

Susan Gehlbach

From: kschmidt@cityoflincoln-il.gov
Sent: Monday, January 13, 2014 3:05 PM
To: Kathy Schmidt
Subject: COW Meeting Agenda and attachments

Attachments: Enterprise Zone Amendment Ord 011414.docx; Investment Policy 121613.docx;
Work_Order_14 Remaining Sewer Inventory.pdf



Enterprise Zone Amendment Ord ... Investment Policy 121613.docx ... Work_Order_14 Remaining Sewer ...
AGENDA

CITY OF LINCOLN
REGULAR COMMITTEE OF THE WHOLE MEETING
January 14, 2014
7:00 P.M.

1. Call to Order
2. Enterprise Zone Revisions
3. Draft Investment Policy
4. Prairie Engineers Work #14 - Sewer Inventory for LTCP
5. Madison St sewer lining bid request
6. Fire Inspector replacement
7. Other discussion
8. Executive Session
9. Adjournment
10. Upcoming Meetings:
Council: Tuesday, January 21, 2014 7:00pm Committee of Whole: Tuesday, January 28, 2014 7:00pm

**CITY OF LINCOLN
ORDINANCE NO. _____**

**AN ORDINANCE AMENDING ORDINANCES WHICH ESTABLISHED AN
ENTERPRISE ZONE ENCOMPASSING CONTIGUOUS PORTIONS OF THE CITY OF
LINCOLN, THE COUNTY OF LOGAN, THE COUNTY OF SANGAMON, THE COUNTY OF DEWITT,
THE VILLAGE OF ELKHART, THE VILLAGE OF HARTSBURG, THE CITY OF ATLANTA AND
THE VILLAGE OF NEW HOLLAND (AND ALL AMENDATORY ORDINANCES THERETO)**

WHEREAS, The City of Lincoln adopted Ordinance No. 219 on December 23, 1986 (“Ordinance No. 219”) and Ordinance No. 222 on February 17, 1987 (“Ordinance No. 222”), establishing and designating an Enterprise Zone in conjunction with the County of Logan, Illinois (the “Enterprise Zone”) pursuant to the Illinois Enterprise Zone Act (“the Act”), Chapter 20, Sec. 655/1 et. seq., Ill. Compiled Statutes, (20 ILCS 655/1 et seq.). Such Enterprise Zone was thereafter certified as an “enterprise zone” by the State of Illinois;

WHEREAS, the City of Lincoln has subsequently adopted amendatory ordinances relative to the Enterprise Zone, which amendments *inter alia*, expanded and deleted the territory of the Enterprise Zone, extended the initial termination date of the Enterprise Zone, and added the following governmental units to the Enterprise Zone; the County of Sangamon, the Village of Elkhart, the County of DeWitt, the Village of Hartsburg, the City of Atlanta, and the Village of New Holland, as such amendment was thereafter certified by the State of Illinois, and the following Ordinances, all providing for modifications of the Enterprise Zone Ordinance, as originally enacted, Ordinance No. 252, Ordinance No. 267, Ordinance No. 299, Ordinance No. 359, Ordinance No. 461, Ordinance No. 481, Ordinance No. 484, Ordinance No. 488, Ordinance No. 501, Ordinance No. 503, Ordinance No. 514, Ordinance No. 527, Ordinance No. 544, Ordinance No. 549, Ordinance No. 559, Ordinance No. 591, Ordinance No. 599, Ordinance No. 602, Ordinance No. 618, Ordinance No. 675, Ordinance 678, Ordinance 689, Ordinance 696, and Ordinance ____ and any other ordinances of the City of Lincoln regarding the Enterprise Zone, being herein collectively referred to as, the “Enterprise Zone Ordinance”;

WHEREAS, on February 17, 1987 and on December 16, 1986, respectively, the City of Lincoln and the County of Logan executed that certain Enterprise Zone Intergovernmental Agreement, that was subsequently amended from time to time to include the County of Sangamon, Illinois, the Village of Elkhart, Illinois, the County of DeWitt, Illinois, the Village of Hartsburg, Illinois, the City of Atlanta, Illinois, and the Village of New Holland, Illinois, all of which are referred to as “Intergovernmental Agreement”;

WHEREAS, the Enterprise Zone now encompasses approximately 11.16 square miles and the Act allows the zone to encompass up to 15 square miles;

WHEREAS, it has been determined that additional territory within the incorporated areas of the City of Atlanta, Illinois, all contiguous to the existing Enterprise Zone and totaling up to 0.03 square miles would be benefited by being within the boundaries of said Enterprise Zone, and it would be in the best interests of the citizens of the City of Lincoln, Illinois, that said additional territory be included in the Enterprise Zone;

WHEREAS, the City of Lincoln now desires to enact a certain amendment to the Enterprise Zone;

WHEREAS, Central Illinois Ag, Inc. (“The Company”) desires to be included in the zone and will make capital improvements commencing in 2014 to be included in the Enterprise Zone;

WHEREAS, a public hearing regarding such amendments has been held as provided by the Act.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LINCOLN, ILLINOIS AS FOLLOWS:

SECTION ONE: The Enterprise Zone Ordinance is hereby amended to add additional territory in the City of Atlanta and unincorporated Logan County to include and incorporate therein the property legally described on Exhibit A as “Territory Added,” all of which is attached hereto and made a part hereof by reference (and which is further depicted in the map attached hereto as Exhibit B and which is made part hereof by this reference) (the “Amended Territory”); and that the “Territory Added” is hereby designated part of the Enterprise Zone pursuant to and in accordance with the Act;

SECTION TWO: That the Mayor of the City of Lincoln shall have, and is hereby granted, the authority to execute that certain Amendment to Enterprise Zone Intergovernmental Agreement Between the County of Logan, the City of Lincoln, the County of Sangamon, the Village of Elkhart, the County of DeWitt, the Village of Hartsburg, the City of Atlanta, and the Village of New Holland, a copy of which is attached hereto as Exhibit C.

SECTION THREE: That, except to the extent amended hereby, all provisions, agreements, stipulations, rights, obligations and duties set forth in the Enterprise Zone Ordinance, as previously amended shall remain in full force and effect. Any ordinance or parts of any ordinance in conflict herewith are hereby repealed. In confirmation and furtherance thereof, in the event of any conflict or inconsistency between the terms and provisions of this Ordinance and the Enterprise Zone Ordinance (without giving effect to this Amendment), the terms and provisions of this Ordinance shall govern and control and the conflicting and inconsistent terms and provisions of the Enterprise Zone Ordinance (without giving effect to this Amendment) shall no longer have any force or effect.

SECTION FOUR: That this Ordinance shall be in full force and effect from and after its passage and approval and publication as required by law, and from and after its approval by the Illinois Department of Commerce and Economic Opportunity.

SECTION FIVE: That this Ordinance, and every provision hereof, shall be considered separable, and the invalidity of any portion of this Ordinance shall not affect the validity of the remainder.

SECTION SIX: That the City Clerk is hereby directed and authorized to publish this Ordinance in pamphlet form as required by law and forward a certified copy of this Ordinance with the County Clerk for the County of Logan, the County Clerk for the County of Sangamon, the Village Clerk for the Village of Elkhart, the County Clerk for the County of DeWitt, the Village Clerk for the Village of Hartsburg, the City Clerk for the City of Atlanta and the Village Clerk for the Village of New Holland.

SECTION SEVEN: That the Zone Administrator is hereby authorized and directed to cause an application to be submitted to the State of Illinois pursuant to the Act in relation to the amendments contained in this Ordinance.

AYES: _____ NAYS: _____ ABSENT: _____

PASSED AND APPROVED this _____ day of _____, 2014

KEITH SNYDER, MAYOR,
CITY OF LINCOLN

SUSAN GEHLBACH, CITY CLERK,
CITY OF LINCOLN

Published in pamphlet form by authority of the Council of the City of Lincoln, the County of Logan, Illinois this _____ day of _____ A. D. 2014.

