



Chicago Park District

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Title: ADOPTION OF AN ORDINANCE DESIGNATING CERTAIN FINANCIAL INSTITUTIONS AS LEGAL DEPOSITORIES

Sponsors: Chief Financial Officer, Treasurer

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ADOPTION OF AN ORDINANCE DESIGNATING CERTAIN FINANCIAL INSTITUTIONS AS LEGAL DEPOSITORIES

To the Honorable Board of Commissioners of the Chicago Park District

I. Recommendation

It is recommended that the Board of Commissioners (the "Board") adopt an ordinance designating certain financial institutions as legal depositories for funds of the Chicago Park District (the "District").

II. Financial Institution Depositories

Amalgamated Bank of Chicago
Associated Bank
BMO Harris Bank N.A.
Citibank N.A.
Huntington National Bank
Illinois Service Federal Savings & Loan Association of Chicago
JPMorgan Chase Bank, National Association
MB Financial, Inc.
MUFG Union Bank, N.A.
PNC Bank National Association
U.S. Bank National Association

II. Local Government Investment Pool Depository

The Illinois Funds

III. Trustees, Bond Registrar and Paying Agents and Escrow Agents

Amalgamated Bank of Chicago

The Bank of New York Mellon Trust Company, N.A.
U.S. Bank National Association
ZB, National Association dba Zions Bank

V. Explanation

The deposit of public funds held by the District is governed by the Public Funds Deposit Act, 30 ILCS 225/0.01, *et seq.*, the Public Funds Investment Act, 30 ILCS 235/0.01 *et seq.*, the Code of the Chicago Park District, and the Investment Policy of the District as adopted by the Board of Commissioners. The Code of the Chicago Park District establishes that the Board of Commissioners shall designate the financial institutions that may be used as depositories for District funds.

All monies in the custody of the Treasurer belonging to the District shall be kept in selected depositories. The allocation of monies to specific financial institution(s) shall be determined by the Treasurer based on the following factors: (1) that each financial institution (s) certifies and stipulates that it meets the District's depository requirements:

- a. the institution is federally insured or invests strictly in securities which have the full faith and credit of U.S. Government;
- b. that the District's deposits do not exceed 50% of the institution's capital stock or net worth;
- c. the institution is insured by the Deposit Insurance Fund of the Federal Deposit Insurance Corporation (the "FDIC");
- d. that the institution has a "Satisfactory" or "Outstanding" Community Reinvestment Act rating;
- e. the institution has a total capitalization of at least \$10,000,000.00;
- f. The institution has a FDIC Capital Classification of "Well Capitalized" or "Adequately Capitalized."
- g. If the institution invests in any short-term obligations (commercial paper) for the District, they are of only U.S. Corporations with assets over \$500,000.00 (five hundred thousand dollars) provided that: (1) these obligations are rated in the three highest classifications established by at least two standard rating services and mature not later than 180 days from the purchase date, and (2) these purchases do not exceed 5% of the corporation's outstanding obligations.

(2) compliance with state statute and the District's Investment Policy and (3) review, research and perform ongoing analysis and due diligence on the financial condition of each of the respective financial institutions.

The depositories have been chosen based upon the following determinations: (1) a prior history of usage by the District; and/or previous Board approval of certain depositories in relation to bond transactions and (2) a review of the City of Chicago's approved legal depositories ordinance. Similarly, the local government investment pool depository and the trustees, bond registrar and paying agent and escrow agent have been chosen based upon meeting the foregoing requirements (2) and (3) and a prior history of usage by the District and/or previous Board approval in relation to bond transactions and/or investment of District funds.

The respective designation of the aforementioned financial institutions as legal depositories, trustees, bond registrar and paying agent and escrow agents or a local government investment pool shall remain in full force and effect until a subsequent ordinance in which comparable designations of legal depositories shall be made and approved and adopted by the Board.

VI. General Conditions

1) *Conflicts*: Any agreements with designated depositories shall not be legally binding on the District if entered into in violation of the provisions of the Public Officer Prohibited Activities Act, 50 ILCS 105/0.01, *et seq.*

2) *Ethics*: The Chicago Park District's Ethics Code, Chapter III of the Code of the Chicago Park District, shall be incorporated into and made part of the agreements with designated depositories.