

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL WORKSHOP
JANUARY 13, 2009 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Agreement with Illinois Metropolitan Investment Fund (IMET)	✓ Resolution Ordinance Motion Discussion Only	Judy Buttny Finance Director

SYNOPSIS

A resolution has been prepared to enter into an agreement with Illinois Metropolitan Investment Fund (IMET) to invest Village funds pursuant to the provisions of the Cash Management and Investment Policy.

STRATEGIC PLAN ALIGNMENT

The Five Year plan and Goals for 2008-2013 identified *Exceptional Municipal Organization*. A supporting objective of this goal is *Financially Sustainable Village Government*.

FISCAL IMPACT

By expanding the financial institutions that can bid on investments, the Village will be able to maximize its interest income. The FY09 Budget includes approximately \$1.5 million in revenues for interest income in all funds, excluding Police and Fire Pension.

RECOMMENDATION

Approval on the January 13, 2009 consent agenda.

BACKGROUND

Early in 2008, Village Council approved revisions to the Cash Management and Investment Policy following review by the Finance & Administrative Committee. Among the revisions to the policy was the creation of a Cash Investment Program, which expanded the universe of qualified financial institutions available to the Village for cash management, and created a competitive bidding process to allow the Village to receive the highest available return on investments. Prior to that time, PMA Financial Network, Inc. provided virtually all opportunities for investment. In June of 2008, the Village Council approved seven additional financial institutions to participate in the Cash Investment Program.

After the financial institutions were added to the Cash Investment Program, staff was introduced to IMET. As a viable money market alternative, staff decided to propose registration with IMET. IMET was developed in 1996 as a cooperative endeavor to assist Illinois municipalities with the investment of their intermediate-term dollars. It is a not-for-profit investment fund under the Illinois Municipal Code. Currently IMET offers two separate investment vehicles and serves more than 183 municipalities and public entities, including a majority of our surrounding communities. This program acts as a viable alternative to Illinois Funds, is rated AA Af/S1 by S&P, and often provides better yields with no additional risk.

ATTACHMENTS

Resolution
Municipal Client List

RESOLUTION NO.

**A RESOLUTION APPROVING AND AUTHORIZING
EXECUTION OF A FIRST AMENDED AND RESTATED DECLARATION OF TRUST**

WHEREAS, the Village of Downers Grove (the "Agency"), 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");

WHEREAS, Section 10 of Article VII of the Constitution of the State provides that the State shall encourage intergovernmental cooperation and use its technical and financial resources to assist intergovernmental activities among its units of local government;

WHEREAS, 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;

WHEREAS, 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";

WHEREAS, Section 5 of the Cooperation Act, provides that anyone or more public agencies may contract with anyone 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;

WHEREAS, such contract shall set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties;

WHEREAS, 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;

WHEREAS, Section 3.1-35-50 of the Municipal Code provides, among other things, that each municipal treasurer is permitted to join with other municipal treasurers or municipalities for the purpose of investing the municipal funds of which the treasurer has custody;

WHEREAS, pursuant to a Declaration of Trust, dated as of September], 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, pursuant to the aforementioned constitutional and statutory authority;

WHEREAS, the Original Declaration was amended and restated by adoption of that certain First Amended and Restated Declaration of Trust, dated as of July 1, 1996 and incorporating amendments dated January 28, 1999, January 27, 2000, March 22, 2002, March 18,

2004 and May 9, 2007 (the Original Declaration, as amended by the Amended and Restated Declaration of Trust, hereinafter referred to as the "Declaration of Trust");

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

WHEREAS, no public agency, shall become a participant (a "Participant") in the Fund unless and until such public agency, including the Agency, has adopted and authorized the Declaration of Trust; and

WHEREAS, the Participants anticipate that other municipal treasurers, official custodians of municipal funds, public agencies and intergovernmental entities composed solely of participating municipalities may wish from time to time to become Participants; and

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

NOW, THEREFORE, BE AND IT HEREBY IS RESOLVED, BY THE VILLAGE COUNCIL OF THE VILLAGE OF DOWNERS GROVE, 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 Agency is hereby authorized to become an additional Participant of the Fund.

3. The Mayor and Village Clerk and other officers or employees of the Agency 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.

Mayor

Passed: _____

Attest: _____
Village Clerk

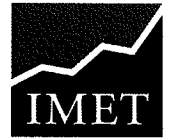
**ACCEPTANCE AND APPROVAL OF
FIRST AMENDED AND RESTATED DECLARATION OF TRUST DATED
AS OF JULY 1, 1996 AND INCORPORATING AMENDMENTS DATED
JANUARY 28, 1999, JANUARY 27, 2000, MARCH 22, 2002, MARCH 18,
2004 AND MAY 9, 2007 (THE "TRUST")**

The undersigned, having been authorized by Resolution Number _____, adopted by the Village Council of the Village of Downers Grove, on the _____ day of 2009, 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.

