutions, any person with actual or apparent authority is authorized and empowered by the Corporation to undertake any Activity;

RESOLVED, that all actions previously taken by any director, officer, employee, Authorized Person or agent of the Corporation in connection with or related to the matters set forth in or reasonably contemplated or implied by the foregoing resolutions be, and each of them hereby is, adopted, ratified, confirmed and approved in all respects as the acts and deeds of the Corporation;

RESOLVED, that, JP Morgan may rely on the certifications, representations, warranties, and agreements contained in this Certificate until the close of business on the second business day after JP Morgan receives written notice of the modification or revocation thereof at its offices at NY1-H047, Three MetroTech Center, Brooklyn, New York 11245-0001 marked to the attention of: (i) Global Clearing Services-New Accounts (if the Corporation's account is maintained by the Global Clearing Services Department and the Corporation engages in equities/prime brokerage), (ii) Fixed Income Clearing Services Managing Director (if the Corporation's account is maintained by the Global Clearing Services Department and the Corporation engages in fixed income trading) and (iii) Documentation Department (if the Corporation's account is maintained by the Private Client Services Department or any other JP Morgan department) or any other address that has been provided by JP Morgan specifically for such purpose and in each case with a copy to the Corporation's account executive or relationship manager(s) at JP Morgan, provided, that JP Morgan may rely on such certifications, representations, warranties, covenants and agreements with respect to any transaction entered into prior to the effectiveness of such modification or revocation;

RESOLVED, that, JP Morgan, their successors and assigns and their respective affiliates, directors, officers, agents and employees (the "Released Parties") are hereby released and forever discharged from, and against, any and all liabilities, responsibilities, obligations, claims, costs, damages, expenses (including attorneys' fees and expenses), penalties judgments or awards incurred or suffered by the Released Parties in connection with their reliance on this Certificate; the Corporation acknowledges that the release and discharge set forth herein are in addition to, and in no way limit or restrict, any rights which any of the Released Parties may have under any other agreement(s) between the Corporation and any of the Released Parties or under any federal or state statutes, laws, rules or regulations; and agree that this release and discharge shall survive the revocation of this Certificate with respect to transactions entered into prior to the effectiveness of such revocation;

(c) represent and warrant that the Corporation **[check the correct statement or cross out the incorrect statement]**

has more than one officer, director or employee

(i) has only one officer, director and employee and that person is the sole beneficial owner of the Corporation, and
(ii) the Corporation has provided evidence of such sole ownership to JP Morgan (attached hereto);

(d) represent and warrant that the Resolutions **[check the correct statement or cross out the incorrect statement]**

authorize the Corporation to engage in margin transactions credited or debited to an account at JP Morgan

do not authorize the Corporation to engage in margin transactions credited or debited to an account at JP Morgan; and

(e) represent and warrant that the Resolutions **[check the correct statement or cross out the incorrect statement]**

authorize each Authorized Person to order the trade and non-trade related free delivery of funds and securities to themselves and third parties.

do not authorize each Authorized Person to order the trade and non-trade related free delivery of funds and securities to themselves and third parties.

IN WITNESS WHEREOF the Corporation, through the undersigned, has executed this Certificate and affixed the seal of the Corporation as of the 19 day of SEPT., 2011.

BY*:

Signature _____
Joseph G. Bertrand, Jr. President
(Typed or Printed Name) (Title)

[CORPORATE SEAL]

Mark here if a corporate seal has not been adopted by the Corporation and is not required in the applicable jurisdiction.

*** This Certificate must be executed by a person or entity duly authorized by the Corporation to do so. The person executing this Certificate shall not be one of the persons authorized to act for the Corporation pursuant to the Resolutions referred to in clause (b) above unless (i) the Corporation has provided evidence that the Corporation has only one officer, director or employee or (ii) the cross certification appearing below is completed.**

Cross Certification**

I, _____, the undersigned _____ of the Corporation hereby affirm and ratify each of the certifications, representations, warranties, covenants, and agreements contained in this Certificate.

IN WITNESS WHEREOF the Corporation, through the undersigned, has executed this Certificate as of the _____ day of _____, _____.

By: _____

****The Cross-Certification should be completed by a person authorized to act for the Corporation pursuant to the Resolutions set forth in this Certificate.**

** Unless representation (e) below provides to the contrary.

INTERGOVERNMENTAL EXCLUSIVE USE AGREEMENT

AGREEMENT made this 20th day of September, 2011, between the BOARD OF EDUCATION OF BREMEN COMMUNITY HIGH SCHOOL DISTRICT NO. 228 Cook County, Illinois, a body politic and corporate (hereinafter referred to as the "SCHOOL DISTRICT"), and the TRUSTEES OF SCHOOLS, TOWNSHIP 36 NORTH, RANGE 12 EAST, COOK COUNTY, Illinois (hereinafter referred to as the "TRUSTEES").