CITY CLERK,
CITY OF LINCOLN

Exhibit A

LINCOLN / LOGAN COUNTY ENTERPRISE ZONE

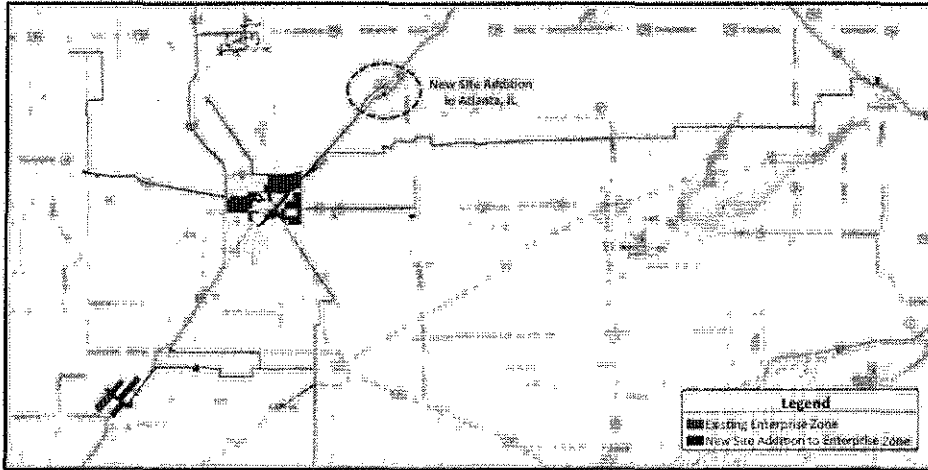
Description of Territory to be Added
Adding Central Illinois Ag Site in Atlanta, IL

Atlanta, IL Addition - Central Illinois Ag Site (PIN 05-587-003-00) – In Atlanta, Illinois, from the intersection of the Union Pacific Rail Road Line and Race Street, thence south-easterly approximately 258 yards on a three foot wide strip on Race Street to East South Street, thence southerly along South Race Street 515 yards on a three foot wide strip to a point beginning on North Lincoln Parkway, thence westerly along North Lincoln Parkway 378 yards to South Martin Street, thence directly south approximately 245 yards to Interstate 55, thence north-easterly approximately 309 yards along southbound Interstate 55 to South Race Street, thence northerly along South Race Street approximately 321 yards to the beginning point on North Lincoln Parkway, encompassing the territory within.

EXHIBIT B
LINCOLN / LOGAN COUNTY ENTERPRISE ZONE
Adding Central Illinois Ag Site in Atlanta, IL

Overview Map of Territory to be Added

Lincoln / Logan County Enterprise Zone *New Site* Overview Map



New Site Addition – Central Illinois Ag in Atlanta

Lincoln / Logan County Enterprise Zone *New Site* Addition

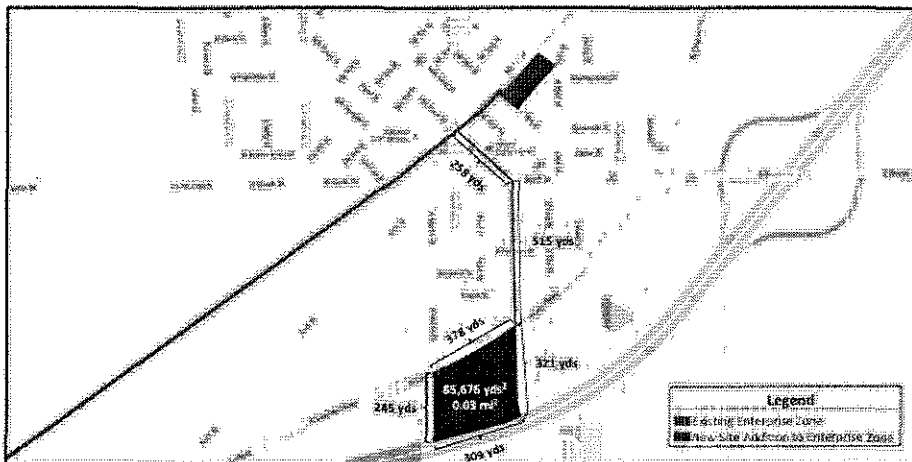


EXHIBIT C
LINCOLN / LOGAN COUNTY ENTERPRISE ZONE
Adding Central Illinois Ag Site in Atlanta, IL
Amendment to Enterprise Zone Intergovernmental Agreement

**AMENDMENT TO THAT CERTAIN 1986, 1987 ENTERPRISE ZONE
INTERGOVERNMENTAL AGREEMENT BETWEEN THE COUNTY OF LOGAN, THE CITY
OF LINCOLN, THE COUNTY OF SANGAMON, THE VILLAGE OF ELKHART, THE
COUNTY OF DEWITT, THE VILLAGE OF HARTSBURG, THE CITY OF ATLANTA, AND
THE VILLAGE OF NEW HOLLAND**

THIS AMENDMENT TO ENTERPRISE ZONE INTERGOVERNMENTAL AGREEMENT (this "Amendment") is entered into by and between the City of Lincoln, Illinois, the County of Logan, Illinois, the Village of Elkhart, Illinois, the County of Sangamon, Illinois, the County of DeWitt, Illinois, the Village of Hartsburg, Illinois, the City of Atlanta, Illinois and the Village of New Holland, the ("Units of Government").

WITNESSETH:

WHEREAS, Units of Government each adopted respective ordinances, as amended, establishing and designating an Enterprise Zone encompassing contiguous portions of the Units of Government (such zone, as amended, being the "Enterprise Zone");

WHEREAS, the City of Lincoln adopted Ordinance No. 219 on December 23, 1986 and Ordinance No. 222 on February 17, 1987, and the County of Logan adopted Ordinance No. 1986 on December 16, 1986, approving the execution by the City of Lincoln and the County of Logan of the "Enterprise Zone Intergovernmental Agreement" establishing the Enterprise Zone. Such Enterprise Zone Intergovernmental Agreement was amended by that certain "Amendment to the 1986, 1987 Enterprise Zone Intergovernmental Agreement," dated September 21, 2004 in order to, among other things, add the government units of the County of Sangamon and the Village of Elkhart to the Enterprise Zone. Such Enterprise Zone Intergovernmental Agreement was further amended by that certain "Amendment to the 1986, 1987 Enterprise Zone Intergovernmental Agreement," dated July 7, 2008 in order to, among other things, add the government unit of the County of DeWitt to the Enterprise Zone. Such Enterprise Zone Intergovernmental Agreement was further amended by that certain "Amendment to the 1986, 1987

Enterprise Zone Intergovernmental Agreement,” dated on or around March 12, 2010 in order to, among other things, add the government units of the Village of Hartsburg, the City of Atlanta and the Village of New Holland and has been previously and subsequently amended, from time to time to add and delete territory to the Enterprise Zone (such Enterprise Zone Intergovernmental Agreement and all other amendments, modifications or agreements relate thereto, being herein collectively referred to as, the “Intergovernmental Agreement”).

WHEREAS, the City of Lincoln and the County of Logan have received a request from the City of Atlanta for an amendment to the Enterprise Zone to add additional territory in the City of Atlanta and unincorporated Logan County to the zone in order to assist Central Illinois Ag, Inc. with a proposed project they have within the zone; and

WHEREAS, it would be in the best interest of the citizens of the Units of Government for the aforementioned property to be included in the Enterprise Zone.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein provided, the parties hereby agree as follows:

SECTION ONE: The Intergovernmental Agreement is hereby amended such that the real property which comprises the Enterprise Zone shall include that certain real property (the “Amended Territory”) legally described on Exhibit A attached hereto and made a part hereof (which real property is also depicted on that certain map attached hereto and made a part hereof as Exhibit B); and that the Amended Territory is hereby designated part of the Enterprise Zone pursuant to and in accordance with the Illinois Enterprise Zone Act. (20 ILCS 655/1 et seq.).

SECTION TWO: The Intergovernmental Agreement is hereby further amended to reflect the City of Lincoln Ordinance attached hereto and made a part hereof as Exhibit C, the County of Logan Ordinance attached hereto and made a part hereof as Exhibit D, the County of Sangamon Ordinance

attached hereto and made a part hereof as Exhibit E, the Village of Elkhart Ordinance attached hereto and made a part hereof as Exhibit F, the County of DeWitt Ordinance attached hereto and made part hereof as Exhibit G, the Village of Hartsburg Ordinance attached hereto and made part hereof as Exhibit H, the City of Atlanta Ordinance attached hereto and made part hereof as Exhibit I, and the Village of New Holland Ordinance attached hereto and made part hereof as Exhibit J (collectively, the “Ordinances”). In confirmation and furtherance thereof, in the event of any conflict or inconsistency between the term and provisions of the Ordinances and the Intergovernmental Agreement (without giving effect to this Amendment), the terms and provisions of the Ordinances shall govern and control and the conflicting and inconsistent terms and provisions of the Intergovernmental Agreement (without giving effect to this Amendment) shall no longer have any force or effect.

SECTION THREE: Except as otherwise amended or provided in this Amendment, the Original Intergovernmental Agreement attached hereto and made part of hereof as Exhibit K, shall remain in full force and effect.

