



PUBLIC MEETING NOTICE AND AGENDA  
COMMITTEE OF THE WHOLE MEETING

MAY 7, 2019  
7:30 P.M.

AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Audience Participation  
The public is invited to make an issue-oriented comment on any matter of public concern not otherwise on the agenda. The public comment may be no longer than 3 minutes in duration.
4. Staff Presentations
  - A. Administration
    1. Farm Lease Agreement with Dan Fruin for the Sullivan Property
  - B. Finance
    1. Investment Policy Update
    2. Agreement to provide Bond Counsel Services
  - C. Public Works
    1. Resolution Appropriating Funds for the 2019 MFT Road Program and Engineering Services Task Order
    2. Award a Contract for the 2019 MFT Street Resurfacing Road Project to Arrow Road Construction
    3. Award a Contract for the Airport Parking Lot Replacement to Champion Paving
    4. Ordinance Approving an Airport Ground Lease with John Millikin for PAP-68
  - D. Community Services
    1. Ordinance Authorizing the Disposal of Surplus Property
    2. Request Waiver of Section 43.09, Noise, of the Municipal Code for the Lake in the Hills Triathlon
    3. Grant Agreement with the State of Illinois Department of Natural Resources for the Turtle Island Park Redevelopment
    4. Design & Engineering Services Task Order with HR Green for the Turtle Island Park Redevelopment

5. Board of Trustees
  - A. Trustee Harlfinger
  - B. Trustee Huckins
  - C. Trustee Bogdanowski
  - D. Trustee Dustin
    1. Planning and Zoning Commission Liaison Report
  - E. Trustee Artinghelli
    1. Parks and Recreation Board Liaison Report
  - F. Trustee Bojarski
  
6. Village President
  - A. Re-appointment - Police Commission – Sharon Lawson (Thursday)
  - B. Re-appointment - Police Pension – Stan Helgerson (Thursday)
  - C. Appointment - Budget Officer – Ray Bogdanowski (Thursday)
  
7. Audience Participation
  
8. Adjournment

MEETING LOCATION  
 Lake in the Hills Village Hall  
 600 Harvest Gate  
 Lake in the Hills, IL 60156

The Village of Lake in the Hills is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations so that they can observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the Village’s facilities, should contact the Village’s ADA Coordinator at (847) 960-7410 [TDD (847) 658-4511] promptly to allow the Village to make reasonable accommodations for those persons.

Posted by: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_



# REQUEST FOR BOARD ACTION

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**MEETING DATE:** May 7, 2019

**DEPARTMENT:** Administration

**SUBJECT:** Execution of a Farm Lease Agreement between the Village of Lake in the Hills and Mr. Dan Fruin for a portion of the property commonly referred to as the Sullivan property

## EXECUTIVE SUMMARY

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Attached please find the Farm Lease Agreement between the Village of Lake in the Hills and Mr. Dan Fruin, for the portion of PIN #18-22-200-006, commonly referred to as the Sullivan Property. Mr. Fruin has leased and maintained this property since May 26, 2005. Entering into this lease agreement reduces the Village's maintenance costs associated with the mowing and landscaping of the property. The lease will commence on May 9, 2019 for a two year term. An automatic renewal for up to five two-year terms has been added to the lease agreement. A 30-day cancellation notice is required by either party. Mr. Fruin will be responsible for the payment of real estate taxes on the leasehold interest.

## FINANCIAL IMPACT

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None.

## ATTACHMENTS

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1. Farm Lease Agreement

## RECOMMENDED MOTION

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Motion to approve the execution of the Farm Lease agreement with Mr. Dan Fruin for a portion of the Sullivan Property.

## **FARM LEASE**

THIS INDENTURE, made and entered into this 9<sup>th</sup> day of May, 2019, between the Village of Lake in the Hills, 600 Harvest Gate, Lake in the Hills, Illinois 60156 ("Lessor"), and Dan Fruin, of 7103 Mensching Road, Huntley, Illinois 60142 ("Lessee").

WITNESSETH, That Lessor, for and in consideration of the covenants and agreements hereinafter mentioned, to be kept and performed by Lessee, has, by these presents, demises and leased to Lessee, the following described land, to-wit as Exhibit A:

That part of the West Half of the Northeast Quarter of Section 22, Township 43 North, Range 7 East of the Third Principal Meridian, described as follows: Commencing at a point on the East line of said West Half, said point being 826.14 feet North of the Southeast corner of said West Half; thence Westerly along a line 826.14 feet Northerly of and parallel with the South line of said West Half, a distance of 235.00 feet for the point of beginning; thence continuing Westerly along said parallel line, 520.2 feet to the Easterly bank of a creek; thence Northwesterly along said Easterly bank, an approximate distance of 975 feet to a line that is 125.00 feet Southerly of and parallel with the South line of lands described in Document No. 2003R0155674; thence Easterly along said parallel line, a distance of 622.2 feet to a line that is 577.80 feet Westerly of and parallel with the East line of said West Half; thence Southerly along said parallel line, 384.35 feet; thence Easterly parallel to the South line of said West Half, a distance of 577.80 feet to the East line of said West Half; thence Southerly along said East line, 51.23 feet; thence Southwesterly at an angle of 134 degrees 56 minutes 57 seconds, measured counterclockwise from the last described course, a distance of 332.04 feet; thence Southerly parallel with the East line of said West Half, 169.25 feet to the point of beginning, in McHenry County, Illinois.

### **ADDITIONAL PROVISIONS**

It is further understood and agreed between the parties hereto that in the event the within described real estate is needed at any time during the period from date hereof during the term of this lease, and the Lessor desires to have possession of said premises, or a part thereof, the Lessor shall have the privilege of taking possession of all or any part of said premises where the crops have been removed, or prior to farm work commencement, also the privilege of taking possession of all or part of said premises where the crops may be unharvested.

And Lessee covenants with Lessor, that at the expiration of the term of this Lease, he will yield up the possession to Lessor, without further demand or notice, in as good order and condition as when the same were entered upon by Lessee, loss by fire, inevitable accident, and ordinary wear excepted.

And it is further expressly understood and agreed between the parties hereto, as follows:

1. Lessee covenants to farm said premises in a husbandlike manner, and to raise the greatest amount of grain thereon, the nature of the soil and season will permit; and further to break up and improve as much of the waste land as may be in condition to plough.
2. Either Lessor or Lessee may terminate this lease for any reason by giving 30 days notice to the other party whereupon the tenancy shall terminate on the 30<sup>th</sup> day following the notice of termination. Should the Lessee have crops planted at the time of being served notice of intent to terminate, and those crops cannot be salvaged prior to the termination date, the Lessor agrees to compensate the Lessee for expenses related to the loss of these crops.

### **LESSEE EXPRESSLY AGREES:**

1. To cultivate the land in a workmanlike manner, to harvest crops in proper season, and to use the premises for lawful purposes only.
2. To distribute upon the land all accumulated manure, and not burn, sell or remove from the premises any straw, corn stalks, or fodder.



3. To destroy all noxious weeds as required by law, to follow cultural practices to eradicate, as well as control, noxious weeds, and to keep fence rows, all uncultivated land and adjacent roadways mowed.
4. To furnish and pay for all seed for cultivated crops, same to be thoroughly cleaned, soybeans to be inoculated, small grain and seed corn to be treated by standard method for disease, and to furnish equipment, labor, and all operating expense for the production, harvesting and storing on the premises. Lessee shall provide all fertilizers, soil foods, soil concentrates and other soil enrichment at his own expense.
5. To protect growing crops from loss or damage by insect pests, such as chinch bugs, grasshoppers, etc., by providing the necessary labor to perform standard practices for the control of such pests; poison or other materials used for such control to be paid for by Lessee.
6. That Lessor is not obligated to make any repairs or improvements during the term hereof, and is not obligated to replace or repair any improvements on the premises damaged or destroyed by fire or an Act of God, and Lessee by these presents hereby releases and discharges Lessor from any liability for any injury from any cause that might result to Lessee or his family, or damaged to his property, sustained during the term hereof, or for failure of or inadequacy of the water supply, loss of buildings, or added expense or inconvenience that might result therefrom, nor shall the rentals be abated on account thereof.
7. To incur no expense for or on account of Lessor without a written order by Lessor.
8. Not to assign this lease or sublet any part of the premises without the written consent of Lessor.
9. If Lessee shall default in any of the agreements herein contained, Lessor may, at its option, declare this lease null and void and take immediate possession of the premises with or without process of law. In the event suit is prosecuted for possession, Lessee agrees to pay a reasonable attorney fee and all costs incurred in such action.
10. Lessee agrees that he has entered into this lease, relying on his own knowledge of the premises and improvements, including the water supply, and not upon any representation made by Lessor or any other person touching the situation. Further, this lease covers the entire agreement between Lessor and Lessee and no modifications, extensions, or renewals of this lease, or waivers of any of the provisions, shall be of any force or effect unless the same are in writing and signed by the parties hereto.
11. Lessee agrees to make no claim for compensation for labor performed by him or for any improvements or betterments made on the leased premises, unless such labor or improvements is agreed upon writing in advance by Lessor and Lessee and the value thereof fixed and determined.
12. It is agreed that all covenants and agreements herein contained shall be binding upon and insure to the successors, heirs, executors, administrators and assigns of Lessor and Lessee.
13. This lease is made subject to any and all easements, restrictions, rights of way, oil and gas leases, or items of a similar nature.
14. Lessee covenants and agrees that he will protect and save and keep the Lessor forever harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances, whether occasioned by the neglect of Lessee or those holding under Lessee, and that Lessee will, at all times, protect, indemnify and save and keep harmless the Lessor against and from any and all loss, cost, damage or expense, arising out of or from any accident or other occurrence on or about said premises, causing injury to any person or property whomsoever or whatsoever and will protect, indemnify and save and keep harmless the Lessor against and from any and all claims and against and from any and all loss, cost, damage or expense arising out of any failure of Lessee in any respect to comply with and perform all the requirements or provisions hereof.
15. The term of this lease shall be from May 9, 2019 through May 9, 2021 unless otherwise terminated as provided herein.

16. Notwithstanding anything to the contrary, the Lease shall automatically be extended for five successive two-year terms on the same terms and conditions as set forth herein.

17. Lessee hereby acknowledges and agrees that (A) the provisions of this Lease shall be fully enforceable against Lessee and Lessee's successors and assigns, (B) Lessee hereby forever waives any rights or remedies which may or may not be provided to Lessee by any law, statute, ordinance or regulatory act with respect to Lessor's right to terminate the Lease.

18. Lessee hereby acknowledges that Lessor or Lessor's agents may conduct soil, environmental, wetland or other such tests upon portions of the Leased Premises. Lessee agrees to cooperate in a reasonable manner with Lessor's taking of such tests. Lessor hereby agrees to indemnify Lessee from damages caused to the Lessee as a direct result of entrance upon the Leased Premises in connection with the taking of such tests.

19. Except as expressly set forth herein, the Lease shall remain in full force and effect in accordance with its terms.

20. It is hereby acknowledged and agreed by Lessor and Lessee that for all purposes Lessee is an independent contractor and not an agent or employee of Lessor. Prior to entry upon the Leased Premises, Lessee shall provide Lessor with proof of insurance, in form and amounts reasonably acceptable to Lessor, for general liability, property damage and other appropriate coverage, which proof of insurance indicates that Lessor is an additional insured.

21. The Lessee shall be responsible for the payment of real estate taxes on the leasehold interest.

22. Lessor shall be entitled to attorneys fees if Lessee defaults under this lease or in any proceedings filed by Lessor to regain possession of the property.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names on the day first above written.

LESSOR:  
VILLAGE OF LAKE IN THE HILLS

LESSEE:

\_\_\_\_\_  
By: Russ Ruzanski  
Its: Village President

\_\_\_\_\_  
Dan Fruin

600 Harvest Gate  
Lake in the Hills, IL 60156

7103 Mensching Road  
Huntley, IL 60142



# REQUEST FOR BOARD ACTION

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**MEETING DATE:** May 7, 2019  
**DEPARTMENT:** Finance  
**SUBJECT:** Investment Policy Update

## EXECUTIVE SUMMARY

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The Village's Investment Policy was last updated in December 2012 and needed several updates/revisions to bring it in-line with the current market environment and best practices for municipal investments.

One of the pertinent revisions is the addition of Illinois Public Reserves Investment Management Trust (IPRIME) as an authorized and suitable investments. IPRIME is a newly launched investment pool for Illinois Municipal Treasurers through PMA Financial Network, a financial institution already designated as a depository for Village cash and investments. Staff has been working with PMA advisors on updates to our investment policy, as well as, creating a specific investment plan and developing a cash flow projection that ultimately is the backbone for the investment plan. Adding IPRIME will allow staff and PMA to finalize the investment plan for the Village and receive the following benefits:

- Maximize interest income
- Takes advantage of economies of scale
- Ensure all liabilities are properly funded
- Identify future, near-term cash shortfalls
- Provide for continuity in the Finance Department should key staff change in the future

The revisions are summarized below:

- **Entire policy** - updated 'Finance Director' to 'Assistant Village Administrator/Finance Director'
- **Section 4.1 B. Interest Rate Risk** - Changed the word 'general' to 'market'.
- **Section 7.0 Authorized Financial Dealers & Institutions** - Deleted 'National Association of Security Dealers (NASD)' and replace it with 'Financial Industry Regulatory Authority (FINRA)'. FINRA is the new regulatory authority that was created when NASD and NYSE Member Regulation combined to form FINRA.
- **Section 8.0 Authorized and Suitable Investments** - Illinois Public Reserves Investment Management Trust (IPRIME) was added as an authorized and suitable investment
  - Remove the words 'short-term' and changed the days from '270' to '3 years'. Commercial Paper has been expanded in allowable investments per state statute to include corporate notes (commercial paper that goes out 3 years).
  - Removed 'Derivatives', as an allowable investment due to risk.

- **Section 9.0 Collateralization** – Changed Attachment #2 in this section to Attachment #1, and attached the GFOA Best Practices on Collateralizing Public Deposits.
  - Reduced the amount of collateral that is required to 102% (which is GFOA’s recommendation) as 110% is restrictive for many financial institutions.
  - Changed ‘or the Federal Reserve Bank of Chicago’ to ‘or a Federal Reserve Bank’, as there are many different Federal Reserve Banks and don’t want to limit to just Chicago.
  - Deleted Reciprocal Transactions. These are covered under the FDIC section of allowable investments.
- **Section 11.0 Diversification** – Deleted bullet points referencing Investment Pools shall not exceed 50% of the portfolio. Depending on the rate environment, these liquid pools might be the safest alternative and provide the best rate.
  - Removed the restriction on ‘Brokered CD’s not exceeding 95% of the portfolio. These are FDIC insured and don’t need to limit these types of investments.
  - Clarified the limit is 30% of the aggregate portfolio.
- **Glossary** – Removed the glossary. Including definitions can potentially conflict with how terms are defined in state statute or this investment policy and thereby cause confusion or uncertainty regarding the policy. Many of the terms listed were not relevant to the policy or found within the policy.

## **FINANCIAL IMPACT**

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None.

## **ATTACHMENTS**

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1. Investment Policy with revisions
2. IPRIME New Account Application Form and Press Release
3. Final Investment Policy: Revised 5-7-19

## **RECOMMENDED MOTION**

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Motion to approve revisions to the Village’s Investment Policy and direction to become a new account with IPRIME and pursue and implement the investment plan through PMA Financial Network.

**Village of Lake in the Hills**

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**Lake in the Hills, Illinois**

**Investment Policy**



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**Adopted  
November 11, 1999**

- Revised 03/27/03: Section 11.0 Diversification-Update to Diversification Percentages
- Revised 01/26/06: Section 9.0 Collateralization-Update to Allow Participation in the Certificate of Deposit Account Registry Service
- Revised 03/26/09: Section 11.0 Diversification-Update to Diversification Percentages
- Revised 12/13/12: Section 7.0 Authorized Financial Dealers and Institutions-Add FDIC Insured Institutions
- Section 8.0 Authorized and Suitable Investments-Update Authorized Investments and GFOA Advisory
- Section 9.0 Collateralization-Update GFOA Best Practice and Collateral Agreement
- Section 11.0 Diversification-Update to Diversification Percentages
- Section 14.1 Market Yield (Benchmark)-Update Benchmark

**Section 15.1 Marking to Market-Update GFOA Best Practice**

**Revised 05/07/2019: See attached listing**

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS**  
**INVESTMENT POLICY**

**1.0 Policy:**

It is the policy of the Village of Lake in the Hills, Illinois (the "Village") to prudently invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state statutes governing the investment of public funds.

**2.0 Scope:**

This investment policy applies to all financial assets of the Village. The financial assets of the Police Pension Fund are subject to the orders of its Board of Trustees. The following funds are accounted for in the Village's Comprehensive Annual Financial Report and include:

**2.1 Funds:**

- 2.1.1 General Fund
- 2.1.2 Special Revenue Funds
- 2.1.3 Capital Project Funds
- 2.1.4 Enterprise Funds
- 2.1.5 Trust and Agency Funds
- 2.1.6 (Any new fund created by the Village Board, unless specifically exempt.)

**3.0 Prudence:**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived.

- 3.1 The standard of prudence to be used by investment officials shall be the "**prudent person**" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**4.0 Objective:**

The primary objective, in priority order, of the Village's investment activities shall be:

**4.1 Safety:**

Safety of principal is the foremost objective of the investment program. Investments of the Village shall be undertaken in a manner that seeks to insure the preservation of capital in the portfolio.

**A. Credit Risk:**

Credit risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:

- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Village will do business;
- Limiting investments to the safest types of securities; and
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

**B. Interest Rate Risk:**

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in ~~market general~~ interest rates. Interest rate risk may be mitigated by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and
- By investing operating funds primarily in shorter-term securities.

**4.2 Liquidity:**

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary markets.

**4.3 Return on Investments:**

Return on investment is of tertiary concern when compared to the safety and liquidity objectives described above. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout economic cycles, ~~taking into account~~ ~~considering~~ the investment risk constraints and liquidity needs. Investments are limited to very low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- 1) a declining credit security could be sold early to minimize loss of principal;
- 2) a security swap would improve the quality yield, or target duration in the portfolio; or
- 3) liquidity needs of the portfolio require that the security be sold.

**5.0 Delegation of Authority:**

Authority to manage the Village's investment program is derived from the following:



The establishment of investment policies is the responsibility of the Village Board. Management and administrative responsibility for the investment program is hereby delegated to the ~~Finance Director~~Assistant Village Administrator/Finance Director who, under the direction of the Village Administrator, shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the ~~Finance Director~~Assistant Village Administrator/Finance Director. The ~~Finance Director~~Assistant Village Administrator/Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. The ~~Finance Director~~Assistant Village Administrator/Finance Director may from time to time amend the written procedures in a manner not inconsistent with this policy or with state statutes.

#### 6.0 Ethics and Conflicts of Interest:

Individuals involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Individuals involved in the investment process shall disclose any interests in financial institutions with which they conduct business. In addition, such individuals shall disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Individuals involved in the investment process shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Village.

#### 7.0 Authorized Financial Dealers and Institutions:

The ~~Finance Director~~Assistant Village Administrator/Finance Director will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except on qualified public depository as established by state statutes.

The Village Board authorizes the ~~Finance Director~~Assistant Village Administrator/Finance Director to invest in any FDIC-insured financial institution up to the current FDIC insurance limit.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the ~~Finance Director~~Assistant Village Administrator/Finance Director with the following:

- audited financial statements;
- proof of ~~Financial Industry Regulatory Authority (FINRA)~~ National Association of Security Dealers (NASD) certification;
- proof of state registration; and
- certification of having read the Village's investment policy.

An annual review of the financial condition and registration of qualified bidders will be conducted by the ~~Finance Director~~Assistant Village Administrator/~~Finance Director~~.

A current audited financial statement must be on file for each financial institution and broker/dealer through which the Village invests.

#### 8.0 **Authorized and Suitable Investments:**

The Village may invest in any type of security allowed for in Illinois statutes (30 ILCS 235/2) regarding the investment of public funds. Approved investments include but are not limited to:

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest.
- Bonds, notes, debentures, or other similar obligations of the United States of America, its agencies, and its instrumentalities. Agencies of the United States of America include: (i) the federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.) and Acts amendatory thereto; (ii) the federal home loan banks and the federal home loan mortgage corporation; and (iii) any other agency created by Act of Congress.
- Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described above and to agreements to repurchase such obligations.
- The Illinois Funds, including the Illinois Public Treasurer's Investment Pool (IPTIP).
- The Illinois Metropolitan Investment Fund, (IMET).
- The Illinois Public Reserves Investment Management Trust (IPRIME)
- Interest bearing savings accounts, interest bearing certificates of deposit or interest bearing time deposits or any other investments constituting direct obligations of any bank -as defined by the Illinois Banking Act that is insured by the Federal Deposit Insurance Corporation (FDIC).
- ~~Short term~~ Obligations of corporations (banker's acceptances and commercial paper) organized in the United States with assets exceeding \$500 million if (i) such obligations are rated at the time of purchase at one of the three the highest classifications established by at least two standard rating services and which mature not later than 3 years 270 days from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations and (iii) no more than a combined 33% of the Village's funds may be invested in short term obligations of corporations (banker's acceptances and commercial paper).
- Short-term discount obligations of the Federal National Mortgage Association (FNMA) or in shares of other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of this state or any other state or under the laws of the United States. Investments may be made only in those savings banks or savings and loan associations the shares, or investment certificates of which are insured by the Federal Deposit Insurance Corporation (FDIC).
- In addition to any other investments authorized under this Act, a municipality or a county may invest its public funds in interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other

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state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the municipality or county or held under a custodial agreement at a bank. The bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions.

- ~~Consistent with the GFOA Advisory on Use of Derivatives and Structured Investments by State and Local Governments for Non-Pension Fund Investment Portfolios, Attachment #1, extreme caution should be exercised in the use of derivative instruments.~~

#### 9.0 Collateralization:

It is the policy of the Village and in accordance with the GFOA Best Practice on Collateralizing Public Deposits, Attachment #12, that the Village requires that funds on deposit in excess of FDIC limits be secured by some form of collateral. The Village will accept any of the following assets as collateral:

- Government Securities
- Obligations of Federal Agencies
- Obligations of Federal Instrumentalities
- Obligations of the State of Illinois

The Village reserves the right to accept/reject any form of the ~~above-named~~above-named securities.

The Village also requires that all depositories that hold Village deposits in excess of the FDIC limit must agree to utilize the Village's current Collateralization Agreement.

The amount of collateral provided will not be less than ~~102~~104% of the fair market value of the net amount of public funds secured. The ratio of fair market value of collateral to the amount of funds secured will be reviewed monthly, and additional collateral will be required when the ratio declines below the level required and collateral will be released if the fair market value exceeds the required level. Pledged collateral will be held in safekeeping, by an independent third party depository, or the Federal Reserve Bank ~~of Chicago~~, designated by the Village and evidenced by a safekeeping agreement. Collateral agreements will preclude the release of the pledged assets without an authorized signature from the Village. The Village realizes that there is a cost factor involved with collateralization and the Village will pay any reasonable and customary fees related to collateralization.

~~In lieu of collateralization, funds may be invested in fully FDIC-insured certificates of deposits issued by banks and savings associations (located nationwide) through Reciprocal Transactions of the Certificate of Deposit Account Registry Service, provided that (1) the funds are placed through a bank or savings association (custodial bank) located in the State of Illinois; and (2) the other requirements of this Policy have been satisfied.~~

#### 10.0 Safekeeping and Custody:

All security transactions, including collateral for repurchase agreements, entered into by the Village shall be conducted on a delivery-verses-payment (DVP) basis. Securities will be held by a third

party custodian designated by the ~~Finance Director~~Assistant Village Administrator/Finance Director and evidenced by safekeeping receipts.

#### 11.0 Diversification:

In order to reduce the risk of default, the investment portfolio of the Village shall not exceed the following diversification limits unless specifically authorized by the Village Board:

- Monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution.
- Commercial paper shall not exceed 33% of the Village's investment portfolio.
- ~~Deposits in the Illinois Funds, including the Illinois Public Treasurer's Investment Pool (IPTIP), shall not exceed 50% of the Village's investment portfolio.~~
- ~~Deposits in the Illinois Metropolitan Investment Fund shall not exceed 50% of the Village's investment portfolio.~~
- ~~Brokered certificates of deposit shall not exceed 95% of the Village's investment portfolio.~~
- Interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, shall not exceed 30% of the aggregate Village's investment portfolio.

#### 12.0 Maximum Maturities:

To the extent possible, the Village will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific anticipated expenditure, the Village will not directly invest in securities maturing more than three years from the date of purchase.

Reserve funds may be invested in securities exceeding three years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

#### 13.0 Internal Controls:

The ~~Finance Director~~Assistant Village Administrator/Finance Director is responsible for establishing and maintaining an internal control structure designed to insure that the assets of the Village are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgements by management.

Accordingly, the ~~Finance Director~~Assistant Village Administrator/Finance Director shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures.

The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery securities

- Clear delegation of authority to subordinate staff members
- Written confirmation of telephone transactions for investments and wire transfers
- Development of a procedure for making wire transfers

#### 14.0 **Performance Standards:**

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to appropriate benchmarks on a regular basis.

##### 14.1 **Market Yield (Benchmark):**

The Village's investment strategy is passive. Given this strategy, the basis to be used by the ~~Finance Director~~Assistant Village Administrator/Finance Director to determine whether market yields are being achieved shall be the six-month U.S. Treasury Bill.

#### 15.0 **Reporting:**

The ~~Finance Director~~Assistant Village Administrator/Finance Director shall prepare an investment report at least monthly, including a succinct management summary that provides a clear picture of the status of the current investment portfolio. This management summary will be prepared in a manner which will allow the entity to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the Village Administrator. The report may include the following:

- A listing of individual securities held at the end of the reporting period
- Listing of investments by maturity date
- The percentage of the total portfolio which each type of investment represents
- The percentage of the total portfolio which each institution is holding
- The percentage of the total portfolio broken down by defined maturity periods
- Principal and type of investment by fund

##### 15.1 **Marking to Market:**

A statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that the minimal amount of review has been performed on the investment portfolio in terms of value and subsequent price volatility. Review should be consistent with the GFOA Best Practice on Mark-to-Market Reporting Practices for State and Local Government Investment Portfolios (Attachment #23).

#### 16.0 **Investment Policy Adoption:**

The Village of Lake in the Hills' investment policy shall be adopted by the Village Board. The policy shall be reviewed on an annual basis by the ~~Finance Director~~Assistant Village Administrator/Finance Director and any modifications made thereto must be approved by the Village Board.

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## GLOSSARY

**AGENCIES:** Informal name that refers to securities issued by the United States government and U.S. government sponsored agencies.

**ASKED:** The trading price proposed by the prospective seller of securities. Also called the offer or offered price.

**BANKERS' ACCEPTANCE (BA):** A short term financial instrument that is the unconditional obligation of the accepting bank.

**BASIS POINT (BP):** The unit of measurement for interest rates or yields that are expressed in percentages. (One hundred basis points equal 1 percent.)

**BID:** The trading price acceptable to a prospective buyer of securities.

**BOND EQUIVALENT YIELD (BEY):** An annual yield, expressed as a percentage, describing the return provided to bond holders. The BEY is a way to compare yields available from discount securities such as Treasury bills and BAs with yields available from coupon securities.

**BROKER:** A party who brings buyers and sellers together. Brokers do not take ownership of the property being traded. They are compensated by commissions. They are not the same as dealers; however, the same individuals and firms that act as brokers in some transactions may act as dealers in other transactions.

**CERTIFICATE OF DEPOSIT (CD):** A deposit of funds, in a bank or savings and loan association, for a specific term that earns interest at a specified rate or rate formula. CDs may be secured or unsecured, may be in negotiable or nonnegotiable form and may be issued in either physical or book entry form.

**CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SERVICE (CDARS):** A service provided by a national network of financial institutions that provides a means of protecting deposits in excess of the \$100,000 FDIC limit without collateralizing those deposits or using a portfolio of depositories.

**COLLATERAL:** Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COMMERCIAL PAPER (CP):** Unsecured, short term promissory notes issued by corporations for specific amounts and with specific maturity dates.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):** The official annual report for the Village of Lake in the Hills. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes

~~supporting schedules necessary to demonstrate compliance with finance related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section~~

~~**COUPON:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.~~

~~**DEALER:** A firm or individual who buys and sells for their own account. Dealers have ownership between a purchase from one party and a sale to another party. Dealers are compensated by the spread between the price they pay and the price they receive.~~

~~**DEBENTURE:** A bond secured only by the general credit of the issuer.~~

~~**DELIVERY VERSUS PAYMENT (DVP):** The simultaneous exchange of securities and cash. The safest method of settling either the purchase or sale of a security. In a DVP settlement, the funds are wired from the buyer's account and the security is delivered from the seller's account in simultaneous independent wires.~~

~~**DISCOUNT:** The amount by which the price for a security is less than its par.~~

~~**DISCOUNT SECURITIES:** Securities that do not pay periodic interest. Investors earn the difference between the discount issue price and the full face value paid at maturity. Treasury bills, banker's acceptances and zero coupon bonds are discount securities.~~

~~**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.~~

~~**FEDERAL CREDIT AGENCIES:** Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., S & L's, small business firms, students, farmers, farm cooperatives, and exporters.~~

~~**FEDERAL DEPOSIT OF INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits, currently up to \$100,000 per deposit.~~

~~**FEDERAL FUNDS RATE:** The rate for which overnight federal funds are traded.~~

~~**FEDERAL HOME LOAN BANKS (FHLB):** The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis à vis member commercial banks.~~

~~**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA of FANNIE MAE):** FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, HUD. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed rate mortgages. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.~~

~~**FEDERAL OPEN MARKET COMMITTEE (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotation basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.~~

~~**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.~~

~~**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE):** GNMA, like FNMA, was chartered under the Federal National Mortgage Association Act of 1938. Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FHLM mortgages. The term *passthroughs* is often used to describe Ginnie Maes.~~

~~**INTERNAL CONTROLS:** Internal controls must be designed to ensure that the assets of the Village are protected from loss, theft or misuse. The internal control structure should be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgements by management. Internal controls should address the following points:~~

~~1.—Control of Collusion—Collusion is a situation where two or more employees are working in conjunction to defraud their employer.~~

~~2.—Separation of transaction authority from accounting and record keeping—By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.~~

~~3.—Custodial Safekeeping—Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.~~

~~4.—Avoidance of Physical Delivery Securities—Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.~~

~~5.—Clear delegation of authority to subordinate staff members—Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.~~



~~6— Written confirmation or telephone transactions for investments and wire transactions—Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.~~

~~7— Development of a wire transfer agreement with the lead bank or third party custodian—The designated official should ensure that an agreement will be entered into and will address the following points: controls; security provisions; and responsibilities of each party making and receiving wire transfers.~~

~~**LIQUIDITY:** A liquid asset is one that can be readily converted to cash through sale in an active secondary market.~~

~~**LOCAL GOVERNMENT INVESTMENT POOL (LGIP):** Pools through which governmental entities may invest short term cash. Examples of LGIP's are the Illinois Funds, administered by the Illinois State Treasurer and the Illinois Metropolitan Investment Fund.~~

~~**MARKET VALUE:** The price at which a security could presumably be purchased or sold.~~

~~**MARK TO MARKET:** The process of restating the carrying value of an asset or liability to equal its current market value.~~

~~**MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default of the seller-borrower.~~

~~**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.~~

~~**MONEY MARKET:** The aggregation of buyers and sellers actively trading money market instruments.~~

~~**OFFER OR OFFERED PRICE:** The trading price proposed by the prospective seller of securities (also called the asked or asking price).~~

~~**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.~~

~~**PORTFOLIO:** Collection of financial assets belonging to a single owner.~~

~~**PREMIUM:** The amount by which the price for a security is greater than its par amount.~~

**PRIMARY DEALER:** A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unrelated firms.

**PRUDENT PERSON RULE:** An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state—the so-called *legal list*. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**QUALIFIED PUBLIC DEPOSITORIES:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**REINVESTMENT RISK:** The risk that all or part of the principal may be received when interest rates are lower than when the security was originally purchased, so that the principal must be reinvested at a lower rate than the rate originally received by the investor.

**REPURCHASE AGREEMENT (RP OR REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

**SAFEKEEPING:** A service rendered by banks whereby securities and valuables of all types and descriptions are held by the bank.

**SEC RULE 15C3-1:** See uniform net capital rule.

**SECONDARY MARKET:** Markets for the purchase and sale of any previously issued financial instrument.

**SECURITIES & EXCHANGE COMMISSION (SEC):** The federal agency with responsibility for regulating financial exchanges for cash instruments.

**SPREAD OVER TREASURIES:** The difference between the bond equivalent yield for any investment and the bond equivalent yield for a Treasury investment with the same maturity.

**TREASURY BILLS (T-BILLS):** Short term obligations issued by the U.S. Treasury for maturities of one year or less. They do not pay interest but are issued on a discount basis instead.

**TREASURY BONDS (T-BONDS):** Long-term obligations issued by the U.S. Treasury with initial maturities of more than ten years.

**TREASURY NOTES (T-NOTES):** Medium-term obligations issued by the U.S. Treasury with initial maturities of from one to ten years.

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requirement that member firms as well as non-member broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called *net capital rule* and *net capital ratio*. Indebtedness covers all money owed to a firm including margin loans and commitments to purchase securities; one reason new public issues are spread among members of underwriting syndicate. *Liquid capital* includes cash and assets easily converted to cash.

**YIELD:** Loosely refers to the annual return on an investment expressed as a percentage on an annual basis. For interest-bearing securities, the yield is a function of the rate, the purchase price, the income that can be earned from the reinvestment of income received prior to maturity, call or sale. Different formulas or methods are used to calculate yields.



# NEW ACCOUNT APPLICATION FORM

## SECTION A: NEW ACCOUNT INFORMATION

1. Legal Entity Name as filed with the IRS (if known): \_\_\_\_\_
2. Address: \_\_\_\_\_
3. Federal Tax ID: \_\_\_\_\_ 4. Is the new account for bond proceeds?  Yes  No
5. Account Title (General, Water, etc.) \_\_\_\_\_

## SECTION B: PRIMARY CONTACT DESIGNATION

6. Please designate the IPRIME Primary Contact person for your Entity:
- Name: \_\_\_\_\_ Title: \_\_\_\_\_
- Phone: \_\_\_\_\_ Fax: \_\_\_\_\_
- Email: \_\_\_\_\_

## SECTION C: PRIMARY CONTACT AUTHORITY / ACCOUNT SECURITY

7. The above-named primary contact will have the authority to:
- Certify the authorized personnel at the Entity, and specify the PMA GPS<sup>®</sup>\* access capabilities;
  - Transfer funds to/from IPRIME, and to/from approved depository;
  - Add or delete the bank information (ACH/Wire) IPRIME has on file for the Entity;
  - Sign up for State Aid Deposits;
  - Open, close, change and reactivate IPRIME account Information;
  - Move money (Make purchases, redemptions, transfers and fixed rate investments);
  - Access ALL IPRIME sub-accounts for the entity; and
  - Act as primary contact person for all IPRIME daily activity.

NOTE: To designate additional authorized personnel, please complete the Authorized Personnel Information form for each such authorized person.

\*The PMA Governmental Portfolio System ("PMA GPS<sup>®</sup>") is an online system that provides 24-hour access to your IPRIME account(s).

8. IPRIME Statements and Confirmations:
- The primary contact elects to retrieve electronic statements, confirmations and other communications via PMA GPS<sup>®</sup>,
- or IPRIME will mail monthly statements and confirmations to the primary contact at the above address.
9. System Access: Access to PMA GPS<sup>®</sup> will automatically be granted if the primary contact elects to receive electronic statements. A username and password will be sent via email.
- Request access to PMA GPS<sup>®</sup> if electronic statements are not elected.
10. Email Notification:  Yes, send an email when online statements and confirmations are available.
- No, do not send an email when online statements and confirmations are available.

## SECTION F: INFORMATION STATEMENT AND DECLARATION

It is certified that the Entity has received a copy of the Information Statement of IPRIME and agrees to be bound by the terms of said document.

## SECTION G: AUTHORIZATION

This section must be completed by the Authorized Official of the Entity. The authorizations set forth on this form shall remain in full force and effect until the Fund receives written notification of a change.

I hereby certify that I am authorized by the Entity to execute this Application Form for IPRIME in accordance with the Declaration of Trust:

Authorized Signer: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date of Request: \_\_\_\_\_

PMA Authorization:

Portfolio Advisor: \_\_\_\_\_

Compliance: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Mail or email this completed form to:**

**PMA Financial Network, Inc. | 2135 Citygate Lane, 7th Floor | Naperville, IL 60563**

***gps@pmanetwork.com***



FOR IMMEDIATE RELEASE

## **PMA Announces New Investment Pool for Illinois Municipal Treasurers**

**Naperville, IL – February 1, 2019** – PMA Financial Network, PMA Securities and Prudent Man Advisors (“[PMA](#)”) is pleased to announce and introduce the Illinois Public Reserves Investment Management Trust (“[IPRIME](#)”). IPRIME is the new investment pool for Municipal Treasurers acting on behalf of counties, townships, cities, towns, villages, libraries, park districts, water supply districts, fire protection districts, sanitary districts, housing authorities and other municipal subdivisions of the State of Illinois. “At PMA, we are excited to expand our LGIP services in Illinois and believe that IPRIME will provide significant value to PMA’s municipal clients throughout the state,” said [Jim Davis](#), CEO. “PMA is known for its commitment to serving local governments. Our performance is built around the safety, liquidity and yield that public sector officials depend on and expect, and we look forward to bringing these values to IPRIME and its Participants.”

IPRIME’s Investment Shares Series is rated AAAM by Standard & Poor’s and comprised of money market instruments having a maximum remaining maturity of one year (except U.S. government obligations that may have remaining maturities of up to two years). The primary objectives of the Investment Shares Series are to offer the highest possible investment yield, protect principal and preserve liquidity. In addition, the fund offers access to PMA Financial Network’s Fixed Income and Deposit Programs. “The IPRIME Board of Trustees is committed to providing a financial instrument that will appeal to Municipal Treasurers by providing the highest level of security and return on investment,” said Phillip DeRuntz, IPRIME Chairman.

PMA has earned a well-deserved reputation among municipal entities in Illinois and will serve as IPRIME’s Administrator (PMA Financial Network), Investment Advisor (Prudent Man Advisors) and Distributor (PMA Securities). The PMA companies have been leaders in providing financial services to public entities since 1984 and currently serve over 2,500 local governments in 11 states, working with over \$25.4 billion total investment assets under administration\*. PMA is a service provider in various capacities to now 12 local government investment pools similar to IPRIME. The company has built a reputation as a reliable, professional financial organization. IPRIME Participants will benefit by being able to take advantage of the products and services offered to its public sector clients. PMA has extensive experience both in and with public entities, including the team serving IPRIME.

*\*As of December 31, 2018. Total assets under administration include both money market pool assets for which the PMA companies serve as fund administrator/accountant, marketer/distributor, fixed income program provider (brokerage services), and/or investment advisory, or separate institutional accounts.*

### **About IPRIME**

The Illinois Public Reserves Investment Management Trust (“IPRIME”) is an investment pool for Municipal Treasurers acting on behalf of counties, townships, cities, towns, villages, libraries, park districts, water supply districts, fire protection districts, sanitary districts, housing authorities and other municipal subdivisions of the State of Illinois. IPRIME’s Investment Shares Series offers a competitive yield, requires no minimum balance, and allows unlimited withdrawals. The portfolio is rated AAAM by Standard & Poor’s and meets the requirements of GASB 79 in order to enable it to value its investments at amortized cost and allow Participants to report the shares at the \$1 NAV. The Investment Shares Series is designed to meet Participant’s daily liquidity needs.

With the experience and expertise of PMA, the Investment Shares Series grants investors access to a powerful investment management team that functions with a high standard of vision, synergy, and quality.

### **About The PMA Companies**

PMA Financial Network, PMA Securities and Prudent Man Advisors (the PMA companies) are under common ownership. Prudent Man Advisors, an SEC registered investment adviser, provides investment advisory services to local government investment pools and separate accounts. Securities, public finance services and institutional brokerage services are offered through PMA Securities. PMA Securities is a broker-dealer and municipal advisor registered with the SEC and MSRB, and is a member of [FINRA](#) and SIPC. All other products and services are provided by PMA Financial Network.

