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ADOPTED-BOARD OF TRUSTEES COMMUNITY
COLLEGE DISTRICT NO. 508
OCTOBER 5, 2009

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois

Investment Management Services Agreement- Revision
Office of Finance
District Office

THE CHANCELLOR

REPORTS

that per Board Report No. 28093 adopted on June 30, 2007, the Board of Trustees authorized the Chairman to enter into an agreement with PFM Asset Management LLC for a three year period beginning July 1, 2007 through June 30, 2010 with a one year option to renew with the provision for termination by convenience at any time. Fees will be 10 basis points (bps) of the fund under management (no fees for money invested using the Illinois Funds); and

that per Board Report No. 29140 adopted on December 2, 2008, the Board of Trustees authorized 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; and

that on July 1, 2009 the District opened a PFM Prime Fund account which is a money market fund under advisement by the PFM Asset Management, LLC, and which is being utilized for investing other short-term operating funds as an alternative to investing in the Illinois Funds, an investment pool managed by the Illinois State Treasurer's Office; and

that the District received the following from PFM Asset Management, LLC (PFM): (1) Consent to Deemed assignment of Investment Advisory Agreement , (2) Consent to Amendment of Illinois Institutional Investors Trust (IIIT) Fixed Income Securities – Investment Advisory Agreement and (3) Notification of a proxy voting statement for a Special Meeting on September 30, 2009 for the PFM Prime Funds; and

that according to the above notification PFM underwent a capital re-organization and securities sale that resulted in the sale by the previous owners (senior employees) of their equity interests to various institutional investors and related parties, led by ICV Capital Partners, and a creation of a new holding company. The institutional investors 43% ownership could increase to up to 50% which would enable them to name a majority of the Board Managers when such right is exercised later in 2009. However, this change in ownership has not and is not intended to result in any change in the PFM's Advisory structure or the employees or managers responsible for the District accounts; and

that in light of this change in ownerships which will amount to an assignment of the District's current contracts, they have requested our consent on the proposed change in control and as shareholders of the PFM Funds, the option to vote on or about September 30, 2009 via a proxy statement; and

that the Office of the General Counsel finds the proposed agreements appropriate in legal form and that the Office of Finance recommends that the Board of Trustees authorize the Chairman to sign the letter of agreement that will memorialize the District's consent to this assignment of ownership and continue to utilize the services of PFM under the (1) Investment Advisory Agreement , (2) Illinois Institutional Investors Trust (IIIT) Fixed Income Securities – Investment Advisory Agreement and (3) the PFM Prime Funds; and

THE CHANCELLOR

RECOMMENDS

that the Board of Trustees authorizes the Chairman to sign the letter of agreement that will memorialize the District's consent to this to assignment of ownership and continue to utilize the services of PFM under the (1) Investment Advisory Agreement , (2) Illinois Institutional Investors Trust (IIIT) Fixed Income Securities – Investment Advisory Agreement and (3) the PFM Prime Funds

FINANCIAL

Educational Fund-00003-0010026-00082-00000-00000000-539100

Respectfully submitted,

Deidra J. Lewis
Interim Chancellor

October 5, 2009 -Office of Finance- CFO