SECTION FOUR: This agreement may be amended from time to time only by written agreement of the parties, provided, however, that the City of Lincoln and the County of Logan may seek to amend the boundaries of the Enterprise Zone within their own boundaries, add additional territory and units of government or delete enterprise zone territory in the Village of Elkhart, County of Sangamon, County of DeWitt, Village of Hartsburg, City of Atlanta and Village of New Holland providing they receive approval of the State Agency in charge of such approval, without the need to further amend this Agreement; and further, by execution of this agreement the Village of Elkhart, County of Sangamon, County of DeWitt, Village of Hartsburg, City of Atlanta and Village of New Holland consent to such changes by the City of Lincoln and County of Logan. If requested by the City of Lincoln or County of Logan, the Corporate Authorities of the Village of Elkhart, County of Sangamon, County of DeWitt, Village of Hartsburg, City of Atlanta and Village of New Holland shall enact ordinances acknowledging this limited consent to such boundary change(s).

IN WITNESS WHEREOF, on behalf of the units of government, the Mayor of the City of Lincoln, Illinois, the Chairman of the County of Logan, Illinois, the Village President of the Village of Elkhart, Illinois, the Chairman of the County of Sangamon, Illinois, the Chairman of the County of DeWitt, Illinois, the Village President of the Village of Hartsburg, Illinois, the Mayor of the City of Atlanta, Illinois and the Village President of the Village of New Holland, respectively, approve, accept and execute this Amendment this ____ day of ____ 2014.

Keith Snyder, Mayor, City of Lincoln

Robert D. Farmer, Chairman, Logan County

Lyle Fout, President, Village of Elkhart

A. D. VanMeter, Chairman, Sangamon County

Sherrie Brown, Chairman, DeWitt County

Norma Bathe, President, Village of Hartsburg

Fred Finchum, Mayor, City of Atlanta

Suzie Aper, President, Village of New Holland

INVESTMENT POLICY

A. Cash Management

1. An investment policy, as adopted by the City Council, provides guidelines for the prudent investment of the temporary idle cash and outlines the policies for maximizing the efficiency of the cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled cash.
2. The cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to match funds to projected disbursements.
3. Criteria for selecting investments and the order of priority are:
 - a. Safety. The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City shall maintain a standard of care for investing of a reasonably prudent person.
 - b. Liquidity. This refers to the ability to "cash in" at any moment in time with a minimal chance of losing some portion of principal and interest. Liquidity is an important investment quality especially when the need for unexpected funds occur occasionally.
 - c. Yield. Yield is the potential dollar earnings an investment can provide, and sometimes is described as the rate of return.

A. Policy

It is the policy of the City of Lincoln to invest in public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all statutes governing the investment of public funds.

B. Scope

This investment policy applies to all the financial assets of the City of Lincoln except for the Police and Fire Pension Funds which are governed by their own Boards of Trustees and have separate investment policies. These funds are accounted for in the City of Lincoln's Annual Financial Report and include:

1. Funds:

General

Special Revenue Funds

Capital Project Funds

Enterprise Funds

Trust and Agency Funds

All other funds created by the Council unless specifically exempt

C. Prudence

Investments shall be made by persons of prudence with judgment and care under circumstances then prevailing. Investments shall be made for investment and not for speculation, considering the probable safety of capital, as well as the probable income to be derived.

1. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the 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 appropriate action is taken to control adverse developments.

D. Objective

The primary objective, in priority order of the City of Lincoln's investment activities shall be:

1. **Safety:** Safety of the principal is the foremost objective of the investment program. Investments of the City of Lincoln shall be undertaken in a manner that seeks to ensure the preservation of capital and the mitigation of credit and interest rate risk in the overall portfolio.

2. Liquidity: The City of Lincoln's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that may be reasonably anticipated.
3. Return on Investments: The City of Lincoln's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments are limited to low risk securities in anticipation of earning a fair return relative to the risk being assumed.

E. Delegation of Authority

The establishment of investment policies is the responsibility of the City Council. Management and administrative responsibility for the investment program is hereby delegated to the City Administrator who hereby delegates the daily administration to the City Treasurer who shall establish written procedures for the operation of the investment program consistent with this investment policy. This internal control directive will direct the use of independent safekeeping of securities and the purchase of and sale of securities on a delivery versus payment basis.

F. Ethics and Conflicts of Interest

The City Administrator and City Treasurer shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. The City Administrator and City Treasurer shall disclose to the City Council any material financial interest in financial institutions that conduct business with the City of Lincoln and they shall further disclose any large personal investment positions that could be related to the City's portfolio. Employees and officers involved in the City's investment program shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

G. Authorized Financial Dealers and Institutions

The City Treasurer, with approval of the City Administrator, will maintain a list of commercial banks and broker/dealers authorized to provide investment services. This list will be reviewed annually and submitted to the City Council for approval. The institutions will be selected based on financial condition, proper registration, level of service and competitive pricing. The City Treasurer will use a competitive process to evaluate the investments and securities and prices of investments and securities whenever practicable.

The City Council authorizes the Mayor and City Administrator, with City Treasurer input, to invest up to \$250,000 in any federally insured financial institution.

All broker/dealers must provide investments on a "delivery versus payment" basis (the security must be physically delivered or confirmed via the Federal Reserve Bank or DTC system before the City's payment for the security is released) and must be primary dealers of government securities as listed by

the Federal Reserve Bank of New York or regional dealers that qualify under the SEC's uniform net capital rule. Commercial banks authorized to provide investments on a "delivery versus payment" basis must have at least \$500 million in total assets and a Sheshunoff (a company that rates the creditworthiness of banks) rating of at least 30. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the City Treasurer with the following:

1. Audited financial statements
2. Proof of National Association of Security Dealers certification
3. Proof of state registration
4. Certification of having read the City's investment policy
5. Depository contracts

H. Authorized and Suitable Investments

The City may invest in any type of security allowed for in the Illinois statutes regarding investment of public funds. Investments include:

1. Treasury obligations including bills, notes, and bonds
2. Bonds, notes, debentures and similar obligations issued by Agencies of the U.S.
3. Interest bearing savings accounts, certificates of deposit or any other investment constituting direct obligations of commercial banks that are FDIC insured or collateralized.
4. Short-term obligations of corporations (commercial paper) organized in the U.S. with assets exceeding \$500 million and rated at the time of purchase at the highest qualification by at least two of the standard rating agencies. Must mature within 180 days from the date of purchase.
5. The Illinois Funds Investment Pool (formerly titled Illinois Public Treasurer's Pool, IPTIP)
6. Illinois Metropolitan Investment Fund (another local government investment fund with a longer investment horizon than the Illinois Funds)
7. Money market mutual funds permissible under state law
8. Consistent with GFOA recommended practices; extreme caution should be exercised in the use of derivative instruments. Any purchase of derivatives requires written authorization from the City Administrator.

I. Collateralization

It is the policy of the City of Lincoln to require that funds on deposit in excess of FDIC limits be secured by some form of collateral. The City will accept any of the following assets as collateral:

1. U.S. Treasury Securities
2. Obligations of U.S. Federal Agencies
3. Obligations of the State of Illinois

(The City reserves the right to accept/reject any form of the above assets)

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 safekeeping, by an independent third party depository, or the Federal Reserve Bank of Chicago, designated by the City of Lincoln and evidenced by a safekeeping agreement.

J. Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the City of Lincoln, shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designed by the City Council and evidenced by safekeeping receipts.

K. Diversification

In order to reduce the risk of default, the City of Lincoln shall diversify its investments by security type and institution. Therefore, the investment portfolio of the City of Lincoln shall not exceed the following diversification limits unless specifically authorized by the City Council:

1. No financial institution shall hold more than 40% of the City's investment portfolio, exclusive of U.S. Treasury securities in safekeeping.
2. No more than 50% of the City's portfolio may be invested in U.S. Government Agencies, and no more than 10% may be invested in the obligations of a single agency.
3. Deposits in the Illinois Funds shall not exceed 30% of the City's investment portfolio.
4. Deposits in the Illinois Metropolitan Investment Fund shall not exceed 50% of the City's investment portfolio.
5. Brokered certificates of deposit shall not exceed 25% of the City's investment portfolio.
6. Commercial paper shall not exceed 10% of the City's investment portfolio.

L. Maximum Maturities

To the extent possible, the City of Lincoln will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three years from the date of purchase.

Reserve funds may be invested in securities exceeding three years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds. Any investment purchased with a maturing longer than three years must be supported with written documentation explaining the reason for the purchase and must be specifically approved by the City Administrator.

M. Internal Controls

The City Administrator, with the input of the City Treasurer, is responsible for establishing and maintaining an internal control structure designed to insure that the assets of the City of Lincoln 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 likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management. Accordingly, the City Treasurer shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures.

N. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall obtain a market average rate of return during a market/economic environment of stable interest rates. The City's investment strategy is passive. Given this strategy, the basis used by the City Treasurer to determine whether market yields are being achieved shall be the three month U.S. Treasury Bill.