With services ranging from investment advisory work with Prudent Man Advisors to public finance work with PMA Securities, among others, the PMA companies are focused on achieving long-term financial success for their clients. With billions of dollars invested annually, the PMA companies provide over 2,500 public entities with a diverse lineup of customized financial solutions through a team of experienced professionals and innovative technology. PMA has built a record of success stories by meeting the needs of public entities. Additional information is available at [www.pmanetwork.com](http://www.pmanetwork.com).

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### **Media Contacts:**

Matt Orseske  
630-657-6408  
[morseske@pmanetwork.com](mailto:morseske@pmanetwork.com)

# Village of Lake in the Hills

## Investment Policy



**Adopted**

**November 11, 1999**

- Revised 03/27/03: Section 11.0 Diversification-Update to Diversification Percentages**
- Revised 01/26/06: Section 9.0 Collateralization-Update to Allow Participation in the Certificate of Deposit Account Registry Service**
- Revised 03/26/09: Section 11.0 Diversification-Update to Diversification Percentages**
- Revised 12/13/12: Section 7.0 Authorized Financial Dealers and Institutions-Add FDIC Insured Institutions**
- Section 8.0 Authorized and Suitable Investments-Update Authorized Investments and GFOA Advisory**
- Section 9.0 Collateralization-Update GFOA Best Practice and Collateral Agreement**
- Section 11.0 Diversification-Update to Diversification Percentages**
- Section 14.1 Market Yield (Benchmark)-Update Benchmark**



## Section 15.1 Marking to Market-Update GFOA Best Practice

Revised 05/07/2019:

- **Entire policy** - updated 'Finance Director' to 'Assistant Village Administrator/Finance Director'
- **Section 4.1 B. Interest Rate Risk** - Changed the word 'general' to 'market'.
- **Section 7.0 Authorized Financial Dealers & Institutions** - Deleted 'National Association of Security Dealers (NASD)' and replace it with 'Financial Industry Regulatory Authority (FINRA)'. FINRA is the new regulatory authority that was created when NASD and NYSE Member Regulation combined to form FINRA.
- **Section 8.0 Authorized and Suitable Investments** - Illinois Public Reserves Investment Management Trust (IPRIME) was added as an authorized and suitable investment
  - Remove the words 'short-term' and changed the days from '270' to '3 years'. Commercial Paper has been expanded in allowable investments per state statute to include corporate notes (commercial paper that goes out 3 years).
  - Removed 'Derivatives', as an allowable investment due to risk.
- **Section 9.0 Collateralization** - Changed Attachment #2 in this section to Attachment #1, and attached the GFOA Best Practices on Collateralizing Public Deposits.
  - Reduced the amount of collateral that is required to 102% (which is GFOA's recommendation) as 110% is restrictive for many financial institutions.
  - Changed 'or the Federal Reserve Bank of Chicago' to 'or a Federal Reserve Bank', as there are many different Federal Reserve Banks and don't want to limit to just Chicago.
  - Deleted Reciprocal Transactions. These are covered under the FDIC section of allowable investments.
- **Section 11.0 Diversification** - Deleted bullet points referencing Investment Pools shall not exceed 50% of the portfolio. Depending on the rate environment, these liquid pools might be the safest alternative and provide the best rate.
  - Removed the restriction on 'Brokered CD's not exceeding 95% of the portfolio. These are FDIC insured and don't need to limit these types of investments.
  - Clarified the limit is 30% of the aggregate portfolio.
- **Glossary** - Removed the glossary. Including definitions can potentially conflict with how terms are defined in state statute or this investment policy and thereby cause confusion or uncertainty regarding the policy. Many of the terms listed were not relevant to the policy or found within the policy.

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS**  
**INVESTMENT POLICY**

**1.0 Policy:**

It is the policy of the Village of Lake in the Hills, Illinois (the "Village") to prudently invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state statutes governing the investment of public funds.

**2.0 Scope:**

This investment policy applies to all financial assets of the Village. The financial assets of the Police Pension Fund are subject to the orders of its Board of Trustees. The following funds are accounted for in the Village's Comprehensive Annual Financial Report and include:

**2.1 Funds:**

- 2.1.1 General Fund
- 2.1.2 Special Revenue Funds
- 2.1.3 Capital Project Funds
- 2.1.4 Enterprise Funds
- 2.1.5 Trust and Agency Funds
- 2.1.6 (Any new fund created by the Village Board, unless specifically exempt.)

**3.0 Prudence:**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived.

3.1 The standard of prudence to be used by investment officials shall be the "**prudent person**" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**4.0 Objective:**

The primary objective, in priority order, of the Village's investment activities shall be:

**4.1 Safety:**

Safety of principal is the foremost objective of the investment program. Investments of the Village shall be undertaken in a manner that seeks to insure the preservation of capital in the portfolio.

#### **A. Credit Risk:**

Credit risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:

- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Village will do business;
- Limiting investments to the safest types of securities; and
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

#### **B. Interest Rate Risk:**

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. Interest rate risk may be mitigated by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and
- By investing operating funds primarily in shorter-term securities.

### **4.2 Liquidity:**

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary markets.

### **4.3 Return on Investments:**

Return on investment is of tertiary concern when compared to the safety and liquidity objectives described above. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout economic cycles, considering the investment risk constraints and liquidity needs. Investments are limited to very low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- 1) a declining credit security could be sold early to minimize loss of principal;
- 2) a security swap would improve the quality yield, or target duration in the portfolio; or
- 3) liquidity needs of the portfolio require that the security be sold.

### **5.0 Delegation of Authority:**

Authority to manage the Village's investment program is derived from the following:

The establishment of investment policies is the responsibility of the Village Board. Management and administrative responsibility for the investment program is hereby delegated to the Assistant Village Administrator/Finance Director who, under the direction of the Village Administrator, shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Assistant Village Administrator/Finance Director. The Assistant Village Administrator/Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. The Assistant Village Administrator/Finance Director may from time to time amend the written procedures in a manner not inconsistent with this policy or with state statutes.

#### **6.0 Ethics and Conflicts of Interest:**

Individuals involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Individuals involved in the investment process shall disclose any interests in financial institutions with which they conduct business. In addition, such individuals shall disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Individuals involved in the investment process shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Village.

#### **7.0 Authorized Financial Dealers and Institutions:**

The Assistant Village Administrator/Finance Director will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except on qualified public depository as established by state statutes.

The Village Board authorizes the Assistant Village Administrator/Finance Director to invest in any FDIC-insured financial institution up to the current FDIC insurance limit.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Assistant Village Administrator/Finance Director with the following:

- audited financial statements;
- proof of Financial Industry Regulatory Authority (FINRA) certification;
- proof of state registration; and
- certification of having read the Village's investment policy.

An annual review of the financial condition and registration of qualified bidders will be conducted by the Assistant Village Administrator/Finance Director.

A current audited financial statement must be on file for each financial institution and broker/dealer through which the Village invests.

#### **8.0 Authorized and Suitable Investments:**

The Village may invest in any type of security allowed for in Illinois statutes (30 ILCS 235/2) regarding the investment of public funds. Approved investments include but are not limited to:

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest.
- Bonds, notes, debentures, or other similar obligations of the United States of America, its agencies, and its instrumentalities. Agencies of the United States of America include: (i) the federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.) and Acts amendatory thereto; (ii) the federal home loan banks and the federal home loan mortgage corporation; and (iii) any other agency created by Act of Congress.
- Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described above and to agreements to repurchase such obligations.
- The Illinois Funds, including the Illinois Public Treasurer's Investment Pool (IPTIP).
- The Illinois Metropolitan Investment Fund, (IMET).
- The Illinois Public Reserves Investment Management Trust (IPRIME)
- Interest bearing savings accounts, interest bearing certificates of deposit or interest bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act that is insured by the Federal Deposit Insurance Corporation (FDIC).
- Obligations of corporations (banker's acceptances and commercial paper) organized in the United States with assets exceeding \$500 million if (i) such obligations are rated at the time of purchase at one of the three the highest classifications established by at least two standard rating services and which mature not later than 3 years from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations and (iii) no more than a combined 33% of the Village's funds may be invested in short term obligations of corporations (banker's acceptances and commercial paper).
- Short-term discount obligations of the Federal National Mortgage Association (FNMA) or in shares of other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of this state or any other state or under the laws of the United States. Investments may be made only in those savings banks or savings and loan associations the shares, or investment certificates of which are insured by the Federal Deposit Insurance Corporation (FDIC).
- In addition to any other investments authorized under this Act, a municipality or a county may invest its public funds in interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the municipality or county or held under a custodial agreement at a bank. The bonds shall be rated at the time of purchase within the 4

highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions.

#### 9.0 Collateralization:

It is the policy of the Village and in accordance with the GFOA Best Practice on Collateralizing Public Deposits, Attachment #1, that the Village requires that funds on deposit in excess of FDIC limits be secured by some form of collateral. The Village will accept any of the following assets as collateral:

- Government Securities
- Obligations of Federal Agencies
- Obligations of Federal Instrumentalities
- Obligations of the State of Illinois

The Village reserves the right to accept/reject any form of the above-named securities.

The Village also requires that all depositories that hold Village deposits in excess of the FDIC limit must agree to utilize the Village's current Collateralization Agreement.

The amount of collateral provided will not be less than 102% of the fair market value of the net amount of public funds secured. The ratio of fair market value of collateral to the amount of funds secured will be reviewed monthly, and additional collateral will be required when the ratio declines below the level required and collateral will be released if the fair market value exceeds the required level. Pledged collateral will be held in safekeeping, by an independent third party depository, or the Federal Reserve Bank, designated by the Village and evidenced by a safekeeping agreement. Collateral agreements will preclude the release of the pledged assets without an authorized signature from the Village. The Village realizes that there is a cost factor involved with collateralization and the Village will pay any reasonable and customary fees related to collateralization.

#### 10.0 Safekeeping and Custody:

All security transactions, including collateral for repurchase agreements, entered into by the Village shall be conducted on a delivery-verses-payment (DVP) basis. Securities will be held by a third party custodian designated by the Assistant Village Administrator/Finance Director and evidenced by safekeeping receipts.

#### 11.0 Diversification:

In order to reduce the risk of default, the investment portfolio of the Village shall not exceed the following diversification limits unless specifically authorized by the Village Board:

- Monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution.
- Commercial paper shall not exceed 33% of the Village's investment portfolio.

- Interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, shall not exceed 30% of the aggregate Village's investment portfolio.

#### 12.0 **Maximum Maturities:**

To the extent possible, the Village will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific anticipated expenditure, the Village will not directly invest in securities maturing more than three years from the date of purchase.

Reserve funds may be invested in securities exceeding three years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

#### 13.0 **Internal Controls:**

The Assistant Village Administrator/Finance Director is responsible for establishing and maintaining an internal control structure designed to insure that the assets of the Village are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgements by management.

Accordingly, the Assistant Village Administrator/Finance Director shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures.

The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of telephone transactions for investments and wire transfers
- Development of a procedure for making wire transfers

#### 14.0 **Performance Standards:**

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to appropriate benchmarks on a regular basis.

##### 14.1 **Market Yield (Benchmark):**

The Village's investment strategy is passive. Given this strategy, the basis to be used by the Assistant Village Administrator/Finance Director to determine whether market yields are being achieved shall be the six-month U.S. Treasury Bill.

### 15.0 **Reporting:**

The Assistant Village Administrator/Finance Director shall prepare an investment report at least monthly, including a succinct management summary that provides a clear picture of the status of the current investment portfolio. This management summary will be prepared in a manner which will allow the entity to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the Village Administrator. The report may include the following:

- A listing of individual securities held at the end of the reporting period
- Listing of investments by maturity date
- The percentage of the total portfolio which each type of investment represents
- The percentage of the total portfolio which each institution is holding
- The percentage of the total portfolio broken down by defined maturity periods
- Principal and type of investment by fund

### 15.1 **Marking to Market:**

A statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that the minimal amount of review has been performed on the investment portfolio in terms of value and subsequent price volatility. Review should be consistent with the GFOA Best Practice on Mark-to-Market Reporting Practices for State and Local Government Investment Portfolios (Attachment #2).

### 16.0 **Investment Policy Adoption:**

The Village of Lake in the Hills' investment policy shall be adopted by the Village Board. The policy shall be reviewed on an annual basis by the Assistant Village Administrator/Finance Director and any modifications made thereto must be approved by the Village Board.





## BEST PRACTICE

# Collateralizing Public Deposits

### BACKGROUND:

The safety of public funds should be the foremost objective in public fund management. Collateralization of public deposits through the pledging of appropriate securities or other instruments (i.e. surety bonds or letters of credit) by depositories is an important safeguard for such deposits. The amount of pledged collateral is determined by a governmental entity's deposit level and the policy or legal required collateral margin. Some states have established programs for the pooling of collateral for deposit of public funds.

Federal law imposes certain limitations on collateral agreements between financial institutions and public entities in order to secure governmental entity deposits. Under certain circumstances, as are discussed in recommendations below, the Federal Deposit Insurance Corporation (FDIC) may void an otherwise perfected security interest and leave the governmental depositor with only the right to share with other creditors in the pro rata distribution of the assets of a failed institution for the amount of deposits that exceed the FDIC coverage. Separate governmental 'corporations' such as economic development corporations or water supply corporations, etc., do not fulfill the FDIC's definition of 'public unit'<sup>1</sup> and therefore even accurately completed collateral definition may not be honored by the FDIC on a bankruptcy.

### RECOMMENDATION:

GFOA recommends the use of a written agreement with pledging requirements as protection for state or local government's deposits. GFOA encourages governmental entities to establish adequate and efficient administrative systems to monitor such pledged collateral, including state or locally administered collateral pledging or collateral pools. To accomplish these goals, GFOA recommends the following:

1. Governmental entities should implement programs of prudent risk control. Such programs could include a formal depository risk policy, credit analysis, and use of fully secured investments. In the absence of a state program for pooling collateral, public entities should establish and implement collateralization procedures, including procedures to monitor their collateral positions. Monitoring informs a public entity of undercollateralization, which may threaten the safety of an entity's deposits, and overcollateralization, which may increase the cost of banking services. Governmental entities however can not and should not accept the liability for maintaining collateral levels which liability must fall to the financial institution.
2. Governmental entities/depositors should take all possible actions to comply with state and federal requirements in order to ensure that their security interests in collateral pledged to secure deposits are enforceable against the receiver of a failed financial institution. Federal law provides that a depositor's security agreement, which tends to diminish or defeat the interest of the FDIC in an asset acquired by it as receiver of an insured depository, shall not be valid against the FDIC unless the agreement:
  - is in writing;
  - was approved by the board of directors of the depository or its loan committee and<sup>2</sup>
  - has been, continuously, from the time of its execution, an official record of the depository institution.<sup>3</sup>
3. Governmental entities should have all pledged collateral held at an independent third-party institution outside the holding company of their bank, and evidenced by a written agreement in an effort to satisfy the Uniform Commercial Code (UCC) requirement for control. The UCC states that the depositor does not have a perfected interest in a security unless the depositor controls it. Control means that swaps, sales, and transfers cannot occur without the depositor's written approval.
  - The value of the pledged collateral should be marked to market monthly, or more frequently depending on the volatility of the collateral pledged. Some state statutes do dictate a minimum margin level for collateral based on deposit levels (e.g., Georgia and Minnesota statutes require 110 percent). If not, the margin levels should be at least 102 percent, depending on the liquidity and volatility of the collateral pledged. State statutes also govern whether minimum margin levels apply to principal only or to accrued interest as well. On a sale, accrued interest would be received. Governmental entities should review applicable state statutes and confirm compliance.
  - Substitutions of collateral should meet the requirements of the collateral agreement, be approved, by the entity in writing prior to release, and the collateral should not be released until the replacement collateral has been received.
  - The public entity should require reporting directly from the custodian. The custodian should warrant and be signatory to the agreement

- Reporting by the third party institution should at a minimum be monthly.

4. The pledge of collateral should comply with the investment policy or state statute, whichever is more restrictive. Governmental entities should know and understand securities pledged as collateral.

5. Governmental entities that use surety bonds in lieu of collateral should limit the insurers to those of the highest credit quality as determined by a nationally recognized insurance rating agency. A thorough review of the terms of the bond is required.

6. The governmental entity should thoroughly review the terms and conditions of any letters of credit, including those issued by a federal agency or government sponsored enterprise.

7. The governmental entity should establish and follow procedures for on-going review of collateral.

**Note:** As a result of the court case [North Arkansas Medical Center v. Barrett](#), 963 F.2d 780 (8th Cir. 1992), the FDIC issued a policy statement in March 1993 indicating that it would not seek to void a security interest of a federal, state, or local public unit solely because the security agreement did not comply with the contemporaneous execution requirement set forth in Section 13(e) of the Federal Deposit Insurance Act 12 U.S.C. 1823(e). The policy statement was officially enacted by Section 317 of the Riegle Community Development and Regulatory Improvement Act of 1994 (Public Law 103-325).

**Notes:**

<sup>1</sup> For deposit insurance purposes, the term "public unit" includes a state, county, municipality, or "political subdivision" thereof. Governments should review Section 330.15 of the FDIC's regulations (12 C.F.R. 330.15) to identify if they fall within the FDIC's definition of "public unit" and to determine whether they are public entity qualifying for collateral protection under the definition. This information can be found at <http://www.fdic.gov/deposit/deposits/FactSheet.html>

<sup>2</sup> The FDIC does not require every transaction to be reviewed by the board of directors. The board may fulfill this function by setting parameters and authorizing a particular officer to carry out its wishes. The officer would be performing ministerial acts on behalf of the board. (FDIC Interpretive Letters)

<sup>3</sup> Corporate resolutions that list specific officers who are authorized by the board of directors to execute agreements securing public deposits will meet this requirement.

**References:**

- GFOA Sample Security Agreement (long and short versions), [www.gfoa.org](http://www.gfoa.org), 2009.
- GFOA Sample Custodial Trust Agreement, [www.gfoa.org](http://www.gfoa.org), 2006.
- An Introduction to Collateralizing Public Deposits for State and Local Governments, Second Edition, M. Corinne Larson, GFOA, 2006.
- *Investing Public Funds, Second Edition*, Girard Miller with M. Corinne Larson and W. Paul Zorn, GFOA, 1998.
- FDIC Act (12 U.S.C. 1811 et seq. and 12 C.F.R. Part 330.330.15 Public Unit Accounts ([www.FDIC.gov](http://www.FDIC.gov)))



## BEST PRACTICE

# Mark-to-Market Reporting for Public Investment Portfolios

### BACKGROUND:

Market risk is significant in public investment portfolios. Due to price volatility, valuing investments at their current price is necessary to provide a realistic measure of a portfolio's true liquidation value. Over time, reporting standards for state and local government investment portfolios have been enhanced so that investors, governing bodies, and the public remain informed of the current market value of the portfolio. Regular disclosure of the value of a governmental entity's investments is an important step to furthering taxpayer and market confidence in state and local government investment practices. The Governmental Accounting Standards Board (GASB) has also recognized the need to report investments at fair value at fiscal year end. Government officials should be aware of state, local, accounting, and rating agency requirements regarding mark-to-market practices.

### RECOMMENDATION:

GFOA recommends that state and local government officials responsible for investment portfolio reporting determine the market value of all securities in the portfolio on at least a quarterly basis. These values should be obtained from a reputable and independent source and disclosed to the governing body or other oversight body at least quarterly in a written report. The independent source of pricing should not be one of the parties to the transaction being valued and could include:

1. a broker or other financial institution who was not a counterparty to the transaction,
2. the custodial bank if the bank was not a counterparty to the transaction,
3. publicly available publications such as the *Wall Street Journal*, or
4. other pricing services for which a separate fee would be paid.

It is recommended that the written report include the market value, book value, and unrealized gain or loss of the securities in the portfolio.

If there is a significant event in the local or national economy that might affect the value of the portfolio, then a mid-term valuation of the portfolio should be conducted. Governments that employ a more active portfolio management style should consider more frequent marking to market and reporting.

### References:

- *GASB Statement 31 and Implementation Guide, Accounting and Financial Reporting for Certain Investment and for External Investment Pools*, March, 1997.
- *Investing Public Funds, Second Edition*, Girard Miller with M. Corinne Larson and W. Paul Zorn, GFOA, 1998.
- *Investment Procedures and Internal Controls Guideline*, GFOA, May 2003.
- *Elected Official's Guide Investing, Second Edition*, Sofia Anastopoulos, GFOA, 2007.



# REQUEST FOR BOARD ACTION

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**MEETING DATE:** May 7, 2019

**DEPARTMENT:** Finance

**SUBJECT:** Agreement to provide Bond Counsel Services

## EXECUTIVE SUMMARY

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At the April 9, 2019 Committee of the Whole Meeting, a request for board action was presented regarding an ordinance proposing the establishment of a special service area in unincorporated Lake in the Hills and was approved by the Village Board on April 11, 2019. Included in the request for board action was a timeline regarding the SSA 51 process. Number 10 on the timeline stated “retain bond counsel.”

As such, on April 23<sup>rd</sup> the Village issued a Request for Qualifications (RFQ) for Bond Counsel Services and accepted four proposals from Ice Miller LLP, Chapman and Cutler LLP, Miller Canfield and Foley & Lardner LLP. The RFQ requested bond counsel services for the issuance of bonds for SSA 51 for the unincorporated water system infrastructure project. A summary of the cost proposals can be found below:

<u>Firm</u>	<u>G.O Bonds</u>	<u>SSA Bonds</u>
Ice Miller LLP	\$ 9,500	\$ 13,500
Chapman and Cutler	\$ 9,500	No Quote Provided
Miller Canfield	\$ 9,750	\$ 15,000
Foley & Lardner LLP	\$ 25,000	\$ 60,000

All firms are qualified to serve as bond counsel. Staff is recommending Ice Miller LLP due to the fact that they submitted the lowest cost proposals for both issuing G.O Bonds or SSA Bonds. Also, Ice Miller LLP served as the Village’s bond counsel in the early 2000’s and assisted the Village with several bond issuances so they have a familiarity and history with the Village.

## FINANCIAL IMPACT

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The total cost of bond counsel services will be included in the total debt issuance amount and repaid through SSA 51. As you can see the type of bonds issued will have an impact on the cost as more time and work is required with issuing SSA Bonds than G.O Bonds.

## ATTACHMENTS

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1. Timeline Regarding SSA 51 process
2. Village issued Request for Qualification
3. Ice Miller LLP RFQ Response

## **RECOMMENDED MOTION**

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Approve the agreement to provide bond counsel services for the issuance of bonds for SSA 51 for the unincorporated water system infrastructure project with Ice Miller LLP for a total cost not to exceed \$9,500 for G.O Bonds or \$13,500 for SSA Bonds.

**Unincorporated Water Main Project**



TASK	START	ANTICIPATED DURATION	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
1. McHenry County approved Village formation of SSA	Oct-18	Oct-18	Complete																			
2. Staff budgeted for engineering in FY 19 budget	Oct-18	Oct-18	Complete																			
3. Issue preliminary and design engineering RFP - February 4, 2019	Feb-19	Feb-19					Actual Start															
4. Re-engage with unincorporated residents, then ad-hoc committee on February 19, 2019	Feb-19	May-20					Actual Start	Actual Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start
5. Award Phase I and Phase II Engineering - February 28, 2019	Feb-19	Feb-19					Actual Start															
6. Obtain rough engineer's estimate - March 25, 2019	Mar-19	Mar-19						Actual Start														
7. Obtain high-end cost & tax levy information through Speer - March 30, 2019	Mar-19	Mar-19						Actual Start														
8. SSA Proposing Ordinance presented to Board for action - April 9, 2019	Apr-19	Apr-19							Anticipated Start													
9. 60-day review and objection period for proposing SSA ordinance	Apr-19	Jun-19							Anticipated Start	Anticipated Start	Anticipated Start											
10. Retain bond counsel - April 30, 2019	Apr-19	Apr-19							Anticipated Start													
11. Public hearing on SSA formation following 60 day notice period - June 11, 2019	Jun-19	Jun-19									Anticipated Start											
12. 60-day objection period for establishing ordinance for SSA	Jun-19	Aug-19									Anticipated Start	Anticipated Start	Anticipated Start									
13. After objection period, adopting/establishing ordinance for SSA presented to Board for action at August 22, 2019 meeting	Aug-19	Aug-19										Anticipated Start										
14. Award construction - October 22, 2019	Oct-19	Oct-19													Anticipated Start							
15. Adopt bond ordinance - October 22, 2019	Oct-19	Oct-19													Anticipated Start							
16. 30 day review period	Oct-19	Nov-19													Anticipated Start	Anticipated Start						
17. After 30 day review period, bond issuance, assuming action approved by Board - December 1, 2019	Dec-19	Dec-19															Anticipated Start					
18. Issue tax levy for year 1 of debt service at Board meeting - December 12, 2019	Dec-19	Dec-19															Anticipated Start					
19. Construction begins February 2020	Feb-20	May-20																	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start



# Request for Qualifications

## Bond Counsel Services

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Issued: April 23, 2019

**DUE DATE:**

**May 1, 2019, 4:00 p.m. (CDT)**

**Village of Lake in the Hills, Illinois**  
**Shane D. Johnson**  
**Assistant Village Administrator/Finance Director**  
600 Harvest Gate  
Lake in the Hills, IL 60156  
[sjohnson@lith.org](mailto:sjohnson@lith.org)  
(847) 960-7420

## 1. Purpose of Request for Qualifications

The purpose of this Request for Qualifications is to establish a professional services agreement between The Village of Lake in the Hills and a qualified professional firm to serve as bond counsel to the Village. The Village anticipates an initial term of one (1) year to specifically serve as bond counsel for a defined infrastructure project with a debt issuance. The Village anticipates establishing a relationship with a firm to also serve on future projects and engagements as they arise and subject to Village Board approval.

## 2. Background

The Village of Lake in the Hills is located about 47 miles northwest of Chicago, Illinois. It is home to approximately 29,228 people (2016, Special U.S. Census Bureau).

The Village utilizes Speer Financial, Inc. as Financial Advisor and currently has \$260,000 in the Airport Fund in outstanding principal bond obligations in general obligation refunding bonds dated December 20, 2012. The Village has issued many types of debt in the past, but has paid off all outstanding governmental and water fund debt in 2017. The Village maintains an Aa2 bond rating from Moody's Investors Service, which was most recently affirmed in December 2012, and is committed to improving or maintaining this rating. The Village has typically issued general obligation bonds to obtain the lowest possible interest rate and annually adopts abatement ordinances for bond obligations paid from alternate revenue sources (ie. water utility).

The Village operates under the Trustee-Administrator form of government and provides a full range of services to its residents, including police, public works, water, recreation and general government services. It is a home-rule unit of government.

The Village anticipates issuance of approximately \$2 million in either special service area (SSA) or general obligation (G.O) bonds in December 2019 for a newly established SSA area to fund water main infrastructure upgrades, with the debt to be repaid from the SSA property tax levy. **Please review the attached Request for Board Action, Timeline, and Proposing**



**Ordinance that was approved by the Village Board on April 11, 2019 for further important details on the project.**

**3. Scope of Work**

The Village requires a qualified professional firm to provide traditional and customary bond counsel services, including but not limited to:

- Support with the preparation of the Preliminary Official Statement (POS), Official Statement (OS) and Notice of Sale.
- Assist in planning and structuring the Village 's bond issue(s) and supervision of the procedures of issuance.
- Coordinate with the Financial Advisor regarding bond issue(s).
- Preparation of proposed enabling legislation, if needed for financing.
- Preparation of documents necessary or appropriate to the authorization, issuance, sale and delivery of the bond(s).
- Obtain required approvals, validation, ruling, permissions and exemptions as bond counsel determines to be necessary or appropriate to the issue(s).
- Render opinions on questions related to the Village's bond obligations, on applicability of federal and state laws, security agreements, and any other relevant issues.
- Assist in presenting information to bond rating agencies and bond insurers, if necessary.
- Lend support in all required reporting associated with the Village 's bonded indebtedness, such as review of arbitrage reporting and annual bond disclosure.
- Advise the Village on new or revised regulations and interpretations concerning tax-exempt debt issuance, including arbitrage restrictions.
- Provide advice regarding the applicability of regulations to outstanding debt, including any debt issued prior to the commencement of this agreement, and projected future debt issuance.
- **Optional:** Act as Issuer's disclosure counsel; rendering of opinion on the validity of the Village's bond offering, the security for the offering and whether interest on the bonds is exempt from income and other taxation.

#### 4. Anticipated Project Schedule

This schedule represents the targeted project milestones for the selection of bond counsel for the Village of Lake in the Hills, but is subject to change at the sole discretion of the Village :

- |                   |                                     |
|-------------------|-------------------------------------|
| 1. April 23, 2019 | Release of RFQ                      |
| 2. May 1, 2019    | RFQ's Due - 4:00 p.m. CDT           |
| 3. May 7, 2019    | Recommendation to the Village Board |
| 4. May 9, 2019    | Village Board Approval              |

#### 5. Intent to Respond

All inquiries or questions regarding this RFQ and final RFQ submissions are to be submitted via e-mail to the following individual:

**Shane D. Johnson**  
 Assistant Village Administrator/Finance Director  
 600 Harvest Gate  
 Lake in the Hills, IL 60156  
[sjohnson@lith.org](mailto:sjohnson@lith.org)  
 (847) 960-7421

5.1. All RFQ's due by May 1, 2019 at 4:00 p.m. (CDT).

**Any RFQ's received after the deadline will be not be considered**

5.2. RFQ Format:

5.2.1. RFQ Cover letter - a signed letter briefly stating the proposer's understanding of the work to be done in compliance with the Village's Request for Qualifications, a statement why the firm believes itself to be the best qualified firm to perform the services, and a statement that the cost and proposal is a firm and irrevocable offer for 30 days. Any exceptions to requirements listed in the Village's Request for Qualifications must be clearly identified in the Cover letter, including exceptions to the desired scope of services outlined in Section 3. The Cover letter must be signed by an authorized representative of the firm.

5.2.2. Response to each item in Section 3. (Scope of Work).

- 5.2.3. The cost of services to be provided for both a **1.) G.O bond issue and 2.) SSA Bond issue** and an explanation of the basis on which fees are determined. All potential services and associated pricing must be disclosed. Pricing shall be fixed for this engagement, and any proposed adjustments to pricing for any additional work shall be submitted to the Village in writing and agreed upon.
- 5.2.4. Name of individual who will serve as the lead on the project, along with resume(s) of all staff to be assigned to this project.
- 5.2.5. Minimum of three (3) professional references for similar engagements:
- 5.2.5.1. Please provide contact name and phone number for each reference.
  - 5.2.5.2. Brief description of engagement and services rendered.
- 5.2.6. Availability and ability to meet The Village of Lake in the Hills requirements - **see proposed Timeline in the attached supporting documents**
- 5.2.7. Qualifications - include a summary of the firm's qualification to perform the work outlined. A current resume must be provided for the individual(s) designated to work on this engagement. Both the firm and assigned personnel should be qualified to provide technical support in the issuance of bonds, including experience with federal, state and other laws including tax matters, experience with applicable federal securities laws and regulations, and experience with regulatory agencies.



# REQUEST FOR BOARD ACTION

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**MEETING DATE:** April 9, 2019

**DEPARTMENT:** Public Works

**SUBJECT:** Ordinance Proposing the Establishment of a Special Services Area in Unincorporated Lake in the Hills

## EXECUTIVE SUMMARY

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Last year, the Village Board considered the sale of a portion of the Village's water system situated in unincorporated McHenry County. In light of concerns expressed by water system customers, the Village made the decision to not sell the system, and instead chose to consider a Special Service Area (SSA) to finance the installation of a new water system. In November of 2018, the County of McHenry consented to the Village of Lake in the Hills' establishment of an SSA in its incorporated jurisdiction in response to the Village's desire. Subsequently, in December of 2018, the Village Board adopted the Fiscal Year 2019 budget, which included expenditures from the Water Fund for the engineering necessary to design the infrastructure improvements as well as for associated legal expenses. Most recently, in February of 2019, the Village Board was presented with a conceptual timeline for the project and authorized staff to proceed with its initiation. Also in February, the Village awarded preliminary design engineering services for the new water system.

To that end, staff and the Village Attorney have prepared an ordinance proposing the establishment of a Special Service Area to encompass the unincorporated area, as well as one parcel within the Village's corporate boundaries. The SSA Tax Law provides that the Village establish maximum parameters regarding financing of the special services. This is due to the fact that there are certain unknown factors within the project which include:

- The actual construction costs, which will not be determined until the project is awarded in late fall of 2019. The engineer's not-to exceed estimate includes a very conservative 25% contingency;
- The type of bond, the interest rate at which it is issued, and the term of the debt service. These will require future consideration by the Village Board.

The maximum amount included in the proposed ordinance is \$2,891 annually for each parcel within the SSA. If the SSA is adopted, the Village will agree to pay the SSA levy imposed on those parcels situated within the corporate boundaries of the Village. This includes the property currently occupied by the American Legion. The rationale is that the Village does not charge residents for repair and reinstallation of the water main system. At the same time too, the Village staff believes that this is the fair and appropriate course of action because this property would benefit from the new water main system.

If the Board adopts the proposing ordinance, a public hearing on the proposed SSA would be held on June 11 before the Village Board with notice of same published in the newspaper and sent to the taxpayers within the special service area. Besides such public notice, it is anticipated that other means of communicating information regarding the SSA would be provided to customers in the meantime.

The SSA Tax Law provides that within 60 days of the adjournment of such public hearing, if an objection petition signed by 51% of the voters and 51% of the owners of record within the proposed SSA is filed objecting to the SSA, the SSA will not be established. If an objection petition is not filed, or if a petition is filed but does not meet each of two criteria necessary to "veto" the SSA, the Village Board is authorized to adopt an ordinance establishing the SSA after such potential objection period.

## **ATTACHMENTS**

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1. Timeline regarding the SSA 51 process
2. Ordinance Proposing the Establishment of Special Service Area Number 51 Within, as well as Outside of, the Village of Lake in the Hills, Setting a Public Hearing Date and Providing for Other Procedures in Connection Therewith

## **RECOMMENDED MOTION**

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Motion to adopt the ordinance proposing the SSA 51 Water Main Project.

**Unincorporated Water Main Project**



TASK	START	ANTICIPATED DURATION	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
1. McHenry County approved Village formation of SSA	Oct-18	Oct-18	Complete																			
2. Staff budgeted for engineering in FY 19 budget	Oct-18	Oct-18	Complete																			
3. Issue preliminary and design engineering RFP - February 4, 2019	Feb-19	Feb-19					Actual Start															
4. Re-engage with unincorporated residents, then ad-hoc committee on February 19, 2019	Feb-19	May-20					Actual Start	Actual Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start
5. Award Phase I and Phase II Engineering - February 28, 2019	Feb-19	Feb-19					Actual Start															
6. Obtain rough engineer's estimate - March 25, 2019	Mar-19	Mar-19						Actual Start														
7. Obtain high-end cost & tax levy information through Speer - March 30, 2019	Mar-19	Mar-19						Actual Start														
8. SSA Proposing Ordinance presented to Board for action - April 9, 2019	Apr-19	Apr-19							Anticipated Start													
9. 60-day review and objection period for proposing SSA ordinance	Apr-19	Jun-19							Anticipated Start	Anticipated Start	Anticipated Start											
10. Retain bond counsel - April 30, 2019	Apr-19	Apr-19							Anticipated Start													
11. Public hearing on SSA formation following 60 day notice period - June 11, 2019	Jun-19	Jun-19									Anticipated Start											
12. 60-day objection period for establishing ordinance for SSA	Jun-19	Aug-19									Anticipated Start	Anticipated Start	Anticipated Start									
13. After objection period, adopting/establishing ordinance for SSA presented to Board for action at August 22, 2019 meeting	Aug-19	Aug-19											Anticipated Start									
14. Award construction - October 22, 2019	Oct-19	Oct-19													Anticipated Start							
15. Adopt bond ordinance - October 22, 2019	Oct-19	Oct-19													Anticipated Start							
16. 30 day review period	Oct-19	Nov-19													Anticipated Start	Anticipated Start						
17. After 30 day review period, bond issuance, assuming action approved by Board - December 1, 2019	Dec-19	Dec-19															Anticipated Start					
18. Issue tax levy for year 1 of debt service at Board meeting - December 12, 2019	Dec-19	Dec-19															Anticipated Start					
19. Construction begins February 2020	Feb-20	May-20																	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start

## VILLAGE OF LAKE IN THE HILLS

### ORDINANCE 2019 - \_\_\_\_

#### **AN ORDINANCE PROPOSING THE ESTABLISHMENT OF SPECIAL SERVICE AREA NUMBER 51 WITHIN, AS WELL AS OUTSIDE OF, THE VILLAGE OF LAKE IN THE HILLS, SETTING A PUBLIC HEARING DATE AND PROVIDING FOR OTHER PROCEDURES IN CONNECTION THEREWITH**

BE IT ORDAINED by the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois, as follows:

Section 1. **Authority to Establish Special Service Areas.** The Village of Lake in the Hills, an Illinois home rule municipal corporation located in McHenry County, Illinois (the “Village”) is authorized pursuant to Article VII, Section 7(6) of the Constitution of the State of Illinois, and pursuant to the provisions of the Illinois Special Service Area Tax Law, 35 ILCS 200/27-5 *et seq.* (the “SSA Law”), to provide for, inter alia, the manner of levying or imposing taxes and issuing bonds for the provision of special services to areas within a municipality and the unincorporated county when the county consents to the creation of the special service area and the passage of this Ordinance constitutes an exercise of the Village’s home rule powers and functions as granted in the Constitution of the State of Illinois.

Section 2. **Findings.** The President and Board of Trustees of the Village (together, the “Corporate Authorities”) find and determine as follows:

a. That the territory within the Village and the unincorporated territory contiguous to the Village described and depicted in Exhibit A attached hereto and made a part hereof (the “Area”) would benefit from the construction and installation of potable water distribution facilities and related improvements as well as the payment of required tap on fees to pay for improvements to the Village’s water treatment facility to draw and treat water for distribution to the Area; and

b. That McHenry County has consented to the establishment of a special service area relative to that portion of the Area which is in unincorporated McHenry County; and

c. It is in the public interest that the Corporate Authorities consider the creation of a special service area for the Area; and

d. The special service area proposed for consideration for the Area is contiguous; and

e. The proposed special service area will benefit specially from the special services to be provided to the Area.

Section 3. **Proposal.** The Corporate Authorities propose the establishment of Village of Lake in the Hills Special Service Area Number 51 for the construction and installation of potable water distribution facilities and related improvements as well as the payment of required tap on fees to pay for improvements to the Village’s water treatment facility to draw and treat water for distribution to the Area.

Section 4. **Public Hearing.** A public hearing shall be held on the 11th day of June, 2019, at 7:30 p.m., at the Village of Lake in the Hills Village Hall, 600 Harvest Gate, Village of Lake in the Hills, Illinois 60156, to consider the creation and establishment of the Village of Lake in the Hills Special Service Area Number 51 for the Area.

At the public hearing, the following method of financing improvements for the proposed special service area and the construction and installation of potable water distribution facilities and related improvements as well as the payment of required tap on fees to pay for improvements to the Village's water treatment facility to draw and treat water for distribution to the Area will be considered: the borrowing of an amount not to exceed an aggregate principal amount of \$2,000,000 to be evidenced by special tax bonds (including bonds issued to refund such bonds) of such Area (the "Bonds"), the proceeds of which shall be used to pay the cost of providing special services to the proposed special service area, to fund certain reserves for, and interest on, the Bonds and initial administrative expenses relating to the proposed special service area, and to pay the cost of issuing the Bonds and to re-pay the principal associated with the Bonds. Thus, the maximum amount of the bonds proposed to be issued would be \$2,000,000. The special services to be provided to the proposed special service area will include the construction and installation of potable water distribution facilities and related improvements as well as the payment of required tap on fees to pay for improvements to the Village's water treatment facility to draw and treat water for distribution to the Area and related engineering, surveying, construction observation, soil testing and appurtenant work, grading and demolition, site clearing and tree removal, final restoration and paving and the equipment and materials necessary for same, and other associated costs including those of consultants (collectively, the "Special Services"). The Bonds shall be retired over a period not to exceed thirty (30) years from the date of their issuance and shall bear interest at a rate not to exceed eight percent (8%) per annum and which would be the maximum interest rate the Bonds will bear. Thus, 30 years would be the maximum period of time over which the Bonds would be retired. The collective total maximum amount of special service area taxes to be extended within the entire special service area in any year would be \$185,000 and the maximum number of years taxes would be levied for the proposed special service area would be 30 years. The Bonds shall be retired by the levy of an annual special tax levied against each "Taxable Parcel" of property as set forth in Exhibit 1 of Exhibit B within the special service area to pay the interest on the Bonds as it falls due and to discharge the principal thereof at maturity and to pay the costs of administration for the special service area. This tax is to be levied upon all taxable property within the proposed special service area.

For each "Taxable Parcel" within the proposed Special Service Area 51 as set forth in Exhibit 1 to Exhibit B hereto, the special service area tax shall be a flat rate not to exceed \$2,891 on an annual basis. This would be the maximum rate of special service area taxes to be extended within the proposed special service area in any year as to each of the Taxable Parcels in the proposed special service area.

If the special service area is adopted, the Village agrees to pay for any SSA levy imposed on those parcels situated within the Village's corporate boundaries.

The proposed amount of the tax levy for the proposed Special Services to be provided for the initial year for which taxes will be levied within the proposed special service area would not exceed \$185,000.



The nature of the Special Services to the Area is for new construction as more fully described above.

In the event a vacant parcel assigned a property identification number presently identified as part of a "Taxable Parcel" as set forth in Exhibit 1 of Exhibit B, or an "Undeveloped Parcel" as defined in Exhibit 1 of Exhibit B, is connected to the water distribution system within the Area constituting a portion of the Special Services, such parcel shall become a "Taxable Parcel" and be subject to the special service area tax levy of \$2,891 per year thereafter for the remainder of the term of the special service area. The Village reserves the right to add parcels to the proposed special service area in accordance with the SSA Law and/or the Village's home rule authority.

Section 5. **Notice of Public Hearing.** Notice of the public hearing shall be published of the public hearing on June 11, 2019 at least once not less than fifteen (15) days prior to the public hearing specified in Section 4 above, in a newspaper of general circulation in the Village. In addition, notice shall be given by depositing the notice in the United States mail addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the proposed special service area. This notice shall be mailed not less than fifteen (15) days prior to the time set for the public hearing. In the event taxes for the last preceding year were not paid, the notice shall be sent to the person last listed on the tax rolls prior to that year as the owner of record of the property. The notice shall be in substantially the form set forth in Exhibit B to this Ordinance.

Section 6. **Supersede Conflicting Ordinances.** All ordinances or parts of ordinances in conflict with the provisions of this ordinance are repealed to the extent of such conflict.

Section 7. **Effective Date.** This Ordinance shall be in full force and effect from and after its passage and approval in the manner provided by law.

Passed this 11th day of April 2019, pursuant to a roll call vote as follows:

	Ayes	Nays	Absent	Abstain
Trustee Stephen Harlfinger	_____	_____	_____	_____
Trustee Ray Bogdanowski	_____	_____	_____	_____
Trustee Bob Huckins	_____	_____	_____	_____
Trustee Bill Dustin	_____	_____	_____	_____
Trustee Suzanne Artinghelli	_____	_____	_____	_____
Trustee Suzette Bojarski	_____	_____	_____	_____
President Russ Ruzanski	_____	_____	_____	_____

APPROVED THIS 11TH DAY OF APRIL 2019

\_\_\_\_\_  
Village President, Russ Ruzanski

(SEAL)

ATTEST: \_\_\_\_\_  
Village Clerk, Cecilia Carman

Published: \_\_\_\_\_

**Exhibit A**  
**Legal description of the Area, street addresses within the Area as well as**  
**permanent tax index numbers of parcels within the Area**

The legal description of the Area is as follows:

That part of Lake in the Hills Estates Unit 12, being a subdivision of part of the South half of Section 28, Township 43 North, Range 8 East of the Third Principal Meridian, according to the plat thereof recorded April 4, 1953 as Document No. 264707, in McHenry County, described as follows:

Beginning at the Northwest corner of Lot 2 in Block 1 in said Lake in the Hills Estates Unit 12; thence Southerly along the West line of said Lot 2 to the Southwest corner thereof, said point being on the North line of Lot 3 in Block 1 in said Lake in the Hills Estates Unit 12; thence Westerly along said Northerly line to the Westerly line of said Block 1; thence Southerly along said Westerly line and also the Westerly lines of Blocks 10, 15 and 16 and the Westerly lines of Craig Street and Roger Street in said Lake in the Hills Estates Unit 12, to the Southwest corner of Lot 1 in said Block 16; thence Easterly along the Southerly line of said Block 16 to the Southeast corner of Lot 8 in said Block 16; thence Northerly along the Easterly line of said Blocks 16 and 13 in said Lake in the Hills Estates Unit 12 to the Southwest corner of Lot 1 in Block 12 in said Lake in the Hills Estates Unit 12; thence Easterly along the Southerly line of said Blocks 12 and 7 and the Southerly line of a drainage easement per said Lake in the Hills Estates Unit 12, to a bend point in the Southerly line of Lot 9 in said Block 7; thence Southeasterly along the Southwesterly line of Blocks 7, 6 and 5 and the Southwesterly lines of Ethel Avenue and Isabel Avenue in said Lake in the Hills Estates Unit 12 to the Southeast corner of Lot 9 in said Block 5; thence Northeasterly along the Southeasterly line of said Blocks 5 and 4 and the Southeasterly line of vacated Rosemarie Street in said Lake in the Hills Estates Unit 12 to the Northeast corner of Lot 3 in said Block 4, said point being on the Southwesterly line of W. Algonquin Road as shown on said Lake in the Hills Estates Unit 12; Thence Northwesterly along said Southwesterly line and the Northerly line of said Lake in the Hills Estates Unit 12 to the Point of Beginning, EXCEPTING therefrom all of Lot 5 in Block 3 in said Lake in the Hills Estates Unit 12, all in McHenry County, Illinois.

The Area is located south and west of West Algonquin Road and includes parcels on both sides of Scotty Avenue, Rosemarie Street, Dennis Avenue, Craig Street, Roger Street, Willy Avenue, Joan Street, Nevin Avenue, Ethel Avenue, Marie Avenue and Isabel Avenue.

The parcels within the Area by Permanent Tax Index Numbers and street location are as follows:

<b>Taxable Parcels by Parcel Number</b>	<b>Site Address</b>
1. 19-28-326-001, 19-28-326-002	705 Scotty Avenue, Algonquin, IL 60102
2. 19-28-327-015, 19-28-327-014	815 Dennis Avenue, Lake in the Hills, IL 60156
3. 19-28-334-002	902 Nevin Street, Algonquin, IL 60102
4. 19-28-405-024	1111 Isabel Street, Algonquin, IL 60102
5. 19-28-405-019	1113 Isabel Street, Algonquin, IL 60102
6. 19-28-405-009	1117 Isabel Drive, Algonquin, IL 60102
7. 19-28-329-001	10514 Dennis Avenue, Algonquin, IL 60102
8. 19-28-329-011, 19-28-329-012, 19-28-329-003	905 Craig Street, Algonquin, IL 60102

<b>Taxable Parcels by Parcel Number</b>	<b>Site Address</b>
9. 19-28-329-018	901 Craig Street, Algonquin, IL 60102
10. 19-28-327-001	704 Scotty Avenue, Algonquin, IL 60102
11. 19-28-327-002	804 Rosemarie Street, Algonquin, IL 60102
12. 19-28-327-003, 19-28-327-011	806 Rosemarie Street, Algonquin, IL 60102
13. 19-28-327-007, 19-28-327-006	814 Rosemarie Street, Algonquin, IL 60102
14. 19-28-327-016	10516 Scott Avenue, Algonquin, IL 60102
15. 19-28-330-006, 19-28-330-007	5708 Roger Street, Lake in the Hills, IL 60156
16. 19-28-330-008, 19-28-330-009, 19-28-330-010	809 Roger Street, Algonquin, IL 60102
17. 19-28-331-001, 19-28-331-002	901 Roger Street, Algonquin, IL 60102
18. 19-28-329-016	1114 Ethel Street, Algonquin, IL 60102
19. 19-28-334-012, 19-28-334-015, 19-28-334-013, 19-28-334-014	904 Roger Street, Algonquin, IL 60102
20. 19-28-334-001	900 Roger Street, Algonquin, IL 60102
21. 19-28-334-003	10904 Nevin Street, Algonquin, IL 60102
22. 19-28-334-004, 19-28-334-005	908 Nevin Street, Algonquin, IL 60102
23. 19-28-334-006	910 Nevin Avenue, Algonquin, IL 60102
24. 19-28-334-007	10714 Nevin Avenue, Lake in the Hills, IL 60156
25. 19-28-334-008	10716 Nevin Avenue, Algonquin, IL 60102
26. 19-28-333-001, 19-28-333-002	702 Roger Street, Algonquin, IL 60102
27. 19-28-333-009	10701 Nevin Street, Algonquin, IL 60102
28. 19-28-333-010	5703 Nevin Street, Algonquin, IL 60102
29. 19-28-333-003, 19-28-333-011, 19-28-333-004	10706 Willy Avenue, Algonquin, IL 60102
30. 19-28-333-006	10712 Willy Avenue, Algonquin, IL 60102
31. 19-28-333-017	10714 Willy Avenue, Algonquin, IL 60102
32. 19-28-333-015, 19-28-333-014, 19-28-333-016	813 Nevin Avenue, Lake in the Hills, IL 60156
33. 19-28-332-002, 19-28-332-003	10703 Willy Avenue, Algonquin, IL 60102
34. 19-28-332-007, 19-28-332-006, 19-28-332-005, 19-28-332-004	10711 Willy Avenue, Lake in the Hills, IL 60102
35. 19-28-405-008	1115 Isabel Drive, Algonquin, IL 60102
36. 19-28-332-008, 19-28-332-009	10715 Willy Avenue, Algonquin, IL 60102
37. 19-28-180-002	1301 W. Algonquin Road, Algonquin, IL 60102
38. 19-28-327-004, 19-28-327-013, 19-28-327-005, 19-28-327-012	808 Rosemarie Street, Algonquin, IL 60102
39. 19-28-181-006	1207 W. Algonquin Road, Algonquin, IL 60102
40. 19-28-330-002, 19-28-330-001, 19-28-330-003, 19-28-330-004	701 Roger Street, Algonquin, IL 60102
41. 19-28-333-013	809 Nevin Street, Lake in the Hills, IL 60156
42. 19-28-333-012	807 Nevin Street, Algonquin, IL 60102
43. 19-28-332-010, 19-28-332-012, 19-28-332-011	10800 Willy Avenue, Algonquin, IL 60102
44. 19-28-403-001, 19-28-403-005, 19-28-403-002	1001 Ethel Avenue, Algonquin, IL 60102
45. 19-28-332-017	5713 Joan Street, Lake in the Hills, IL 60102
46. 19-28-403-003, 19-28-403-004	1005 Ethel Street, Algonquin, IL 60102
47. 19-28-334-010	10720 Nevin Street, Algonquin, IL 60102
48. 19-28-403-006	1104 Isabel Drive, Algonquin, IL 60102

<b>Taxable Parcels by Parcel Number</b>	<b>Site Address</b>
49. 19-28-405-022	1101 Isabel Drive, Algonquin, IL 60102
50. 19-28-405-023	1103 Isabel Drive, Algonquin, IL 60102
51. 19-28-405-004, 19-28-405-021	1107 Isabel Drive, Algonquin, IL 60102
52. 19-28-403-013, 19-28-403-011	1108 Isabel Drive, Algonquin, IL 60102
53. 19-28-180-003	703 Scotty Avenue, Algonquin, IL 60102
54. 19-28-334-011	902 Roger Street, Algonquin, IL 60102
55. 19-28-334-009	10718 Nevin Street, Algonquin, IL 60102
56. 19-28-332-001	10701 Willy Avenue, Algonquin, IL 60102
57. 19-28-182-007	1201 W. Algonquin Road, Algonquin, IL 60102
58. 19-28-182-008	1129 W. Algonquin Road, Algonquin, IL 60102
59. 19-28-404-010	1075 W. Algonquin Road, Algonquin, IL 60102
60. 19-28-404-015	1045 W. Algonquin Road, Algonquin, IL 60102
61. 19-28-182-003	1127 W. Algonquin Road, Algonquin, IL 60102
62. 19-28-182-005, 19-28-182-004	1123 E. Algonquin Road, Algonquin, IL 60102
63. 19-28-401-001, 19-28-401-002	1111-1117 W. Algonquin Road, Algonquin, IL 60102
64. 19-28-404-016	1065 W. Algonquin Road, Algonquin, IL 60102
65. 19-28-181-004, 19-28-181-003	1211 E. Algonquin Road, Algonquin, IL 60102
66. 19-28-181-002	1217 W. Algonquin Road, Algonquin, IL 60102
67. 19-28-401-003	1101 W. Algonquin Road, Lake in the Hills, IL 60156

**Undeveloped Parcels Within the Special Service Area**

19-28-330-005	803 Roger Street, Lake in the Hills, IL 60156
19-28-335-004	No Site Address
19-28-335-003, 19-28-335-006, 19-28-335-007	No Site Address
19-28-181-005	1234 S. Main Street, Algonquin, IL 60102
19-28-181-001	No Site Address
19-28-329-004	902 Rosemarie Street, Lake in the Hills, IL 60156
19-28-326-003, 19-28-326-004	No Site Address
19-28-331-003	No Site Address
19-28-329-005	No Site Address
19-28-181-007, 19-28-181-008	No Site Address
19-28-403-012	No Site Address
19-28-329-014, 19-28-329-015, 19-28-329-013	No Site Address
19-28-329-017	No Site Address
19-28-333-005	No Site Address
19-28-329-002	No Site Address
19-28-329-008	No Site Address

**EXHIBIT B**  
**NOTICE OF PUBLIC HEARING**  
**ON THE PROPOSED VILLAGE OF LAKE IN THE HILLS**  
**SPECIAL SERVICE AREA NUMBER 51**

NOTICE IS HEREBY GIVEN that on the 11th day of June, 2019 at 7:30 p.m. at the Village of Lake in the Hills Village Hall, 600 Harvest Gate, Village of Lake in the Hills, Illinois 60156, a public hearing will be held by the Village of Lake in the Hills (the “Village”) to consider forming a special service area, to be called the “Village of Lake in the Hills Special Service Area Number 51,” consisting of the territory described in Exhibit 1 to this public notice (the “Area”).

The general purpose of the formation of the proposed Village of Lake in the Hills Special Service Area Number 51 is to provide special services to the Area which will include construction and installation of potable water distribution facilities and related improvements as well as the payment of required tap on fees to pay for improvements to the Village’s water treatment facility to draw and treat water for distribution to the Area and related engineering, surveying, construction observation, soil testing and appurtenant work, mass grading and demolition, site clearing and tree removal, final restoration and paving and the equipment and materials necessary for the maintenance thereof, and other associated costs including those of consultants (collectively, the “Special Services”). The nature of the Special Services is new construction.

There will also be considered at the public hearing the following method of financing the Special Services for the proposed special service area: the issuance of special tax bonds (including bonds issued to refund such bonds) in an aggregate principal amount not to exceed \$2,000,000 at an interest rate of not to exceed eight percent (8%) per annum (“the Bonds”), and which would be the maximum interest rate the Bonds will bear, to be retired and paid in full no later than thirty (30) years from the date of their issuance. Thus, the maximum amount of the Bonds proposed to be issued would be \$2,000,000. Thirty years would be the maximum period of time over which the Bonds would be retired. The Bonds would be retired by the levy of an annual special service area tax levied against each parcel of property within the Area to pay the interest on such Bonds as it falls due and to discharge the principal thereof at maturity and to pay the costs of the Special Services for the Area.

The collective total maximum amount of special service area taxes to be extended within the entire proposed special service area consisting of the Area in any year would be \$185,000 and the maximum number of years special service area taxes would be levied against the Area would be 30 years.

For each “Taxable Parcel” within the proposed Special Service Area 51 as set forth in Exhibit 1, the special service area tax would be a flat rate not to exceed \$2,891 on an annual basis. This would be the maximum rate and amount of special service area taxes to be extended within the proposed special service area in any year as to each of the parcels in the Area.

If the special service area is adopted, the Village agrees to pay for any SSA levy imposed on those parcels situated within the Village’s corporate boundaries.

The proposed amount of the tax levy for the proposed Special Services to be provided for the initial year for which taxes will be levied within the proposed special service area would not exceed \$185,000.

In the event a vacant parcel assigned a property identification number presently identified as part of a "Taxable Parcel" as set forth in Exhibit 1 of Exhibit B, or an "Undeveloped Parcel" as defined in Exhibit 1 of Exhibit B, is connected to the water distribution system within the Area constituting a portion of the special services area, such parcel shall become a "Taxable Parcel" and be subject to the special service area tax levy of \$2,891 per year thereafter for the remainder of the term of the special service area. The Village reserves the right to add parcels to the proposed special service area in accordance with the SSA Law and/or the Village's home rule authority.

At the public hearing, all interested persons affected by the proposed formation of such special service area, including all persons owning taxable real property therein, may file written objections to and be heard orally regarding the formation of and the boundaries of the special service area, the issuance of Bonds and the levy of taxes affecting the Area. The public hearing may be adjourned by the President and Board of Trustees without further notice other than a motion to be entered upon the minutes of its meeting fixing the time and place of its adjournment. The question of the creation of the special service area for the Area, the levies or imposition of a tax against the special service area and the issuance of the Bonds for the provision of the Special Services proposed for the Area, will be considered at the public hearing.

If a petition signed by at least 51% of the electors residing within the proposed Village of Lake in the Hills Special Service Area Number 51 and by at least 51% of the owners of record of the land included within the boundaries of the proposed Village of Lake in the Hills Special Service Area Number 51 is filed with the Village Clerk of the Village of Lake in the Hills within 60 days following the final adjournment of the public hearing objecting to the creation of the special service area, the issuance of Bonds for the provision of Special Services to the Area or the levy or imposition of taxes affecting the Area, no such special service area for the Area may be created and no such bonds may be issued or taxes levied or imposed.

A map of the Area is on file at the Village of Lake in the Hills Village Hall at 600 Harvest Gate, Village of Lake in the Hills, Illinois 60156 and which may be viewed during its regular business hours.

/s/ Cecilia Carman  
Village Clerk  
Village of Lake in the Hills  
600 Harvest Gate  
Lake in the Hills, Illinois 60156

**Exhibit 1 to Notice**  
**Legal description of the Area, street addresses within the Area as well as**  
**permanent tax index numbers of taxable parcels within the Area**

The legal description of the Area is as follows:

That part of Lake in the Hills Estates Unit 12, being a subdivision of part of the South half of Section 28, Township 43 North, Range 8 East of the Third Principal Meridian, according to the plat thereof recorded April 4, 1953 as Document No. 264707, in McHenry County, described as follows:

Beginning at the Northwest corner of Lot 2 in Block 1 in said Lake in the Hills Estates Unit 12; thence Southerly along the West line of said Lot 2 to the Southwest corner thereof, said point being on the North line of Lot 3 in Block 1 in said Lake in the Hills Estates Unit 12; thence Westerly along said Northerly line to the Westerly line of said Block 1; thence Southerly along said Westerly line and also the Westerly lines of Blocks 10, 15 and 16 and the Westerly lines of Craig Street and Roger Street in said Lake in the Hills Estates Unit 12, to the Southwest corner of Lot 1 in said Block 16; thence Easterly along the Southerly line of said Block 16 to the Southeast corner of Lot 8 in said Block 16; thence Northerly along the Easterly line of said Blocks 16 and 13 in said Lake in the Hills Estates Unit 12 to the Southwest corner of Lot 1 in Block 12 in said Lake in the Hills Estates Unit 12; thence Easterly along the Southerly line of said Blocks 12 and 7 and the Southerly line of a drainage easement per said Lake in the Hills Estates Unit 12, to a bend point in the Southerly line of Lot 9 in said Block 7; thence Southeasterly along the Southwesterly line of Blocks 7, 6 and 5 and the Southwesterly lines of Ethel Avenue and Isabel Avenue in said Lake in the Hills Estates Unit 12 to the Southeast corner of Lot 9 in said Block 5; thence Northeasterly along the Southeasterly line of said Blocks 5 and 4 and the Southeasterly line of vacated Rosemarie Street in said Lake in the Hills Estates Unit 12 to the Northeast corner of Lot 3 in said Block 4, said point being on the Southwesterly line of W. Algonquin Road as shown on said Lake in the Hills Estates Unit 12; Thence Northwesterly along said Southwesterly line and the Northerly line of said Lake in the Hills Estates Unit 12 to the Point of Beginning, EXCEPTING therefrom all of Lot 5 in Block 3 in said Lake in the Hills Estates Unit 12, all in McHenry County, Illinois.

The Area is located south and west of West Algonquin Road and includes parcels on both sides of Scotty Avenue, Rosemarie Street, Dennis Avenue, Craig Street, Roger Street, Willy Avenue, Joan Street, Nevin Avenue, Ethel Avenue, Marie Avenue and Isabel Avenue.

The parcels within the Area by Permanent Tax Index Numbers and street location are as follows:

<b>Taxable Parcels by Parcel Number</b>	<b>Site Address</b>
1. 19-28-326-001, 19-28-326-002	705 Scotty Avenue, Algonquin, IL 60102
2. 19-28-327-015, 19-28-327-014	815 Dennis Avenue, Lake in the Hills, IL 60156
3. 19-28-334-002	902 Nevin Street, Algonquin, IL 60102
4. 19-28-405-024	1111 Isabel Street, Algonquin, IL 60102
5. 19-28-405-019	1113 Isabel Street, Algonquin, IL 60102
6. 19-28-405-009	1117 Isabel Drive, Algonquin, IL 60102
7. 19-28-329-001	10514 Dennis Avenue, Algonquin, IL 60102

<b>Taxable Parcels by Parcel Number</b>	<b>Site Address</b>
8. 19-28-329-011, 19-28-329-012, 19-28-329-003	905 Craig Street, Algonquin, IL 60102
9. 19-28-329-018	901 Craig Street, Algonquin, IL 60102
10. 19-28-327-001	704 Scotty Avenue, Algonquin, IL 60102
11. 19-28-327-002	804 Rosemarie Street, Algonquin, IL 60102
12. 19-28-327-003, 19-28-327-011	806 Rosemarie Street, Algonquin, IL 60102
13. 19-28-327-007, 19-28-327-006	814 Rosemarie Street, Algonquin, IL 60102
14. 19-28-327-016	10516 Scott Avenue, Algonquin, IL 60102
15. 19-28-330-006, 19-28-330-007	5708 Roger Street, Lake in the Hills, IL 60156
16. 19-28-330-008, 19-28-330-009, 19-28-330-010	809 Roger Street, Algonquin, IL 60102
17. 19-28-331-001, 19-28-331-002	901 Roger Street, Algonquin, IL 60102
18. 19-28-329-016	1114 Ethel Street, Algonquin, IL 60102
19. 19-28-334-012, 19-28-334-015, 19-28-334-013, 19-28-334-014	904 Roger Street, Algonquin, IL 60102
20. 19-28-334-001	900 Roger Street, Algonquin, IL 60102
21. 19-28-334-003	10904 Nevin Street, Algonquin, IL 60102
22. 19-28-334-004, 19-28-334-005	908 Nevin Street, Algonquin, IL 60102
23. 19-28-334-006	910 Nevin Avenue, Algonquin, IL 60102
24. 19-28-334-007	10714 Nevin Avenue, Lake in the Hills, IL 60156
25. 19-28-334-008	10716 Nevin Avenue, Algonquin, IL 60102
26. 19-28-333-001, 19-28-333-002	702 Roger Street, Algonquin, IL 60102
27. 19-28-333-009	10701 Nevin Street, Algonquin, IL 60102
28. 19-28-333-010	5703 Nevin Street, Algonquin, IL 60102
29. 19-28-333-003, 19-28-333-011, 19-28-333-004	10706 Willy Avenue, Algonquin, IL 60102
30. 19-28-333-006	10712 Willy Avenue, Algonquin, IL 60102
31. 19-28-333-017	10714 Willy Avenue, Algonquin, IL 60102
32. 19-28-333-015, 19-28-333-014, 19-28-333-016	813 Nevin Avenue, Lake in the Hills, IL 60156
33. 19-28-332-002, 19-28-332-003	10703 Willy Avenue, Algonquin, IL 60102
34. 19-28-332-007, 19-28-332-006, 19-28-332-005, 19-28-332-004	10711 Willy Avenue, Lake in the Hills, IL 60102
35. 19-28-405-008	1115 Isabel Drive, Algonquin, IL 60102
36. 19-28-332-008, 19-28-332-009	10715 Willy Avenue, Algonquin, IL 60102
37. 19-28-180-002	1301 W. Algonquin Road, Algonquin, IL 60102
38. 19-28-327-004, 19-28-327-013, 19-28-327-005, 19-28-327-012	808 Rosemarie Street, Algonquin, IL 60102
39. 19-28-181-006	1207 W. Algonquin Road, Algonquin, IL 60102
40. 19-28-330-002, 19-28-330-001, 19-28-330-003, 19-28-330-004	701 Roger Street, Algonquin, IL 60102
41. 19-28-333-013	809 Nevin Street, Lake in the Hills, IL 60156
42. 19-28-333-012	807 Nevin Street, Algonquin, IL 60102
43. 19-28-332-010, 19-28-332-012, 19-28-332-011	10800 Willy Avenue, Algonquin, IL 60102
44. 19-28-403-001, 19-28-403-005, 19-28-403-002	1001 Ethel Avenue, Algonquin, IL 60102
45. 19-28-332-017	5713 Joan Street, Lake in the Hills, IL 60102



<b>Taxable Parcels by Parcel Number</b>	<b>Site Address</b>
46. 19-28-403-003, 19-28-403-004	1005 Ethel Street, Algonquin, IL 60102
47. 19-28-334-010	10720 Nevin Street, Algonquin, IL 60102
48. 19-28-403-006	1104 Isabel Drive, Algonquin, IL 60102
49. 19-28-405-022	1101 Isabel Drive, Algonquin, IL 60102
50. 19-28-405-023	1103 Isabel Drive, Algonquin, IL 60102
51. 19-28-405-004, 19-28-405-021	1107 Isabel Drive, Algonquin, IL 60102
52. 19-28-403-013, 19-28-403-011	1108 Isabel Drive, Algonquin, IL 60102
53. 19-28-180-003	703 Scotty Avenue, Algonquin, IL 60102
54. 19-28-334-011	902 Roger Street, Algonquin, IL 60102
55. 19-28-334-009	10718 Nevin Street, Algonquin, IL 60102
56. 19-28-332-001	10701 Willy Avenue, Algonquin, IL 60102
57. 19-28-182-007	1201 W. Algonquin Road, Algonquin, IL 60102
58. 19-28-182-008	1129 W. Algonquin Road, Algonquin, IL 60102
59. 19-28-404-010	1075 W. Algonquin Road, Algonquin, IL 60102
60. 19-28-404-015	1045 W. Algonquin Road, Algonquin, IL 60102
61. 19-28-182-003	1127 W. Algonquin Road, Algonquin, IL 60102
62. 19-28-182-005, 19-28-182-004	1123 E. Algonquin Road, Algonquin, IL 60102
63. 19-28-401-001, 19-28-401-002	1111-1117 W. Algonquin Road, Algonquin, IL 60102
64. 19-28-404-016	1065 W. Algonquin Road, Algonquin, IL 60102
65. 19-28-181-004, 19-28-181-003	1211 E. Algonquin Road, Algonquin, IL 60102
66. 19-28-181-002	1217 W. Algonquin Road, Algonquin, IL 60102
67. 19-28-401-003	1101 W. Algonquin Road, Lake in the Hills, IL 60156

**Undeveloped Parcels Within the Special Service Area**

19-28-330-005	803 Roger Street, Lake in the Hills, IL 60156
19-28-335-004	No Site Address
19-28-335-003, 19-28-335-006, 19-28-335-007	No Site Address
19-28-181-005	1234 S. Main Street, Algonquin, IL 60102
19-28-181-001	No Site Address
19-28-329-004	902 Rosemarie Street, Lake in the Hills, IL 60156
19-28-326-003, 19-28-326-004	No Site Address
19-28-331-003	No Site Address
19-28-329-005	No Site Address
19-28-181-007, 19-28-181-008	No Site Address
19-28-403-012	No Site Address
19-28-329-014, 19-28-329-015, 19-28-329-013	No Site Address
19-28-329-017	No Site Address
19-28-333-005	No Site Address
19-28-329-002	No Site Address
19-28-329-008	No Site Address



**Ice Miller LLP's**  
Proposal to the  
Village of Lake in the Hills, Illinois  
In Response to a Request for Qualifications  
Bond Counsel Services

**300+ lawyers prepared for what's next**

**build**  
*advantage*

May 1, 2019

May 1, 2019

Shane D. Johnson  
Assistant Village Administrator/Finance Director  
Village of Lake in the Hills  
600 Harvest Gate  
Lake in the Hills, IL 60156

### 5.2.1 Cover Letter

**A signed letter briefly stating the proposer's understanding of the work to be done in compliance with the Village's Request for Qualifications, a statement why the firm believes itself to be the best qualified firm to perform the services, and a statement that the cost and proposal is a firm and irrevocable offer for 30 days. Any exceptions to requirements listed in the Village's Request for Qualifications must be clearly identified in the Cover letter, including exceptions to the desired scope of services outlined in Section 3. The Cover letter must be signed by an authorized representative of the firm.**

Re: Request for Qualifications for Bond Counsel Services

Thank you for the opportunity to submit our response to the Request for Qualifications (RFQ) of the Village of Lake in the Hills. Ice Miller LLP ("Ice Miller") sincerely appreciates this opportunity to demonstrate how we can provide the services requested by the Village. We understand the work to be completed. Our knowledge and experience in the areas requested in this RFQ, and the broad array of related legal services we offer, make Ice Miller the best qualified firm to perform these services.

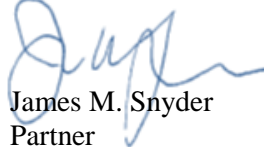
Our cost and proposal are firm and irrevocable for 30 days.

For your consideration, we are emailing a copy via PDF to the contact person listed on the cover page of the RFQ.

Should you have any questions or require any additional information, please do not hesitate to contact me. Thank you for the opportunity to present our qualifications to you.

Most cordially yours,

ICE MILLER LLP



James M. Snyder  
Partner

## 5.2.2. Response to each item in Section 3. (Scope of Work)

### Scope of Work

The Village requires a qualified professional firm to provide traditional and customary bond counsel services, including but not limited to:

- Support with the preparation of the Preliminary Official Statement (POS), Official Statement (OS) and Notice of Sale.
- Assist in planning and structuring the Village's bond issue(s) and supervision of the procedures of issuance.
- Coordinate with the Financial Advisor regarding bond issue(s).
- Preparation of proposed enabling legislation, if needed for financing.
- Preparation of documents necessary or appropriate to the authorization, issuance, sale and delivery of the bond(s).
- Obtain required approvals, validation, ruling, permissions and exemptions as bond counsel determines to be necessary or appropriate to the issue(s).
- Render opinions on questions related to the Village's bond obligations, on applicability of federal and state laws, security agreements, and any other relevant issues.
- Assist in presenting information to bond rating agencies and bond insurers, if necessary.
- Lend support in all required reporting associated with the Village's bonded indebtedness, such as review of arbitrage reporting and annual bond disclosure.
- Advise the Village on new or revised regulations and interpretations concerning tax-exempt debt issuance, including arbitrage restrictions.
- Provide advice regarding the applicability of regulations to outstanding debt, including any debt issued prior to the commencement of this agreement, and projected future debt issuance.

### Pre-issuance

Prior to issuance of any bonds, our team will work with the Village to identify and address any legal issues, including tax implications, related to the structuring of the proposed bond issues.

Topics to be discussed include the type of financing (taxable, tax-exempt, maturity and security), the uses of the bond proceeds, and the uses of the assets to be financed with the bond proceeds to assure compliance with tax law. These topics, in turn, may lead to discussions of timing of the issue, escrow structuring considerations, and derivatives.

### Issuance

In connection with the issuance of any bonds, we would prepare bond documents and any amendments thereto in order to authorize the issuance of the bonds. This may include preparation of a trust indenture; escrow deposit agreement; trustee, registrar or paying agent agreement; and any other agreements or similar documents necessary, related or incidental to the financing. We will review any official statement, and review or prepare the notice of sale or purchase contract for the bonds, as necessary.

Ice Miller will also assist in presenting information to rating organizations and credit enhancement providers relating to legal issues affecting the issuance of the bonds. We will also review or draft the continuing disclosure undertaking, as necessary.

Prior to closing, we will advise the Village on issues relating to compliance with IRS regulations relating to post-issuance matters and the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”) regulations relating to continuing disclosure. This discussion will occur in connection with the completion of any tax agreement for the bonds and continuing disclosure undertaking.

At closing, Ice Miller will issue an opinion of counsel regarding the Village’s authority to issue the bonds, the tax exemption, or taxability, as the case may be, of interest earned from the bonds, and the security for and legal validity and enforceability of the bonds.

### Post-Issuance

Post-issuance, Ice Miller will prepare and distribute the closing transcripts as quickly as practicable. We will work with the Village as needed to develop and implement any post-issuance compliance procedures necessary to supplement the existing policies and procedures.

As bond counsel, our ultimate task is to render certain approving opinions regarding the validity of the financing under applicable state and federal laws and to render certain opinions concerning the tax status of the interest on the bonds and other matters. In order to do this, we will perform the following functions:

Prepare or review all documentation (e.g., ordinances, resolutions, agreements, leases, indentures, bonds, notices and other forms) requisite to the authorization, issuance, and sale of the bonds (including the documents previously prepared);

Attend meetings of the Board, when necessary, at which proceedings affecting the transaction will be considered or voted upon;

Consult with the various parties (normally the underwriter or financial advisor, other consultants, if any, including bond insurers, rating agencies, and letter of credit issuers), involved in the transaction regarding the transaction’s details, structure, any problems and the legal proceedings required for the transaction;



Respond to inquiries from prospective purchasers of the bonds;

Attend and supervise the closing of the financing;

Examine the executed transcript documents;

Furnish to the Village and to the purchaser of the bonds an approving opinion as to the legality of the issue and the exclusion from gross income of interest on the bonds for federal tax purposes;

Assemble, duplicate, and bind the transcript documents for delivery to the parties to the transaction; and

Provide such other legal services as may be necessary or requested.

**Optional: Act as Issuer's disclosure counsel; rendering of opinion on the validity of the Village's bond offering, the security for the offering and whether interest on the bonds is exempt from income and other taxation.**

#### Pre-issuance

Prior to issuance of the bonds, Ice Miller will advise the Village on the appropriate scope of disclosure, taking into account the type of financing, the security for the bonds, the uses of the bond proceeds, and the uses of the assets to be financed with the bond proceeds. The SEC and MSRB are increasingly scrutinizing bond deals to ensure disclosure compliance and issuing fines and other penalties for violations. Because of our large number of disclosure counsel engagements, Ice Miller has vast experience with a myriad of disclosure issues and can advise the Village as to best practices for past, present, and future disclosure.

At this stage of the financing, we will participate in meetings and conference calls with the Village and others as appropriate and will review or prepare all preliminary and final official statements, coordinating with other members of the financing team as appropriate, including our Illinois Municipal Disclosure Administrator, Kathy Thomas.

#### Issuance

In connection with the issuance of the Bonds, the firm will issue a Rule 10b-5 statement to the Village and to the underwriter(s).

#### Post-Issuance

Post-issuance, we will work with the Village as needed to develop and implement any disclosure-related compliance procedures necessary to supplement the Village's existing policies and procedures.

The Ice Miller Village of Lake in the Hills Team would also, as appropriate, use information from the entire Ice Miller public finance team that regularly meets to compare practices and ensure that we are up to date with the latest securities regulations. Ice Miller ensures that its public finance professionals are up to date on the latest legal developments in the public finance industry, including securities, tax and Illinois municipal law. Monthly practice area luncheons are supplemented by bi-weekly calls which serve to keep all attorneys up to date on the latest legal developments relevant to public finance. Recent topics have included securities law basics, continuing disclosure, municipal advisor rules, the NFMA rules on direct purchases and bank loan disclosure, issue price regulations, changes to Illinois law and many other topics. The materials for these topics are typically discussed at meetings and then placed on the bond department intranet site for future reference.

The Ice Miller team will communicate with the Village with respect to all potential legal structures, litigation, and securities regulation as much as necessary to ensure comfort and a smooth bond issue.

**5.2.3. The cost of services to be provided for both a 1.) GO Bond issue and 2.) SSA Bond issue and an explanation of the basis on which fees are determined. All potential services and associated pricing must be disclosed. Pricing shall be fixed for this engagement, and any proposed adjustments to pricing for any additional work shall be submitted to the Village in writing and agreed upon.**

1)	GO Bond issue	\$ 9,500
2)	SSA Bond issue	\$13,500

**5.2.4. Name of individual who will serve as the lead on the project, along with resume(s) of all staff to be assigned to this project.**

The proposed Ice Miller team consists of the following individuals:

- Jim Snyder, Relationship Partner
- Mark Huddle, Senior Counsel
- Shelly Scinto, Of Counsel
- Austin Root, Associate
- Kathy Thomas, Municipal Disclosure Administrator
- Jenine Phillips, Paralegal

Mr. Snyder will be responsible for managing the client service team designed to provide timely and responsive communication, as well as effective and efficient resolutions to any issues that arise in connection with the financing. The team will be composed of attorneys and other professionals who have the requisite experience and knowledge to deliver the most efficient and effective legal services to the Village.



Please note that although the Ice Miller team would consist of the specific individuals previously mentioned, the Village would benefit from the resources and experience of Ice Miller's entire public finance practice group and the broader firm.

Ice Miller's public finance attorneys practice law as a team, drawing upon each other's respective areas of experience and skill. Ice Miller has over 20 attorneys who work in the public finance area on a full-time basis.

Complete professional biographies for each proposed team member listed above are included as Exhibit A.

**5.2.5. Minimum of three (3) professional references for similar engagements:**

**5.2.5.1. Please provide contact name and phone number for each reference.**

**5.2.5.2. Brief description of engagement and services rendered.**

David W. McArdle, Esq.  
Zukowski, Rogers, Flood & McArdle  
50 Virginia Street  
Crystal Lake, IL 60014  
Phone: (815) 459-2050  
E-mail: dmcardle@zrfmlaw.com

Bond Counsel for (1) Village of Prairie Grove – \$1,590,000 General Obligation Bonds, Series 2014

(2) Village of Island Lake – \$1,175,000 General Obligation Waterworks Refunding Bonds (Alternate Revenue Source), Series 2014

Steven J. Shields  
Village Administrator  
Village of Round Lake  
442 North Cedar Lake Road  
Round Lake, IL 60073  
Phone: (847) 546-5400  
E-mail: sshields@roundlake.com

Bond Counsel for (1) \$19,985,000 Special Service Areas Numbers One, Three and Four Special Tax Refunding Bonds, Series 2017

(2) \$2,955,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2011

(3) \$1,165,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2010C

(4) \$1,260,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2010B

(5) \$9,100,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2010A



Kathy Nelander  
Village Administrator  
Village of North Barrington  
111 Old Barrington Road  
North Barrington, IL 60010  
Phone: (847) 381-6000  
E-mail: knelander@northbarrington.org  
Currently serving as Bond Counsel on a 2019 Special Service Area Refunding transaction  
in the approximate amount of \$11,500,000

#### **5.2.6. Availability and ability to meet the Village of Lake in the Hills requirements**

The Ice Miller team has reviewed the project timeline. Our team will be available to work with the Village and other parties involved to meet the bond related and over all timelines and deadlines.

**5.2.7. Qualifications – include a summary of the firm’s qualification to perform the work outlined. A current resume must be provided for the individual(s) designated to work on this engagement. Both the firm and assigned personnel should be qualified to provide technical support in the issuance of bonds, including experience with federal, state and other laws including tax matters, experience with applicable federal securities laws and regulations, and experience with regulatory agencies.**

Ice Miller has served as Bond Counsel to numerous Illinois counties, villages, cities, school districts, park districts, forest preserve districts, and authorities, including Cook County, the City of Chicago, and the Chicago Public Schools. Ice Miller is consistently rated by a national publication among the top Bond Counsel in the Midwest in number of bond issues approved, approving up to 433 issues per year with up to \$7.8 billion annually in aggregate principal amounts. Over the last decade, Ice Miller has served as Bond Counsel on more than 3,100 issues with an aggregate principal amount of over \$55 billion. Ice Miller attorneys have extensive experience as bond counsel, disclosure counsel, issuer's counsel or underwriter's counsel on such transactions, with an aggregate volume well in excess of \$4.5 billion since 2001. According to the recently issued rankings in the Midwest by *The Bond Buyer* or according to the Thomson Reuters Annual Municipal Reports, Ice Miller's Illinois rankings are as follows:

- **#1** in par amount of short-term bond issues as bond counsel (2018)
- **#1** in number of long-term issues as underwriter's counsel (2016, 2017, 2018)
- **#2** in number of long-term issues as bond counsel (2016, 2017, 2018)
- **#2** in number of long-term issues as disclosure counsel (2016, 2017, 2018)
- **#3** (2016) and **#4** (2017) in par amount of long-term issues as underwriter's counsel

Also, in 2018, according to *The Bond Buyer*, Ice Miller was ranked **#4** in the Midwest region by par amount.

The firm has vast experience serving as Bond Counsel on Illinois tax-exempt general obligation new money and/or refunding issuances and direct purchase financings. Since 2010,



Ice Miller has served as Bond Counsel on almost 400 general obligation bond issues involving Illinois issuers, including more than 80 tax exempt general obligation refunding issuances, more than 190 publicly offered general obligation bond financings, and nearly 100 direct purchase financings. Attached, as Exhibit B, is a list of our bond counsel and disclosure counsel deals for the previous five years.

Also, please find attached as Exhibit C, an article entitled “Financing Options Using Bonds for Illinois Cities and Villages”.

Ice Miller's public finance practice spans the full range of financings, including higher education, K-12 schools, nonprofits, hospitals, infrastructure, tax-increment bonds, state and local government entities and economic development. Ice Miller's public finance practice group is also one of only a few firms with attorneys who dedicate their entire practice to public finance tax, and perform private rebate liability and yield reduction payment calculations as part of their practice. In addition, Ice Miller regularly handles Internal Revenue Service examinations of issuers and conduit borrowers. We are confident that our experience in these matters puts us in a rather small universe of law firms with a level of comprehensive public finance experience.

**James M. Snyder**  
**Partner Bloomington | Chicago**

email james.snyder@icemiller.com  
p 312-726-7127  
f 312-726-2696

assistant Laurie Krause  
p 312-726-7131  
email laurie.krause@icemiller.com



**Education**

**Undergraduate School**

Bachelor of Science, The Ohio State University 1982

**Law School**

The Ohio State University Moritz College of Law 1986

**Admissions**

Illinois  
Supreme Court of Ohio

**Overview**

Jim Snyder is head of the Illinois Municipal Finance Group. He acts as bond counsel and disclosure counsel to hundreds of governmental entities throughout the state of Illinois, including school districts, cities, villages, counties, park districts and special districts and as underwriters counsel to dozens of municipal bond underwriters.

Jim regularly serves clients on municipal finance transactions including issuers of general obligation bonds, revenue bonds, special service area bonds, tax increment bond bonds, industrial development revenue bonds, multifamily housing bonds and Section 501(c)(3) revenue bonds. Jim is a frequent speaker on public finance issues and is a Board Member and Executive Committee Member of the Council of the Development Finance Authorities and has acted as a member of the Steering Committee for the National Association of Bond Lawyers Bond Attorney Workshop. Jim was also named *The Best Lawyers® 2016 "Lawyer of the Year" for Public Finance Law*.

**Representative Transactions**

- Bond counsel on numerous school district, county, village, city and park district and other traditional bond financings including debt certificates, general obligation bonds and alternate revenue bonds
- Bond counsel on several tax increment financing bond issues throughout the State of Illinois
- Bond counsel on numerous manufacturing and economic development transactions involving the Illinois Finance Authority
- Bond counsel on numerous multifamily housing bond issues in Illinois

**Firm Publications**

- 1/29/2018 - Home Rule Units – Sales Tax Securitization Using Special Purpose Entity
- 9/29/2017 - Cash Collateralized Tax-Exempt Bonds Combined with Low-Income Housing Tax Credit
- 9/29/2017 - Senior Living Facilities Financed as Qualified Residential Rental Facilities
- 9/29/2017 - A Tradition of Client Service

### Published In

- ["How Bonds Are Used to Finance City, Village, School District and Park District Improvements," Daily Herald, September 18, 2018](#)
- Illinois Municipal League Magazine: Financing Options Using Bonds for Illinois Cities and Villages - Part 1
- "Tax-Credit Reference Guide" co-author of the published guide for the Council of Development Finance Agencies (CDFA)

### Ice Miller News

- 8/15/2018 - 105 Ice Miller Attorneys Listed in *The Best Lawyers in America*© 2019
- 3/8/2018 - Jim Snyder Featured in the *Chicago Daily Law Bulletin*: "In the News: Ice Miller Partner James M. Snyder Appointed to 2018 Illinois Association of School Boards (IASB) Service Associates' Executive Committee"
- 3/5/2018 - Ice Miller Partner James M. Snyder Appointed to 2018 Illinois Association of School Boards (IASB) Service Associates' Executive Committee
- 3/5/2018 - Jim Snyder Featured in the *Chicago Tribune*: "From the Community: Ice Miller Partner James M. Snyder Appointed to 2018 Illinois Association of School Boards (IASB) Service Associates' Executive Committee"
- 8/15/2017 - 117 Ice Miller Attorneys listed in *The Best Lawyers in America*© 2018
- 8/15/2016 - 120 Ice Miller Attorneys Listed in *The Best Lawyers in America*© 2017
- 8/17/2015 - 118 Ice Miller Attorneys listed in *The Best Lawyers® in America 2016*
- 8/17/2015 - 13 Ice Miller Attorneys Recognized by *Best Lawyers®* as 2016 "Lawyer of the Year"
- 8/18/2014 - 112 Ice Miller Attorneys listed in *The Best Lawyers in America*© 2015

### Speaking Engagements

- "Current Smart City P3 Projects: A Deeper Dive" - Ice Miller LLP Webinar, April 10, 2019
- "Economic Development Incentives" - South Suburban Economic Development Incentives Event, March 7, 2019
- "Anatomy of an Illinois City or Village Bond Issue - Steps Involved" - Illinois Government Finance Officers Association, February 22, 2019
- "Conduit Financing through Connecticut Green Bank," - CDFA Bond Finance 101 Webinar, February 4, 2019
- "Underwriters and Municipal Advisors - Life In Public Finance after Recent SEC Rule Changes," Illinois Government Finance Officers Association, October 11, 2018
- "Alternative Revenue and Resources for Services," Council for Large Public Housing Authorities (CLPHA), June 21, 2018
- "Selling Illinois School Bonds Now and in the Future," 2018 Illinois ASBO Annual Conference, May 3-4, 2018
- "Why Should You Care About Disclosure," 2018 Illinois ASBO Annual Conference, May 3-4 2018

- "Common (or Not so Common) Debt Covenant Issues," Illinois CPA Society Government Conference, May 1, 2018
- "Multi-State TIF Comparisons (Indiana/Illinois/Ohio/Wisconsin)," Illinois Tax Increment Association, April 4, 2018
- "Financing Solutions for the Illinois Housing Market," CDFA Illinois Financing Roundtable, May 2, 2017
- "Financing Water Infrastructure in Illinois," CDFA Illinois Financing Roundtable, May 19, 2016
- "Tax Increment Financing," CDFA National Development Finance Summit, November 3-6, 2015
- "Nuts and Bolts of New Market Tax Credit and Other Tax Credits," NABL 38th Annual Bond Attorneys' Workshop, September 25-27, 2013
- "Municipal Bonds 101," discussion panel for U.S. House and Senate staffers involved with the federal tax-exemption sponsored by the Municipal Bond Dealers of America, August 8, 2013
- "Best Practices: Engaging Independent Financial Advisors," CDFA National Development Finance Summit, August 6-9, 2013
- "Combining TIF with Other Public/Private Tools to Get the Project Built," ITIA 2013 Spring Conference, April 17-19, 2013
- "Structuring the Deal -Combining and Leveraging Other Tools With Bonds," CDFA Bond Finance Webcourse, Jan. 29-30, 2013
- "Combining and Leveraging TIF With Other Tools," CDFA IL Financing Roundtable Webcast, Dec. 10, 2012
- "Combining New Markets Tax Credits, and Other Tax Credits with Tax Exempt Bonds," NABL 37th Annual Bond Attorneys' Workshop, Oct. 24-25, 2012
- "Tax Increment Finance in Combination With Other Tools," CDFA Intro to Tax Increment Finance Webinar Course, Sept. 19, 2012
- "Underwriting the Economic Development of Tomorrow Today," CDFA Roundtable Conference at the Ohio State University, Columbus, Ohio, Dec. 8, 2011
- "Tax Increment Finance in Combination With Other Tools," CDFA Intro to Tax Increment Finance Webinar Course, Nov. 11, 2011
- "Tax Credits in Combination With Other Tools," CDFA Intro to Tax Increment Finance Course, Washington DC, Aug. 12, 2011
- "Municipal Finance: New Tools for Local Leaders in 2011," 13th Annual Illinois Leadership Conference University of Illinois Extension June 15, 2011 Champaign, Illinois
- "Tax Increment Finance: Beyond Traditional TIF," CDFA 2011 Annual Development Finance Summit, May 12, 2011, Boston, MA.
- "Understanding Your TIF Statute" CDFA Tax Increment Finance Coalition-Webcast Series, April 5-7, 2011.
- "The Role of Bond Counsel," CDFA Intro Bond Finance Course, March 11, 2011, Washington D.C.
- "Understanding Your TIF Statute," CDFA Advanced Tax Increment Finance Course, Aug. 5-6, 2010 Washington D.C.
- "Maximizing TIF by Combining Tools," CDFA Advanced Tax Increment Finance Course, Aug. 5-6, 2010 Washington D.C.
- "Understanding TIF Bond Finance," CDFA Introduction to Tax Increment Finance Course, Aug. 3-4, 2010, Washington D.C.

- "Recovery Zone Bonds and Other New Financing Tools Under the Stimulus Act," CDFA Advanced Bond Finance Course, Portland, OR, May 10, 2010
- "Maximizing TIF by Combining Tools," 21st Annual Rural Community Economic Development Conference, March 3, 2010
- "Maximizing the Financial Impact of the New Federal Stimulus Law - American Recovery and Reinvestment Act Financing Seminar - Recovery Zone Bonds," IGFOA Career Development Debt Management Seminar, Jan. 14, 2010
- "Understanding Your TIF Statute," The Advanced Tax Increment Finance Course, Nov. 19-20, 2009

### **Awards and Recognitions**

- *The Best Lawyers® In America*, Public Finance Law, 2009-2019
- Best Lawyers® 2016 "Lawyer of the Year" for Public Finance Law in Chicago
- Chicago's Best Lawyers, Public Finance Law, 2010-2013

### **Memberships**

- Member, Illinois Association of School Boards Service Associates
- Member, Illinois Association of School Business Officials (IASBO)
- Board Member, Council of Development Finance Agencies
- Member, National Association of Bond Lawyers, 2012 and 2013 Bond Attorneys Workshop Steering Committee
- Member, National Association of Bond Lawyers
- Member, Council of Development Finance Agencies
- Member, Illinois Chamber of Commerce

### **Community Involvement**

- Board Member, Council of Development Finance Agencies
- Member, National Association of Bond Lawyers, Bond Attorneys
- Executive Committee Member, Illinois Association of School Boards (IASB)
- Coach and volunteer at St. Josaphat and St. Teresa of Avila

## Mark Huddle

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### Education

#### Undergraduate School

Bachelor of Arts, Knox College 1981

#### Graduate School

Master of Fine Arts, University of Chicago 1996

#### Law School

University of Illinois, Urbana-Champaign 1992

### Admissions

Illinois

### Overview

Mark Huddle is a Senior Counsel in the Municipal Finance Group at Ice Miller. He regularly acts as bond counsel, underwriter's counsel and issuer's counsel in public finance transactions for public and private issuers in Illinois, including school districts, municipalities, airport authorities and manufacturers. Mark also counsels the Firm's public affairs clients on matters relating to local and state governments including: community relations, public affairs, legislative and administrative proceedings and strategic public policy development.

In addition, he counsels both public and private entities (including public and private partnerships, or "P3") on municipal and state governmental matters. Matters include economic development and tax incentive programs, tax increment financing, MBE / WBE certifications, contract procurement, purchase of municipally owned property, real estate tax abatements, zoning and land use, liquor and medical marijuana licensing, regulatory matters and litigation. He also counsels privately held businesses and not-for-profit organizations regarding corporate and real estate development matters.

Previously, Mark was a staff assistant for environmental matters and for the "Build Illinois" public works program in the Office of Illinois Governor James R. Thompson. Mark graduated *cum laude* from Knox College in Galesburg, Illinois in 1981 and received his juris doctor, *magna cum laude*, from the University of Illinois College of Law in 1992.



### Selected Experience

- Represented a multi-national container shipping company in federal litigation and also in proceedings before the Illinois Commerce Commission with respect to a transportation dispute with a municipality in North America's largest intermodal facility.
- Represented a major convention center in easement negotiations with a hotel.
- Represented a national mulch manufacturer in state regulatory proceedings.
- Represented a developer of affordable senior housing in a \$20 million transaction involving tax increment finance, tax credits, and Illinois Housing Development Authority bond, grants, and loans.
- Represented a medical cannabis company in Illinois and nationally with respect to license applications and regulatory and corporate issues.
- Prepared liquor, food, and business license applications for hotels, restaurants, and nightclubs; addressed ongoing licensing issues with regulators, including contesting revocation proceedings before the Illinois Liquor Commission.
- Represented a major media company in obtaining tax increment finance incentives and property tax abatement in the Village of Homewood.
- Represented a suburban school district in negotiations regarding termination of a tax increment finance district, and another district with respect to extension of tax benefits for Sears in Hoffman Estates.
- Represented a cell tower company in negotiations with the City of Chicago regarding real estate tax issues.
- Acted as bond or underwriter's counsel in numerous transactions, including for the Illinois Housing Development Authority, City of Chicago, County of DuPage, the Chicago School Finance Authority, Cicero, Channahon, Sauk Village, River Grove, Broadview, Cicero, Bolingbrook, Prospect Heights, Stone Park, South Elgin, Proviso Township School District 209, and Cicero School District 99.
- Acted as bond, issuer, borrower's or underwriter's counsel in Illinois Finance Authority bond transactions, including Columbia College Chicago, Ozinga Brothers, Plochman, Inc., CGH Medical Center, Northern Illinois University, WBEZ, and Three Crowns Park.
- Represented numerous clients in land use and zoning proceedings, including a major Chicago area golf course in the Village of Romeoville, a car dealership in the Village of Matteson, and a multi-national oil company in the Village of Lincolnshire.
- Represented a shipping company, a manufacturer and a school district in various state legislative matters.
- Represented clients, including a Chicago-area planning agency and an association of Chicago area municipalities, in a variety of contract procurement matters.
- Coordinated the purchase of City of Chicago-owned property for a community healthcare clinic developer, a Chicago theater company and a restaurant franchisee.

### Firm Publications

- 1/4/2018 - Role Reversal: AG Sessions Places a Cloud Over State Marijuana Laws

### Published In

- *Illinois Municipal League Magazine: Financing Options Using Bonds for Illinois Cities and Villages - Part 1*



### **Speaking Engagements**

- "Common (or Not so Common) Debt Covenant Issues," Illinois CPA Society Government Conference, May 2, 2018

### **Memberships**

- Member, National Association of Bond Lawyers
- Member, Illinois State Bar Association
- Member, Palette and Chisel Academy of Arts
- Member, World Karate Association – The Shidokan

**Shelly A. Scinto**  
**Of Counsel Bloomington | Chicago**

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**Education**

**Undergraduate School**

Bachelor of Arts (B.A.), Psychology/Business, Eastern Illinois University 1983

**Law School**

Chicago-Kent College of Law 1992

**Admissions**

Illinois

**Overview**

Shelly Scinto is an attorney in the Municipal Finance Group at Ice Miller. She regularly acts as bond counsel in public finance transactions for municipal issuers in Illinois, including school districts, park districts, cities, villages and various other entities.

Shelly assists in drafting and reviewing bond documents, purchase contracts, official statements, offering circulars, tax certificates, ordinances, resolutions and closing certificates. In addition, her duties include confirming and ensuring compliance with federal securities and tax law, as well as other contractual, federal, and state law requirements associated with financings.

Shelly has served as lead counsel on more than 350 underwritten and privately placed municipal bond transactions throughout the State of Illinois with respect to long-term and short-term tax-exempt and taxable financings.

**Firm Publications**

- 1/29/2018 - Home Rule Units – Sales Tax Securitization Using Special Purpose Entity

**Published In**

- ["How Bonds Are Used to Finance City, Village, School District and Park District Improvements," Daily Herald, September 18, 2018](#)

### Ice Miller News

- 9/19/2016 - Attorney Shelly Scinto Joins Ice Miller's Municipal Finance Group

### Speaking Engagements

- "Update on Illinois Bond Market & Financing Structures," South Suburban Economic Development Incentives Event, March 7, 2019
- [Lunch & Learn Webinar: Bonds 101](#)," Illinois Association School Business Officials (IASBO), August 29, 2018
- "Debt Issuance - The Process and The Players," Illinois Government Finance Officers Association, June 21, 2018
- "Basic Legal Requirements on Municipal Bond Issues," Illinois Government Finance Officers Association (IGFOA), June 21, 2018

### Memberships

- Illinois Association of School Boards Service Associates
- Illinois Association of School Business Officials (IASBO)
- Illinois State Bar Association
- Chicago Bar Association
- Illinois Association of Park Districts (IAPD)
- National Association of Bond Lawyers
- Women in Public Finance (WPF)

### Community Involvement

- Board Member, Route 66 Association of Illinois
- Member, Illinois Route 66 Preservation Committee

## **Austin C. Root**

### **Associate Chicago**

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### **Education**

#### **Undergraduate School**

Bachelor of Science in Business Administration; Major in Finance, University of South Carolina 2013

#### **Law School**

University of Illinois College of Law 2016

### **Admissions**

Illinois

### **Overview**

Austin Root is an associate in Ice Miller's Municipal Finance Group. He acts as bond counsel and disclosure counsel to governmental entities throughout the State of Illinois including school districts, cities, villages, counties, park districts and special districts and as underwriters counsel to various municipal bond underwriters.

Austin received his Bachelor of Science in Business Administration, *cum laude*, from the University of South Carolina in Columbia, South Carolina, where he majored in finance and minored in economics. During his undergraduate career, he was a member of the Alpha Lambda Delta National Honor Society and Phi Sigma Kappa Fraternity.

In 2016, Austin graduated *magna cum laude* from the University of Illinois College of Law in Champaign, Illinois. While in law school, he served as the Managing Editor of the *Illinois Business Law Journal*, a member of the Student Legal Relief Organization, and a Research Assistant for Charles J. Tabb. He also participated in the American Bar Association Negotiation Competition.

Austin joined Ice Miller in September 2016 and is licensed to practice law in the State of Illinois.

### **Firm Publications**

- 8/21/2018 - SEC Approved Amendments to Rule 15c2-12

### **Ice Miller News**

- 1/24/2019 - Ice Miller Announces Six Attorneys Named 2019 Illinois Super Lawyers
- 11/10/2016 - Attorneys Michael Hopkins and Austin Root Join Ice Miller's 2016 Chicago Fall Associate Class

### **Speaking Engagements**

- "Debt Issuance - The Process and The Players," Illinois Government Finance Officers Association, June 21, 2018
- "Basic Legal Requirements on Municipal Bond Issues," Illinois Government Finance Officers Association, June 21, 2018
- "Multi-State TIF Comparisons (Indiana/Illinois/Ohio/Wisconsin)," Illinois Tax Increment Association Spring 2018 Conference, April 4-6, 2018
- "The Partners Involved in Every Bond Transaction," CDFA, August 8-9, 2017

### **Awards and Recognitions**

- Illinois Super Lawyer - Rising Star, Business/Corporate, 2019

**Jenine Phillips**

**Paralegal Chicago**

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**Overview**

Jenine Phillips is a paralegal and member of the Public Finance Group.

Prior to joining the Firm in 2007, she was employed at the law firm of Chapman and Cutler LLP.

Her experience includes work with general obligation bonds, special obligation bonds, multi-family revenue bonds as well as private activity bonds such as industrial revenue bonds, solid waste disposal facility bonds, sewage facility bonds and 501(c)(3) bonds.

Jenine Phillips is not licensed to practice law in any state and does not provide legal services.

## **Kathleen Thomas**

### **Municipal Disclosure Administrator Chicago**

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## **Education**

### **Undergraduate School**

Bachelor of General Studies, University of Michigan 1982

## **Overview**

Kathleen (Kathy) Thomas is a municipal disclosure administrator in Ice Miller's Municipal Finance Group. She works with the Illinois bond lawyers when they serve as underwriter's or disclosure counsel on bond issues for cities, villages, parks, schools and counties on a variety of finance transactions. These include general obligation bonds, alternate revenue bonds, water and sewer revenue bonds, TIF bonds, special service area bonds and debt certificates.

Prior to joining Ice Miller, Kathy regularly advised clients on their bond issues and other special projects, and served as financial advisor and investment banker exclusively to local governments in Illinois and neighboring states. She has been in public finance since 1983 and has participated in more than \$9.5 billion in debt issuances. She previously worked for top ten advisory and consulting firms as financial advisor and business development professional, selling multiple services to clients, and had her own firm as well.

Kathy has been active in numerous professional organizations, including the Illinois Municipal League; the Illinois Government Finance Officers Association, where she serves as the Academy Team Leader for the Professional Education Committee, and moderates and speaks at various seminars and conferences; and the Illinois City/County Managers Association.

*Kathy will not be registered as a municipal advisor nor will she be providing municipal advisory services to Ice Miller clients.*

*Kathy Thomas is not licensed to practice law in any state and does not provide legal services.*

## **Ice Miller News**

- 6/27/2016 - Kathy Thomas Joins Ice Miller's Illinois Municipal Finance Group

## **Speaking Engagements**

- "Anatomy of an Illinois City or Village Bond Issue - Steps Involved" - Illinois Government Finance Officers Association, February 22, 2019

### **Memberships**

- Illinois Government Finance Officers' Association (IGFOA), Member
- Illinois Government Finance Officers' Association (IGFOA), Professional Education Committee Member, Academy Team Leader
- Member of Women in Public Finance - Chicago Chapter



**ILLINOIS BOND DEAL LIST  
2013- PRESENT**

<u>CLOSING DATE</u>	<u>LEGAL ROLE</u>	<u>NAME OF ISSUER</u>	<u>MATTER</u>	<u>AMOUNT</u>
4/23/2019	BC	Palos Hills, City of	Debt Certificates, Series 2019	\$6,145,000
4/23/2019	BC	Downers Grove, Village of	General Obligation Bonds, Series 2019	\$7,000,000
4/11/2019	BC;DC	LaSalle-Peru Township High School District No. 120	Taxable General Obligation School Bonds, Series 2019	\$3,675,000
4/3/2019	BC	Mt. Sterling, City of	General Obligation Bonds (Alternate Revenue Source), Series 2019	\$800,000
3/21/2019	BC;DC	Leaf River, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2019	\$1,016,000
3/5/2019	BC;DC	Community College District No. 512 (Harper)	General Obligation Limited Tax Bonds, Series 2019	\$4,570,000
3/5/2019	BC	Central School District No. 104 (O'Fallon)	Taxable General Obligation School Bonds, Series 2019	\$1,385,000
2/28/2019	BC	Bolingbrook, Village of	Special Service Area No. 2018-1 Special Tax Refunding Bonds, Series 2019	\$22,415,000
2/27/2019	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2018F	\$24,000,000
2/26/2019	DC	Peru Elementary School District No. 124	Taxable General Obligation School Bonds, Series 2019	\$860,000
2/21/2019	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2018E	\$60,000,000
2/21/2019	BC	Kankakee County, Illinois	Corporate Purpose Tax Anticipation Warrants and Tort Purpose Tax Anticipation Warrants, Series 2019	\$2,500,000
2/14/2019	DC	Carlyle Community Unit School District No. 1	General Obligation (Limited Tax) Debt Certificates, Series 2019	\$3,800,000
2/12/2019	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2018D	\$60,000,000
2/4/2019	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2018C	\$300,000,000
1/29/2019	BC;DC	Milan, Village of	Taxable General Obligation Bonds, Series 2019	\$300,000
1/9/2019	BC	Bensenville, Village of	General Obligation Bonds, Series 2019	\$1,200,000
12/27/2018	BC	Ogle County, Illinois	General Obligation Bonds (Alternate Revenue Source), Series 2018	\$9,705,000
12/21/2018	BC	Eastern Illinois Economic Development Authority	Multifamily Housing Revenue Bonds (Haven at Market Place Project), Series 2018	\$13,000,000
12/21/2018	BC	Chicago, City of	Multifamily Housing Revenue Bonds (Mark Twain Apartments Project), Series 2018	\$27,325,000
12/21/2018	BC	Burr Ridge, Village of	Revenue Bonds (King-Bruwaert House Project), Series 2018	\$3,500,000
12/20/2018	BC;DC	Oglesby School District No. 125	Taxable General Obligation School Bonds, Series 2018	\$1,140,000
12/18/2018	DC	Calumet Memorial Park District	General Obligation Limited Bonds, Series 2018	\$900,000
12/13/2018	DC	Hall Township High School District No. 502	Taxable General Obligation School Bonds, Series 2018	\$1,000,000
12/13/2018	BC	Adams County, Illinois	General Obligation Bonds (Alternate Revenue Source), Series 2018	\$10,000,000
12/13/2018	BC	Hillside, Village of	Tax Increment Revenue Refunding Bonds, Series 2018	\$21,435,000

**ILLINOIS BOND DEAL LIST  
2013- PRESENT**

<u>CLOSING DATE</u>	<u>LEGAL ROLE</u>	<u>NAME OF ISSUER</u>	<u>MATTER</u>	<u>AMOUNT</u>
12/11/2018	BC	Community College District No. 512 (Harper)	General Obligation Debt Certificates (Limited Tax), Series 2018	\$4,675,000
12/7/2018	BC	Byron Park District	General Obligation Park Bonds, Series 2018	\$440,000
12/6/2018	BC;DC	Bloomington Fire Protection District No. 1	General Obligation Bonds, Series 2018	\$2,500,000
12/5/2018	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2018B	\$200,000,000
12/3/2018	BC	Sterling Park District	General Obligation Park Bonds, Series 2018	\$1,350,000
11/30/2018	BC	Chicago Housing Authority	Multifamily Housing Revenue Note (Caroline Hedger Apartments), Series 2018	\$35,000,000
11/29/2018	BC	West Chicago Park District	Taxable General Obligation Limited Park Bonds, Series 2018B	\$580,000
11/29/2018	BC	West Chicago Park District	General Obligation Limited Park Bonds, Series 2018A	\$180,000
11/27/2018	BC	Kewanee, City of	General Obligation Refunding Bonds, Series 2018	\$298,570
11/27/2018	BC	Lincoln-Way Community High School District 210	Educational Purposes Tax Anticipation Warrants, Series 2018	\$20,000,000
11/27/2018	BC	Wilmington, City of	General Obligation Limited Tax Bonds, Series 2018	\$140,000
11/19/2018	BC	Illinois Housing Development Authority	Multifamily Housing Revenue Note (Southland Village Apartments), Series 2018B	\$9,106,000
11/19/2018	BC	Illinois Housing Development Authority	Multifamily Housing Revenue Note (Southland Village Apartments), Series 2018A	\$26,894,000
11/15/2018	BC;DC	Johnsburg, Village of	General Obligation Waterworks and Sewerage Refunding Bonds (Alternate Revenue Source), Series 2018	\$1,585,000
11/6/2018	BC;DC	O'Fallon, City of	General Obligation Refunding Bonds, Series 2018C	\$5,645,000
11/1/2018	BC	Heyworth, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2018	\$1,325,000
10/31/2018	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2018A	\$200,000,000
10/29/2018	BC	Bloomington Park District	General Obligation Limited Tax Park Bonds, Series 2018B	\$690,630
10/18/2018	BC;DC	O'Fallon, City of	General Obligation Refunding Bonds, Series 2018B	\$9,205,000
10/16/2018	BC;DC	Mount Prospect, Village of	General Obligation Bonds, Series 2018B	\$38,440,000
10/2/2018	BC;DC	O'Fallon, City of	General Obligation Refunding Bonds, Series 2018A	\$8,390,000
10/1/2018	BC	Illinois Housing Development Authority	Multifamily Mortgage Revenue Note (ICARE Apartments), Series 2018B	\$1,883,000
10/1/2018	BC	Illinois Housing Development Authority	Multifamily Mortgage Revenue Note (ICARE Apartments), Series 2018A	\$5,717,000

**ILLINOIS BOND DEAL LIST  
2013- PRESENT**

<u>CLOSING DATE</u>	<u>LEGAL ROLE</u>	<u>NAME OF ISSUER</u>	<u>MATTER</u>	<u>AMOUNT</u>
9/27/2018	BC	Roselle, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2018	\$2,315,000
9/25/2018	BC;DC	Spring Valley Community Consolidated School District No. 99	General Obligation School Bonds, Series 2018	\$4,500,000
9/14/2018	BC	Illinois Finance Authority	Revenue Bond (The Chicago Academy of Sciences Project), Series 2013 (Amendment of Interest Rate)	\$5,519,750
9/6/2018	BC;DC	Harvard Community Unit School District No. 50	General Obligation School Refunding Bonds, Series 2018	\$4,845,000
8/22/2018	BC	Bartlett, Village of	Taxable Special Service Area Number One (Bluff City) Unlimited Ad Valorem Tax Refunding Bonds, Series 2018	\$5,435,000
8/22/2018	BC	Cook, County of	Sales Tax Revenue Bonds, Series 2018	\$155,630,000
8/7/2018	DC	Evanston, City of	Taxable General Obligation Corporate Purpose Bonds, Series 2018D	\$3,570,000
8/7/2018	DC	Evanston, City of	General Obligation Refunding Bonds, Series 2018C	\$8,020,000
8/7/2018	DC	Evanston, City of	General Obligation Corporate Purpose Bonds, Series 2018B	\$16,545,000
8/7/2018	DC	Evanston, City of	General Obligation Corporate Purpose Bonds, Series 2018A	\$24,385,000
7/17/2018	BC;DC	Sterling Park District	General Obligation Park Bonds (Alternate Revenue Source), Series 2018	\$5,345,000
7/13/2018	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2017J	\$42,110,000
7/13/2018	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2017I	\$57,890,000
7/9/2018	BC;DC	Wheaton-Warrenville Community Unit School District No. 200	General Obligation Refunding School Bonds, Series 2018	\$22,530,000
6/12/2018	BC	Spring Valley Community Consolidated School District No. 99	Taxable General Obligation Debt Certificates, Series 2018	\$4,376,000
6/6/2018	BC;DC	Coal City Community Unit School District No. 1	General Obligation Refunding School Bonds, Series 2018	\$8,480,000
5/24/2018	BC;DC	Lakemoor, Village of	General Obligation Bonds (Alternate Revenue Source), Series 2018	\$4,000,000
5/4/2018	BC	South Jacksonville, Village of	Promissory Note, Series 2018	\$900,000
5/1/2018	BC	Darien, City of	General Obligation Bonds, Series 2018	\$3,500,000
5/1/2018	BC;DC	Mount Prospect, Village of	General Obligation Bonds, Series 2018A	\$11,950,000
4/30/2018	BC;DC	Milan, Village of	Taxable General Obligation Bonds (Alternate Revenue Source), Series 2018A	\$4,410,000

**ILLINOIS BOND DEAL LIST  
2013- PRESENT**

<u>CLOSING DATE</u>	<u>LEGAL ROLE</u>	<u>NAME OF ISSUER</u>	<u>MATTER</u>	<u>AMOUNT</u>
4/24/2108	BC	Illinois Finance Authority	Educational Facilities Revenue Bonds (St. Francis High School College Preparatory Project), Series 2010 - Amendment	\$3,330,000
4/11/2018	BC;DC	Sauk Village, Village of	General Fund Purposes Tax Anticipation Warrants	\$535,000
4/5/2018	BC	Sterling Community Unit School District No. 5	General Obligation School Bonds, Series 2018A	\$8,820,000
3/29/2018	BC	Northwest Suburban Municipal Joint Action Water Agency	Water Supply System Revenue Refunding Bonds, Series 2018	\$13,530,000
3/28/2018	BC;DC	Johnsburg, Village of	Taxable General Obligation Bonds (Alternate Revenue Source), Series 2018	\$1,255,000
3/20/2018	BC;DC	Seneca Township High School District No. 160	General Obligation School Bonds, Series 2018	\$1,840,000
3/15/2018	BC	Thornton Township	Promissory Note, Series 2018	\$5,000,000
3/1/2018	BC;DC	Germantown Community Consolidated School District No. 60	General Obligation School Bonds, Series 2018	\$307,000
2/28/2018	DC	Steger, Village of	General Obligation Bonds (Alternate Revenue Source), Series 2018	\$3,190,000
2/22/2018	BC;DC	Granville, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2018B	\$696,000
2/22/2018	BC;DC	Granville, Village of	General Obligation Bonds, Series 2018A	\$700,000
2/20/2018	BC	Kankakee County, Illinois	Corporate Purpose Tax Anticipation Warrants, 2018	\$1,666,667
2/20/2018	BC	Kankakee County, Illinois	Tort Purpose Tax Anticipation Warrants, 2018	\$833,333
2/16/2018	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2017H	\$105,270,000
2/15/2018	BC;DC	Lincoln, City of	General Obligation Bonds (Alternate Revenue Source), Series 2018	\$3,270,000
2/13/2018	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2017G	\$144,730,000
2/13/2018	BC;DC	Rock Falls Township High School District No. 301	General Obligation School Bonds, Series 2018	\$2,060,000
2/6/2018	BC	Bloomington Park District	General Obligation Voted Park Bonds, Series 2018A	\$2,175,000
1/25/2018	BC;DC	Silvis, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2018	\$1,340,000
1/23/2018	BC	DuPage County, Illinois	Waterworks and Sewerage Project Net Revenue New Second Lien Refunding Bonds, Series 2018	\$7,320,000

**ILLINOIS BOND DEAL LIST  
2013- PRESENT**

<u>CLOSING DATE</u>	<u>LEGAL ROLE</u>	<u>NAME OF ISSUER</u>	<u>MATTER</u>	<u>AMOUNT</u>
1/11/2018	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2017F	\$147,365,000
1/10/2018	BC;DC	O'Fallon, City of	Special Service Area Number Four (Regency Extension) Special Tax Refunding Bonds, Series 2018	\$650,000
1/10/2018	BC;DC	O'Fallon, City of	Special Service Area Number Two (Greenmount Commercial) Special Tax Refunding Bonds, Series 2018	\$185,000
1/10/2018	BC;DC	O'Fallon, City of	Special Service Area Number One (Shoppes At Greenmount) Special Tax Refunding Bonds, Series 2018	\$975,000
1/5/2018	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2017E	\$202,635,000
12/28/2017	DC	Calumet Memorial Park District	General Obligation Limited Bonds, Series 2017	\$800,000
12/28/2017	BC	Bensenville, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017	\$9,945,000
12/28/2017	BC;DC	Kildeer, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017	\$1,380,000
12/28/2017	BC	DuPage County, Illinois	General Obligation Debt Certificates, Series 2017	\$7,500,000
12/28/2017	BC;DC	Pinckneyville Community High School District No. 101	General Obligation School Refunding Bonds, Series 2017	\$4,080,000
12/26/2017	BC	Adams County, Illinois	General Obligation Bonds (Alternate Revenue Source), Series 2017	\$10,000,000
12/22/2017	BC	Wood Dale, City of	General Obligation Promissory Note, Series 2017	\$2,000,000
12/21/2017	DC	Farmer City, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017	\$1,130,000
12/20/2017	BC	Saline Valley Conservancy District	Water Revenue Refunding Bonds, Series 2017	\$14,259,000
12/20/2017	BC;DC	Mount Prospect, Village of	General Obligation Bonds, Series 2017	\$9,740,000
12/15/2017	BC	Evergreen Park, Village of	Revenue Bonds (Gateway Montessori Project), Series 2017	\$1,800,000
12/12/2017	BC	Byron Park District	General Obligation Park Bonds, Series 2017	\$430,000
12/8/2017	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2017D	\$50,000,000
12/6/2017	BC	Hillside, Village of	General Obligation Bonds, Series 2017B	\$3,075,000
12/6/2017	BC	Hillside, Village of	General Obligation Bonds, Series 2017A	\$1,635,000
12/6/2017	COBC-CODC	Harper Community College District No. 512	General Obligation Refunding Bonds, Series 2017B	\$103,450,000
12/5/2017	BC;DC	Mendota Township High School District Number 280	General Obligation School Refunding Bonds (Alternate Revenue Source), Series 2017	\$1,060,000
12/1/2017	BC	Sterling Park District	General Obligation Park Bonds, Series 2017	\$1,312,000

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11/28/2017	BC;DC	Lemont, Village of	General Obligation Refunding Bonds (Waterworks and Sewerage Alternate Revenue Source), Series 2017C	\$890,000
11/28/2017	BC;DC	Lemont, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017B	\$1,940,000
11/28/2017	BC;DC	Lemont, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017A	\$4,160,000
11/28/2017	BC	West Chicago Park District	Taxable General Obligation Limited Park Bonds, Series 2017B	\$570,000
11/28/2017	BC	West Chicago Park District	General Obligation Limited Park Bonds, Series 2017A	\$450,000
11/27/2017	BC	Kewanee, City of	General Obligation Refunding Bonds, Series 2017	\$291,920
11/22/2017	BC	Wilmington, City of	General Obligation Limited Tax Bonds, Series 2017	\$150,000
11/21/2017	BC;DC	Serena Community Unit School District No. 2	General Obligation School Refunding Bonds, Series 2017	\$1,310,000
11/16/2017	BC	Steger Estates Fire Protection District	General Obligation Voted Bonds, Series 2017	\$330,000
11/13/2017	BC	Watseka, City of	Revenue Bonds (Emergency Nurses Association Project), Series 2017	\$10,000,000
11/9/2017	BC;DC	Mundelein, Village of	General Obligation Refunding Bonds, Series 2017	\$5,565,000
11/8/2017	BC	Illinois Housing Development Authority	Multifamily Mortgage Revenue Note (Anathoth Gardens), Series 2017	\$5,400,000
11/2/2017	BC	Illinois Housing Development Authority	Multifamily Mortgage Revenue Note (Concord at Sheridan), Series 2017C	\$12,250,000
11/2/2017	BC	Illinois Housing Development Authority	Multifamily Mortgage Revenue Note (Concord at Sheridan), Series 2017B	\$4,000,000
11/2/2017	BC	Illinois Housing Development Authority	Multifamily Mortgage Revenue Note (Concord at Sheridan), Series 2017A	\$5,750,000
11/1/2017	BC	Lincoln-Way Community High School District 210	Educational Purposes Tax Anticipation Warrant, Series 2017	\$27,000,000
11/1/2017	BC	Johnsburg, Village of	General Obligation Debt Certificate, Series 2017	\$1,100,000
11/1/2017	BC	Bloomington Park District	General Obligation Limited Tax Park Bonds, Series 2017B	\$680,620
10/27/2017	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2017C	\$200,000,000
10/26/2017	BC;DC	Hillside-Berkeley Water Commission	Water Revenue Refunding Bonds, Series 2017	\$3,450,000
10/17/2017	DC	Jefferson County, Illinois	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017	\$4,950,000
10/13/2017	BC;DC	Marion, City of	General Obligation Bonds, Series 2017	\$2,295,000



