

TOWN of ELGIN Special BOARD MEETING
Elgin Township Office
729 S. McLean Blvd. Elgin, IL
Meeting of October 19, 2025 Minutes

Supervisor Tepe called the meeting to order at 7:00 p.m.

Trustee Bennett led the Pledge of Allegiance.

ROLL CALL

Trustees Janice Bennett, Ed Hanson, Juan Silva, Carl Strathmann, and Supervisor Vern Tepe were present. **Quorum was established.**

A. Recognize Public Comments: None

- B. New Business:** Supervisor Tepe explained the purpose of the special meeting. \$1.5 million in certificates of deposit at KCT Credit Union expires tomorrow, 10/20. Although there is a concern that all CDs mature simultaneously, leaving not laddering protection, Supervisor Tepe commended former Supervisor Bruderle for taking advantage of a 5.6% interest rate.

Supervisor Tepe reviewed the options available to the Township;

- Option 1: renew at KCT Credit Union (which is currently merging with another credit union)
- Option 2: use a broker to split into six accounts but later found this is not legally feasible
- Option 3: move funds to Illinois State Treasurer's daily-rate money market fund (4.2% approx., FDIC-backed, secure)

Deputy Clerk Mihalec provided an explanation of how money markets work:

- Share price is fixed at \$1.
- An overly simplified explanation of the daily dividend is that it is an accrual based on annualized rate divided by 365.
- Monthly dividends paid and added to principal, compounding future earnings.
- Allows withdrawals to purchase CDs or meet township cash needs without a penalty.

Supervisor Tepe discussed insurance and security considerations:

- The Illinois Fund is a state fund designed exclusively for local governments, fully backed—with no individual FDIC caps to worry about
- KCT Credit Union's changing charter, which introduces uncertainty about deposit insurance
- Emphasis on preserving principal and public trust

Resolution 25-08: A Resolution Authorizing Maturing CDs to Be Rolled into an Illinois Funds Account

Motion made to approve by Trustee Strathmann, seconded by Trustee Bennett. Discussion ensued and questions from trustees answered by Supervisor Tepe and Deputy Clerk Mihalec. Vote taken Ayes: Trustees Bennett, Hanson, Silva, Strathmann and Supervisor Tepe. Nays: none. Motion carried 5-0-0.

Resolution 25-09: A Resolution A Designation of Associates for the Elgin Township Illinois Funds Account

- Supervisor Tepe as Principal Authority/Investor
- Trustee Bennett as Principal Authority/Investor Pro Tempore
- Deputy Clerk Mihalec as Trader

Motion made to approve by Trustee Strathmann, seconded by Trustee Bennett. Vote taken Ayes: Trustees Bennett, Hanson, Silva Strathmann and Supervisor Tepe. Nays: none. Motion carried 5-0-0.

- C.** The next regular meeting is scheduled for Monday, November 10, 2025, 5:00 p.m. at the Township Offices, 729 S. McLean Blvd., Elgin, IL 60123.
- D.** Trustee Strathmann moved to adjourn meeting, seconded by Trustee Bennett. Vote taken: Ayes: Trustees Bennett, Hanson, Silva, Strathmann and Supervisor Tepe. Nays: none. Motion carried 5-0-0. Meeting adjourned at 7:27 p.m.

Respectfully submitted by Clerk Swatscheno

Lois Swatscheno, Town Clerk

Date: