



Oak Park Elementary School District 97

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TO: Dr. Albert G. Roberts, Superintendent of Schools

FROM: Therese M. O'Neill, Asst. Supt. for Finance & Operations

SUBJECT: IMET (Illinois Metropolitan Investment Fund) Resolution

DATE: February 14, 2012

At the August 2011 FORC meeting, as investments were being discussed, one of the members suggested District 97 investing monies with IMET (Illinois Metropolitan Investment Fund), currently one of five (soon to be amalgamated to four Illinois investments pools – the Illinois Liquid Asset Funds is also one). District 97 has historically and currently utilizes the Illinois Liquid Asset Fund, through PMA, for most of its investments. Jim Edeberg, the FORC member who currently serves as the finance officer for the Oak Park Park District, indicated, at that August meeting, that the Park District was receiving a minimum of 25 bases points (.25%) on their investments with IMET.

John Ide, the FORC member dedicated to investments and bond issuances, worked with me between that meeting and the November FORC meeting to review with both IMET and PMA how participation in two different pools would work, what advantages could be derived both monetarily and process-wise, what changes to the existing Investment Policy might need to occur, and then recommended to FORC that District 97 consider participation with IMET. District 97, as a member of IMET, would receive minimally the high end of the federal funds rate range, which is currently .25%. This has been derived through a negotiated agreement with IMET's banking institution, through December 31, 2012.

Between that November meeting and the first Board meeting in January, the Board Policy Committee reviewed not only the Investment Policy but other policies requiring alteration, and at the January 24, 2012 meeting, presented a revised Investment Policy which is anticipated being approved at the February 14, 2012. To activate participation in IMET, the Board must formally adopt the attached resolution, and once approved, we can begin investing some of our financial resources and derive this higher interest rate. While the Board will review this resolution this evening, we will bring this resolution back to the February 28, 2012 meeting for final formal approval.

I have already reached out to both PMA and IMET, indicating that some of our bond proceeds and our spring tax receipts will be available for investment with IMET. With investments now in two different pools, the Quarterly Investment Report will now have a blended cover report with two individual reports (LAF and IMET) attached, and John Ide and I will collaboratively to create such document. While PMA does the investing for District 97 with LAF, it also does financial accounting work for IMET and thus PMA will be able to track our investments leaving the LAF and going to IMET, but they cannot include these investments on their PMA Quarterly Investment Report.

Attachment (1)

RESOLUTION NO. 1

A RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A SECOND AMENDED AND RESTATED DECLARATION OF TRUST

WHEREAS, the Board of Education of Oak Park Elementary School District 97 (the “*Entity*”), desires to participate in the joint investment of certain of its funds in accordance with the Constitution and laws of the State of Illinois (the “*State*”); and

WHEREAS, pursuant to a Declaration of Trust, dated as of September 1, 1995 (the “*Original Declaration*”), certain municipal treasurers entered into an agreement establishing the Illinois Metropolitan Investment Fund (the “*Fund*”), for the purpose of combining their respective available investment funds so as to enhance the investment opportunities available to them and increase the investment earnings accruing to the benefit of the respective municipalities on behalf of which they acted; and

WHEREAS, over the years many other public agencies, entities and pools and associations comprised of public agencies, entities and pools have become parties to the Original Declaration; and

WHEREAS, the Original Declaration was amended and restated by adoption of that certain Second Amended and Restated Declaration of Trust, dated as of January 20, 2012 (the Original Declaration, as amended by the Second Amended and Restated Declaration of Trust, hereinafter referred to as the “*Declaration of Trust*”); and

WHEREAS, the authority for the participants in the Fund (the “*Participants*”) to jointly invest their funds comes from the following sources:

- Section 10 of Article VII of the State provides, among other things, that the State shall encourage intergovernmental cooperation and use its technical and financial resources to assist intergovernmental activities among its units of local government; and
- The Intergovernmental Cooperation Act, as amended (the “*Cooperation Act*”), provides a statutory framework that supplements the constitutional grant of intergovernmental cooperation powers found in said Section 10 of Article VII; and
- Section 3 of the Cooperation Act provides that “[a]ny power or powers, privileges, functions, or authority exercised or which may be exercised by a public agency of [the] State may be exercised, combined, transferred, and enjoyed jointly with any other public agency of [the] State ... except where specifically and expressly prohibited by law”; and

- Section 5 of the Cooperation Act provides that any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform, *provided* that such contract shall be authorized by the governing body of each party of the contract and shall set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties; and
- Section 1-1-5 of the Illinois Municipal Code, as amended (the “*Municipal Code*”), provides, among other things, that the corporate authorities of each municipality may exercise jointly, with one or more other municipal corporations or governmental subdivisions or districts, all of the powers set forth in the Municipal Code; and
- Section 3.1-35-50(d) of the Municipal Code provides, among other things, the following:

(d) Notwithstanding any other provision of this Act or any other law, each official custodian of municipal funds, including, without limitation, each municipal treasurer or finance director or each person properly designated as the official custodian for municipal funds, including, without limitation, each person properly designated as official custodian for funds held by an intergovernmental risk management entity, self-insurance pool, waste management agency, or other intergovernmental entity composed solely of participating municipalities, is permitted to:

(i) combine moneys from more than one fund of a single municipality, risk management entity, self-insurance pool, or other intergovernmental entity composed solely or participating municipalities for the purpose of investing such moneys;

(ii) join with any other official custodians or treasurers of municipal, intergovernmental risk management entity, self-insurance pool, waste management agency, or other intergovernmental entity composed solely of participating municipalities for the purpose of jointly investing the funds of which the official custodians or treasurers have custody; and

(iii) enter into agreements of any definite or indefinite term regarding the redeposit, investment, or withdrawal of municipal, risk management entity, self-insurance agency, waste management agency, or other intergovernmental entity funds.

When funds are combined for investment purposes as authorized in this Section, the moneys combined for those purposes shall be accounted for separately in all respects, and the earnings from such investment shall

be separately and individually computed, recorded, and credited to the fund, municipality, intergovernmental risk management entity, self-insurance pool, waste management agency, or other intergovernmental entity, as the case may be, for which the investment was acquired.

Joint investments shall be made only in investments authorized by law for investment of municipal funds. The grant of authority contained in this subsection is cumulative, supplemental, and in addition to all other power or authority granted by any other law and shall not be construed as a limitation of any power and authority otherwise granted.

- Section 12 of the Local Government Debt Reform Act, as amended by Public Act 96-0964, effective July 2, 2010, provides that “a governing body may authorize and upon such authorization the treasurer of any governmental unit may ... join with the treasurers of other governmental units for the purpose of jointly investing the funds of which the treasurer has custody.”

WHEREAS, the Fund’s assets can only be invested in instruments authorized by the Public Funds Investment Act, as amended; and

WHEREAS, no entity shall become a Participant in the Fund unless and until such entity, including the Entity, has adopted and authorized the Declaration of Trust; and

WHEREAS, the Participants anticipate that other Eligible Members (as such term is defined in the Declaration of Trust) may wish from time to time to become Participants; and

WHEREAS, the Entity deems it necessary and in the best interests of the Entity to participate in the Fund by having the Entity become a Participant:

NOW, THEREFORE, BE AND IT HEREBY IS RESOLVED, BY THE BOARD OF EDUCATION [OFFICIAL NAME OF GOVERNING BODY] OF OAK PARK ELEMENTARY SCHOOL DISTRICT 97 [NAME OF ENTITY], IN THE EXERCISE OF ITS POWERS, AS FOLLOWS:

1. The preambles to this Resolution are hereby found and determined to be true, correct and complete and are hereby incorporated into the text of this Resolution by this reference as set out herein at length.
2. The Declaration of Trust is attached hereto and by this reference incorporated herein and made a part hereof, and is hereby adopted, authorized and approved in all respects; and the Entity is hereby authorized to become an additional Participant of the Fund.
3. The Presiding Officer and Entity Secretary or Clerk and other officers or employees of the Entity are hereby empowered and directed to execute and deliver all documents, certificates and other instruments necessary to further the intent and purpose of this Resolution.

4. All resolutions or motions in conflict herewith are hereby superseded to the extent of such conflict, and that this Resolution shall be in full force and effect forthwith upon its adoption.

PASSED this 28th day of February, 2012

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED this 28th day of February, 2012.

[Presiding Officer]

ATTEST:

[Clerk or Secretary]

[Seal]

**ACCEPTANCE AND APPROVAL OF
SECOND AMENDED AND RESTATED DECLARATION OF TRUST
DATED AS OF FEBRUARY 28, 2012 (THE “TRUST”)**

The undersigned, having been authorized by Resolution Number #1, adopted by the Board of Education [**OFFICIAL NAME OF GOVERNING BODY**] of **Oak Park Elementary School District 97** [**NAME OF ENTITY**], on the 28th day of February, 2012, to become an additional Participant of the Illinois Metropolitan Investment Fund (the “*Fund*”), hereby approves and accepts the Trust and agrees to be bound by its terms with respect to the Fund.

[Presiding Officer]

ATTEST:

[Clerk or Secretary]

(Entity Seal)

Dated as of February 28, 2012