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10/12/2017	BC;DC	Spring Valley Community Consolidated School District No. 99	General Obligation School Refunding Bonds, Series 2017	\$3,665,000
10/6/2017	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2017B	\$200,000,000
10/3/2017	BC	Downers Grove, Village of	General Obligation Refunding Bonds, Series 2017	\$2,255,000
9/28/2017	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2017A	\$150,000,000
9/28/2017	DC	Hall Township High School District No. 502	General Obligation School Bonds, Series 2017A	\$40,440,000
9/28/2017	DC	Richton Park, Village of	General Obligation Bonds (Water and Sewer System Alternate Revenue Source), Series 2017	\$6,700,000
9/14/2017	BC;DC	Mendota, City of	General Obligation Bonds, Series 2017	\$690,000
9/7/2017	BC;DC	Johnsburg, Village of	General Obligation Bonds (Alternate Revenue Source), Series 2017	\$1,055,000
9/6/2017	BC	Public Finance Authority	Multifamily Housing Refunding Bonds (The Virginia Towers Project), Series 2017	\$4,220,000
9/5/2017	DC	Country Club Hills, City of	General Obligation Refunding Bonds, Series 2017	\$20,690,000
8/31/2017	BC	Westmont, Village of	General Obligation Bonds (Alternate Revenue Source), Series 2017	\$7,000,000
8/29/2017	BC;DC	Harvard Community Unit School District No. 50	General Obligation Limited School Bonds, Series 2017B	\$2,190,000
8/29/2017	BC;DC	Harvard Community Unit School District No. 50	General Obligation Limited School Bonds, Series 2017A	\$1,725,000
8/22/2017	BC;DC	East Alton, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017B	\$540,000
8/22/2017	BC;DC	East Alton, Village of	General Obligation Waterworks and Sewerage Refunding Bonds (Alternate Revenue Source), Series 2017	\$3,340,000
8/17/2017	BC;DC	Sterling, City of	General Obligation Bonds (Alternate Revenue Source), Series 2017	\$9,665,000
7/20/2017	BC;DC	LaSalle County, Illinois	General Obligation Self-Insurance Bonds, Series 2017	\$3,710,000
7/5/2017	BC	Maywood Park District	Debt Certificates, Series 2017	\$367,650
6/29/2017	BC	River Grove, Village of	General Obligation Refunding Bonds, Series 2017B	\$6,470,000
6/29/2017	BC	River Grove, Village of	Taxable General Obligation Bonds, Series 2017A	\$3,255,000
6/29/2017	BC;DC	Earlville Community Unit School District No. 9	General Obligation School Bonds, Series 2017	\$495,000
6/13/2017	BC;DC	Earlville, City of	General Obligation Bonds, Series 2017	\$500,000
5/31/2017	BC;DC	Bloomington Park District	General Obligation Voted Park Bonds, Series 2017A	\$7,725,000

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5/18/2017	BC;DC	J. Sterling Morton High School District No. 201	Taxable General Obligation Limited Tax School Bonds, Series 2017 (Qualified School Construction Bonds - Direct Payment to District)	\$50,000,000
5/18/2017	BC	DuPage County, Illinois	Revenue Bond (The Morton Arboretum Project), Series 2017	\$20,000,000
4/28/2017	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2016A-1	\$325,000,000
4/26/2017	BC	Illinois Housing Development Authority	Multifamily Housing Revenue Bonds (Sage Crest Hills Apartments), Series 2017A	\$9,000,000
4/26/2017	BC	Illinois Housing Development Authority	Multifamily Housing Revenue Bonds (Sage Crest Hills Apartments), Series 2017B	\$2,000,000
4/26/2017	DC	Kendall County Forest Preserve District	General Obligation Refunding Bonds, Series 2017	\$19,130,000
4/26/2017	BC;DC	West Chicago Park District	General Obligation Debt Certificates (Limited Tax), Series 2017	\$2,500,000
4/26/2017	BC;DC	West Chicago Park District	General Obligation Park Bonds (Alternate Revenue Source), Series 2017	\$2,800,000
4/19/2017	BC	Sterling Community Unit School District No. 5	General Obligation School Bonds (Alternate Revenue Source), Series 2017	\$13,950,000
4/6/2017	DC	Columbia Community Unit School District No. 4	General Obligation School Bonds, Series 2017	\$3,020,000
3/30/2017	BC;DC	Andalusia, Village of	General Obligation Bonds (Alternate Revenue Source), Series 2017	\$1,180,000
3/30/2017	BC;DC	O'Fallon, City of	General Obligation Bonds, Series 2017	\$9,460,000
3/17/2017	BC	LeRoy Community Park District	General Obligation (Limited Tax) Note, Series 2017	\$80,000
3/16/2017	BC;DC	Adams County, Illinois	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017	\$5,150,000
3/16/2017	BC	Secor Fire Protection District	General Obligation Debt Certificates, Series 2017	\$373,500
3/14/2017	BC	Mt. Sterling, City of	Promissory Note, Series 2017	\$123,000
3/7/2017	BC	Illinois Finance Authority	Recovery Zone Facility Bonds (Smart Hotels/Olympia Chicago, LLC Project), Series 2017	\$19,651,409
2/28/2017	DC	Quincy, City of	General Obligation Bonds, Series 2017	\$4,115,000
2/28/2017	BC;DC	Peru, City of	General Obligation Refunding Bonds, Series 2017	\$6,605,000
2/21/2017	BC;DC	LaSalle-Peru Township High School District No. 120	General Obligation School Building Bonds, Series 2017	\$26,195,000
2/16/2017	BC	Mokena Community Park District	General Obligation Limited Tax Park Bonds, Series 2017A	\$826,000



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2/14/2017	BC	Tolono, Village of	Promissory Note, Series 2017	\$800,000
2/10/2017	BC	Chicago Housing Authority	Multifamily Housing Revenue Notes (Fannie Emanuel Senior Apartments), Series 2017C	\$4,737,661
2/10/2017	BC	Chicago Housing Authority	Multifamily Housing Revenue Notes (Fannie Emanuel Senior Apartments), Series 2017B	\$1,194,720
2/7/2017	BC;DC	Lincoln, City of	General Obligation (Limited Tax) Bonds, Series 2017	\$498,000
1/31/2017	BC	Lisbon, Village of	General Obligation Bonds (Alternate Revenue Source), Series 2017	\$900,000
1/31/2017	BC	Lisbon, Village of	Promissory Note, Series 2017	\$450,000
1/31/2017	BC;DC	Marion Community Unit School District No. 2	General Obligation School Refunding Bonds, Series 2017	\$9,310,000
1/31/2017	BC;DC	Round Lake, Village of	Special Service Areas Numbers One, Three and Four Special Tax Refunding Bonds, Series 2017	\$19,985,000
1/27/2017	BC	Quad Cities Regional Economic Development Authority	Industrial Revenue Bonds (LRC Developers Project), Series 2017B	\$482,279
1/27/2017	BC	Quad Cities Regional Economic Development Authority	Industrial Revenue Bonds (LRC Developers Project), Series 2017A	\$650,004
1/18/2017	BC	Kankakee County, Illinois	Tort Purpose Tax Anticipation Warrant 2017	\$1,000,000
1/18/2017	BC	Kankakee County, Illinois	Corporate Purpose Tax Anticipation Warrant 2017	\$2,000,000
1/12/2017	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2016A-4	\$600,000,000
12/30/2016	BC	Illinois Housing Development Authority	Multifamily Housing Revenue Bond (Brewster-Hosmer Apartments), Series 2016	\$10,550,000
12/29/2016	DC	Calumet Memorial Park District	General Obligation Limited Bonds, Series 2016	\$800,000
12/28/2016	BC;DC	LaSalle-Peru Township High School District No. 120	General Obligation School Building Bonds, Series 2016	\$9,760,000
12/19/2016	BC	Wheeling, Village of	Taxable TIF Allocation Revenue Note B	\$2,500,000
12/19/2016	BC	Wheeling, Village of	Taxable TIF Allocation Revenue Note A	\$4,000,000
12/15/2016	BC;DC	Seneca, Village of	General Obligation Bonds (Alternate Revenue Source), Series 2016	\$300,000
12/15/2016	DC	Hazel Crest Park District	General Obligation Limited Bonds, Series 2016	\$500,000
12/15/2016	BC	Beach Park Fire Protection District	Debt Certificates, Series 2016	\$780,000
12/14/2016	BC	Monticello, City of	Wastewater System Revenue Bonds, Series 2016B	\$5,285,000
12/14/2016	BC	Monticello, City of	Wastewater System Revenue Bonds, Series 2016A	\$9,000,000

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12/14/2016	BC;DC	Morrison, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016	\$1,960,000
12/2/2016	BC	Sterling Park District	General Obligation Park Bonds, Series 2016	\$1,308,500
12/2/2016	BC	Kewanee, City of	General Obligation Bonds, Series 2016	\$298,000
11/22/2016	BC	West Chicago Park District	Taxable General Obligation Limited Park Bonds, Series 2016B	\$250,000
11/22/2016	BC	West Chicago Park District	General Obligation Limited Park Bonds, Series 2016A	\$430,000
11/17/2016	DC	Carlyle Community Unit School District No. 1	General Obligation School Bonds, Series 2016B	\$2,940,000
11/16/2016	BC	Wilmington, City of	General Obligation Limited Tax Bonds, Series 2016	\$140,000
11/16/2016	BC	Bartlett, Village of	Subordinate Lien Tax Increment Revenue Notes, Series 2016	\$11,500,000
11/10/2016	BC	Board of Education of the City of Chicago	Educational Purposes Tax Anticipation Notes, Series 2016A-3	\$475,000,000
11/7/2016	BC;DC	North Riverside, Village of	General Obligation Bonds (Alternate Revenue Source), Series 2016	\$2,760,000
11/1/2016	BC	Westmont, Village of	Bradford Revenue Note 2016	\$3,000,000
11/1/2016	BC	Poplar Creek Public Library District	General Obligation Library Refunding Bonds, Series 2016	\$8,360,000
10/28/2016	BC	Chicago, City of	Multifamily Mortgage Revenue Note, Series 2016B (Rosenwald Courts)	\$4,500,000
10/28/2016	BC	Chicago, City of	Multifamily Mortgage Revenue Note, Series 2016A (Rosenwald Courts)	\$2,500,000
10/27/2016	BC;DC	Earlville Community Unit School District No. 9	General Obligation School Refunding Bonds, Series 2016	\$1,775,000
10/26/2016	BC	Illinois Housing Development Authority	Multifamily Housing Revenue Bonds, Series 2016A (Hillcrest Apartments)	\$8,000,000
10/26/2016	BC	Illinois Housing Development Authority	Multifamily Housing Revenue Bonds, Series 2016B (Hillcrest Apartments)	\$1,000,000
10/25/2016	BC	Bartlett, Village of	Senior Lien Tax Increment Revenue Bonds (Bartlett Quarry Redevelopment Project), Series 2016	\$9,200,000
10/20/2016	DC	Peru Elementary School District No. 124	Taxable General Obligation School Bonds, Series 2016	\$1,610,000
10/20/2016	BC;DC	Herrin Community Unit School District No. 4	Taxable General Obligation Limited School Bonds, Series 2016	\$2,485,000
10/13/2016	BC;DC	Macomb, City of	General Obligation Refunding Bonds (Waterworks Alternate Revenue Source), Series 2016	\$2,275,000

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10/3/2016	BC	Board of Education of the City of Chicago	Amended and Restated Educational Purposes Tax Anticipation Notes, Series 2016A-2	\$150,000,000
9/29/2016	BC;DC	Dwight, Village of	General Obligation Bonds (Sales Tax Alternate Revenue Source), Series 2016C	\$4,865,000
9/29/2016	BC;DC	Dwight, Village of	General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 2016B	\$1,970,000
9/29/2016	BC;DC	Dwight, Village of	General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2016A	\$2,025,000
9/29/2016	DC	Fairfield, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016	\$2,230,000
9/29/2016	DC	Fountain Water District	Waterworks Revenue Refunding Bonds, Series 2016	\$3,890,000
9/28/2016	DC	Marion Park District	General Obligation Park Limited Bonds, Series 2016	\$936,000
9/15/2016	DC	Lexington, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016	\$962,000
9/13/2016	BC;DC	Harvard, City of	General Obligation Bonds (Alternate Revenue Source), Series 2016B	\$2,630,000
9/13/2016	BC;DC	Mundelein Park and Recreation District	General Obligation Limited Tax Park Bonds, Series 2016	\$4,000,000
9/8/2016	BC	Board of Education of the City of Chicago	Amended and Restated Educational Purposes Tax Anticipation Notes, Series 2016A-1	\$325,000,000
8/30/2016	BC	Hamilton County Water District	Waterworks Revenue Refunding Bonds, Series 2016	\$1,700,000
8/26/2016	BC	Wayne Township	Promissory Note, Series 2016	\$400,000
8/25/2016	DC	Country Club Hills, City of	General Obligation Refunding Bonds, Series 2016	\$17,195,000
8/16/2016	BC;DC	Johnsburg, Village of	Special Service Area No. 32 Special Tax Bonds (Wastewater Treatment Facility and Collection System Project) Series 2016	\$575,000
8/11/2016	DC	Valmeyer, Village of	General Obligation Refunding Bonds, Series 2016	\$447,000
7/28/2016	BC	Illinois Housing Development Authority	Multifamily Housing Revenue Note (Van Buren Apartments), Series 2016	\$22,000,000
7/28/2016	BC	Illinois Housing Development Authority	Multifamily Housing Revenue Note (Bloomingdale Apartments), Series 2016	\$9,000,000
7/6/2016	BC	East Dundee, Village of	General Obligation Refunding Bonds, Series 2016	\$2,865,000
6/30/2016	BC;DC	LeRoy, City of	General Obligation Bonds (Alternate Revenue Source), Series 2016B	\$2,510,000
6/30/2016	BC;DC	LeRoy, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016A	\$2,865,000

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6/30/2016	BC	Frankfort Township	General Obligation (Limited Tax) Refunding Debt Certificates, Series 2016	\$4,350,000
6/23/2016	DC	Nokomis Community Unit School District No. 22	General Obligation School Bonds, Series 2016C	\$1,100,000
6/23/2016	DC	Nokomis Community Unit School District No. 22	General Obligation School Bonds, Series 2016B	\$1,900,000
6/23/2016	DC	Nokomis Community Unit School District No. 22	General Obligation School Bonds, Series 2016A	\$1,950,000
6/21/2016	BC	Illinois Finance Authority	Revenue Bonds (Lake Forest Academy), Series 2016	\$16,415,000
6/14/2016	DC	O'Fallon Central School District No. 104	General Obligation School Bonds, Series 2016	\$550,000
6/9/2016	BC	Illinois Housing Development Authority	Multifamily Housing Revenue Bonds (Farwell Jarvis Apartments), Series 2016	\$6,500,000
6/7/2016	DC	Rantoul, Village of	General Obligation Bonds, Series 2016	\$7,050,000
6/2/2016	BC;DC	Harvard, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016A	\$1,125,000
5/31/2016	BC;DC	Curran-Gardner Townships Public Water District	Waterworks Revenue Refunding Bonds, Series 2016	\$2,525,000
5/31/2016	DC	Kendall County Forest Preserve District	General Obligation Refunding Bonds, Series 2016	\$9,270,000
5/27/2016	BC	Burbank, City of	Revenue Refunding Bonds (Science and Arts Academy Project), Series 2016	\$5,940,355
5/26/2016	BC	Illinois Housing Development Authority	Multifamily Housing Revenue Bonds (J. Michael Fitzgerald Apartments Project), Series 2016	\$10,250,000
5/12/2016	BC;DC	Wallace Community Consolidated School District No. 195	General Obligation School Refunding Bonds (Alternate Revenue Source), Series 2016B	\$1,215,000
5/12/2016	BC;DC	Wallace Community Consolidated School District No. 195	General Obligation School Refunding Bonds, Series 2016A	\$2,965,000
5/5/2016	DC	Jersey County, Illinois	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016	\$2,180,000
5/4/2016	DC	O'Fallon Community Consolidated School District No. 90	General Obligation School Bonds, Series 2016B	\$5,475,000
5/4/2016	DC	O'Fallon Community Consolidated School District No. 90	General Obligation School Refunding Bonds, Series 2016A	\$9,405,000
4/28/2016	BC	Peoria Heights, Village of	Taxable General Obligation Bonds, Series 2016	\$1,850,000
4/22/2016	BC	Franklin Park, Village of	Special Service Area No. 2014-1, Special Tax Bond, Series 2015	\$3,000,000

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4/1/2016	DC	Nokomis Community Unit School District No. 22	General Obligation (Limited Tax) Debt Certificates, Series 2016	\$1,920,000
3/30/2016	BC	Downers Grove, Village of	General Obligation Refunding Bonds, Series 2016	\$7,585,000
3/29/2016	BC;DC	Beardstown, City of	General Obligation Refunding Bonds (Sewerage System Alternate Revenue Source), Series 2016B	\$825,000
3/29/2016	BC;DC	Beardstown, City of	General Obligation Refunding Bonds (Waterworks System Alternate Revenue Source), Series 2016A	\$335,000
3/17/2016	BC	Rock Falls, City of	General Obligation Debt Certificates, Series 2016	\$2,427,000
3/10/2016	DC	Carlyle Community Unit School District No. 1	General Obligation School Bonds, Series 2016	\$380,000
3/3/2016	DC	Johnson County, Illinois	General Obligation Self-Insurance Refunding Bonds, Series 2016	\$950,000
3/2/2016	BC	Germantown Hills, Village of	General Obligation Debt Certificates, Series 2016	\$865,000
3/1/2016	BC	Secor Fire Protection District	General Obligation Debt Certificates, Series 2016	\$323,500
2/29/2016	BC;DC	Mendota Township High School District Number 280	General Obligation School Bonds, Series 2016	\$1,970,000
2/29/2016	BC;DC	Princeton Township High School District Number 500	General Obligation School Bonds, Series 2016	\$4,770,000
2/29/2016	BC;DC	Iroquois West Community Unit School District Number 10	General Obligation School Bonds, Series 2016	\$1,470,000
2/24/2016	DC	South Stickney Sanitary District	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016	\$2,005,000
2/23/2016	DC	Grundy County Public Building Commission	Public Building Revenue Refunding Bonds, Series 2016	\$2,470,000
2/18/2016	BC;DC	O'Fallon, City of	General Obligation Refunding Bonds, Series 2016	\$3,450,000
2/18/2016	DC	Newton, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016	\$1,485,000
2/11/2016	BC;DC	Rock Falls Township High School District No. 301	General Obligation School Bonds, Series 2016	\$4,230,000
2/11/2016	BC;DC	Harvard Community Unit School District No. 50	General Obligation School Refunding Bonds, Series 2016	\$7,780,000
2/4/2016	BC	Saybrook-Arrowsmith Fire Protection District	General Obligation Debt Certificates, Series 2016	\$615,000
1/21/2016	BC	Chicago, City of	General Obligation Refunding Bonds, Series 2015C	\$500,000,000
1/7/2016	BC	Beach Park Fire Protection District	Corporate and Ambulance Fund Purposes TAWS 2016	\$560,000

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<u>CLOSING DATE</u>	<u>LEGAL ROLE</u>	<u>NAME OF ISSUER</u>	<u>MATTER</u>	<u>AMOUNT</u>
12/29/2015	BC;DC	Earlville Community Unit School District No. 9	General Obligation School Refunding Bonds, Series 2015	\$1,630,000
12/29/2015	BC	Coal City, Village of	General Obligation Bonds (Alternate Revenue Source), Series 2015	\$3,000,000
12/29/2015	BC	Coal City, Village of	General Obligation Refunding Bonds, Series 2015	\$4,050,000
12/23/2015	DC	Volo, Village of	Special Service Area No. 2 Special Tax Refunding Bonds, Series 2015 (Remington Pointe Project)	\$9,405,000
12/22/2015	BC	West Dundee, Village of	General Obligation Refunding Bonds, Series 2015	\$9,350,000
12/22/2015	BC;DC	LaSalle-Peru Township High School District No. 120	Taxable General Obligation School Bonds, Series 2015	\$3,400,000
12/17/2015	DC	Calumet Memorial Park District	General Obligation Limited Bonds, Series 2015	\$750,000
12/11/2015	BC	Kewanee, City of	General Obligation Limited Bonds, Series 2015A	\$287,600
12/10/2015	BC	Kankakee County, Illinois	Corporate Purpose Tax Anticipation Warrants 2015	\$2,500,000
12/10/2015	BC	Kankakee County, Illinois	Tort Purpose Tax Anticipation Warrant 2015	\$1,500,000
12/4/2015	BC	Wilmington, City of	General Obligation Limited Tax Bonds, Series 2015A	\$147,000
12/4/2015	BC	Cornbelt Fire Protection District	General Obligation Debt Certificates, Series 2015	\$1,800,000
12/1/2015	DC	Hazel Crest Park District	General Obligation Limited Bonds, Series 2015	\$525,000
12/1/2015	DC	Township of Long Creek	General Obligation Waterworks Refunding Bonds (Alternate Revenue Source), Series 2015	\$1,135,000
11/24/2015	BC;DC	Rock Falls Township High School District No. 301	General Obligation Debt Certificates, Series 2015	\$4,275,000
11/24/2015	BC;DC	Pinckneyville Community High School District No. 101	Taxable General Obligation School Bonds, Series 2015	\$1,000,000
11/23/2015	BC	West Chicago Park District	Taxable General Obligation Limited Park Bonds, Series 2015D	\$190,000
11/23/2015	BC	West Chicago Park District	General Obligation Limited Park Bonds, Series 2015C	\$430,000
11/19/2015	BC	Marion, City of	General Obligation Refunding Bonds, Series 2015	\$8,229,000
11/17/2015	BC;DC	Wilmington, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2015	\$685,000
11/12/2015	BC;DC	O'Fallon, City of	General Obligation Bonds, Series 2015	\$7,125,000
11/5/2015	BC	Waukegan Port District	General Obligation Bonds (Alternate Revenue Source), Series 2015	\$10,000,000
10/29/2015	DC	Hazel Crest Park District	General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2015	\$1,450,000
10/28/2015	BC	Illinois Finance Authority	Revenue Bonds (Nazareth Academy Project), Series 2015	\$25,200,000

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10/15/2015	BC;DC	Emmons School District No. 33	General Obligation School Refunding Bonds (Alternate Revenue Source), Series 2015	\$4,200,000
10/6/2015	BC;DC	Kildeer, Village of	Special Service Area No. #1, Special Tax Refunding Bonds, Series 2015 (Sewer Main Extension Project)	\$1,590,000
9/30/2015	DC	O'Fallon Central School District No. 104	General Obligation School Refunding Bonds, Series 2015	\$1,985,000
9/17/2015	BC;DC	Herrin Community Unit School District No. 4	General Obligation School Refunding Bonds (Alternate Revenue Source), Series 2015	\$20,010,000
9/15/2015	BC	Illinois Housing Development Authority	Multifamily Housing Revenue Bonds (Newberry Park Apartments), Series 2015	\$9,500,000
9/10/2015	DC	Robinson, City of	General Obligation Sewerage Refunding Bonds (Alternate Revenue Source), Series 2015	\$4,640,000
8/31/2015	BC	Carlock Public Library District	General Obligation (Limited Tax) Debt Certificates, Series 2015	\$615,000
8/19/2015	DC	Cartersville, City of	General Obligation Bonds, Series 2015A	\$785,000
8/19/2015	BC	McCook, Village of	Educational Facilities Refunding Revenue Bonds (Holy Family Ministries Center Project), Series 2015	\$2,565,000
8/6/2015	BC	Winnebago County, Illinois	Industrial Development Revenue Bonds (Cellusuede Products, Inc.), Series 2015	\$4,000,000
7/30/2015	BC	Quad Cities Regional Economic Development Authority	Industrial Revenue Bonds (LRC Developers Project), Series 2015A	\$700,661
7/30/2015	BC	Quad Cities Regional Economic Development Authority	Industrial Revenue Bonds (LRC Developers Project), Series 2015B	\$550,000
7/30/2015	DC	Quincy, City of	General Obligation Refunding Bonds, Series 2015A	\$5,075,000
7/29/2015	BC;DC	Kewanee, City of	General Obligation Bonds (Alternate Revenue Source), Series 2015	\$3,640,000
7/23/2015	DC	Lemont, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2015C	\$1,180,000
7/23/2015	DC	Lemont, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2015B	\$2,690,000
7/23/2015	DC	Lemont, Village of	General Obligation Bonds (Waterworks and Sewerage Alternate Revenue Source), Series 2015A	\$5,580,000
7/15/2015	DC	O'Fallon CCSD No. 90	General Obligation (Limited Tax) Debt Certificates, Series 2015	\$1,370,000
7/15/2015	DC	O'Fallon CCSD No. 90	General Obligation School Refunding Bonds, Series 2015B	\$3,129,000
7/15/2015	DC	O'Fallon CCSD No. 90	General Obligation School Refunding Bonds, Series 2015A	\$2,390,000



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7/8/2015	BC	Yorkville, United City of	General Obligation Bonds (Alternate Revenue Source), Series 2015A	\$5,575,000
6/23/2015	DC	Gilberts, Village of	SSA No. 9 Special Tax Refunding Bonds, Series 2015 (Big Timber Project)	\$17,475,000
6/16/2015	BC	East Dundee, Village of	General Obligation Bonds, Series 2015	\$5,450,000
6/4/2015	BC	Illinois Housing Development Authority	Multifamily Housing Revenue Bonds, Series 2015B (Township Project)	\$3,750,000
6/4/2015	BC	Illinois Housing Development Authority	Multifamily Housing Revenue Bonds, Series 2015A (Township Project)	\$5,300,000
5/28/2015	BC;DC	Harvard Community Unit School District No. 50	General Obligation School Refunding Bonds, Series 2015	\$7,220,000
5/28/2015	DC	Peru Elementary School District No. 124	General Obligation School Bonds, Series 2015A	\$13,760,000
5/28/2015	DC	Peru Elementary School District No. 124	General Obligation School Bonds, Series 2015	\$1,200,000
5/21/2015	DC	Wonder Lake, Village of	SSA No. 1, Special Tax Refunding Bonds, Series 2015 (Woods Creek Project)	\$3,655,000
5/21/2015	DC	Wonder Lake, Village of	SSA No. 5, Special Tax Refunding Bonds, Series 2015 (Wooded Shores)	\$1,755,000
5/21/2015	DC	Wonder Lake, Village of	SSA No. 7, Special Tax Refunding Bonds, Series 2015 (Deep Spring Woods)	\$815,000
5/21/2015	BC; DC	Leland Community Unit School District No. 1	General Obligation School Bonds, Series 2015	\$2,190,000
4/23/2015	DC	Lena-Winslow Community Unit School District No. 202	General Obligation School Bonds, Series 2015A	\$3,915,000
4/15/2015	BC	Downers Grove, Village of	General Obligation Refunding Bonds, Series 2015	\$9,535,000
4/13/2015	BC	Willowbrook, Village of	General Obligation Bonds (Alternate Revenue Source), Series 2015	\$4,930,000
3/27/2015	BC	Berwyn, City of	Tax Increment Revenue Bonds (PNC Community Development Company LLC) (Harlem Redevelopment) Series 2015	\$1,900,000
3/26/2015	BC; DC	Coal Valley, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2015	\$1,140,000
3/17/2015	BC	Tolono, Village of	General Obligation Debt Certificates, Series 2015	\$1,700,000
3/17/2015	DC	Fairfield, City of	General Obligation Refunding Bonds (Alternative Revenue Source), Series 2015	\$8,960,000
3/12/2015	BC	Mokena Community Park District	General Obligation Refunding Park Bonds, Series 2015B	\$675,000



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3/12/2015	BC	Mokena Community Park District	General Obligation Park Bonds, Series 2015A	\$5,825,000
3/11/2015	DC	Crab Orchard Community Unit School District No. 3	General Obligation School Bonds (Alternate Revenue Source), Series 2015	\$2,080,000
3/10/2015	DC	Grundy County Public Building Commission	Public Building Revenue Refunding Bonds, Series 2015	\$7,155,000
3/4/2015	DC	Carterville, City of	General Obligation Bonds, Series 2015	\$1,925,000
2/27/2015	BC	Coal City, Village of	General Obligation Debt Certificates, Series 2015	\$229,350
2/27/2015	BC	Coal City, Village of	General Obligation Bonds, Series 2015	\$515,000
2/26/2015	BC;DC	West Chicago Park District	General Obligation Park Bonds (Alternate Revenue Source), Series 2015B	\$3,310,000
2/26/2015	BC;DC	West Chicago Park District	General Obligation Park Bonds (Alternate Revenue Source), Series 2015A	\$4,420,000
2/17/2015	BC;DC	Serena Community Unit School District No. 2	General Obligation School Refunding Bonds, Series 2015	\$1,535,000
2/17/2015	BC;DC	Serena Community Unit School District No. 2	General Obligation School Bonds, Series 2015A	\$325,000
2/12/2015	BC;DC	Carbondale, City of	General Obligation Refunding Bonds, Series 2015	\$1,500,000
2/5/2015	BC;DC	Lakemoor, Village of	General Obligation Bonds (Alternate Revenue Source) Series 2015	\$4,000,000
2/3/2015	BC;DC	Durand, Village of	General Obligation Bonds (Alternate Revenue Source) Series 2014	\$489,000
1/12/2015	BC	East Dundee and Countryside Fire Protection District	Corporate Purpose Tax Anticipation Note, Series 2015	\$150,000
12/30/2014	BC	Downers Grove, Village of	MultiFamily Housing Revenue Bonds (Downers Grove Supportive Living Facility), Series 2014	\$20,114,920
12/30/2014	BC; DC	Abingdon, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014	\$940,000
12/29/2014	BC	Bolingbrook, Village of	General Obligation Bonds, Series 2014A	\$57,045,000
12/23/2014	BC; DC	Marion, City of	General Obligation Bonds, Series 2014	\$9,095,000
12/16/2014	BC	Kankakee County, Illinois	Corporate Purpose Tax Anticipation Warrants, 2014 Tort Purpose Tax Anticipation Warrants, 2014	\$5,000,000
12/9/2014	BC	Bensenville, Village of	Taxable General Obligation Bonds (Alternate Revenue Source – Qualified Energy Conservation Bonds Direct Payment), Series 2014B	\$6,815,000

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12/9/2014	BC	Bensenville, Village of	Taxable General Obligation Limited Tax Bonds, Series 2014C	\$600,000
12/9/2014	BC	Bensenville, Village of	General Obligation Bonds (Alternate Revenue Source), Series 2014D	\$1,185,000
12/9/2014	BC	Bensenville, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014E	\$2,325,000
12/3/2014	BC	Wood Dale, City of	Special Service Area No. 12, Unlimited Ad Valorem Special Tax Refunding Bonds, Series 2014A	\$1,515,000
12/3/2014	BC	Wood Dale, City of	Special Service Area No. 13, Unlimited Ad Valorem Special Tax Refunding Bonds, Series 2014B	\$2,210,000
12/3/2014	BC	Wood Dale, City of	Special Service Area No. 14, Unlimited Ad Valorem Special Tax Refunding Bonds, Series 2014C	\$1,350,000
11/14/2014	BC	West Chicago Park District	General Obligation Refunding Debt Certificates, Series 2014	\$437,060
11/13/2014	BC;DC	Lake in the Hills Sanitary District	General Obligation Bonds (Alternate Revenue Source), Series 2014A	\$3,430,000
10/30/2014	BC;DC	Lincoln, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014	\$5,285,000
10/29/2014	DC	Franklin Park, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014B	\$3,335,000
10/29/2014	DC	Franklin Park, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014A	\$10,445,000
9/30/2014	BC;DC	Lost Lake Utility District	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014	\$1,700,000
9/30/2014	DC	Grant Park Community Unit School District No. 6	General Obligation School Refunding Bonds, Series 2014	\$3,415,000
9/18/2014	BC;DC	Earlville, City of	General Obligation Bonds (Alternate Revenue Source), Series 2014B	\$195,000
9/18/2014	BC; DC	Earlville, City of	General Obligation Bonds (Alternate Revenue Source), Series 2014A	\$1,220,000
9/16/2014	BC	Wenona, City of	Taxable General Obligation Bonds (Alternate Revenue Source), Series 2014	\$525,000
9/3/2014	DC	Lemont, Village of	Taxable General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014B	\$960,000

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9/3/2014	DC	Lemont, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014A	\$955,000
8/20/2014	DC	Broadlands-Longview Fire Protection District	General Obligation Bonds, Series 2014	\$1,000,000
8/19/2014	BC	Downers Grove, Village of	General Obligation Refunding Bonds, Series 2014	\$9,660,000
8/15/2014	DC	Public Building Commission of Richland County	Public Building Revenue Bonds, Series 2014	\$3,175,000
7/31/2014	DC	Greenup, Village of	General Obligation Refunding Bonds (Electric System Revenue Alternate Revenue Source), Series 2014	\$1,265,000
7/30/2014	DC	Crainville, Village of	General Obligation Refunding Bonds, Series 2014	\$986,000
7/17/2014	BC;DC	Amboy, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014	\$1,385,000
7/11/2014	BC	Illinois Finance Authority	Industrial Development Revenue Bonds (Peddinghaus Corporation Project), Series 2014	\$4,000,000
7/1/2014	DC	Riverton Community Unit School District No. 14	General Obligation School Refunding Bonds, Series 2014	\$5,225,000
6/26/2014	DC	Aledo, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014	\$1,770,000
6/26/2014	DC	Ashley, City of	General Obligation Waterworks and Sewerage Refunding Bonds (Alternate Revenue Source), Series 2014	\$404,000
6/25/2014	BC	Chicago, City of	MultiFamily Housing Revenue Note (Parkside of Old Town Phase IIB), Series 2014A	\$14,557,681
6/25/2014	BC	Chicago, City of	MultiFamily Housing Revenue Note (Parkside of Old Town Phase IIB), Series 2014B	\$12,442,319
6/24/2014	DC	Gilberts, Village of	Special Service Area Number Fifteen Special Tax Refunding Bonds, Series 2014	\$11,720,000
6/19/2014	BC;DC	Island Lake, Village of	General Obligation Waterworks Refunding Bonds (Alternate Revenue Source), Series 2014	\$1,175,000
6/19/2014	BC	Chicago, City of	Motor Fuel Tax Revenue Refunding Bonds, Series 2013 (Issue of June 2014)	\$105,895,000
6/12/2014	DC	Orion, Village of	General Obligation Sewerage Refunding Bonds (Alternate Revenue Source), Series 2014	\$1,340,000
5/29/2014	BC;DC	Pana, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014	\$1,750,000
5/29/2014	BC	Prairie Grove, Village of	General Obligation Bonds, Series 2014	\$1,590,000

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5/13/2014	DC	Long Creek, Township of	Waterworks Refunding Revenue Bonds, Series 2014	\$1,900,000
5/9/2014	BC	Kankakee County, Illinois	Taxable Corporate Purpose Tax Anticipation Warrant, 2014	\$500,000
5/9/2014	BC	Kankakee County, Illinois	Taxable Pension Purpose Tax Anticipation Warrant, 2014	\$2,000,000
5/9/2014	BC	Kankakee County, Illinois	Taxable Tort Purpose Tax Anticipation Warrant, 2014	\$500,000
5/8/2014	BC	Worth Township	Promissory Note, Series 2014	\$1,300,000
5/1/2014	BC;DC	Polo, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014	\$480,000
4/30/2014	BC	Stone Park, Village of	General Obligation Bonds, Series 2014B	\$4,630,000
4/30/2014	BC	Stone Park, Village of	Taxable General Obligation Bonds, Series 2014A	\$2,335,000
4/30/2014	BC	Indianapolis, City of	MultiFamily Housing Revenue Bonds (Ritter Affordable Assisted Living Project), Series 2014	\$16,000,000
4/17/2014	DC	Crab Orchard Community Unit School District No. 3	Taxable General Obligation School Limited Bonds, Series 2014	\$330,000
4/17/2014	DC	Beckemeyer, Village of	General Obligation Waterworks and Sewerage Refunding Bonds (Alternate Revenue Source), Series 2014	\$840,000
4/3/2014	BC;DC	Milan, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014	\$3,395,000
3/11/2014	BC	Bartlett, Village of	Special Service Area No. 1 (Bluff City) Unlimited Ad Valorem Tax Variable Rate Demand Bonds, Series 2004	\$16,600,000
3/6/2014	DC	Harvard, City of	General Obligation Waterworks and Sewerage Refunding Bonds (Alternate Revenue Source), Series 2014	\$735,000
2/27/2014	DC	Pulaski County, Illinois	Taxable General Obligation Bonds, Series 2014	\$1,560,000
2/20/2014	DC	Union County, Illinois	General Obligation Refunding Limited Bonds, Series 2014	\$2,040,000
2/20/2014	DC	Martinsville, City of	Waterworks and Sewerage Refunding Revenue Bonds, Series 2014	\$690,000
2/18/2014	DC	Princeton, City of	General Obligation Bonds (Alternate Revenue Source), Series 2014E	\$515,000
2/18/2014	DC	Princeton, City of	General Obligation Bonds (Alternate Revenue Source), Series 2014D	\$1,170,000
2/18/2014	DC	Princeton, City of	General Obligation Bonds (Alternate Revenue Source), Series 2014C	\$1,520,000
2/18/2014	DC	Princeton, City of	General Obligation Bonds (Alternate Revenue Source), Series 2014B	\$2,185,000
2/18/2014	DC	Princeton, City of	General Obligation Bonds (Alternate Revenue Source), Series 2014A	\$680,000

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2/4/2014	DC	Tilton, Village of	General Obligation Bonds, Series 2014	\$3,475,000
12/30/2013	BC	Quad Cities Regional Economic Development Authority	Industrial Development Revenue Bonds (LRC Developers Project), Series 2013	\$9,797,400
12/30/2013	DC	Brookfield, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013	\$4,260,000
12/30/2013	DC	O'Fallon Community Consolidated School District No. 90	General Obligation School Refunding Bonds, Series 2013B	\$2,485,000
12/30/2013	DC	O'Fallon Community Consolidated School District No. 90	General Obligation School Refunding Bonds, Series 2013A	\$975,000
12/27/2013	BC	Marion, City of	General Obligation Bonds, Series 2013	\$9,730,000
12/19/2013	BC	Fisher, Village of	General Obligation (Limited Tax) Debt Certificates, Series 2013	\$1,746,000
12/17/2013	BC	Downers Grove, Village of	Revenue Bonds (Avery Cooley School Project), Series 2013	\$6,000,000
12/17/2013	BC	Elmwood Park, City of	General Obligation Bonds, Series 2013	\$9,635,000
12/17/2013	BC;DC	Lincoln, City of	General Obligation (Limited Tax) Bonds, Series 2013	\$493,000
12/13/2013	BC	Chicago, City of	MultiFamily Mortgage Revenue Note (Rosenwald Courts Project), Series 2013	\$58,600,000
12/11/2013	DC	Green Oaks, Village of	Special Service Area Number Ten Special Tax Refunding Bonds, Series 2013	\$1,125,000
12/3/2013	BC	Burbank, City of	Revenue Bonds (The Allendale Association Project), Series 2013	\$2,250,000
11/20/2013	BC	West Chicago Park District	General Obligation Limited Tax Debt Certificates, Series 2013	\$426,200
11/20/2013	BC	Illinois Finance Authority	Revenue Bonds (Benedictine University Project), Series 2013A	\$28,645,000
11/20/2013	BC	Illinois Finance Authority	Revenue Bonds (Benedictine University Project), Series 2013B	\$30,000,000
11/15/2013	BC	Kankakee County, Illinois	Taxable Corporate Purpose, Pension Purpose and Tort Purpose Tax Anticipation Warrants 2013	\$5,300,000
11/7/2013	BC	Quad Cities Regional Economic Development Authority	Taxable Subordinate Revenue Bonds (Sauk Valley Community College Project), Series 2013B	\$900,000
11/7/2013	BC	Quad Cities Regional Economic Development Authority	First Mortgage Revenue Bonds (Sauk Valley Community College Project), Series 2013A	\$2,200,000
10/31/2013	BC	Berwyn, City of	Taxable General Obligation Bonds, Series 2013B	\$30,350,000
10/31/2013	BC	Downers Grove, Village of	General Obligation Refunding Bonds, Series 2013A	\$8,360,000

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10/30/2013	BC	Illinois Housing Development Authority	Multifamily Housing Revenue Bonds (Blue Island SLF), Series 2013	\$14,207,000
10/25/2013	BC	Henry Hospital District	General Obligation Bonds (Alternate Revenue Source), Series 2013	\$5,857,906
10/10/2013	BC	Westmont, Village of	General Obligation Bonds (Alternate Revenue Source), Series 2013B	\$1,500,000
10/10/2013	BC	Westmont, Village of	General Obligation Bonds (Alternate Revenue Source), Series 2013A	\$8,500,000
9/26/2013	DC	Harrisburg-Raleigh Airport Authority	General Obligation Bonds, Series 2013	\$425,000
9/26/2013	BC	Bensenville, Village of	General Obligation Bonds (Alternate Revenue Source), Series 2013E	\$8,000,000
8/29/2013	DC	Grundy County, Illinois	Taxable General Obligation Self-Insurance Bonds, Series 2013	\$3,590,000
7/23/2013	BC	Cook County, Illinois	Taxable Sales Tax Revenue Bonds, Series 2013 (Qualified Energy Conservation Bonds)	\$24,945,000
7/11/2013	DC	Herrin Community Unit School District Number 4	Taxable General Obligation School Refunding Limited Bonds, Series 2013A	\$2,785,000
6/25/2013	BC	Frankfort Township	General Obligation (Limited Tax) Debt Certificates, Series 2013	\$1,750,000
6/24/2013	BC	Downers Grove School District Number 58	General Obligation Limited Tax Life Safety School Bonds, Series 2013	\$4,995,000
6/18/2013	DC	LaSalle County, Illinois	Taxable General Obligation Self-Insurance Bonds, Series 2013	\$8,960,000
6/14/2013	BC	Illinois Finance Authority	Amended and Restated Revenue Refunding Bonds (Elgin Academy Project) Series 2009	\$10,000,000
6/12/2013	BC	Chicago, City of	Motor Fuel Tax Revenue TIFIA Bond (Wacker Drive Reconstruction Project Including The Chicago Riverwalk Expansion: TIFIA - 2013-1004A)	\$98,660,000
6/6/2013	BC	Rochelle, City of	General Obligation Refunding Bonds (Tax Increment Financing Alternate Revenue Source), Series 2013	\$2,955,000
6/4/2013	DC	Carbondale, City of	General Obligation Refunding Bonds, Series 2013	\$9,015,000
5/20/2013	BC	East Galesburg, Village of	General Obligation Waterworks and Sewerage Bonds (Alternate Revenue Source), Series 2013	\$1,424,000
5/7/2013	DC	Midlothian, Village of	General Obligation Refunding Bonds, Series 2013	\$2,490,000

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5/2/2013	BC;DC	Stockton, Village of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013	\$2,145,000
5/2/2013	BC;DC	Oregon, City of	General Obligation Bonds (Alternate Revenue Source), Series 2013	\$3,605,000
4/30/2013	BC	Quad Cities Regional Economic Development Authority	Revenue Bonds (Sauk Valley Community College Project), Series 2013	\$4,000,000
4/17/2013	BC	East Dundee and Countryside Fire Protection District	Refunding Debt Certificates, Series 2013B	\$625,000
4/17/2013	BC	East Dundee and Countryside Fire Protection District	General Obligation Fire Protection Bonds, Series 2013A	\$5,460,000
4/11/2013	BC;DC	LaSalle-Peru Township High School District No. 120	General Obligation Bonds (Alternate Revenue Source), Series 2013	\$3,930,000
4/4/2013	DC	Princeton, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013D	\$2,660,000
4/4/2013	DC	Princeton, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013C	\$3,475,000
4/4/2013	DC	Princeton, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013B	\$2,550,000
4/4/2013	DC	Princeton, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013A	\$900,000
3/19/2013	DC	Oglesby, City of	General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013	\$1,980,000
3/7/2013	BC;DC	North Riverside, Village of	Debt Certificates, Series 2013	\$6,835,000
3/5/2013	DC	Herrin Community Unit School District No. 4	General Obligation School Bonds (Alternate Revenue Source), Series 2013	\$3,800,000
2/28/2013	BC	Illinois Finance Authority	Direct Purchase Bond (Helping Hand Center Project), Series 2013	\$7,000,000
2/19/2013	BC;DC	Canton, City of	General Obligation Waterworks and Sewerage Refunding Bonds (Alternate Revenue Source), Series 2013	\$2,810,000
2/15/2013	BC	Chicago, City of	MultiFamily Housing Revenue Bonds (Shops and Lofts at 47th Project), Series 2013	\$16,800,000
2/8/2013	DC	Stookey Township	General Obligation Park Refunding Bonds, Series 2013	\$3,375,000
2/1/2013	BC	DuPage Water Commission	Water Revenue Refunding Bonds, Series 2013	\$42,430,050
1/30/2013	BC	West Chicago Park District	General Obligation Park Bonds, Series 2013	\$6,025,000

**ILLINOIS BOND DEAL LIST  
2013- PRESENT**

<u>CLOSING DATE</u>	<u>LEGAL ROLE</u>	<u>NAME OF ISSUER</u>	<u>MATTER</u>	<u>AMOUNT</u>
1/28/2013	BC	Illinois Finance Authority	Revenue Bonds (The Chicago Academy of Sciences Project), Series 2013	\$5,519,750
1/22/2013	BC	Downers Grove, Village of	General Obligation Refunding Bonds, Series 2013	\$2,430,000
1/15/2013	BC	Kankakee County, Illinois	Taxable Corporate Purpose & Pension Purpose Tax Anticipation Warrants, Series 2013	\$4,000,000





**build** *partnerships*

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**Financing Options Using Bonds for Illinois Cities & Villages**

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*“Typically, the municipality will want to issue a bond and pay principal and interest over time. Issuing bonds allows the city or village to spread the payment burden for public infrastructure and other capital needs out over the period of expected useful life of the financed assets.”*

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This guide is designed to help your municipal team determine what financing options are available once the decision has been made to borrow money for city or village financing. Please refer to page nine for a quick reference chart of all available financing options.

