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ADOPTED – BOARD OF TRUSTEES COMMUNITY
COLLEGE DISTRICT NO. 508
FEBRUARY 11, 2010

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

TRUST AGREEMENT AND SECURITIES SAFEKEEPING SERVICES
HARRIS BANK
OFFICE OF FINANCE
(Amend Board Report # 28731 adopted June 8, 2008)

THE CHANCELLOR

REPORTS

that on June 8, 2008 (Board Report No. 28731) the Board of Trustees (the “Board”) authorized Community College District 508 (the District”) to enter into a Trust Agreement with the Illinois Capital Development Board and Harris Bank to finance the Truman College Student Services and Parking Facility Project (the “Project”); and

that until June 30, 2010 or until the completion of the Project, whichever is later, Harris Bank, as Trustee, will be paid a fee of .02 basis points plus a \$2,000 annual trust fee, which, in total, is currently not to exceed \$10,000 annually; and

that in selecting a Custodial Trust Agent for the Project, bids were received through the RFQ process from Amalgamated Bank, Harris Bank, LaSalle Bank, Seaway Bank and US Bank; and

that upon review of the quotes from the five responding bidders, the Office of Finance selected Harris Bank as Trustee; and

that since 1997, Harris Bank has also provided Securities Safekeeping and Custodial Services for the District’s Working Cash Fund Account at a cost of under \$ 10,000 annually; and

that investment activity in the portfolios managed by the District’s management advisor, PFM Asset Management, has considerably increased in the past year, which has resulted in the need for a corresponding increase in demand for safekeeping services from Harris Bank in the following portfolios:

Working Cash Account
Short Term Operating Account
Other Post-Employment Benefit (“OPEB”) Account; and

that the above portfolios, and other portfolios that may become necessary to open, are expected to experience increased transactional activity and increase the District's demand for safekeeping services and corresponding reports in the future. Accordingly, safekeeping fees are expected to increase from less than \$10,000 to an estimated \$20,000 annually; and

that the Office of Finance will formally request bids for safekeeping services in the next fiscal year; and

that the Chief Financial Officer and Treasurer request Board authorization to pay Harris Bank for Trust and Safekeeping and Custodial Services in an amount not to exceed \$20,000 through June 30, 2010; and

THE CHANCELLOR

RECOMMENDS

that the Board of Trustees authorize the Chief Financial Officer and/or Treasurer to pay Harris Bank, fees in an amount not to exceed \$30,000 in the 2010 fiscal year, to be used for the above-stated purpose.

FINANCIAL

\$30,000 – Educational Fund – 00003-0010026-00082-00000-0000000-594320

Trust Fees – Not to Exceed \$10,000.00 for Truman College Student Services and Parking Facility

Safekeeping/Custodial Fees – Not to Exceed \$20,000 Annually for Working Cash Account; Short Term Operating Account; OPEB Accounts and others through June 30, 2010.

Respectfully submitted,

Deidra J. Lewis
Interim Chancellor

February 11, 2010 -Office of Finance- District Office