Resolution to Authorize
Investment in the Illinois Institutional Investors Trust (IIIT Fund)
District Office - Office of Finance

THE CHANCELLOR

REPORTS that Illinois Institutional Investors Trust (IIIT Fund) is an entity formed pursuant to the 1970 Constitution of the State of Illinois, the Intergovernmental Cooperation Act, and the Public Funds Investment Act. The Fund was established for the purpose of allowing various public agencies including but not limited to, counties, townships, cities, towns, villages, school districts, housing authorities and public water supply districts, to jointly invest funds in accordance with the laws of the State of Illinois; and

that the IIIT Fund consists of the IIIT Portfolio and various IIIT Term Services. The IIIT Portfolio seeks to provide participants with high current income consistent with the preservation of capital and the maintenance of liquidity. Each IIIT term Services is a fixed rate, fixed term investment that seeks to obtain a high rate of return; and

that the IIIT Fund is an investment program professionally managed by the PFM Asset Management LLC which is specifically designed for public agencies and accordingly it invests solely in instruments in which public agencies are permitted to invest in accordance with the State of Illinois Public Funds Investment Act; and

that the Intergovernmental Cooperation Act defines public agencies as: any unit of local government as defined in the Illinois Constitution of 1970, any school district, any public community college district, any public building commission, the State of Illinois, any agency of the state government or of the United States, or of any other state, any political subdivision of another state, and any combination of the above pursuant to an intergovernmental agreement which includes provisions for a governing body of the agency created by the agreement; and

that after reviewing the Declaration of Trust and the Information Statement of the IIIT Fund the staff has determined that this comprehensive cash management program provides another investment vehicle which will improve yields, specifically in the form of FDIC Insured CDs, and at the same time maintain the safety and liquidity of the City Colleges of Chicago (CCC) investments; and

that the IIIT Fund with assets of over $605 million including over $530 million in the IIIT Fixed rate investment program has more than one hundred and thirty participants and that it assesses a fee not greater than 20 bps or .20% per annum of the account balance of fixed-term investments such as FDIC Insured CDs; and
that CCC being a public agency as defined in the Intergovernmental Cooperation Act and whose investment policy is in accordance with the Public Funds Investment Act, the staff recommends CCC to apply for participation in the IIIT Fund; and

that the IIIT Fund account will not be part of the CCC’s investment portfolios currently managed by PFM Asset Management LLC for the purpose of assessing its management fees and the fees of not greater than 20 bps or .20% per annum of the account balance of fixed-term investments such as FDIC Insured CDs are separate and apart from the management fees the CCC currently pays for PFM’s management of such portfolios; and

THE CHANCELLOR

RECOMMENDS that the Board of Trustees authorize the Treasurer and/or the Chief Financial Officer to enter into an account application and agreement with the Illinois Institutional Investors Trust and its Fund Manager, PFM Asset Management, LLC for a fee not greater than 20 bps or .20% per annum of the account balance of fixed-term investments such as FDIC Insured CDs.

FINANCIAL Educational Purposes Fund - fee not greater than 20 bps or .20% per annum

December 2, 2008