### ***What is a bond and why would municipalities want to issue a bond?***

Bonds are a form of debt. In the public sector, “borrowers” or “issuers” of bonds are states, cities, villages, school districts and other local government entities that need money for a variety of reasons. Typically, the municipality will want to issue a bond and pay principal and interest over time. Issuing bonds allows the city or village to spread the payment burden for public infrastructure and other capital needs out over the period of expected useful life of the financed assets.

If a municipality issues bonds, it is less likely to need to increase taxes to meet the municipality’s budgeted fund balances. Borrowing by a city or village is highly restricted, and the Illinois Municipal Code, as amended (the “Code”), and the Local Government Debt Reform Act of the State of Illinois, as amended (the “Debt Reform Act”), contain guidelines that must be followed as outlined in this guide.

### ***Use of bond proceeds by a municipality***

Municipal bonds, or “munis” as they are commonly called, may be issued by a city or village for a variety of purposes provided that their issuance meets with Illinois law requirements. Municipalities commonly issue bonds for capital projects, working capital needs, or refinancing of prior debt.

**A. New Projects.** In general, a municipality compiles an annual capital improvement budget or prepares a “needs list.” This list consists of projects the city or village considers to be important based on their impact on the:

- safety,
- resources, and
- general well-being of the community served by the municipality.

Capital projects may be funded by:

- federal or state grants,
- local improvement district assessments,
- service-area levies, and
- other miscellaneous revenue available for general purpose use.

However, the primary sources of funding to pay for capital projects within a city or village are from the proceeds of municipal bonds.

Common projects financed with bonds include construction of, acquisition of, or improvements to:

- roads and bridges;
- water, sewer, or electrical facilities;
- municipal buildings; and
- economic development initiatives.

Capital projects can be of long-term value to residents of the city or village. Issuing bonds to fund a capital project allows current and future taxpayers within the city or village to pay related costs over the life of the project as they enjoy or appreciate the benefits of the completed project.

***B. Covering short-term or long-term needs.***

Municipalities may issue bonds to fund working capital expenditures that arise from a variety of circumstances.

Traditionally, working capital bonds have been issued as short-term obligations where the proceeds are used to cover a municipality's temporary cash flow or operating deficit. Short-term budgetary deficits also may arise from a mismatch between the receipt of annual revenues (for example, property taxes) and the timing of annual expenditures of the city or village within a year. Tax anticipation warrants ("TAWs") often are issued in anticipation of taxes levied, but not yet collected. TAWs may be issued in an amount up to 85% of the total amount levied for the particular fund against which the TAWs are issued.

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***“Municipalities may issue bonds to fund working capital expenditures that arise from a variety of circumstances.”***

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*“Like a homeowner who refinances a mortgage when interest rates drop, a city or village with outstanding debt may issue refunding bonds in order to take advantage of lower rates.”*

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Longer-term financings for working capital purposes have become more commonplace in recent times due to financial difficulties stemming from significant declines in property values. Municipalities use these longer-term working capital bonds to close deficits that are not solely the result of a short term mismatch of revenues and expenses.

Tax anticipation notes (“TANs”) allow a municipality flexibility to balance its revenue collections from anticipated levies with anticipated expenditures. A city or village is permitted to incur debt by issuing TANs in an amount not exceeding 85% of the taxes levied for the particular fund against which the TANs are issued. Further, TANs are required to mature within two years and may not be issued if there is an unpaid note from any prior year. Although TANs are generally a means of balancing a municipality’s operating expenses with revenue collections, TANs sometimes may be used to fund a pending capital project while the city or village structures more permanent funding.

Insurance reserve bonds, tort judgment funding bonds, interfund loans, and working cash fund bonds are permitted under Illinois law, assuming certain requirements are satisfied. Certain federal income tax issues exist in connection with working capital financings.

**C. Refundings/Refinancings.** Like a homeowner who refinances a mortgage when interest rates drop, a city or village with outstanding debt may issue refunding bonds in order to take advantage of lower rates. Refunding bonds also may be issued to avoid a default or restrictive debt burden. In general, refundings do not need to satisfy direct or backdoor referendum requirements.

## Types of bonds

There are various forms of bonds a municipality may issue to meet its financing needs. These may include:

- general obligation bonds,
- funding bonds,
- revenue bonds,
- alternate revenue source bonds,
- debt certificates/installment contracts,
- leases,
- special service area bonds,
- special assessment bonds,
- tax increment bonds,
- TAWs,
- TANs, and
- revenue anticipation notes.

Refunding bonds generally are issued more frequently in lower interest rate environments.

**A. General Obligation Bonds.** General obligation bonds or “G.O.s” are debt issued by a municipality representing its full faith and credit and backed by its ad valorem taxing power. A G.O. may be issued for any lawful purpose for which ad valorem taxes may be levied, subject to constitutional, statutory, or other limitations (such as debt limitations discussed below) and procedures.

Differences in procedures and limitations may apply to cities or villages depending on their status as home rule or non-home rule units of government and whether the city or village is located in a county subject to a tax cap on property taxes.

**1. Home Rule.** Under the 1970 Illinois Constitution, home rule power shifts decision making from the state level to the local level enabling more flexibility. Home rule municipalities are granted a broad range of powers unless exempted by the state. Municipalities with populations over 25,000 are automatically granted home rule status, while smaller communities may put the question on a ballot and let voters decide.

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*“Differences in procedures and limitations may apply to cities or villages depending on their status as home rule or non-home rule units of government and whether the city or village is located in a county subject to a tax cap on property taxes.”*

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*“Non-home rule cities and villages are subject to the statutory debt limit of 8.625 percent of equalized assessed value as set forth in the Code.”*

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Home rule units may constitutionally tax anything that is not income, occupations or earnings and they are not susceptible to a tax cap on property taxes unless imposed by further voter action. Aside from not being able to issue bonds payable from ad valorem property taxes maturing more than 40 years from the time of issuance, home rule units do not adhere to any statutory debt limit. Home rule units may issue G.O.s without the need to secure voter approval through a referendum or backdoor referendum.

## **2. Non-home Rule.**

**A. Authority.** Unless an exception applies, the Code requires that G.O.s secured by an ad valorem tax must be approved by voters of a non-home rule city or village in a referendum. However, the referendum requirement has many exceptions, including, but not limited to:

- alternate revenue bonds (as discussed below),
- refunding bonds,
- bonds to fund or refund debt related to a judicial judgment,
- working cash fund bonds,
- bonds used to pay pollution abating costs mandated under the Environmental Protection Act,
- bonds issued to pay for costs related to improvements of water or wastewater treatment facilities mandated by federal or state regulators,
- or bonds issued pursuant to the Code in an amount not to exceed one-half of one percent of the equalized assessed value (“EAV”) of the taxable property of the issuer. Non-home rule municipalities generally have no authority to mortgage municipal property.

**B. Statutory Debt Limit.** Non-home rule cities and villages are subject to the statutory debt limit of 8.625 percent of equalized assessed value as set forth in the Code. The principal amount, and only the principal amount, of all outstanding general obligation bonds and debt of a city or village is counted for purposes of the statutory debt limit.

Also, the principal amount due under an installment contract or lease agreement constitutes municipal debt subject to statutory limits. On the contrary, any obligation of a city or village that is payable solely and only from a limited source or fund of the municipality is not considered debt subject to the statutory debt limit. Obligations excluded from the debt limit include alternate revenue source bonds, revenue bonds, special assessment bonds and tax anticipation warrants.

**B. Alternate Revenue Bonds.** Alternate revenue bonds, also known as “double-barreled” bonds (“ARBs”), are essentially revenue bonds with the general obligation of the municipality serving as backup security for the bonds. Municipalities are authorized under the Debt Reform Act to use any lawfully available revenue source as a pledge of security for the payment of principal and interest on the ARBs.

The intent of the Debt Reform Act is to permit the issuance of the ARBs assuming the pledged revenue source is sufficient so the tax levy relating to the debt service on the ARBs does not need to be extended. The coverage requirements provide that the municipality must demonstrate that such pledged revenue source will be sufficient in each year the bonds are outstanding to provide not less than 1.25 times the debt service on all outstanding ARBs payable from that revenue source and on the ARBs proposed to be issued. The coverage requirement is only 1.10 times the debt service if the revenue source is either: (i) federal or state funds that the city or village has received in some amount during each of the three fiscal years preceding the issuance of the ARBs or (ii) revenues to be received from another governmental unit under an intergovernmental cooperation agreement.

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*“The intent of the Debt Reform Act is to permit the issuance of the ARBs assuming the pledged revenue source is sufficient so the tax levy relating to the debt service on the ARBs does not need to be extended.”*

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*“Leases that are structured as financing leases are generally subject to statutory debt limits.”*

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In addition to coverage requirements, ARBs are subject to a backdoor referendum process that includes:

- The board adopts an ordinance declaring the municipality’s intent to issue bonds for a qualifying purpose.
- The ordinance and a notice of intent to issue the bonds are published in a newspaper within the municipality or having a general circulation within the municipality.
- The notice must inform voters of the municipality’s intent to issue bonds unless a minimum number of voters sign a petition and present the petition to the clerk of the municipality within 30 days of publication of the notice.

The backdoor referendum process gives voters in the municipality the opportunity to petition the municipality, requiring it to submit the question of issuing the ARBs to referendum. However, the petition must be submitted within 30 days after publication of a notice and authorizing ordinance and be signed by the greater of: (i) 7.5% of the registered voters of the municipality or (ii) the lesser of 200 of the registered voters or 15% of the registered voters.<sup>1</sup>

**C. Leases.** Municipalities are authorized under the Code to enter into multi-year lease, purchase, and lease-purchase contracts in order for equipment and property to be acquired.

Leases that are structured as financing leases are generally subject to statutory debt limits. Additionally, a number of conditions are imposed upon such lease agreements.

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<sup>1</sup> In municipalities with fewer than 500,000 inhabitants, other than most public infrastructure projects, the necessary number of petition signers for a city or village with more than 4,000 registered voters is the lesser of (i) 5% of the registered voters or (ii) 5,000 registered voters; and the necessary number of petition signers for a city or village with 4,000 or fewer registered voters is the lesser of (i) 15% of the registered voters or (ii) 200 registered voters.



**D. Debt Certificates/Installment Contracts.** Cities and villages are authorized to borrow money by entering into installment finance agreements. There are statutory specifications as to what constitutes an installment contract. The Debt Reform Act authorizes municipalities to purchase or lease either real or personal property through the use of installment contracts not exceeding 20 years in length. Debt certificates may be issued by a city or village to evidence the payment obligations of the municipality under a lease or installment contract, subject to the statutory debt limit of the city or village. There is generally no separate tax levy available for the purpose of making such payments; the payments are considered a promise to pay by way of budgetary appropriation. However, a municipality not subject to PTELL may enter into an installment contract payable from a direct, unlimited ad valorem property tax levy sufficient to pay the installments, if certain backdoor referendum requirements are satisfied. The debt certificates are valid regardless of whether an annual appropriation is included in any annual or supplemental budget adopted by the city or village.

**E. Limited Bonds.** Limited bonds are issued in lieu of G.O.s that have otherwise been authorized by applicable law. These bonds are payable from a separate property tax levy with no limitation on the rate.

However, PTELL restricts the amount of taxes that may be extended to pay the bonds. These bonds are payable from a school district's debt service extension base.

**F. Promissory Notes.** Cities and villages are also legally permitted to borrow money from a financial institution pursuant to a promissory note or similar debt instrument that is a lawful direct general obligation of the municipality payable from the general funds of the municipality and other sources of payment as are otherwise lawfully available, subject to statutory debt limits.

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*“The Debt Reform Act authorizes municipalities to purchase or lease either real or personal property through the use of installment contracts not exceeding 20 years in length.”*

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***“Revenue bonds are not considered debt for purposes of statutory debt limits.”***

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**G. Revenue Bonds.** Cities and villages have the ability to issue revenue bonds for a proper public and corporate purpose, which includes a variety of potentially revenue-producing undertakings such as facilities financed with tax increment, transportation facilities, water and sewer systems, solid waste operations, libraries, sports facilities, exhibition facilities, housing, parking and jails. Revenue bonds generally do not require voter approval. There are two main limitations for revenue bonds in the case of non-home rule municipalities:

1. There must be a revenue source related to the purpose for the bond issuance. For example, water revenue bonds may be issued to acquire or improve water systems. Water revenue bonds may not be issued to acquire new police cars in a non-home rule unit.
2. There must be a specific statutory grant of power to operate the revenue-producing undertaking as listed above. A positive aspect of revenue bonds is that there is no legal limit on the amount of revenue bonds that may be issued by a non-home rule unit. Revenue bonds are often subject to a backdoor referendum. However, revenue bonds are not considered debt for purposes of statutory debt limits.

**H. Special Service Area Bonds.** A special service area is a contiguous area within a municipality in which special governmental services are provided in addition to those services provided generally throughout the municipality. The cost of providing the special services is paid from revenues collected from taxes levied upon the property within the contiguous area receiving the special services.

In order to establish a special service area, the city or village must publish notice and hold a hearing allowing the public and any interested person to object to the creation of the special service area. Such notice and hearing must be held within 60 days after adoption of an ordinance proposing the creation of the special service area. If, within 60 days after the public hearing, a petition signed by not less than 51% of the electors residing within the proposed special service area and 51% of the owners of record of land within the proposed special service area is filed with the municipal clerk objecting to the creation of the special service area, the area may not be created and the bonds may not be issued. Thereafter, the ordinance establishing the service area, whether it was amended after the public hearing or not, must be filed with the county recorder within 60 days.

Bonds may be issued for the purpose of financing the costs related to providing the special service. The special service area bonds are secured by the full faith and credit of the taxable real property in the special service area. To provide for the special tax, the county clerk where the municipality is located will extend an annual tax against all of the taxable real property in the special service area in amounts sufficient to pay the debt service on the bonds. The tax is typically allocated to the property owners on an ad valorem, benefits, acreage or other rational basis.

***I. Tax Increment Finance Bonds.*** Tax increment finance (“TIF”) bonds are those issued by cities or villages to finance a project and use the future incremental property tax growth from that project or other projects in the TIF district or a contiguous district to repay the debt service on the TIF bonds. Before issuing bonds and collecting incremental property tax revenues, a TIF district must be formed. A TIF district is formed by ordinance. However, prior to adopting the ordinance the municipality must hold a public hearing and convene a joint review board to consider the proposed TIF district.

After considering comments from the hearing and the joint review board, the municipality may adopt the ordinance creating the TIF district.

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***“The special service area bonds are secured by the full faith and credit of the taxable real property in the special service area.”***

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***“Once a TIF district begins to perform and the municipality begins to receive the increment revenues, those revenues may be pledged to secure the issuance of TIF bonds.”***

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Certain Illinois statutory controls are in place to monitor a TIF district:

- TIF must be for a legitimate public purpose (improve a blighted area);
- TIF must be necessary (“But For” test);
- TIF projects are feasible (based on a feasibility study or cost-benefit analysis);
- TIF projects are appropriately planned (requires a formal project plan); and the
- TIF projects perform as intended (proven by filing a timely annual report with state comptroller).

Once a TIF district begins to perform and the municipality begins to receive the increment revenues, those revenues may be pledged to secure the issuance of TIF bonds. TIF bonds may be issued as G.O.s usually by a home rule unit, alternate bonds issued pursuant to the Debt Reform Act, or general obligation TIF bonds issued using the specific procedures in the TIF Act which do not have a coverage requirement, but do have a backdoor referendum requirement.

**J. Summary of Bonds Issued by Cities and Villages Under Illinois Law.**

**TABLE OF FINANCING OPTIONS  
USING BONDS FOR ILLINOIS CITIES AND VILLAGES**

<b>Type of Debt</b>	<b>Security</b>	<b>General Requirements</b>
General Obligation <i>Home Rule</i>	Full faith and credit; backed by the ad valorem taxing power of the Issuer.	No statutory debt limit and no need for voter approval to issue bonds. Flexibility.
General Obligation <i>Non-Home Rule</i>	Full faith and credit; backed by the ad valorem taxing power of the Issuer.	Referendum unless exception. Statutory debt limit of 8.625% of EAV. BINA hearing required.
Alternate Revenue Bonds (ARBs)	“Double-barreled”—payable from a specific revenue source with the general obligation of the municipality serving as backup security.	Pledged revenues must meet coverage requirement of 1.25 times debt service. Backdoor referendum procedures and BINA hearing required.
Leases	No separate tax levy backing; obligation is a promise to pay from lawfully available funds.	Statutory debt limit of 8.625% of EAV.
Debt Certificates	No separate tax levy backing; obligation is a promise to pay from lawfully available funds.	Borrow money by entering into installment contract agreement. No backdoor referendum or BINA hearing required. Statutory debt limit of 8.625% of EAV.
Promissory Notes Payable to Financial Institution	No separate tax levy backing; obligation is a promise to pay from lawfully available funds.	Borrow money by entering into promissory note or similar debt instrument. Statutory debt limit of 8.625 % of EAV.
Revenue	Specific revenue source.	Varies by type of revenue. Referendum and BINA hearing not required.
Special Service Area	Full faith and credit of the taxable real property in the special service area.	Need hearings, notice, and various other requirements.
Tax Increment Finance Revenue	Future incremental property tax growth from project, TIF area or contiguous TIF district.	Validly created TIF; TIF eligible costs only.

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*“Illinois municipalities have flexibility as to the method of sale. A competitive sale is not required. The method by which to attract potential investors of bonds can be a critical component to the resulting interest rate the city or village will pay to service its bonds.”*

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### **Types of Bond Sales**

Once the municipality makes a decision to raise capital by means of issuing bonds, it must next consider which method of finding a “lender” or buyer of the bonds works best. Illinois municipalities have flexibility as to the method of sale. A competitive sale is not required. The method by which to attract potential investors of bonds can be a critical component to the resulting interest rate the city or village will pay to service its bonds. A credit rating is not legally required to be obtained by the city or village in order to issue bonds; however, a rating may help lower interest costs, particularly in the case of public bond issuances. The following are various ways of offering bonds to “lenders” or buyers:

**A. Negotiated Sale.** In a negotiated sale, the process begins with the municipality choosing an underwriter (or managing underwriter, if more than one underwriter). The municipality and the underwriter then negotiate the terms of the offering. Once terms of the offering are determined, and assuming all procedural issuance requirements are met by the city or village, the underwriter will buy the bonds from the city or village and remarket them to its investors.

**B. Competitive Sale.** In a competitive sale, bonds are advertised for sale. The announcement, by way of a notice of sale, includes both the terms of the sale and the terms of the bond issue. Any investment bank, broker-dealer or dealer-bank may bid on the bonds at the designated date and time in a “blind” fashion (meaning each bidder has no knowledge of the other bids). The bidder with the lowest total interest cost is awarded the bonds.

**C. Direct Placement.** Direct placement or direct lending in the context of municipal bonds refers to any arrangement in which a single lender/buyer (a bank, pension fund, mutual fund, etc.) purchases the bonds of the city or village directly. This form of sale also may be described as a private placement, a direct purchase or a bank loan. Direct placements are an attractive option for a city or village, and they allow the municipality to avoid:

1. instability in public markets
2. continuing disclosure requirements, and
3. the rating process.

**D. Bank Qualified or Non-Bank Qualified.** In agreement with Section 265(b)(3) of the Tax Code (hereinafter defined), banks and savings and loans are not permitted to deduct interest expenses attributable to tax-exempt bonds acquired after the passage of the Tax Reform Act of 1986, or August 1, 1986, unless the “small issuer exemption” applies. If a municipality anticipates that it will not issue more than \$10 million of tax-exempt debt during the calendar year and the debt is designated as a “qualified tax-exempt obligation” according to Section 265(b)(3), the restriction on the deduction for interest expense does not apply. Issuing so called bank-qualified bonds or “BQ” bonds may reduce the interest rate on the bonds since banks that purchase bank-qualified bonds do not have a restriction on their interest expense deduction.

### **Relevant Laws**

Adherence to both federal and state law is a requirement of any bond issuance in order for the borrowing to be binding and legally valid. Below are a few of the current laws governing the borrowing activities of cities and villages:

**A. Illinois State Law.** The Code, the Debt Reform Act, PTELL (hereinafter defined), the Bond Issue Notification Act of the State of Illinois (“BINA”), the Bond Authorization Act of the State of Illinois, the Registered Bond Act of the State of Illinois, and the Bond Replacement Act of the State of Illinois all authorize and govern the issuance of municipal bonds by Illinois cities and villages.

The Debt Reform Act was adopted by the Illinois General Assembly to provide supplemental authority to local governmental units regarding the issuance and sale of bonds to accommodate market practices that resulted in additional costs for those citizens residing in local governmental units who were affected by higher rates than would otherwise be necessary. Pursuant to the Debt Reform Act, whenever the authorization or issuance of bonds is subject to either a voter or backdoor referendum, the approval, once obtained, remains effective for: (a) five years after the date of the referendum or (b) three years after the end of the petition period for the backdoor referendum.

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**“Adherence to both federal and state law is a requirement of any bond issuance in order for the borrowing to be binding and legally valid.”**

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*“Municipalities subject to PTELL are able to issue bonds in lieu of G.O.s payable from a separate tax levy unlimited as to rate, but limited as to amount.”*

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Pursuant to BINA, municipalities proposing to sell non-referendum G.O.s or limited bonds, except refunding bonds, must:

- hold at least one public hearing concerning the municipality’s intent to sell the bonds;
- publish a notice of the hearing in a newspaper of general circulation in the city or village by the municipal clerk not less than 7 but not more than 30 days prior to the hearing;
- post the notice of the hearing at the municipality’s primary office; then
- wait at least 7 days following the hearing before adopting an ordinance providing for the issuance of the bonds.

**B. Property Tax Extension Limitation Law of the State of Illinois.** PTELL limits the annual growth in the amount of property taxes to be extended for certain Illinois governmental units. In general, the annual growth allowed is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes also may be increased due to new construction and referendum-approved tax rate increases.

PTELL currently applies to Cook County, the collar counties and counties that have approved PTELL by referendum. Under PTELL, the county board of any county may initiate a binding tax-cap referendum at any regularly-scheduled election. If the referendum is successful, then PTELL will become applicable to those non-home rule taxing bodies in the county beginning January 1 of the following year. Municipalities subject to PTELL are able to issue bonds in lieu of G.O.s payable from a separate tax levy unlimited as to rate, but limited as to amount. Limited bonds are payable from the municipality’s debt service extension. PTELL does not restrict ARBs or referendum-approved G.O.s.

Illinois legislators have introduced proposals to modify the PTELL including freezing property taxes (the “Property Tax Freeze Proposal”). If the Property Tax Freeze Proposal or similar legislation were to become law, such reform could make PTELL applicable to home rule units and all counties in Illinois.



**C. Federal Income Tax Law.** The Internal Revenue Code of 1986, as amended (“Tax Code”), and the arbitrage and rebate regulations promulgated thereunder (“Regulations”), govern the tax-exempt status of municipal bonds. Upon the issuance of any municipal bond, the municipality will covenant to follow certain federal rules and regulations in order to maintain the tax-exempt status of the interest on the bonds. These covenants include reasonable expectations that the bonds are not private activity bonds, meaning they generally benefit a private entity. They can also not be arbitrage bonds, which are issued to profit from the difference between tax-exempt and taxable interest rates, pursuant to the Tax Code and the Regulations.

**D. Securities Laws.** Rule 10b-5. Rule 10b-5 (“Rule 10b-5”) of the Securities Exchange Act of 1934 (“Securities Act”), states that:

It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails or of any national securities exchange:

1. to employ any device, scheme or artifice to defraud,
2. to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, or
3. to engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security. 17 C.F.R. §240.10b-5.

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*“Upon the issuance of any municipal bond, the municipality will covenant to follow certain federal rules and regulations in order to maintain the tax-exempt status of the interest on the bonds.”*

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***“Full disclosure for bond purposes means disclosure of all information material to investors.”***

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Rule 10b-5 sets out the general statement of federal intent to protect investors against misleading statements or omissions of important facts in official statements or other documents pertaining to the bond issuance. Full disclosure for bond purposes means disclosure of all information material to investors. Recent Securities and Exchange Commission (“SEC”) enforcement actions and a speech from an SEC commissioner indicate a vigorous enforcement initiative targeting bad disclosure practices by issuers and their officials. Issuers should adopt “best practices” to protect themselves and their officials from antifraud provisions including, but not limited to, hiring of disclosure counsel, which is typically a law firm representing the issuer on disclosure issues and the adoption of effective policies and procedures that ensure appropriate disclosure. Based on recent enforcement actions against big and small issuers (ranging from large states to small local municipalities), claiming “small unsophisticated issuer” as a defense may not be sufficient.

Continuing Disclosure. Rule 15c2-12 governs the preparation and distribution of official statements for municipal securities. While this Rule applies primarily to directly-regulated entities such as underwriters, broker-dealers and dealer-banks, a significant portion of the burden of compliance with Rule 15c2-12 falls on the issuer to supply certain information and disclosure and to take the proper steps to comply with the Rule in a timely fashion. As an example of the importance of meeting continuing disclosure requirements, the SEC recently charged an Indiana school district and a municipal bond underwriter with falsely stating to bond investors that the district had been properly providing annual financial information and notices required as part of its bond offerings. Without admitting to or denying the SEC’s findings, the district was ordered to cease and desist from violating securities laws and undertake remedial actions, and the underwriter agreed to a \$580,000 fine along with a one-year collateral bar and permanent supervisory bar for one of its employees.

In 2014, the SEC announced its Municipalities Continuing Disclosure Cooperation Initiative (“MCDC Initiative”) to address potentially widespread violations of the federal securities laws by municipal issuers and underwriters of municipal securities in connection with certain representations about continuing disclosures in bond offering documents. The MCDC Initiative provided issuers and underwriters an opportunity to self-report materially inaccurate statements made in final official statements regarding prior compliance with their continuing disclosure obligations as described in Rule 15c2 12. The SEC announced settlements with 72 issuers from 45 states and announced that it will be focusing on issuers who did not participate in the recent Initiative.

State Blue Sky Laws. The offering, sale and purchase of securities in Illinois are governed by the Illinois Securities Law of 1953 (“Blue Sky Law”). The Blue Sky Law provides for registration of securities and the licensing and regulation of securities broker dealers, agents, investment advisers and investment adviser representatives. Subject to statutory exemptions or exceptions, offers and sales of securities in Illinois that are not covered by federal securities law must be registered by coordination or qualification procedures, as applicable. Registration statements for offerings registered by qualification in Illinois must contain full and fair disclosure of all material facts regarding the investment offered and present specific categories of information and financial statements pursuant to the Blue Sky Law.

Municipal Advisor Rules. While underwriters have long been regulated by the SEC and other regulatory bodies, the regulation of municipal advisors pursuant to the Final Rules is new.

While the issuer is not required to hire a municipal advisor, pursuant to the rules promulgated under the Dodd-Frank Wall Street Reform and Consumer Protection Act:

1. Municipal advisors are subject to registration requirements,
2. Guidance on definition of municipal advisor is provided, and
3. Limitations on underwriters are provided.

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***“The SEC announced that it will be focusing on issuers who did not participate in the recent Initiative.”***

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***“An underwriter is exempted from registering as a municipal advisor as long as certain protocols are followed.”***

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An underwriter is exempted from registering as a municipal advisor as long as certain protocols are followed. To qualify for the underwriter exemption, the underwriter must have an engagement to act as underwriter on a specific issuance of municipal securities. Inclusion in a pre-approved underwriting pool is not sufficient. The engagement letter should state the following:

1. it is preliminary and non-binding;
2. it is subject to:
  - applicable procurement laws,
  - formal governing body approval,
  - final bond structuring, and
  - execution of a bond purchase agreement;
3. it may be terminated by either party without liability; and
4. it does not prevent the issuer from engaging other underwriters or from selecting a different underwriting group.

Oral or written acknowledgment of the engagement from the issuer/obligated person is permitted. A preliminary, non-binding engagement is permitted so long as the issuer (obligated person) reasonably expects to formally engage the broker-dealer as underwriter. Multiple engagements are permitted, and there is no need to specify status as senior or co-manager.

## Contact



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# REQUEST FOR BOARD ACTION

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**MEETING DATE:** May 7, 2019

**DEPARTMENT:** Public Works

**SUBJECT:** **Resolution Appropriating Funds for the 2019 Motor Fuel Tax (MFT) Road Program and Engineering Services Task Order**

## EXECUTIVE SUMMARY

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To use MFT funds the Illinois Department of Transportation (IDOT) requires that the Village Board of Trustees appropriate the funds by approving an IDOT Resolution. The IDOT Resolution amount of \$1,189,441.26 consists of resurfacing, engineering and material testing work. The resurfacing portion of the work accounts for \$1,134,441.26 and the engineering and material testing portion of the work accounts for the remaining \$55,000.00 (\$15,000.00 for preliminary engineering work and \$40,000.00 for the construction supervision task order).

The Village hired HR Green to perform MFT project preliminary engineering work earlier this year and would now like to contract with HR Green to perform construction supervision services at a cost not to exceed \$40,000.00. Attached is the HR Green task order for Phase III services and IDOT's Resolution and Maintenance Engineering forms for your review and approval.

## FINANCIAL IMPACT

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The Village's 2019 MFT fund budget includes \$1,046,000.00 for resurfacing and \$55,000.00 for engineering design and construction supervision services, for a total project budget of \$1,101,000.00; therefore, the 2019 MFT construction bids came in over budget by \$88,441.26. The Village Engineer contacted construction firms after the bid opening and believes that the higher construction costs are due to an increased cost in asphalt based on the recent increase in fuel costs that may or may not decrease over the next year. As such, Village staff recommend that the Village not reduce the size of the project this year to stay within the 2019 total budget amount of \$1,101,000.00. The additional \$88,441.26 in funds would be paid for from the MFT fund, which has adequate funding available.

## ATTACHMENTS

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1. Task Order for Phase III Services
2. IDOT's Resolution
3. IDOT Maintenance Engineering Form

**RECOMMENDED MOTION**

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Motion to approve the IDOT Resolution and Maintenance Engineering form to appropriate \$1,189,441.26 of MFT funds for the 2019 resurfacing program, and approve the task order with HR Green to perform construction supervision services at a cost not to exceed \$40,000.00.





**CONTRACT BETWEEN**  
**THE VILLAGE OF LAKE IN THE HILLS**  
**AND**  
**HR GREEN, INC.**  
**FOR**  
**2019 MFT RESURFACING PROJECT**  
**PHASE III SERVICES**

**JOB NO. 190550**

**April 18, 2019**

In accordance with Section 1.1 of the Master Contract between the Village of Lake in the Hills (“Owner”) and HR Green, Inc. (“Consultant”) for Calendar Year 2019 Professional Engineering Services, dated January 10, 2019 (the “Contract”), Owner and Consultant agree as follows:

1. **Project:** 2019 MFT resurfacing project PHASE III SERVICES:

Various locations throughout the Village

2. **Services of Consultant:**

- A. Basic Services:

The man-hours shown were based upon the assumption that part-time monitoring of the project will be required and that the contractor will complete the project by the contract specified deadline. Any additional work due to an extended schedule dictated by the contractor’s performance or unanticipated work due to site conditions shall warrant a contract addendum.

The following is a breakdown of the various tasks associated with the construction observation which will be completed by HR Green, Inc.:

### **1) Project Startup**

HR Green will complete a preconstruction video of the proposed construction area to document the existing conditions prior to the start of construction. HR Green will also utilize this time to prepare its filing system to IDOT contract documentation standards and incorporate IDOT’s ICORS construction management software project specific information into HR Green’s computer system.

The project startup also allows HR Green time to review the plans and specification prior to the start of the project. HR Green will coordinate with the Village of Lake in the Hills to ensure that all governmental entities are aware of the project details and any impacts that the project may create. HR Green will also coordinate with the contractor to ensure that an progress schedule is approved prior to the start of construction, that subcontractor are approved, ensure that proper notice is provided to the Village, Police and Fire and the motoring public prior to the start of the project.

### **2) Construction Observation**

HR Green will provide **part-time** Construction Observation Services on a time and material, not-to-exceed contract amount basis. HR Green will be on-site to observe and verify that items being constructed and materials being utilized are in general conformance with the approved plans and specifications and the Illinois Department of Transportation Standard Specifications for Road and Bridge Construction.

HR Green will complete a daily diary, measure and document contract quantities, complete payment estimates, change orders, and weekly reports. Weekly reports will be submitted to the contractor, IDOT and the Village of Lake in the Hills. HR Green will verify that all materials incorporated into this project are IDOT approved and evidence of material inspection is in compliance with the Project Procedures Guide and Special Provisions of this contract. HR Green shall keep IDOT and the Village of Lake in the Hills informed as to the progress of construction.

HR Green will provide the Village of Lake In The Hills with a daily email at the end of each working day indicating the approximate amount of work completed and the locations where it was completed. It will also include an anticipated schedule from the contractor regarding the work planned for the following day. The purpose of this communication for informational only, and does not indicate any control of the work by HR Green.

HR Green will serve as the initial project contact for any residential issues that may arise that are project related. HR Green will investigate the issue and identify possible solutions. The Village of Lake In The Hills will be responsible for approving any changes to the contract that result, prior to the changes be completed by the Contractor.

HR Green anticipates that a Construction Engineer will be onsite part-time. The HR Green Construction Project Manager will also be available to address construction related issues and coordination between IDOT, the Village and the contractor.

### **3) Meetings**

HR Green will attend the preconstruction meeting at IDOT with the Village of Lake in the Hills, the contractor and subcontractors. HR Green anticipates that there will be weekly construction progress meetings for the duration of the project. HR Green will prepare the agenda and meeting minutes.

### **4) Administration/Coordination**

This task will involve the oversight of the project by management, which will include the on-going review of the project execution, documentation, schedule and budget, contract file management, and general correspondence between HR Green, Village of Lake in the Hills, the contractor, and subcontractors.

## 5) Project Close Out

This task includes the preparation of final job records in accordance with IDOT policy. All quantity measurements and calculations will be checked and cross referenced, evidence of material inspection will be finalized, ICORS forms will be printed and bound, and field books and records will be indexed and boxed for final submittal.

## 6) Material Testing

Rubino Engineering will be providing material testing services for this project. Quality Assurance testing for asphalt and concrete shall be completed in accordance with IDOT QC/QA requirements. Geotechnical services shall be provided on an as needed basis.

## Disclaimer

HR Green shall not supervise, direct or have any control over the contractor's work. HR Green shall not have any responsibility for the construction means, methods, techniques, sequences or procedures selected by the contractor. Also, HR Green is not responsible for the contractor's safety precautions or programs in connection with this work. These rights and responsibilities are solely those of the contractor.

HR Green shall not be responsible for any acts or omissions of the contractor, subcontractor or any entity performing any portion or the work, or any agents or employees of any of them. HR Green does not guarantee the performance of the contractor and shall not be responsible for the contractor's failure to perform its work in accordance with the contract drawings and documents.