Mayor

Passed: _____

Attest: _____
Village Clerk



Municipalities

- | | | |
|------------------------------|----------------------------|----------------------------|
| Village of Addison | Village of Hazel Crest | City of Oakbrook Terrace |
| Village of Algonquin | City of Highland Park | Village of Olympia Fields |
| Village of Arlington Heights | Village of Hinsdale | Village of Orland Hills |
| Village of Barrington | Village of Hoffman Estates | City of Park Ridge |
| Village of Bartlett | Village of Homewood | Village of Plainfield |
| City of Belvidere | Village of Huntley | Village of Richton Park |
| Village of Bloomingdale | Village of Inverness | Village of Riverdale |
| City of Bloomington | Village of Itasca | Village of Riverside |
| Village of Bolingbrook | City of Kankakee | City of Rock Island |
| Village of Broadview | Village of La Grange | City of Rolling Meadows |
| Village of Buffalo Grove | Village of Lake Bluff | Village of Romeoville |
| Village of Burr Ridge | City of Lake Forest | Village of Roselle |
| Village of Carol Stream | Village of Lake Zurich | Village of Sauk Village |
| Village of Carpentersville | Village of Lemont | Village of Schaumburg |
| Village of Cary | Village of Libertyville | Village of Schiller Park |
| City of Champaign | Village of Lincolnshire | Village of Shorewood |
| Village of Channahon | Village of Lincolnwood | Village of Skokie |
| Village of Clarendon Hills | Village of Lombard | Village of South Elgin |
| City of Collinsville | Village of Long Grove | Village of Streamwood |
| City of Countryside | Village of Lyons | Village of Sugar Grove |
| City of Darien | City of Marquette Heights | Village of University Park |
| City of Decatur | Village of Matteson | City of Urbana |
| City of Des Plaines | Village of Minooka | Village of Vernon Hills |
| Village of East Dundee | Village of Mokena | Village of Villa Park |
| Village of East Hazel Crest | City of Moline | City of West Chicago |
| Village of Elk Grove | Village of Monee | Village of West Dundee |
| Village of Elmwood Park | Village of Morton Grove | Village of Westchester |
| City of Evanston | Village of Mount Prospect | Village of Western Springs |
| City of Flora | City of Mount Vernon | Village of Westmont |
| Village of Flossmoor | City of Naperville | City of Wheaton |
| Village of Forest Park | Village of New Lenox | Village of Wheeling |
| Village of Forest View | Village of Niles | Village of Willow Springs |
| Village of Fox Lake | Town of Normal | Village of Willowbrook |
| Village of Frankfort | Village of North Aurora | Village of Wilmette |
| Village of Glen Ellyn | Village of Northbrook | Village of Winfield |
| Village of Glencoe | Village of Northfield | City of Wood Dale |
| Village of Glenview | Village of Oak Brook | Village of Wood River |
| Village of Glenwood | City of Oak Forest | Village of Woodridge |
| Village of Hanover Park | Village of Oak Lawn | City of Woodstock |
| City of Harvey | Village of Oak Park | |



Pension Funds

Bloomingtondale Police Pension Fund
Buffalo Grove Firefighters Pension Fund
Burr Ridge Police Pension Fund
Champaign Firefighters Pension Fund
Channahon Police Pension Fund
Evanston Firefighters Pension Fund
Evanston Police Pension Fund
Flora Police Pension Fund
Flossmoor Firefighters Pension Fund
Flossmoor Police Pension Fund
Hoffman Estates Police Pension Fund
Hoffman Estates Firefighters Pension Fund
Libertyville Firefighters Pension Fund
Lombard Firefighters Pension Fund
Lombard Police Pension Fund
Mount Vernon Firefighters Pension Fund
New Lenox Police Pension Fund
Normal Firefighters Pension Fund
Oak Lawn Firefighters Pension Fund
Oak Lawn Police Pension Fund
Oakbrook Terrace Police Pension Fund
Park Forest Police Pension Fund
Riverside Police Pension Fund
Rantoul Police Pension Fund
Rolling Meadows Firefighters Pension Fund
Sauk Village Firefighters Pension Fund
Skokie Firefighters Pension Fund
Skokie Police Pension Fund
South Chicago Heights Firefighters Pension Fund
Schiller Park Firefighters Pension Fund
Streamwood Firefighters Pension Fund
Streamwood Police Pension Fund
West Chicago Police Pension Fund
West Dundee Firefighters Pension Fund
Westmont Police Pension Fund
Wheaton Police Pension Fund
Wheeling Firefighters Pension Fund

Regional and Other Public Agencies

Addison Public Library
Chicago Heights Park District
Cook County Tuberculosis Sanitarium District
E-COM Dispatch Center
Geneva Park District
Glenbard Wastewater Authority
High-Level Excess Liability Pool -- HELP
Intergovernmental Personnel Benefit Cooperative -- IPBC
Intergovernmental Risk Management Agency -- IRMA
Lake County Treasurer's Office
Lake County Public Building Commission
McHenry County Municipal Risk Management Association
Moraine Valley Community College
Municipal Insurance Cooperative Agency -- MICA
New Trier Township
Northeast Illinois Public Safety Training Academy -- NIPSTA
Northwest Water Commission
Solid Waste Agency of Northern Cook County -- SWANCC
South Suburban Mayors and Managers Bond Pool
South Towns Agency for Risk Management -- STARM
Southwest Agency for Health Management -- SWAHM
Southwest Agency for Risk Management -- SWARM
West Cook County Solid Waste Agency -- WCCSWA
Westchester/Broadview Joint Water Commission