



JOHN A. LOGAN COLLEGE

Board of Trustees

NOTICE AND AGENDA

Notice is hereby given that Aaron R. Smith, Chairman of the John A. Logan College Board of Trustees, has called for a Special Meeting of the Board of Trustees, Community College District No. 530, to be held on **Friday, May 2, 2025, at 3:00 p.m.**, for the approval of the G-Wing First Floor Renovation & Moisture Mitigation Trust Account Establishment.

BOARD OF TRUSTEES

SPECIAL MEETING

Friday, May 2, 2025

3:00 p.m.

Administration Board Room

1. **CALL TO ORDER**

2. **OPPORTUNITY FOR PUBLIC COMMENTS/QUESTIONS**

3. **NEW BUSINESS**

A. G-Wing First Floor Renovation & Moisture Mitigation Trust Account Establishment

4. **ADJOURNMENT**

**JOHN A. LOGAN COLLEGE
CONSENT AGENDA ITEM FOR BOARD APPROVAL**

3.A – G-Wing First Floor Renovation & Moisture Mitigation Trust Account Establishment

1. REASON FOR CONSIDERATION

The Illinois Capital Development Board (CDB) requires the attached Trust Agreement for funding the local share (25%) of project #810-064-024 approved for the G-wing first floor renovation and moisture issue mitigation. This renovation project was previously brought to the Board for approval on July 25, 2023, as part of the FY 2024 Resource Allocation and Management Plan (RAMP) submission.

2. BACKGROUND INFORMATION

The budget for this project has increased from the original FY 2024 Resource Allocation and Management Plan (RAMP) submission due to cost escalation factors required to be included by the CDB. The total budget is now \$3,404,058, with a 25% local share of \$851,014. The Illinois CDB has made the selection of architect and engineering services for this project.

A separate escrow trust account must be created for each CDB project. A check in the amount of \$851,014, funded by 2020A bond proceeds, must be provided to the bank when the Trust Agreement is signed. This signed agreement must then be submitted to the CDB prior to their board meeting on May 13, 2025.

The College has previously used the Bank of Herrin as the banking entity for CDB trust accounts. However, the Bank of Herrin will not provide this service going forward. A survey of the local banking institutions resulted in a single banking entity that can comply with our collateralization needs per the Board investment policy, the CDB's trust agreement requirements, and reasonable rates for these services. First Southern Bank can address all these needs in a timely manner.

While First Southern Bank is a new banking entity for the College, we believe that establishing a banking relationship with them is prudent for this and potential future escrow accounts.

3. RECOMMENDATION

That the Board of Trustees grants permission to Administration to establish a banking relationship with First Southern Bank; and further that the Board approves the attached CDB Contributory Trust Agreement associated with Project #810-064-024 for the G-wing first floor renovation and moisture issue mitigation; and further that the College deposits the requisite \$851,014 into that trust account at First Southern Bank funded from the College's 2020A bond proceeds.

Staff Contact:

Susan LaPanne, Ph.D., CPA, Vice President of Business Services/CFO
Kara Bevis, CPA, Assistant Vice President of Business Services/Controller

TRUST AGREEMENT

This Agreement is made and entered into by and between the John A Logan 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 # (810-064-024)*, in the amount of eight hundred fifty-one thousand fourteen 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 eight hundred fifty-one thousand fourteen dollars (\$851,014).
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

ATTEST: _____
Signature

Acknowledgment of Receipt

Funds in the Amount \$ _____

Bank Representative/Printed Name

By: _____
Signature Title

Joel Meints Administrator of Fiscal Management/CFO
CAPITAL DEVELOPMENT BOARD