B. Additional Services: None

3. **Approvals and Authorizations:** Consultant shall assist with obtaining the following approvals and authorizations:

IDOT approval of paperwork.

4. **Commencement Date:**

The date of execution of this Task Order by Owner, plus work already completed on the project's behalf.

5. **Completion Date:** Completion of the construction and closeout.

6. **Submittal Schedule:**

Submittal: Pre-Construction Meeting Agenda      Due Date: TBD with Village

7. **Key Project Personnel:**

Names:

Telephone:

Todd Destree, P.E., CPESC

815-509-9307

Chad J. Pieper, P.E.

815-759-8346  
815-482-8706 (24-hour)

8. **Contract Price:**

For providing, performing, and completing all Services, an amount equal to Consultant's Direct Labor Costs for all Services rendered by principals and employees engaged directly on the Project, plus an amount equal to the actual costs of all Reimbursable Expenses.

Hours Summary:

<b>Role</b>	<b>Hours</b>	
Construction Engineer	185	\$28,675.00
Senior Construction Project Manager	16	\$3,440.00
Village Engineer	8	\$1,360.00
Administrative Asst.	4	\$360.00
Materials Testing		\$5,595.00
Other Direct Costs		\$570.00
	<b>Total:</b>	<b>\$40,000.00</b>

Notwithstanding the foregoing, the total Contract Price shall not exceed \$40,000.00, except as adjusted by a Change Order issued pursuant to Section 2.1 of the Contract.

9. **Modifications to Contract:**

None

10. **Attachments:**

None

Approval and Acceptance: Acceptance and approval of this Task Order, including the attachments listed above, shall incorporate this Task Order as part of the Contract.

The Effective Date of this Task Order is May , 2019.

VILLAGE OF LAKE IN THE HILLS

By: \_\_\_\_\_  
Russ Ruzanski  
Village President

HR GREEN, INC.

By: Akram Chaudhry  
Akram Chaudhry, P.E.  
Vice President

DESIGNATED REPRESENTATIVE FOR TASK ORDER:

Name: Chad Pieper, P.E.

Title: Project Manager/Village Engineer

Address: 420 North Front Street, McHenry, IL 60050

E-mail Address: [cpieper@hrgreen.com](mailto:cpieper@hrgreen.com)

Phone: (815) 3759-8346, (815) 482-8706 (24-hour)

Fax: (815) 385-1781

ATTACHMENT A

**Standard Charges for Professional Services  
(For Billing Rate Task Orders Only)**

PRINCIPAL	\$195 to \$ 280.00/HR
<i>Akram Chaudhry</i>	<i>\$265/HR</i>
SENIOR PROFESSIONAL	\$160 to \$ 250.00/HR
<i>Bob Davies</i>	<i>\$250/HR</i>
<i>Steve Bicking</i>	<i>\$240/HR</i>
<i>Todd Destree</i>	<i>\$220/HR</i>
PROFESSIONAL	\$110.00 to \$180.00/HR
<i>Chad Pieper – Village Eng.</i>	<i>\$180/HR</i>
<i>Ben Hartman</i>	<i>\$160/HR</i>
<i>Chris Caldarella</i>	<i>\$148/HR</i>
<i>Katie Snyder</i>	<i>\$108/HR</i>
<i>Logan Gilbertsen</i>	<i>\$153/HR</i>
<i>Mike Hastings</i>	<i>\$130/HR</i>
JUNIOR PROFESSIONAL	\$85.00 to \$135.00/HR
SENIOR TECHNICIAN	\$90.00 to \$ 125.00/HR
TECHNICIAN	\$45.00 to \$ 105.00/HR
SENIOR FIELD PERSONNEL	\$100.00 to \$ 165.00/HR
FIELD PERSONNEL	\$60.00 to \$ 145.00/HR
JUNIOR FIELD PERSONNEL	\$50.00 to \$ 90.00/HR
ADMINISTRATIVE COORDINATOR	\$65.00 to \$100.00/HR
ADMINISTRATIVE	\$60.00 to \$110.00/HR
CORPORATE ADMIN	\$70.00 to \$120.00/HR
<i>2019 Rate for all Administrative Staff</i>	<i>\$90.00/HR</i>
PRINTS/IN HOUSE*	\$0.45/SQ FT
MILEAGE (Personal Vehicle)*	\$0.54/MILE
MILEAGE (Survey or Construction vehicle)	\$0.85/MILE
PROPERTY IRONS*	\$2.00/EA
HUB/LATH*	\$0.75/EA
MAILING/SHIPPING*	VARIABLE

\*Indicates Reimbursable Items



Resolution for Maintenance Under the Illinois Highway Code



Resolution Number, Resolution Type (Original), Section Number (19-00000-01-GM)

BE IT RESOLVED, by the President and Board of Trustees of the Village of Lake In The Hills, Illinois that there is hereby appropriated the sum of One Million, One Hundred Eighty-Nine Thousand, Four-Hundred Fourty-One and 26/100 Dollars (\$1,189,441.26) of Motor Fuel Tax funds for the purpose of maintaining streets and highways under the applicable provisions of Illinois Highway Code from 01/01/19 to 12/31/19.

BE IT FURTHER RESOLVED, that only those operations as listed and described on the approved Estimate of Maintenance Costs, including supplemental or revised estimates approved in connection with this resolution, are eligible for maintenance with Motor Fuel Tax funds during the period as specified above.

BE IT FURTHER RESOLVED, that Village of Lake In The Hills shall submit within three months after the end of the maintenance period as stated above, to the Department of Transportation, on forms available from the Department, a certified statement showing expenditures and the balances remaining in the funds authorized for expenditure by the Department under this appropriation, and

BE IT FURTHER RESOLVED, that the Clerk is hereby directed to transmit four (4) certified originals of this resolution to the district office of the Department of Transportation.

I, Cecilia Carmen, Clerk in and for said Village of Lake In The Hills, in the State of Illinois, and keeper of the records and files thereof, as provided by statute, do hereby certify the foregoing to be a true, perfect and complete copy of a resolution adopted by the President and Board of Trustees of Lake In The Hills at a meeting held on [Date].

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal this [Day] day of [Month], Year.

(SEAL)

Clerk Signature box

APPROVED

Regional Engineer Department of Transportation and Date boxes





Estimate of Maintenance Costs

Submittal Type Original

Local Public Agency: Lake In The Hills; County: McHenry; Section Number: 19-00000-01-GM; Maintenance Period: 01/01/19 to 12/31/19

Maintenance Items

Table with 9 columns: Maintenance Operation, Maint Eng Category, Insp. Req., Material Categories/Point of Delivery or Work Performed by an Outside Contractor, Unit, Quantity, Unit Cost, Cost, Total Maintenance Operation Cost. Includes row for Contract Resurfacing and a Total Operation Cost row.

Add Row

Estimate of Maintenance Costs Summary

Summary table with columns: Maintenance, MFT Funds, Other Funds, Estimated Costs. Rows include Local Public Agency Labor, Equipment, Materials, and a total row.

Estimated Maintenance Eng Costs Summary

Summary table with columns: Maintenance Engineering, MFT Funds, Other Funds, Total Est Costs. Rows include Maintenance Engineering, Material Testing, Advertising, Bridge Inspection Engineering, and a total row.

Remarks field

SUBMITTED

Local Public Agency Official and Date fields

Title field: Village President

County Engineer/Superintendent of Highways and Date fields

APPROVED

Regional Engineer, Department of Transportation, and Date fields



# Maintenance Engineering to be Performed by a Consulting Engineer



Local Public Agency <b>Village of Lake In The Hills</b>	County <b>McHenry</b>	Section Number <b>19-00000-01-GM</b>
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The services to be performed by the consulting engineer, pertaining to the various items of work included in the estimated cost of the maintenance operations (BLR 14221 or BLR 14231), shall consist of the following:

**PRELIMINARY ENGINEERING shall include:**

Investigation of the condition of the streets or highways for determination (in consultation with the local highway authority) of the maintenance operations to be included in the maintenance program; preparation of the maintenance resolution (BLR 14220 for municipalities and counties), maintenance estimate of cost and, if applicable, proposal; attendance at meetings of the governing body as may reasonably be required; attendance at public letting; preparation of the contract, quotations, and/or acceptance (BLR 12330) form. Also, preparation of the maintenance expenditure statement which must be submitted to IDOT within 3 months of the end of the maintenance period.

**ENGINEERING INSPECTION shall include:**

Furnishing the engineering field inspection, including preparation of payment estimate for contract, material proposal and/or deliver and install proposal and/or checking material invoices of those maintenance operations requiring engineering field inspection. For operations requiring material testing ensure the testing is completed by a qualified firm.

For furnishing preliminary engineering, the engineer will be paid a base fee PLUS a negotiated fee percentage. Only one base fee can be charged per maintenance period. For furnishing engineering inspection, the engineer will be paid a negotiated fee percentage. The negotiated preliminary engineering fee percentage for each maintenance group shown in the "Schedule of Fees" shall be applied to the total estimated costs of that group. The negotiated fee for engineering inspection for each maintenance group shall be applied to the total final cost of that group for the times which required engineering inspections. In no case shall this be construed to include supervision of the contractor operations.

### SCHEDULE OF FEES

Total of all Maintenance Operations:

≤ \$20,000 Base Fee 
     
  > \$20,000 Base Fee = \$1,250.00

#### PLUS

Maintenance Engineering Category	Preliminary Engineering		Engineering Inspection		Operation(s) to be Inspected
	Maximum Fee %	Negotiated Fee %	Maximum Fee %	Negotiated Fee %	
I	NA	NA	NA	NA	NA
IIA	2%		1%		
IIB	3%		3%		
III	4%		4%		
IV	5%	<b>\$15,000</b>	6%	<b>\$40,000</b>	

The LPA certifies that the selection of the ENGINEER was performed in accordance with the Local Government Professional Service Selection Act 50 (ILCS 510/1-510/8) and procedures outlined in Chapter 5 of the DEPARTMENT's Bureau of Local Roads and Streets Manual.

BY:

Local Public Agency Signature	Date
Title	
Village President	

BY:

Consulting Engineer Signature	Date
<i>Andrew Chaubey</i>	1-24-2019
Title	
Vice President	
P.E. Seal	Date
	11-30-2019

Approved:

Regional Engineer, IDOT	Date



# REQUEST FOR BOARD ACTION

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**MEETING DATE:** May 7, 2019

**DEPARTMENT:** Public Works

**SUBJECT:** Award a Contract for the 2019 MFT Street Resurfacing Road Project

## EXECUTIVE SUMMARY

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On April 23, 2019, three sealed bids for the 2019 MFT Street Resurfacing Road Project were opened at the Public Works Department. The three bids ranged from a low of \$1,134,441.26 from Arrow Road Construction to a high bid of \$1,277,677.84. The engineer's estimate for this project is \$1,045,249.74. The Engineer's opinion of Probable Costs included a 5% increase in costs over the previous year. Unfortunately, the combination of an increased cost for the raw oil to produce the asphalt and the contractors having plenty of work drove the unit costs higher. The streets designated for resurfacing are as follows:

<b>Street</b>	<b>Beginning Street</b>	<b>Ending Street</b>
Mohican Trail	Council Trail	Willow Street
Impressions Drive	Courtney Drive	Magnolia Lane
Wedgewood Circle	Annandale Drive (South)	Lakewood Road
Geneva Lane	Geneva Court	Danbury Circle
Pawnee Drive	Hilltop Drive	Hiawatha Drive
Banford Circle	Princeton Lane	Margate Court
Moonstone Run	Starwood Pass	Sweetwater Ridge
Council Trail	Mohican Trail	Willow Street
Apache Trail	Menominee Drive	Hiawatha Drive
Walnut Grove Court	Rolling Hills Drive	End
Burr Street	Cedar Street	Oak Street (East)
Council Trail	Seminole Trail	Mohican Trail
Stanton Circle	Wexford Lane	Stanton Court
Muirfield Court	Melbourne Lane	End
Seminole Trail	Council Trail	Willow Street
Shawnee Trail	Council Trail	Pyott Road
Lansbury Court	Lansbury Circle	End
Warwick Lane	Steeplechase Way	Warwick Court
Flowerfield Court	Greenfield Lane	End
Savoy Court	Savoy Drive	End
Litchfield Lane	Brittany Bend	Miller Road
Delaware Dive	Apache Trail	Pocahontas Trail
Magnolia Lane	Impressions Drive	Albrecht Road
Annandale Drive (North)	Baronet Court	Reed Road
Courtney Drive	Impressions Drive	Albrecht Road

Willow Street  
Lansbury Circle  
Waterbury Place  
Huron Trail  
Stanton Circle  
Danbury Circle  
Impressions Drive  
Willow Street  
Starwood Pass  
Savoy Drive

Burr Street  
Lansbury Court  
Corporate Limits  
Navajo Drive  
Wexford Lane  
Avalon Lane  
Magnolia Lane  
Mohican Trail  
Moonstone Run  
Savoy Court

Hiawatha Drive  
Spencer Place  
Warwick Lane  
Willow Street  
Raxburg Court  
Worthington Lane  
Ronan Drive  
Seminole Trail  
Heaven's Gate  
Aurora Drive

## **FINANCIAL IMPACT**

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The Village's 2019 MFT fund budget includes \$1,046,000.00 for the resurfacing portion of the project. The low of \$1,134,441.26 from Arrow Road Construction is \$88,441.26 over budget. The Village Engineer contacted construction firms after the bid opening and believes that the higher construction costs are due to an increased cost in asphalt that may or may not decrease over the next year. As such, Village staff recommend that the Village not reduce the size of the project this year to stay within budget. The additional \$88,441.26 in funds would be taken from the MFT fund, which has adequate funding available.

## **ATTACHMENTS**

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1. Bid results
2. HR Green letter of recommendation

## **RECOMMENDED MOTION**

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Motion to award a contract to Arrow Road Construction for the 2019 MFT Street Resurfacing Road Project in the amount of \$1,134,441.26.



**HR Green, Inc.**  
420 N. Front Street  
McHenry, IL 60050

Date: April 23, 2019

Project: Village of Lake in the Hills 2019 Resurfacing Program		Engineer: BH	ENGINEER'S ESTIMATE								
Job No.: 190069		Bids Received: 3				Arrow Road		Schroeder Asphalt		Plote Construction	
NO.	DESCRIPTION	UNIT	QTY	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
1	BITUMINOUS MATERIALS (TACK COAT)	POUND	31244	\$0.01	\$312.44	\$0.01	\$312.44	\$0.01	\$312.44	\$0.01	\$312.44
2	HOT-MIX ASPHALT SURFACE COURSE, MIX 'D', N50	TON	8382	\$64.00	\$536,448.00	\$73.25	\$613,981.50	\$75.00	\$628,650.00	\$68.00	\$569,976.00
3	HOT-MIX ASPHALT SURFACE REMOVAL, BUTT JOINT	SQ YD	1571	\$5.00	\$7,855.00	\$3.85	\$6,048.35	\$5.00	\$7,855.00	\$1.00	\$1,571.00
4	HOT-MIX ASPHALT SURFACE REMOVAL, DRIVEWAY BUTT JOINT	SQ YD	798	\$10.00	\$7,980.00	\$6.90	\$5,506.20	\$6.00	\$4,788.00	\$17.00	\$13,566.00
5	HOT-MIX ASPHALT SURFACE REMOVAL, 1-3/4"	SQ YD	23350	\$1.40	\$32,690.00	\$2.10	\$49,035.00	\$1.40	\$32,690.00	\$2.65	\$61,877.50
6	HOT-MIX ASPHALT SURFACE REMOVAL, VARIABLE DEPTH, 1" TO 1-3/4"	SQ YD	46070	\$1.30	\$59,891.00	\$1.37	\$63,115.90	\$1.35	\$62,194.50	\$2.65	\$122,085.50
7	HOT-MIX ASPHALT DRIVEWAY PAVEMENT REMOVAL AND REPLACEMENT	SQ YD	299	\$30.00	\$8,970.00	\$35.30	\$10,554.70	\$30.00	\$8,970.00	\$55.00	\$16,445.00
8	PAVEMENT PATCHING (PARTIAL DEPTH), 4 INCH	SQ YD	1396	\$25.00	\$34,900.00	\$16.00	\$22,336.00	\$24.25	\$33,853.00	\$30.00	\$41,880.00
9	AGGREGATE SHOULDERS, TYPE B	TON	377	\$35.00	\$13,195.00	\$43.80	\$16,512.60	\$31.00	\$11,687.00	\$19.00	\$7,163.00
10	COMBINATION CURB AND GUTTER REMOVAL	FOOT	5496	\$5.00	\$27,480.00	\$6.15	\$33,800.40	\$5.00	\$27,480.00	\$5.00	\$27,480.00
11	COMBINATION CONCRETE CURB AND GUTTER, TYPE M-4.12	FOOT	5496	\$20.00	\$109,920.00	\$20.40	\$112,118.40	\$25.50	\$140,148.00	\$27.50	\$151,140.00
12	COMBINATION CONCRETE CURB AND GUTTER, TYPE M-4.12 (SPECIAL)	FOOT	70	\$25.00	\$1,750.00	\$21.40	\$1,498.00	\$45.00	\$3,150.00	\$30.00	\$2,100.00
13	GUTTER REMOVAL	FOOT	507	\$5.00	\$2,535.00	\$6.90	\$3,498.30	\$5.00	\$2,535.00	\$5.00	\$2,535.00
14	CONCRETE GUTTER, TYPE B	FOOT	857	\$20.00	\$17,140.00	\$28.45	\$24,381.65	\$37.00	\$31,709.00	\$27.00	\$23,139.00
15	PAVED DITCH REMOVAL	FOOT	230	\$10.00	\$2,300.00	\$14.60	\$3,358.00	\$5.00	\$1,150.00	\$13.00	\$2,990.00
16	PAVED DITCH, TYPE A-30	FOOT	230	\$100.00	\$23,000.00	\$59.85	\$13,765.50	\$42.00	\$9,660.00	\$70.00	\$16,100.00
17	SIDEWALK REMOVAL	SQ FT	4938	\$2.00	\$9,876.00	\$2.00	\$9,876.00	\$1.00	\$4,938.00	\$1.65	\$8,147.70
18	PORTLAND CEMENT CONCRETE SIDEWALK, 5 INCH	SQ FT	4938	\$5.75	\$28,393.50	\$5.40	\$26,665.20	\$7.00	\$34,566.00	\$8.50	\$41,973.00
19	DETECTABLE WARNINGS	SQ FT	950	\$30.00	\$28,500.00	\$25.00	\$23,750.00	\$45.00	\$42,750.00	\$25.00	\$23,750.00
20	PIPE CULVERTS, CL A, TYPE 1, 12" (RCP)	FOOT	8	\$100.00	\$800.00	\$200.00	\$1,600.00	\$200.00	\$1,600.00	\$150.00	\$1,200.00
21	PRC FLARED END SECTION, 12"	EACH	1	\$2,000.00	\$2,000.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$2,000.00	\$2,000.00
22	INLETS, TYPE A, TYPE 1 FRAME, OPEN LID	EACH	2	\$2,000.00	\$4,000.00	\$4,200.00	\$8,400.00	\$4,200.00	\$8,400.00	\$2,000.00	\$4,000.00
23	DRAINAGE & UTILITY STRUCTURES TO BE ADJUSTED	EACH	136	\$350.00	\$47,600.00	\$275.00	\$37,400.00	\$430.00	\$58,480.00	\$300.00	\$40,800.00
24	SEEDING, SPECIAL	SQ YD	170	\$12.00	\$2,040.00	\$12.00	\$2,040.00	\$14.40	\$2,448.00	\$14.00	\$2,380.00
25	STEEL RAILING (SPECIAL)	FOOT	40	\$125.00	\$5,000.00	\$149.60	\$5,984.00	\$125.00	\$5,000.00	\$150.00	\$6,000.00
26	THERMOPLASTIC PAVEMENT MARKING, LINE 4"	FOOT	4084	\$0.70	\$2,858.80	\$0.68	\$2,777.12	\$1.38	\$5,635.92	\$0.40	\$1,633.60
27	THERMOPLASTIC PAVEMENT MARKING, LINE 6"	FOOT	120	\$1.00	\$120.00	\$1.50	\$180.00	\$2.00	\$240.00	\$2.80	\$336.00
28	THERMOPLASTIC PAVEMENT MARKING, LINE 12"	FOOT	60	\$2.50	\$150.00	\$2.50	\$150.00	\$4.00	\$240.00	\$4.60	\$276.00
29	THERMOPLASTIC PAVEMENT MARKING, LINE 24"	FOOT	409	\$5.00	\$2,045.00	\$5.00	\$2,045.00	\$8.00	\$3,272.00	\$6.90	\$2,822.10
30	TRAFFIC CONTROL AND PROTECTION, STANDARD 701501	L SUM	1	\$25,000.00	\$25,000.00	\$31,950.00	\$31,950.00	\$28,700.00	\$28,700.00	\$82,000.00	\$82,000.00
31	TRAFFIC CONTROL AND PROTECTION, STANDARD 701801	L SUM	1	\$500.00	\$500.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
			<b>Total =</b>		\$1,045,249.74		\$1,134,441.26		\$1,204,902.86		\$1,277,679.84

^  
LOW BIDDER



▷ 420 North Front Street | Suite 100 | McHenry, IL 60050  
Main 815.385.1778 + Fax 815.385.1781

▷ [HRGREEN.COM](http://HRGREEN.COM)

April 26, 2019

Mr. Dan Kaup  
Director of Public Works  
Village of Lake in the Hills  
9010 Haligus Road  
Lake in the Hills, IL 60156

RE: Village of Lake in the Hills – 2019 Resurfacing Program  
IDOT Section 19-00000-01-GM  
HR Green Job No. 190069

Dear Mr. Kaup:

The Village of Lake in the Hills received three (3) bid proposals for the construction of the 2019 Resurfacing Program at the bid opening on April 23, 2019. The project consists of the resurfacing of various roads as well as sidewalk and curb and gutter removal and replacement within the Village limits. The three (3) bids ranged in price from a low bid of \$1,134,441.26 submitted by Arrow Road Construction, to a high bid of \$1,277,679.84 submitted by Plote Construction and represents competitive pricing for work of this nature. See the attached bid tabulation for further information.

We have analyzed the bid documents and checked them for accuracy and find Arrow Road Construction of Mt. Prospect, IL to be the lowest qualified bidder. **HR Green recommends award of the contract to Arrow Road Construction in the amount of \$1,134,441.26.** As with all unit price contracts, the final project amount will be determined after completion of the work.

After the bid opening, we did some investigating as to why we received both a lower number of bidders and higher than expected unit prices for the asphalt on the project. Our findings seemed to indicate that contractors who typically submit bids for this project, were busy with County and Township work, or were focusing on work located in a better geographic location for them. It should also be noted that several municipalities in the area did not have their road program projects out to bid yet. Typically, getting out to bid first yields more bidders. With regards to asphalt, our Engineer's opinion of Probable Costs included a 5% increase in costs over the previous year, however, a recent increase in the cost of the raw oil materials drove the prices high than anticipated.

Please let me know if you have any questions or need any additional information.

Sincerely,

**HR GREEN, INC**

**Chad J. Pieper, PE**  
Village Engineer



Mr. Dan Kaup  
2019 MFT Recommendation  
April 26, 2019

CJP/tcn

Attachment

Cc: Mr. Guy Fehrman, LITH  
Mr. Peter D'Agostino, LITH  
Mr. Akram Chaudhry, PE , HR Green, Inc.

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# REQUEST FOR BOARD ACTION

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**MEETING DATE:** May 7, 2019

**DEPARTMENT:** Public Works

**SUBJECT:** Award a Contract for the Airport Parking Lot Replacement

## EXECUTIVE SUMMARY

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As part of the Village's parking lot replacement schedule, the airport parking lot was approved in the 2019 budget for replacement. Village staff authored a Request For Proposal (RFP) and on April 09, 2019, the RFP was sent to 30 resurfacing companies, posted on the Village's website, and published in the Northwest Herald. On April 24, 2019, eleven RFP submittals were received and pricing ranged from a low of \$46,500.00 from Champion Paving of Hampshire, IL, to a high of \$87,000.00. Champion's price of \$46,500.00 is \$17,190.00 under the budgeted amount of \$63,690.00. Although Champion has not worked on projects for the Village in the past, their references spoke highly of them and they have experience working on similar projects for public and private entities. As such, Village staff recommend awarding this project to Champion Paving of Hampshire, IL.

## FINANCIAL IMPACT

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The Village's 2019 budget includes \$63,690.00 for this project in the Airport Operating and Maintenance Fund and Champion's low price of \$46,500.00 is \$17,190.00 under the budgeted amount.

## ATTACHMENTS

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1. Bid Results
2. Award Recommendation
3. Bid Certification Form
4. Capital Asset Request Form

## RECOMMENDED MOTION

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Motion to award a contract to Champion Paving of Hampshire, IL for the 2019 Airport parking lot replacement contract in the amount of \$46,500.00.



# Lake in the Hills Public Works Department

## MEMORANDUM

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**To:** Dan Kaup, Public Works Director  
**From:** Mike Peranich, Airport Manager  
**Date:** April 25, 2019  
**Subject:** 2019 Airport Parking Lot Replacement RFP Results

The RFP opening for the 2019 Airport Parking Lot Replacement RFP was held at the Public Works Facility on April 24, 2019 at 10:00 a.m. Those present at the RFP opening were Nicholas Sander of Evans & Son Blacktop Inc., Tim Angerame of Orange Crush Inc., LeRoy Geske III of Geske and Sons Inc., Jenna Czubek of Allstar Asphalt Inc., Jairo Gomez of LMCC Laborers Union, Robert Waterworth of Champion Paving Corp., and Peter D'Agostino and Mike Peranich of the Village of Lake in the Hills. The RFP results were as follows:

<b>COMPANY</b>	<b>TOTAL LUMP SUM AMOUNT</b>
TAT Enterprises Inc.	\$48,178.00
Maneval Construction	\$82,500.00
Evans & Son Blacktop Inc.	\$87,000.00
Allstar Asphalt Inc.	\$58,700.00
Geske and Sons Inc.	\$51,280.00
Orange Crush LLC	\$70,290.00
Chadwick Contracting Co.	\$52,462.00
Schroeder Asphalt Services Inc.	\$65,807.50
Champion Paving	\$46,500.00
Chicagoland Paving Contractors Inc.	\$60,000.00
Accu-Paving Co.	\$59,650.00

The RFP opening concluded at 10:12 a.m. The RFP submittals will be reviewed and Village staff plan to make a recommendation to the Village Board at the May 7, 2019 Committee of the Whole Meeting.

# Lake in the Hills Public Works Department

## MEMORANDUM

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**To:** Dan Kaup, Public Works Director  
**From:** Mike Peranich, Airport Manager  
**Date:** April 29, 2019  
**Subject:** Recommendation for the 2019 Airport Parking Lot Replacement Award

On April 24, 2019, Public Works received eleven sealed bids for the replacement of the airport parking lot. Champion Paving from Hampshire, IL submitted the lowest bid. Champion has not performed work in the Village; however, their references spoke highly of them and they have experience working on similar projects for both public and private entities. The Village of Hampshire commented that they have worked with them for many years and they have always met or exceeded expectations, further noting that said work was “always top notch.” Staff recommends awarding the parking lot replacement contract to Champion Paving as the lowest responsible bidder that meets the specifications of the RFP.

The Village’s 2019 budget includes \$63,690.00 for this project in the Airport O&M Fund and Champion’s low price of \$46,500.00 is \$17,190.00 under the budgeted amount.

APPENDIX 4

VILLAGE OF LAKE IN THE HILLS  
BID CERTIFICATION FORM

CONTRACTOR'S NAME: Champion Paving Corp  
ADDRESS: PO Box 610, Hampshire, IL 60140  
847-683-8383

1. COST OF WORK:

The undersigned, having familiarized [himself/herself] with conditions affecting the cost of the work and its performance and having carefully examined and fully understood the INSTRUCTION TO BIDDERS, hereby affirms and agrees to enter into a contract with the Village of Lake In The Hills, Illinois;

The undersigned hereby also certifies that in accordance with 710 ILCS 7/33E-11 that the Bidder is not barred from submitting a bid for this contract as a result of a violation of either Section 33E-3 or Section 33E-4 concerning bid rigging, bid rotating, kickbacks, bribery and other interference with public contracts;

To PROVIDE all supervision, labor, material, equipment, and all other expense items to perform completely the entire work covered by all specifications for the entire work;

*Five hundred*

FOR THE LUMP SUM OF Forty six thousand Dollars (\$ 46,500)

[Include breakdown of unit and total prices for items as required.]

2. COSTS:

The undersigned hereby affirms and states that the prices quoted herein constitute the total cost to the Village for all work involved in the respective items and that this cost also includes all insurance, royalties, transportation charges, use of all tools and equipment, superintendence, overhead expense, all profits, and all other work, services, and conditions necessarily involved in the work to be done and materials to be furnished in accordance with the requirements of the contract documents considered severally and collectively. All bids shall be held valid for a period of 60 days after the bid due date.

The undersigned hereby also certifies that this bid is genuine and not collusive or sham; that said Bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any other Bidder or person, to put in a sham bid or to refrain from submitting a bid; and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference with any person, to fix the proposed price elements of said bid, or that of any other Bidder, or to secure any advantage against any other Bidder or any person interested in the proposed contract.

The undersigned hereby also certifies in accordance with 65 ILCS 5/11-42.1-1 that the Bidder is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, unless the amount and/or liability is being properly contested in accordance with the procedures established by the appropriate revenue act

The undersigned hereby also certifies in accordance with 720 ILCS 5/33 E that the Bidder will not participate in bid rigging and/or rotating, kickbacks, bribery, and other related interference with public contracts. The statute requires that a certification by submitted by a bidder specifically attesting to the provisions of 5/33E-3 and 5/33E-4.

The undersigned hereby also certifies in accordance with 775 ILCS 5/2-105 that the Bidder must furnish evidence of adoption of a written policy on sexual harassment pursuant to the statute. The Village's interpretation of this statute is that such a policy does not have to be submitted with the bid, but the Bidder must have one in order to receive a contract.

The undersigned hereby also certifies that the bid is in compliance with all other applicable federal, state, and local laws.

**3. DELIVERY REQUIREMENTS:**

The undersigned hereby affirms and states that the prices listed as "Delivered and Installed" are the unit and total costs for the delivery of item(s) to their designated locations ready for use.

**4. TIME OF COMPLETION:**

The undersigned affirms and declares that if awarded the contract for said Airport Parking Lot Replacement, [he/she] will completely perform the contract in strict accordance with its terms and conditions by June 17, 2019.

**5. SPECIFICATIONS:**

The undersigned will furnish all labor, material, equipment, and services necessary for said Airport Parking Lot Replacement, in accordance with the following specifications and drawings (if required) as attached.

**6. CONDITIONS:**

- A. The Village is exempt from federal excise tax and the Illinois Retailers' Occupation Tax. The undersigned hereby certifies that this proposal does not include any amounts of money for these taxes.
- B. To be valid, bids shall be itemized so that selection for purchase may be made, there being included in the price of each item the cost of delivery, insurance, bonds, overhead, and profit.
- C. The Village shall reserve the right to add to or deduct from the base bid and/or alternate bid any item at the prices indicated in the itemization of bid.
- D. In the event of a delay to the Airport Parking Lot Replacement Completion Date as per the Contract Schedule for which Contractor is solely responsible, Contractor shall pay Liquidated Damages to Village of Lake in the Hills at a rate of \$200 per day of delay.

Dated at 9:00 AM this 23rd day of April, 2019

By: Robert Waterworth  
(signature)

Its: President  
Title

Robert Waterworth, being duly sworn, deposes and states that he/she is the President of Champion Paving Corp and that the statement above is

true and correct. Subscribed and sworn before me this 23rd day of April, 2019

(NOTARY STAMP) Mary Eileen Sullivan  
Notary Public

**VILLAGE OF LAKE IN THE HILLS**

Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2019

By: \_\_\_\_\_  
(signature)

Title: \_\_\_\_\_





## CAPITAL ASSET REQUEST FORM

FUND:	Airport O&M
DEPARTMENT:	Public Works
DIVISION:	Airport

### NAME OF ASSET OR PROJECT TITLE:

Airport Parking Lot Replacement

### TOTAL EXPECTED COST:

\$63,690.00

### DESCRIPTION:

Airport Parking Lot Overlay

### CATEGORY:

- Mandate
- Rehabilitation or Asset Management
- Operational Improvement
- New Initiative

### CRITERIA:

- 1: The airport's landside parking lot pavement has reached the end of its usable life and requires replacement. The parking lot serves both transient and based pilots.
- 2: Each year, staff evaluates the condition of parking lots in the Village. The assessment revealed that the airport parking lot has deteriorated beyond its useful life. Specifically, multiple sections contain severe spalling and cracking. The base rock is partially exposed and washing away with each rain or snow event. Further, storm drainage has been hindered by various patch work over the years and the lot as a whole retains several inches of water in large storms.
- 3: Delaying the replacement of the airport parking lot could lead to higher replacement costs in the future, greater staff time spent clearing the lot of

snow in the winter time due to the inefficient drainage, and a significantly increase the risk of a trip hazard to customers walking across the lot.





# REQUEST FOR BOARD ACTION

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**MEETING DATE:** May 7, 2019

**DEPARTMENT:** Public Works

**SUBJECT:** Airport Ground Lease for Hangar PAP-68

## EXECUTIVE SUMMARY

---

The Lake in the Hills Airport Rules and Regulations require airport tenants to enter into applicable leases, licenses, or storage agreements for Village owned hangers. John Millikin is requesting a new ground lease on Hangar PAP-68. This lease is for the period of May 10, 2019 to May 9, 2039. The lease includes an option to renew for four additional five-year terms.

Mr. Millikin has signed the appropriate lease form and submitted acceptable proof of insurance. A background check was completed and no issues were found by the Lake in the Hills Police Department.

## FINANCIAL IMPACT

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The Airport Fund will receive \$2,712.72 annually from the ground lease and another \$672 from electrical fees, subject to annual increases approved by ordinance.

## ATTACHMENTS

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1. Proposed Ordinance
2. PAP-68 Ground Lease

## RECOMMENDED MOTION

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Motion to approve the ordinance and authorize the Village President and Village Clerk to sign the ground lease for Hangar PAP-68 with John Millikin.

VILLAGE OF LAKE IN THE HILLS

ORDINANCE NO. 2019-\_\_\_\_\_

**An Ordinance Authorizing the Approval of a Ground Lease  
between the Village of Lake in the Hills and John Millikin  
for PAP-68**

WHEREAS, the Village of Lake in the Hills, McHenry County, Illinois, is a home rule municipality as contemplated under Article VII, Section 6, of the Constitution of the State of Illinois, and the passage of this Ordinance constitutes an exercise of the Village's home rule powers and functions as granted in the Constitution of the State of Illinois.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois, as follows:

SECTION 1: That the President is hereby authorized to enter into a Ground Lease between the Village and John Millikin for PAP-68 at the Lake in the Hills Airport:

SECTION 2: If any section, paragraph, subdivision, clause, sentence or provision of this Ordinance shall be adjudged by any Court of competent jurisdiction to be invalid, such judgment shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4: This Ordinance shall be in full force and effect upon its passage, approval and publication in pamphlet form (which publication is hereby authorized) as provided by law.

Passed this 9th day of May, 2019 by roll call vote as follows:

	Ayes	Nays	Absent	Abstain
Trustee Stephen Harlfinger	_____	_____	_____	_____
Trustee Ray Bogdanowski	_____	_____	_____	_____
Trustee Bob Huckins	_____	_____	_____	_____
Trustee Bill Dustin	_____	_____	_____	_____
Trustee Suzanne Artinghelli	_____	_____	_____	_____
Trustee Suzette Bojarski	_____	_____	_____	_____
President Russ Ruzanski	_____	_____	_____	_____

APPROVED THIS 9TH DAY OF MAY, 2019

\_\_\_\_\_  
Village President, Russ Ruzanski

(SEAL)

ATTEST: \_\_\_\_\_  
Village Clerk, Cecilia Carman

Published: \_\_\_\_\_



VILLAGE OF LAKE IN THE HILLS  
LAKE IN THE HILLS AIRPORT GROUND LEASE

THIS GROUND LEASE (this “Lease”) made and entered into at Lake in the Hills, Illinois, this 9th day of May, 2019 by and between the Village of Lake in the Hills, an Illinois municipal corporation (the “Lessor”) and Jon Millikin Enterprises, Ltd. (the “Lessee”).

WITNESSETH:

WHEREAS, the Lessor does hereby let and lease to the Lessee the parcel of property depicted on Exhibit A attached to and by this reference incorporated into this Lease at the Lake in the Hills Airport (the “Airport”), which parcel of property is commonly known as:

**[PAP-68]**

Lot dimensions: 42’ 6” by 42’6” (The “Premises”).

ARTICLE 1: TERM; RENEWAL

1.01 This Lease shall commence on May 10, 2019, and shall continue for a period of 20 years and shall terminate May 9, 2039 (the “Initial Term”) unless sooner terminated as hereinafter provided.

1.02 The Lessee shall have the option to renew this Lease for four (4) additional terms of five years (the “Extension Terms”), which Extension Terms shall commence on the day immediately following the last day of the then existing Term, provided (i) that the Lessee notifies the Lessor in writing (the “Extension Notice”) at least 60 days prior to the expiration of the existing Term that the Lessee intends to renew this Lease for one of the Extension Terms; (ii) that the Lessee is not in default of any obligation or duty imposed upon it by this Lease; and (iii) that the Lessor may increase, modify, or otherwise alter, for the Extension Terms, the amount of rent paid by the Lessee. The Lessor shall notify the Lessee in writing of any rent increase (the “Rental Increase Notice”) within 30 days of receipt of the Extension Notice. In the event the Lessee determines that the rental increase is unreasonable, the Lessee shall have 10 days after Lessor’s delivery of the Rental Increase Notice to elect to terminate this Lease. In the event the Lessee elects to terminate this Lease pursuant to the terms of this Article 1.02, then the Lessee shall provide the Lessor with written notice (the “Termination Notice”) of its intention to do so no later than 10 days after the Lessor’s delivery of the Rental Increase Notice. In the event the Lessor does not receive the Termination Notice within the 10-day period of time, it shall be conclusively presumed that the Lessee has elected not to terminate this Lease

ARTICLE 2: USE

2.01 The Premises shall be used, occupied, and maintained by the Lessee for the sole purpose of supporting an Aircraft Hangar/Storage facility (the “Hangar”) for aircraft owned or leased by the Lessee and for lease for storage of other aircraft, and uses reasonably incidental thereto, and for no other purpose (the “Approved Uses”).

2.02 The Lessee shall not conduct any business activities or aviation-related activities other than the Approved Uses, unless the Lessee shall also have a separate and valid commercial activity agreement with the Lessor. The Lessee shall comply with (a) all applicable governmental laws, ordinances, codes, rules, and regulations and applicable orders and directions of public officers thereunder and (b) all requirements of carriers of insurance on the Premises respecting all matters of occupancy, condition, maintenance, and use of the Premises, whether any of the foregoing shall be directed to the Lessee or the Lessor, including but not limited to any environmental laws or regulations by any local, state, or federal government and the Airport rules and regulations.

2.03 The Lessee agrees to occupy the entire Premises and to properly maintain and operate the Approved Uses at all times during the term(s) of this Lease.

2.04 The Lessee shall be entitled to the non-exclusive use, in common with other users, of the public facilities of the Airport solely for the purpose of ingress and egress to and from the Premises. The Lessee shall not use the public areas for the transient or permanent tie-down of aircraft or for any purposes other than as expressly permitted by this Lease.

2.05 The Lessee shall, at the Lessee's own expense, comply with all present and hereinafter enacted environmental laws, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6941 et seq., Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., Safe Drinking Water Act, 42 U.S.C. Section 300 et seq., the Clean Air Act, 42 U.S.C. Section 7401 et seq., and the regulations promulgated thereunder and any other laws, regulations, and ordinances (whether enacted by the local, state or federal governments) now in effect or hereinafter enacted, that deal with the regulation or protection of the environment and hazardous materials. The Lessee shall not cause or permit any hazardous material to be used, generated, manufactured, produced, or stored on, under, or about the Premises. The Lessee shall not keep on the Premises any inflammables, such as gasoline, kerosene, naphtha, or benzine or other volatile chemicals or compounds or explosives or any other articles of intrinsically dangerous nature, except such materials and equipment commonly related to airplane maintenance. The Lessee further shall indemnify, defend, and hold harmless the Lessor from and against any and all liability, loss, damage, expense, penalties, and legal and investigation fees or costs arising from or related to any claim or action for injury or liability brought by any person, entity or governmental body, alleging or arising in connection with contamination of, or adverse effects on, the environment of the Premises.