O. Reporting

The City Treasurer will prepare a monthly investment report that summarizes the current investment portfolio. The report will list all current investments at their purchase cost and market value, their yield to maturity and maturity date, and the average weighted yield for the portfolio. The report will also determine the percentage of each category of investment compared to total portfolio. The report will also include a comparison to the performance benchmark.

P. Investment Policy Adoption

The City of Lincoln's investment policy shall be adopted by resolution of the City Council. This policy shall be reviewed on an annual basis by the City Administrator, with input from the City Treasurer and any modifications made thereto must be approved by the City Council.

Financial Institutions Authorized to Provide Investment Services to the City of Lincoln

Citicorp Securities Inc.
First Chicago Capital Markets Inc.
Merrill Lynch Government Securities Inc.
Morgan Stanley Dean Witter
Paine Webber Inc.
Prudential Securities Inc.
Saloman Brothers Inc. /Smith Barney Inc.
Miller, Johnson Steichen Kinnard Inc.
State Bank of Illinois
Regions Bank
Illini Bank
Town & Country Bank
CEFCU (??)

EXHIBIT A

WORK ORDER

This Work Order #14 describes certain services to be performed by Prairie Engineers of Illinois, P.C. ("ENGINEER") in accordance with the terms and conditions of that certain Master Services Agreement dated July 6, 2012 between the City of Lincoln ("CITY"), an Illinois municipality having its offices at City Hall, 700 Broadway St., Lincoln, IL 62656 and ENGINEER, located at 628 Broadway St., Lincoln, IL 62656.

SERVICES:

ENGINEER will perform professional surveying services for the CITY to develop a City Sewer Collection System Map for Wards 2, 3, and 4 in GIS format. The Scope of Services for this Work Order will include:

- Population of the City's existing Sewer GIS Geodatabase (developed with the Sewer Inventory project in Ward 1) with information collected in Wards 2, 3, and 4.
- Migration of existing incomplete City Sewer Maps to GIS shapefile format. This process will include each structure and pipe along with available attributes from the existing mapping.
- Mapping level survey of each structure location within Wards 2, 3, and 4.
- Determination of elevations for all manhole structures in Wards 2, 3, and 4 using survey grade methods.
- Inventory of all visible structures (manholes, inlets, and catchbasins) within City right-of-way in Wards 2, 3, and 4 and not contained in the existing mapping.
- Final Deliverable will be a Geodatabase of the existing sewer system including shapefiles for located structures and pipes.

ENGINEER will additionally perform professional surveying services for the CITY to determine elevations of manhole structures in Ward 1 using survey grade methods. These manhole elevations were not collected during the Ward 1 Sewer Mapping project.

TIMELINE:

It is anticipated that one or more interim data deliverables will be required to support the City's Long Term Control Planning efforts. Data for the areas of the City with Combined sewers will be delivered in this manner within 6 months of receipt of a notice to proceed. Final deliverables of the entire geodatabase will be delivered within 1 year of receipt of notice to proceed.

COMPENSATION:

Basis of Compensation: **Standard Rates**

_____ **Standard Rates with not-to-exceed fee of \$ 308,000**

_____ **Agreed fee of \$**

Payment schedule:

Invoices will be issued monthly and will be based upon actual hours worked.

INVOICING:

All invoices submitted under this Work Order should be sent to the following address and should reference Wards 2, 3, and 4 Sewer Inventory Project:

City of Lincoln
Attn: Susan Gehlbach, City Clerk
700 Broadway St.
Lincoln, IL 62656

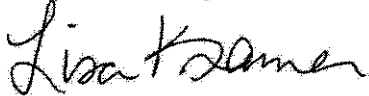
Additional Provisions:

N/A

ENGINEER and CITY agree that the referenced Agreement and this Work Order are the complete and exclusive statement of the agreement between the parties, superseding all other proposals or prior agreements, oral or written, and all other communications between the parties relating to the subject matter hereof. In the event of any conflicts between this Work Order and the Agreement, the terms of the Agreement shall prevail. This Work Order shall be effective on the date the second of the two parties hereto signs below.

ENGINEER (Prairie Engineers of Illinois, P.C.)

CITY



Signature

Signature

Lisa Kramer, PE

Printed or Typed Name

Printed or Typed Name

President

Title

Title

December 26, 2013

Date

Date