



CITY COUNCIL AGENDA ITEMS

To: Mayor and City Council
From: Dean Rich, Director of Finance
Walter Denton, City Administrator
Date: October 5, 2009
Subject: Resolution Approving Placing City Funds with Illinois Metropolitan Investment Trust

List of committees that have reviewed: Treasurer and Director of Finance

Background: For the last 15 years the city has placed our working funds with IL Funds managed by the State Treasurer. IMET is a not-for-profit investment fund under the Illinois Municipal Code. It was established in 1996 as a cooperative to assist Illinois Municipalities invest their intermediate-term dollars. IMET currently serves 195 municipalities and public entities. Up until last year IL Funds was competitive with IMET in most fund areas. With the current downturn IMET is able to invest our short term funds at a much higher rate (2.45 versus 0.70). The resolution allows the city to avail its self of this service, which like IL funds is AAA rated.

Legal Considerations, if any: Both organizations operate under the Illinois Municipal Code.

Budget Impact: It could increase the amount of interest the city receives on short term funds.

Staff recommendation: Recommend approval.