

Sauk Valley Community College
June 28, 2021

Action Item 5.8

Topic: **Approval of Trust Agreement for Capital Development Board Project Funds**

College Health: **Metric 4 – College facilities and grounds are clean and updated. The campus is safe, secure and welcoming.**

Presented By: **Dr. David Hellmich and Kent Sorenson**

Presentation:

The Intergovernmental Cooperation Act (5 ILCS 220 et seq., as amended) authorizes public agencies to enter into agreements and contracts to perform any governmental service, activity, or undertaking authorized by law upon approval of their respective governing bodies.

The Capital Development Board (CDB) is an agency of the State of Illinois created pursuant to 20 ILCS 3105 et seq., which is responsible for managing construction projects for which money has been appropriated or authorized by the General Assembly.

The College recently replaced a number of its original air handler units and its hot water boilers. The College's remaining air handlers have reached the end of their original useful life. The administration has determined it is desirable, advantageous, and in public interest to undertake a project to replace air handlers, condensate pumps, and renovate cooling towers with coordination from the CDB and available State funding, and therefore a trust agreement which delineates the objectives, duties, and responsibilities of the CDB and the College is necessary.

The CDB has committed to provide up to seventy-five (75%) of the cost of the proposed project for a maximum contribution of \$1,983,750 to finance the project, and the College has committed to provide the balance of the project costs. The CDB will manage the project, and the College will transfer \$661,250 from available local funds to the CDB under a project trust agreement.

Recommendation:

The administration recommends the Board approve the attached Trust Agreement with the Capital Development Board for the development and execution of the proposed project using available local funds to the establish trust account.

TRUST AGREEMENT

This Agreement is made and entered into by and between Sauk Valley Community College whose address is _____ (*college address*) _____ hereinafter called the Using Educational Agency, and a Bank _____ (*Bank name*) _____ whose address is _____ (*Bank address*) _____ hereinafter called Bank.

WITNESSETH

WHEREAS the USING EDUCATIONAL AGENCY is required by law to pay a contribution to that certain project, known as Capital Development Board project number *CDB project # (810-084-013)*, in the amount of six hundred sixty-one thousand two hundred fifty dollars; and

WHEREAS, the USING EDUCATIONAL AGENCY may elect to deposit the contribution under a Trust Agreement, with an Illinois Bank of the Using Educational Agency's choice, pursuant to 71 Illinois Administrative Code 30.110, as amended October 1, 1984.

NOW THEREFORE, the parties do hereby agree:

1. That the USING EDUCATIONAL AGENCY does simultaneously with execution hereof deposit with Bank funds totaling six hundred sixty-one thousand two hundred fifty dollars (\$661,250).
2. That the funds so deposited with the Bank shall be described as the "contribution" and shall be held by the Bank in trust according to the terms of this agreement.
3. That the USING EDUCATIONAL AGENCY shall receive any interest thereon.
4. That earnings on the trust corpus shall be paid by the BANK to the USING EDUCATIONAL AGENCY not less frequently than quarterly.
5. That the Executive Director (in his or her official capacity) or the Administrator of Fiscal Management (in his or her official capacity) of the Capital Development Board are the only persons authorized to direct the BANK to make payment out of the trust, other than payment of earnings to the USING EDUCATIONAL AGENCY in accordance with Section 4 hereof.
6. The right of the Executive Director or the Administrator of Fiscal Management of the Capital Development Board to direct payment is restricted in that any such funds so directed shall be made payable only to: "The Order of State Treasurer of Illinois, Capital Development Board, Contributory Trust Fund".

7. That the BANK shall pay such funds within two (2) working days upon the receipt of the written direction of the Executive Director or the Administrator of Fiscal Management of the Capital Development Board, and that any agreement between the BANK and the USING EDUCATIONAL AGENCY, shall, in no way, affect the duty of the BANK to so pay upon demand.

8. That the BANK, as Trustee, shall invest in securities of the type utilized to collateralize deposits by the Treasurer of the State of Illinois, or time deposits, open accounts, certificates of deposit, savings accounts or enter into a re-purchase agreement; however, all time deposits, open accounts, certificates of deposit, savings accounts shall be covered by a pledge of securities to cover the difference between the FDIC insurance and the total unsecured amount (of the type listed in Paragraph 2, below) on deposit with the depositor bank of the Trustee Bank. A “safekeeping receipt” for such deposits shall be submitted to the USING EDUCATIONAL AGENCY covering the securities pledged, and a certified statement to the effect that all monies invested have been adequately protected, shall be submitted to CDB by the BANK. Should the re-purchase agreement cover securities other than those listed in Paragraph 2 of this Section, such agreements shall also be subject to the pledge of securities provision as described in this Section. The term “securities of the type utilized to collateralize deposits by the Treasurer of the State of Illinois” means: direct obligations of the United States Government; general obligations of the State of Illinois; notes, bonds, debentures or participation certificates of the Federal Mortgage Association, Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal Land Bank, Illinois Building Authority, Illinois Toll Highway Commission of Illinois State Toll Highway Authority; Public Housing Authority Notes; obligations of the Export-Import Bank of Washington, D.C.; general obligations municipal bonds (including school districts) within the State of Illinois rated “A” or better by Moodys; and Farmers Home Administration Insured Notes provided such notes are quoted and are non-amortized.

9. That the USING EDUCATIONAL AGENCY shall be responsible for obtaining the written execution of the Trust Agreement by the BANK. Any costs or service fees of the BANK shall be borne by the USING EDUCATIONAL AGENCY.

10. That when the total amount of the contribution has been paid from the account in accordance with the directions of the Executive Director or the Administrator of Fiscal Management of the Capital Development Board, this Agreement shall be terminated and any accumulated interest or earnings thereon shall be paid over to the Using Educational Agency.

IN WITNESS WHEREOF the parties have hereunder set their hands and seals this _____ day of _____, 20_____.

USING EDUCATIONAL AGENCY

Name of School Phone number

By: _____
Printed Name Title

Signature ATTEST: _____

BANK

Name of Bank Phone number

By: _____
Printed Name Title

Signature ATTEST: _____

**Acknowledgment of Receipt
Funds in the Amount**

\$_____

Bank Representative/Printed Name

By: _____
Signature Title

Paula Sorensen Administrator of Fiscal Management
CAPITAL DEVELOPMENT BOARD