WITNESSETH

WHEREAS, SCHOOL DISTRICT is the owner of Tinley Park High School (the "Premises");
and

WHEREAS, SCHOOL DISTRICT and TRUSTEES have the authority pursuant to Article VII, Section 10 of the Illinois Constitution of 1970 and the Intergovernmental Cooperation Act (Ill. Rev. Stat. 1989, chg. 137, parts. 741et seq.) to enter into suitable intergovernmental agreements for any purpose which services the interest of the community upon such terms and conditions as may be agreed by the parties when in the opinion of the SCHOOL DISTRICT and TRUSTEES, the best interests of the residents of the districts will be enhanced by entering into such agreements; and WHEREAS, the SCHOOL DISTRICT and TRUSTEES have determined that the best interests of the residents of the districts will be enhanced by entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, it is agreed by the parties hereto as follows:

1. **PREMISES** - SCHOOL DISTRICT shall lease to TRUSTEES; 1855 square feet of office space and 207 square feet of storage space at Tinley Park High School (the common area previously known as the metal shop). This space may only be used for office and storage space.

2. **TERM** – TRUSTEES use of the premises shall commence on the 1st day of July 2011 and shall continue until the last day of June 2016. This Agreement may also be terminated by: (a) Mutual agreement of the parties; or (b) Ninety (90) days notice by either party that they intend to terminate this Agreement. Notice shall be made in writing and shall become effective by personal service to the party or on the day of mailing thereof by certified mail, postage prepaid, addressed:

If to the Trustees of Schools, to:

Bremen Township Trustees of Schools and Treasurer's Office
6109 W. 175th Street
Tinley Park, IL 60477

If to the Board of Education, to:

Board of Education
Bremen Community High School District #228
15233 S. Pulaski
Midlothian, IL 60445

3. RENT - TRUSTEES shall pay monthly rent as follows:

| <u>Period</u> | <u>Monthly Rent</u> | <u>Annual Equivalent</u> |
|---------------------|---------------------|--------------------------|
| 07/01/11 to 6/30/12 | \$1,635.00 | \$19,620.00 |
| 07/01/12 to 6/30/13 | \$1,675.00 | \$20,100.00 |
| 07/01/13 to 6/30/14 | \$1,710.00 | \$20,520.00 |
| 07/01/14 to 6/30/15 | \$1,750.00 | \$21,000.00 |
| 07/01/15 to 6/30/16 | \$1,785.00 | \$21,420.00 |

4. UTILITIES - SCHOOL DISTRICT shall be responsible for the cost of utilities necessary to provide electricity, heating, cooling and ventilation.

5. INSURANCE - TRUSTEES agree to maintain public liability insurance which includes SCHOOL DISTRICT, its Board Members, Agents, Officers, and Employees as additional named insured in the amount not less than \$1,000,000.00 for each accident or occurrence. Coverage provided to SCHOOL DISTRICT as additional insured shall extend to liability arising out of the ownership, maintenance or use of that portion of SCHOOL DISTRICT with a certificate of insurance showing the required coverage to be effective prior to the effective date of lease. TRUSTEES' insurance policy must also provide for at least thirty (30) days prior written notice to SCHOOL DISTRICT of cancellation.

6. MISCELLANEOUS - TRUSTEES will follow all emergency drills, etc, required by SCHOOL DISTRICT.

SCHOOL DISTRICT shall provide limited cleaning services to TRUSTEES once a week for the term of the lease.

SCHOOL DISTRICT will provide six individually reserved parking spaces for TRUSTEES.

Any lease held improvements shall become the property of the SCHOOL DISTRICT.

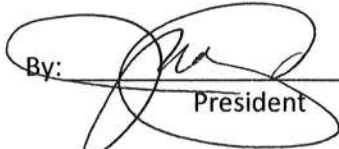
TRUSTEES may install signage on the exterior of the premises.

TRUSTEES may install phone/data lines. The installation and monthly rental costs will be the responsibility of TRUSTEES.

This agreement constitutes the complete agreement between the SCHOOL DISTRICT and TRUSTEES and may be amended or supplemented only by a further written document approved and signed by both parties.

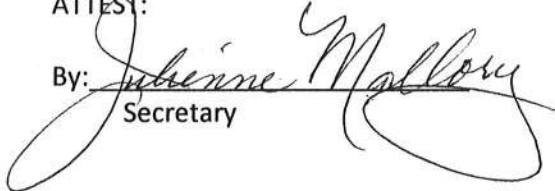
IN WITNESS WHEREOF, SCHOOL DISTRICT and TRUSTEES have executed this lease the day and year first above written.

TRUSTEES OF SCHOOLS,
TOWNSHIP 36 NORTH,
RANGE 13 EAST,
COOK COUNTY, ILLINOIS

By: 

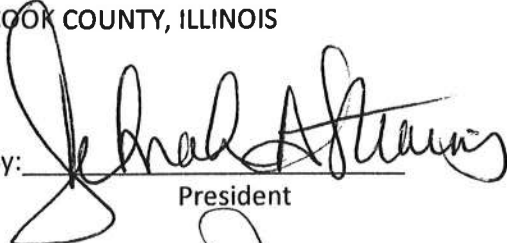
President

ATTEST:

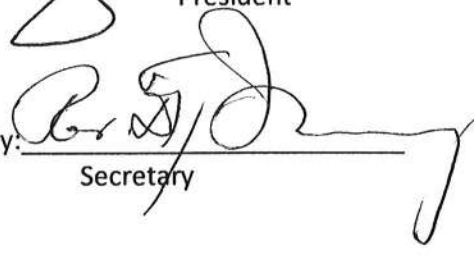
By: 

Secretary

BOARD OF EDUCATION, BREMEN
COMMUNITY HIGH SCHOOL
DISTRICT NO. 228
COOK COUNTY, ILLINOIS

By: 

President

By: 

Secretary