### ARTICLE 3: RENT

3.01 The amount of rent payable to the Lessor (the "Rent") is set forth on the rent schedule ("the Rent Schedule") attached to and by this reference incorporated into this Lease as Exhibit B. The Rent, during the Initial Term and any Extension Term, is subject to an increased adjustment by the Lessor on an annual basis based on the following: the current year's Rent multiplied by the Consumer Price Index (the "CPI") for the Chicago Metropolitan Area, up to a maximum 10 percent increase over the current year's rent. The CPI to be used for the preceding calculation shall be the CPI available for the most recent 12 month period. The first month's Rent shall be paid upon the execution of this Lease and each month's Rent thereafter shall be paid in advance on or before the first day of a calendar month during the term(s) of this Lease.

Rent for any partial calendar month within the Term shall be prorated on a per diem basis assuming a 30-day month.

3.02 The Lessee agrees to pay all rent and any other amount owing hereunder on the due date thereof to the Lessor at its office at 600 Harvest Gate, Lake in the Hills, Illinois, or to such other person at such other address as the Lessor may from time to time designate in writing. The Lessee hereby agrees that the Lessee's obligation to pay such rent and other amounts shall be absolute and unconditional under all circumstances, including, without limitation, the following circumstances: (a) any setoff counter-claim, recoupment, defense, or other right that the Lessee may have against the Lessor, or anyone else for any reason whatsoever; (b) any damage to, loss, or destruction of the Premises or any interruption or cessation in the use or possession thereof by the Lessee for any reason whatsoever, unless directly caused by the negligent acts of Lessor; (c) any insolvency, bankruptcy, reorganization, or similar proceedings by or against the Lessee; and (d) any other event or circumstance whatsoever, whether or not similar to any of the foregoing. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statutes or otherwise, to terminate, cancel, quit, or surrender any portion of the Premises hereunder except in accordance with the expressed terms hereof. If for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise, except in the event of termination without the fault of Lessee or termination upon change of ownership in accordance with Article 12 of this Lease, or dis-affirmed by the Lessee, all remaining rent payments which would have become due and payable in accordance with the terms hereof had this Lease not been terminated or dis-affirmed in whole or part shall become immediately due and payable. Each rent or any other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

3.03 The Lessee shall also pay the Lessor a late charge upon payment of Rent after the tenth day of any month in the amount of 10 percent of the amount owed. Payment of a late charge to the Lessor shall in no way interfere with the Lessee's obligation to pay Rent on the first day of each month. Payment by the Lessee of a late charge shall not be deemed a waiver of or otherwise limit the Lessor's remedies under this Lease.

#### ARTICLE 4: LESSOR'S RIGHT TO RELOCATE LESSEE

4.01 The Lessee acknowledges that at any time during the term(s) of this Lease, the Lessor may need to relocate the Hangar to another comparable location at the Airport (the "Relocation"). In the event the Lessor determines in its sole and absolute discretion that Relocation is necessary, the Lessor shall provide the Lessee with 30 days written notice of its intention to relocate. The Hangar will be relocated to another location that, in the sole discretion of the Lessor, is comparable to the Premises, and the definition of the "Premises" shall be revised to reflect the new location. The Lessor will pay for the following costs of Relocation: preparation of the new site, relocation of the Hangar and hangar facilities onto the new site, and all costs directly associated with the Relocation. The Lessee shall have no right to reimbursement from the Lessor for any costs incurred by the Lessee as a result of the Relocation, except for reasonable costs incurred by the Lessee as a result of Lessor's Relocation actions.

4.02 The Lessor shall not be responsible for theft, loss, injury, damage, or destruction of the Hangar or of any aircraft or other property on the Premises during the Relocation. The Lessee hereby releases and discharges the Lessor for the loss of or damage to the Lessee's property, except for that loss or damage arising out of the Lessor's negligence during the Relocation.

#### ARTICLE 5: CONDITION OF PREMISES; REPAIR

5.01 The Lessee has inspected the Premises and accepts the Premises in an "as is" condition. The Lessee acknowledges that its decision to enter into this Lease was based on its own knowledge and analysis and not on any representations by the Lessor, and the Lessee waives any and all claims against the Lessor in connections therewith. At the termination of this Lease, the Lessee shall, at Lessee's sole expense, remove the Hangar, including any foundation, and restore the Premises to a natural state, including grading and grass seeding.

5.02 The Lessee agrees, at its sole cost and expense, to repair, replace, or reconstruct the Hangar and other improvements located on the Premises that are damaged or destroyed by fire or other casualty, or required to be repaired, removed, or reconstructed by any governmental or military authority. Such repair, replacement, or reconstruction shall be accomplished within such time as may be reasonable under the circumstances after allowing for delays caused by strikes, lockouts, acts of God, fire, extraordinary weather conditions, or any other cause or casualty beyond the reasonable control of Lessee (the "Reasonable Time Period"). The design and specifications of such repair, replacement, or reconstruction shall be as determined by Lessee; but such work shall restore the Premises to not less than its condition prior to said need for repair.

#### ARTICLE 6: COVENANTS

The Lessee agrees to all of the following covenants:

(a) The Lessee shall not commit, suffer, or allow to be committed or suffered any acts of waste on the Premises, or commit or permit to be committed any acts which will in any way constitute a public or private nuisance or an unlawful or immoral act. Only the Approved Uses shall be permitted.

(b) All maintenance to the Hangar (b) other improvements or any repair of damages to same from any cause shall be the sole responsibility of the Lessee and shall be made in the Reasonable Time Period and at the Lessee's expense (unless such damage was caused by the negligence of the Lessor) and same shall comply fully with all applicable laws, ordinances, and other government regulations, codes, and directions.

(c) The Lessee shall not erect or install any sign of any kind anywhere in or on the Premises without the specific prior written consent of the Lessor. In addition, the Lessee shall not use any broadcast or audio advertising media, including but not limited to loudspeakers, phonographs, or radio or television broadcasts, in a manner visible or audible outside of the Hangar.

(d) The Lessee shall not install any exterior lighting or plumbing fixtures, shades, or awnings or exterior decoration or paintings or build any enclosures or audio or television antenna, loudspeakers, sound amplifiers, or similar devices on the roof or exterior walls of the Hangar without the specific prior written consent of the Lessor.

(e) The Lessee shall store all trash and garbage within proper receptacles in the Hangar and around the Premises. The Lessee shall not burn any trash or garbage of any kind in or about the Premises.

## ARTICLE 7: REMEDIES

7.01 In the event of any default by the Lessee with respect to any of the events below and the Lessee's failure to cure said default within 10 days after written notice thereof by the Lessor, the Lessor may immediately terminate this Lease and/or the Lessee's right to possession hereunder, and pursue any other remedy available to the Lessor at law or in equity and including, without limitation, those remedies set forth at the end of this Article, upon the happening of one or more of the following events:

- (a) The making by the Lessee of an assignment for the benefit of the creditors without the written consent of the Village Administrator;
- (b) The operation or supervision of any business other than the Approved Uses conducted in the Premises by the Lessee, or by anyone else, except only with the prior specific written consent of the Lessor;
- (c) The levying of a writ of execution or attachment on or against the property of the Lessee;
- (d) The doing, or permitting to be done, by the Lessee of any act which creates a mechanic's lien or claim therefor against the Premises or any part of the Premises;
- (e) The failure of the Lessee to pay any Rent when due, which shall not be in lieu of any statutorily prescribed remedies for the Lessee's failure to pay Rent but shall be in addition thereto;
- (f) If the estate created hereby shall be taken in execution or by other process of law or if proceedings are instituted in a court of competent jurisdiction for the reorganization, liquidation, or voluntary or involuntary dissolution of the Lessee or composition for the benefit of a creditor or for its adjudication as a bankrupt or insolvent, or for the appointment of a receiver of the property of the Lessee for any purpose and said proceedings are not dismissed, and any receiver, trustee, or liquidator appointed therein discharged within 10 days after the institution of said proceedings;
- (g) Any failure of the Lessee to keep and perform fully any of its covenants under this Lease;

- (h) The abandonment of the Premises by the Lessee or the discontinuance by the Lessee of the proper maintenance and operation of the Approved Uses for a consecutive period of three months or longer;
- (i) If the Lessee is a corporation, the sale of any of the Lessee's stock pledged for any purpose, whether by virtue of execution or otherwise.

7.02 Upon the event of a default hereunder by the Lessee, the Lessor shall have the right to cure the default, at its option, by any means reasonably necessary. In such event, the Lessee shall reimburse the Lessor for all reasonable costs incurred by the Lessor in curing the default.

7.03 Upon the termination of this Lease or the Lessee's right to possession hereunder, the Lessor may re-enter the Premises using such force as may be necessary and in compliance with applicable law and remove all persons, fixtures, property and equipment therefrom and the Lessor shall not be liable for damages or otherwise by reason of re-entry or termination of possession of the term of this Lease. Upon termination of either the Lessee's right to possession or the Lease, the Lessor shall be entitled to recover immediately an amount equal to the minimum rent for the balance of the term less the amount of any minimum rental obtained from any other lessee for the balance of the term in the event the said premises are re-let. Upon and after entry into possession without termination of this Lease, the Lessor may, but need not, re-let the Premises or any part thereof for the account of the Lessee for such rent, for such time and upon such terms as the Lessor in its sole discretion shall determine.

#### ARTICLE 8: TAXES

The Premises is owned by the Lessor and is currently tax-exempt. Therefore, in the event the Lessee's operations on the Premises cause a tax to be assessed against, levied upon, or otherwise become payable in respect of the Premises or the use thereof, the Lessee shall pay all taxes relating to the Premises or to this Lease, including all real estate taxes, personal property taxes and leasehold taxes, unforeseen as well as foreseen, that are assessed against, levied upon and become payable in respect of the Premises or the use thereof during the term(s) of this Lease; provided, however, that in the event such taxes are imposed as a result of Lessor's actions under the Lease, then the Lessee shall not be responsible for said taxes. Such payment of taxes by Lessee shall be in addition to the payment of Rent.

#### ARTICLE 9: INSURANCE; INDEMNIFICATION

9.01 The Lessee shall, at Lessee's sole cost, during the entire term hereof, keep in full force and effect a policy of airport liability and property damage insurance with respect to the Hangar and the Premises or any other occupant of the Premises, in which the limits of public liability shall not be less than \$1 million per occurrence. The policy shall name the Lessor and its trustees, officers, employees, attorneys, legal representatives, and agents as additional insureds and shall contain a clause that the insurer will not cancel or change the insurance without first giving the Lessor 30 days prior written notice thereof. The insurance shall be with companies licensed to do business in the State of Illinois. The insurance shall be in a form reasonably acceptable to the Lessor and a copy of the policy and a certificate of insurance shall be delivered

to the Lessor prior to the commencement hereof. In the event the Lessee shall fail to procure said insurance, the Lessor may, but shall be under no obligation to, procure such insurance in which event the Lessee agrees to pay to the Lessor, as additional rent, the amount of premium therefore on the first day of the month following the month in which the Lessor notifies the Lessee of the amount of premium due hereunder.

9.02 The Lessee, shall at the Lessee's sole cost, during the entire term hereof, keep in full force and effect a policy for fire and property damage insurance with respect to the Hangar and all other Lessee property contained on the Premises, as well as all other improvements on the Premises, in such amount and form, and with such companies, as the Lessor may reasonably determine. The Lessee shall, from time to time, as requested by the Lessor, deliver certificates of such insurance verifying coverage to the Lessor.

9.03 Except only to the extent otherwise prohibited by law, the Lessee covenants and agrees to indemnify and hold harmless the Lessor and its trustees, officers, employees, attorneys, legal representatives, and agents from any and all losses, claims, damages, costs, or expenses, including attorney's fees, the Lessor may be required to pay as a result of acts and/or omissions of the Lessee or any agent of the Lessee.

#### ARTICLE 10: SUBORDINATION

The parties to this Lease desire that this Lease be prior in lien to all other documents, including mortgages, trust deeds, or other encumbrances that may hereafter be recorded against the Premises. Lessee agrees to subordinate any mortgage, trust deed, or other encumbrance that may hereafter be placed on the Premises, or to any advances to be made thereunder and to interest thereon and all renewals, replacements, and extensions thereof, to this Lease; and the Lessee agrees to execute any instrument or instruments which the Lessor may reasonably, at the Lessor's sole and complete discretion, require to effect such subordination, provided that the Lessee and its successors and assigns shall have the right to freely, peaceably, and quietly occupy and enjoy the full possession and use of said premises as long as the Lessee shall not be in default under this Lease, and subject to the Lessor's right to relocate the Lessee as set forth in Article 4 of this Lease. In the event of any mortgagee, trustee, or encumbrancer notifying the Lessee to that effect, this Lease shall be deemed prior in lien to said mortgage, trust deed, or encumbrance whether or not this Lease is dated prior to or subsequent to the date of said mortgage, trust deed, or encumbrance.

#### ARTICLE 11: IMPROVEMENTS; MECHANIC'S LIENS

11.01 This Section 11.01 is applicable if the Premises are unimproved as of the effective date of this Lease. During the term of this Lease, unless this Lease shall be sooner terminated in accordance with the terms hereof; the Lessee, at its sole cost and expense, shall construct or place on the Premises the Hangar and related improvements in accordance with the Lessee's plans and specifications as set forth in Exhibit C attached to and by this reference incorporated into this Lease (the "Plans"). The Hangar and related improvements shall be constructed in accordance with all applicable federal, state and local laws, codes, ordinances, and regulations and shall have the specific prior written approval of the Lessor.

11.02 All repairs, construction, modifications, alterations, or changes made by the Lessee to the Premises shall be done or contracted for only with the Lessor's specific prior written consent, which the Lessor may withhold for any reason that the Lessor deems sufficient. Notwithstanding anything to the contrary herein, no alterations to the Premises are allowed during the term(s) of this Lease except for the construction of the Hangar and related improvements. Any of the foregoing that the Lessee undertakes shall be done at the Lessee's sole cost and expense and none of the foregoing nor any other act shall be allowed or suffered which may create any mechanic's lien or claim for lien against the Premises. In the event any lien or claim for lien upon the Lessor's title or the Premises results from any act or neglect of the Lessee, and the Lessee fails to remove said lien or dismiss such claim for lien within 10 days after the Lessors notice to do so, the Lessor may, but need not, remove the lien or satisfy such claim for lien by paying the full amount thereof without any investigation or contest of the validity or amount thereof and the Lessee shall pay the Lessor promptly upon demand, and as additional rent, the amount paid out by the Lessor, including the Lessor's costs, expenses, and counsel fees.

#### ARTICLE 12: ASSIGNMENT OR SUBLETTING

The Lessee agrees not to assign, encumber, or in any manner transfer this Lease or any interest hereunder and not to permit the use or occupancy of the Premises, whether by license, concession or otherwise by anyone other than the Lessee without the specific prior written consent of the Lessor (which consent shall not be unreasonably denied); provided, however, that the Lessee may sublet the Premises for the remainder of the then existing Term with the prior written consent of the Lessor (which consent shall not be unreasonably denied) and subject to the terms of this Lease. Any assignment or subletting permitted hereunder shall not be deemed to relieve the Lessee of its obligation to pay rental and perform its other obligations hereunder. Consent by the Lessor of one assignment or one subletting or one use or occupancy of the Premises shall not constitute a waiver of the Lessor's rights under this Article as to any subsequent assignments, subletting, or use or occupancy. If the Lessee is a corporation or partnership, and if, during the term of this Lease, the ownership of the shares of stock or partnership interests which constitute control of the Lessee changes by reason of sale, gift, death, or otherwise, the Lessee shall provide the Lessor with written notice and confirmation of the new owner's intent to be bound by the terms of the Lease, along with evidence of the new owner's financial information to insure that the new owner is capable of performing the obligations set forth in this Lease. In the event the Lessor concludes, in the exercise of its discretion, that the new owner is not capable of performing the obligations under this Lease, the Lessor may at any time thereafter terminate this Lease by giving the Lessee written notice of such termination at least 30 days prior to the date of termination stated in the notice. Receipt of rent after such change of control shall not affect the Lessor's rights under the preceding sentence.

#### ARTICLE 13: UNTENANTABILITY

In the event that the Hangar shall be destroyed or so damaged by fire, explosion, windstorm, or other casualty as to be untenable, the Lessee shall within the Reasonable Time Period secure the Hangar and restore it in accordance with the terms of this Lease and rents due hereunder shall not be abated.

#### ARTICLE 14: SURRENDER OF PREMISES; HOLD OVER



14.01 At the expiration of the tenancy hereby created, whether by lapse of time or otherwise, or upon termination of the Lessee's right of possession, the Lessee shall immediately surrender possession of the Premises to the Lessor in good condition, and shall remove the Hangar and all other improvements therefrom. If such possession is not immediately surrendered, then the Lessor may immediately enter the Premises and possess itself thereof and remove all persons and effects therefrom using such force as may be necessary and in compliance with applicable law. If the Lessee shall fail or refuse to remove all of the Lessee's property from the Premises, then the Lessee shall be conclusively presumed to have abandoned the same, and title thereto shall thereupon pass to the Lessor without any cost either by set-off; credit, allowance, or otherwise, and the Lessor may at its option accept title to such property, or at the Lessee's expense may remove the same or any part thereof in any manner that the Lessor shall choose and store the same without incurring liability to the Lessee or any other person.

14.02 It is agreed and understood that any holding over by the Lessee of the Premises at the expiration or cancellation of this Lease shall operate and be construed as a tenancy from month to month at a rental of three times the current monthly rental, and in addition the Lessee shall be liable to the Lessor for all loss or damage on account of any holding over against the Lessor's will after the expiration or cancellation of this Lease, whether such loss or damage may be contemplated at this time or not. No receipt or acceptance of money by the Lessor from the Lessee after the expiration or cancellation of this Lease or after the service of any notice, after the commencement of any suit, or after any judgment for possession of the Premises, shall reinstate, continue or extend the terms of this Lease, or affect any such notice, demand, or suit or imply consent for any action for which the Lessor's consent is required or operate as a waiver of any right of the Lessor to retake and resume possession of the Premises and remove the structures.

#### ARTICLE 15: COSTS AND FEES

The Lessee shall pay upon demand all of the Lessor's costs, charges, and expenses, including fees of attorneys, agents, and others retained by the Lessor, incurred in enforcing any of the obligations of Lessee under this Lease or in any litigation, negotiation, or transaction in which the Lessor shall, without the Lessor's fault, become involved through or on account of this Lease. In the event it becomes necessary for either party hereto to file suit to enforce this Lease or any provision contained herein, the prevailing party in such suit shall be entitled to recover, in addition to all other remedies or damages provided for in this Lease, reasonable attorneys' fees and costs incurred in such suit at trial or on appeal or in connection with any bankruptcy or similar proceeding.

#### ARTICLE 16: SUCCESSORS AND ASSIGNS

The terms, covenants, and conditions hereof shall be binding upon, apply and inure to the benefit of the heirs, executors, administrators, successors in interest and assigns of; the parties hereto. No rights, however, shall inure to the benefit of any assignee or sub-lessee of the Lessee except only if such assignment or sublease has been specifically consented to by the Lessor in writing as provided herein.

#### ARTICLE 17: REMEDIES CUMULATIVE

All rights and remedies of the Lessor enumerated in this Lease shall be cumulative and none shall exclude any other right or remedy allowed by law, and said rights and remedies may be exercised and enforced concurrently as often as occasion therefor arises.

#### ARTICLE 18: ESTOPPEL CERTIFICATE

Each party agrees at any time and from time to time, upon not less than 20 days prior written request by the other, to execute, acknowledge, and deliver to the other a statement in writing certifying that this Lease is unmodified and in full force and effect and the date to which the rental and other charges have been paid in advance, if any, it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser of this leasehold or the fee, or mortgagee or assignee of any mortgage upon this leasehold or the fee of the Premises.

#### ARTICLE 19: MISCELLANEOUS

19.01 The necessary grammatical changes required to make the provisions of this Lease apply to the past, present, and future and in the plural sense where appropriate and to corporations, associations, partnerships, or individuals, male or female, shall in all instances be assumed as though in each case fully expressed.

19.02 The laws of, but not the conflicts of law rules of, the State of Illinois shall govern the validity, performance, and enforcement of this Lease.

19.03 The headings of several articles contained herein are for convenience only and do not limit or construe the contents of the articles.

19.04 All of the covenants of this Lease are independent covenants. If any provisions of this Lease are found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, then the remainder of the Lease will not be affected, and in lieu of each provision which is found to be illegal, invalid, or unenforceable, there will be added as part of this Lease a provision as similar to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

19.05 Notwithstanding any other provision to the contrary herein, either Lessor or Lessee may, in its sole discretion, terminate this Lease upon 30 day's written notice to the other party.

#### ARTICLE 20: NOTICES

Any notices required or desired to be given under this Lease shall be in writing and (i) personally served, (ii) given by certified mail, return receipt requested, (iii) given by overnight express delivery, or (iv) given by facsimile transmission, with any such facsimile transmission confirmed by next business day overnight express delivery. Any notice shall be addressed to the party to receive it at the following address or at such other address as the party may from time to time direct in writing:

**To the Lessee at:**

Jon Millikin Enterprises, Ltd. (c/o Jon Millikin)  
1525 Millbrook Drive  
Algonquin, IL 60102

**and to the Lessor at:**

Village of Lake in the Hills  
600 Harvest Gate  
Lake in the Hills, Illinois 60156  
Attention: Village Administrator

**with a copy to:**

Village of Lake in the Hills  
600 Harvest Gate  
Lake in the Hills, Illinois 60156  
Attention: Airport Manager

Express Delivery notices shall be deemed to be given upon receipt. Postal notices shall be deemed to be given three days after deposit with the United States Postal Service. Facsimile notices shall be deemed given upon the date of transmission, provided that compliance is made with the remaining obligations of this Article 20.

**ARTICLE 21: PRIOR AGREEMENTS**

This Lease replaces and supersedes any other written or oral prior agreement, arrangement, or understanding between the Lessee and the Lessor or its agent, which prior agreement(s) shall be considered null and void and of no further effect whatsoever as of the date hereof.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year above.

[LESSOR] VILLAGE OF LAKE IN THE HILLS

By: \_\_\_\_\_  
**Village President**

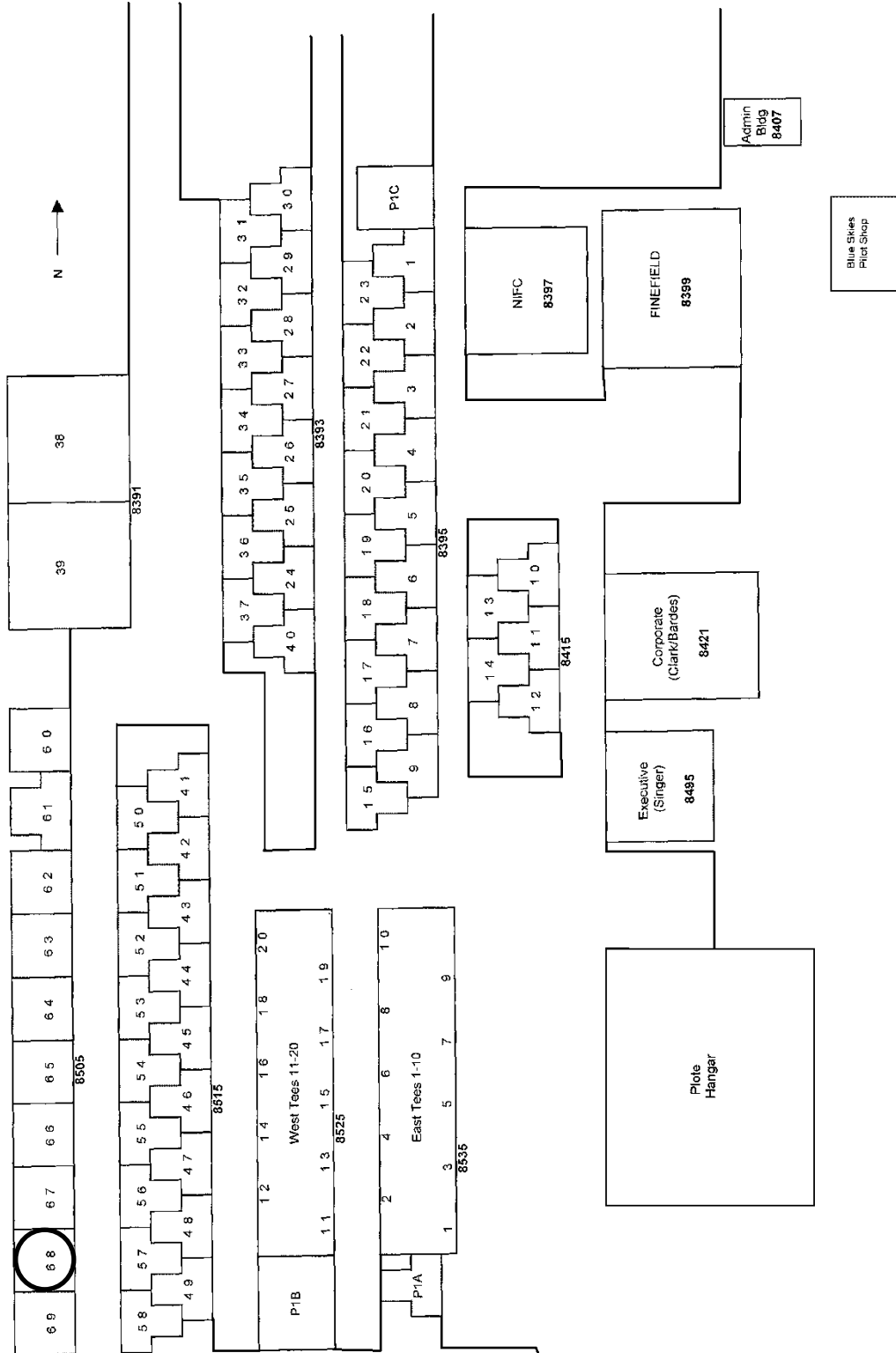
Attest: \_\_\_\_\_  
**Village Clerk**

[LESSEE] Jon Millikin

By: \_\_\_\_\_

Title: \_\_\_\_\_

# EXHIBIT A PREMISES



**EXHIBIT B  
RENT SCHEDULE**

**Village Owned Facility Leases and Tie Downs**

<b>Description</b>	<b>Rate</b>	<b>Frequency</b>
Hard surface tie downs	\$90.00	Monthly
Grass tie downs	\$60.00	Monthly
East and West T-Hangar Building Leases	\$299.00	Monthly
Maintenance Hangar Building Lease	\$2,881.78	Monthly
8603 Pyott Road Building Lease	\$2,075.91	Monthly

**Overnight Transient Storage**

<b>Description</b>	<b>Rate</b>	<b>Frequency</b>
Grass Tie Down	\$5.00*	Daily
Hard Surface Tie Down or Ramp Area	\$10.00*	Daily
T-Hangar	\$30.00	Daily

\*\$5 or \$10 respectively of the overnight transient fees will be waived if the aircraft operator purchases at least 15 gallons of aviation fuel in conjunction with that overnight stay.

**Land Leases**

<b>Description</b>	<b>Rate</b>	<b>Frequency</b>
Square Hangars	\$12.42*	Cents per Month
T-Hangar Size A (39'3" x 14'8"; 16'6" x 14'7" approx..)	\$191.45	Monthly
T-Hangar Size B (42'3" x 18'; 16'5" x 20'7" approx..)	\$199.17	Monthly
T-Hangar Size C (46' x 21'; 19'6" x 23'8" approx..)	\$214.58	Monthly

\*Per square foot of land area occupied based on the outside perimeter of the structure (rounded to the nearest foot) unless otherwise specified in the lease.

**Private Hangar Electrical Service Fee  
Monthly Fee by Breaker Size and Configuration**

<b>Breaker Size (Amps)</b>	<b>Monthly Fee (USD)</b>	<b>Comments</b>
20	\$6	Single breaker serves 3 individual hangars
20	\$11	Single breaker serves 2 individual hangars
20	\$22	Fee per individual breaker
30	\$33	Fee per individual breaker
40	\$44	Fee per individual breaker
50	\$56	Fee per individual breaker
60	\$67	Fee per individual breaker

**EXHIBIT B  
RENT SCHEDULE**

**Disconnect/Reconnect – Electrical**

If a tenant makes a request to the Village to disconnect Village provided electrical service to a private hangar, the disconnection may be completed subject to review to ensure it is feasible to complete the request. If the request is approved the tenant will not be allowed to reconnect to the Village provided electrical service for a period of 12 months. The 12-month period shall start on the date the electrical is disconnected to the private hangar. After the 12-month period, the tenant can submit a request to reconnect to the Village provided electrical service. The Village will charge a fee of \$65.00 to reconnect the Village provided electrical service.

**Non-Aeronautical Storage**

The following non-aeronautical storage lease rates shall be effective upon execution of a new lease:

<b>Area in Square Feet</b>	<b>Monthly Rental Rate</b>
10x10	\$33
10X30	\$75

**Waiver to Late Fees**

If a late fee is assessed according to the lease, a request to waive the late fee may be considered by the Village Finance Department. The late fee may be waived in the event all of the following conditions are met:

1. A written request to waive the late fee must be presented to the Finance Department; and
2. The Finance Department must receive the written request to waive the late fee by the last business day of the month the payment was due and was not received until after the 10<sup>th</sup> of the same month; and
3. The tenant has displayed a good payment history during the preceding 12 months. A good payment history shall be defined as having a) no late fees posted to the account, and b) no late fee waiver requested for the account during the preceding 12 months and c) no returned payments associated with the account.

**EXHIBIT C  
PLANS**

Not applicable.



# REQUEST FOR BOARD ACTION

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**MEETING DATE:** May 7, 2019

**DEPARTMENT:** Community Services

**SUBJECT:** Ordinance Authorizing the Disposal of Surplus Property

## EXECUTIVE SUMMARY

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The Illinois Municipal Code requires adoption of an Ordinance to dispose of surplus property. The Village property listed in Exhibit A is no longer necessary or useful to the Village. In order to allow for disposal or sale, the attached Ordinance declares the property as surplus. The Ordinance authorizes the Village Administrator authority to determine the appropriate means of disposal. Staff will sell items with value and dispose of other items appropriately.

## FINANCIAL IMPACT

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Any money received from the disposal of these items will be returned to the appropriate fund.

## ATTACHMENTS

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1. Proposed Ordinance
2. Exhibit A

## RECOMMENDED MOTION

---

Motion to adopt the ordinance declaring Village property as surplus



VILLAGE OF LAKE IN THE HILLS

ORDINANCE NO. 2019-\_\_\_\_\_

**An Ordinance Authorizing the Disposal of Surplus Property  
Owned by the Village of Lake in the Hills**

**WHEREAS**, the Village of Lake in the Hills, McHenry County, Illinois, is a home rule municipality as contemplated under Article VII, Section 6, of the Constitution of the State of Illinois, and the passage of this Ordinance constitutes an exercise of the Village's home rule powers and functions as granted in the Constitution of the State of Illinois.

**WHEREAS**, the Village of Lake in the Hills is authorized to sell or otherwise dispose of personal property pursuant to Section 11-76-4 of the Illinois Municipal Code, 65 ILCS 5/11-76-4; and

**WHEREAS**, in the opinion of the President and Board of Trustees, it is no longer necessary, useful, or for the best interests of the Village to retain the property now owned by it and described in Exhibit A, attached hereto and by this reference incorporated herein and made a part hereof (the "Surplus Property");

**NOW, THEREFORE, BE IT ORDAINED** by the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois, as follows:

**SECTION 1:** Recitals. The foregoing recitals are hereby incorporated into this ordinance as finding of the President and Board of Trustees.

**SECTION 2:** Declaration of Surplus Property. The President and Board of Trustees hereby find and determine that the surplus property is no longer necessary or useful to the Village and the best interests of the Village will be served by its sale or disposal.

**SECTION 3:** Authorization to sell or otherwise dispose of surplus property. The Village Administrator is hereby authorized to sell or otherwise dispose of the surplus property in such a manner as the Village Administrator shall determine is in the best interest of the Village.

**SECTION 4:** Effective Date. This ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet for in the manner provided by law.

Passed this 9th day of May, 2019 by roll call vote as follows:

	Ayes	Nays	Absent	Abstain
Trustee Stephen Harlfinger	___=	_____	_____	_____
Trustee Ray Bogdanowski	___=	_____	_____	_____
Trustee Bob Huckins	_____	_____	_____	_____
Trustee Bill Dustin	_____	_____	_____	_____
Trustee Suzanne Artinghelli	_____	_____	_____	_____
Trustee Suzette Bojarski	___=	_____	_____	_____
President Russ Ruzanski	___=	_____	_____	_____

APPROVED THIS 9<sup>th</sup> DAY of MAY, 2019

\_\_\_\_\_  
Village President, Russ Ruzanski

(SEAL)


ATTEST: \_\_\_\_\_  
Village Clerk, Cecilia Carman

Published: \_\_\_\_\_



Village of Lake in the Hills Surplus List  
Exhibit A

May 7, 2019

	Quantity	Item Description	Identification Number
1.	4	<p data-bbox="576 611 1079 642">GPX 32" Flat Screen TV with DVD player</p> 	N/A

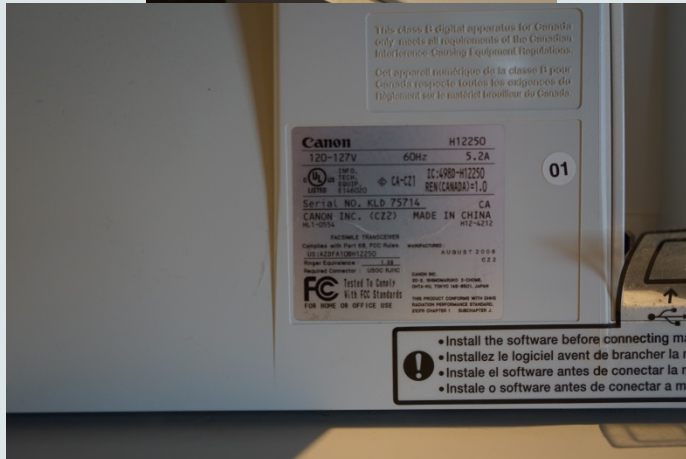


2.

1

Canon H12250 facsimile/copy machine with two toner cartridges





3.

1

Compumatic XL1000e Time/Punch card machine

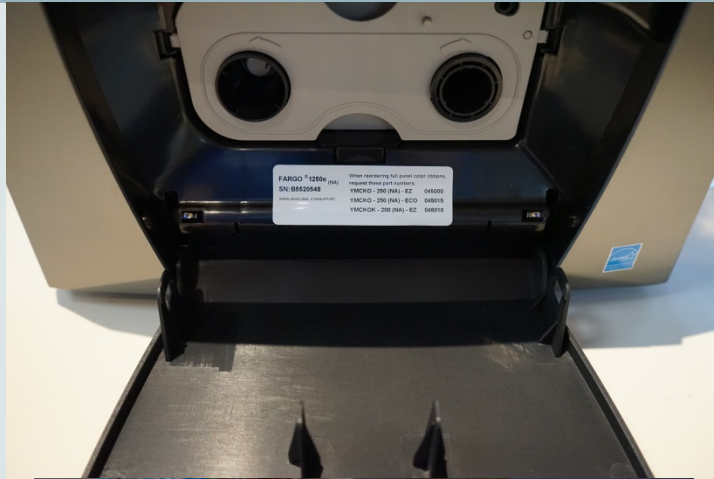


4.

1

Fargo 1250e badge/ID printer with accessories





5.

1

Badge/ID tag hole punch





6.

1

Sharp brand digital cash register w/receipt print





7.

2

Metal/Plastic Emergency Phones



8.

1

Optimus VCR with remote



9.

2

Radio shack brand Public Address Amplifier







10.

1

### Technics 5 CD Changer #SL-PD5



11.

1

ANCHOR AUDIO Liberty MPB-4500 Portable Sound System Pair  
w/cassette player









12.

2

Anchor Audio Liberty 4500 Speaker Stand



13.

1

Shure wired microphone with 6.35 mm (1/4 in) aux cable & 3 pin cable



14.

3

Black metal 4 drawer letter size file cabinet





15.

1

Metal [Color: Putty] 5 drawer lateral file;  
2 hanging files [upper] 3 file drawers [lower]



16.

1

Black/Metal, legal size 4 drawer filing cabinet



17.

Single Pedestal Steel Desk [Color: Mocha/Black]





18.

3

U-Shaped desk with hutch, file drawer and drawers [large]





19.

2

L-Shaped desk with hutch, file drawer and drawers







20.

2

U-Shaped desk with hutch, large file drawer and drawers [small]





21.

1

Modular 6 file drawer, desktop, double hutch and pin board



22.

1

Wood laminate [Color: grey] desk; 2 file drawer and 2 drawer





23.

1

L-Shaped [Color: gray] wood laminate desk, hutch. File drawers and drawers





24.

1

Wood cart with lettered sign; side vent for PC; 1 locking door



25.

1

Folding computer desk with adjustable keyboard shelf [Color: gray]

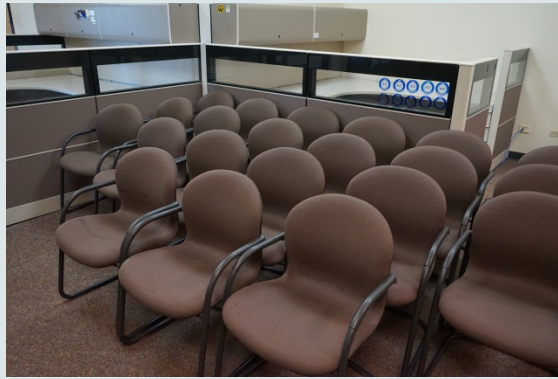






26.

21

Fabric guest chair with arms, black metal frame





<b>27.</b>	4	<p data-bbox="393 325 1263 394">Fabric; Mid-back, rolling office chair with adjustable arms; pneumatic adjustment</p> 	
<b>28.</b>	3	<p data-bbox="393 934 1263 1003">Fabric; High-back, rolling office chair with adjustable arms; pneumatic adjustment</p> 	

29.

1

Fabric task chair





# REQUEST FOR BOARD ACTION

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**MEETING DATE:** May 7, 2019

**DEPARTMENT:** Community Services

**SUBJECT:** A Waiver of Section 43.09, Noise, of the Municipal Code for the Lake in the Hills Triathlon

## EXECUTIVE SUMMARY

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The Parks and Recreation Division of the Community Services Department requests the Village Board waive the provisions of Section 43.09 of the Municipal Code to allow pre-race talk starting at 6:00 a.m. on Sunday, June 16, 2019 as part of the annual Lake in the Hills Triathlon. This waiver will allow announcements to be made on the public address system prior to the start of the triathlon, which starts at 6:00 a.m. at Indian Trail Beach and ends at Ken Carpenter Park at 11:00 a.m. The Municipal Code prohibits excessive noise before 7:00 a.m. on Sunday.

## FINANCIAL IMPACT

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None

## ATTACHMENTS

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None

## RECOMMENDED MOTION

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Motion to approve a waiver to Section 43.09, Noise, of the Municipal Code to allow the Lake in the Hills Triathlon staff to make announcements beginning at 6:00 a.m. until 11 a.m. on Sunday, June 16, 2019.



# REQUEST FOR BOARD ACTION

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**MEETING DATE:** May 7, 2019

**DEPARTMENT:** Community Services

**SUBJECT:** Approve Grant Agreement with the State of Illinois Department of Natural Resources for Turtle Island Project

## EXECUTIVE SUMMARY

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The Illinois Department of Natural Resources (IDNR) provided for approval their grant agreement for the Turtle Island Improvement. This is their standard Open Space Land Acquisition and Development (OSLAD) grant agreement. The key provisions of the agreement include:

- The State will provide up to \$205,100.00 (50 percent) for design and construction of the improvements.
  - Half will be provided once the agreement is completed.
  - The remainder will be provided following completion of all work and audit of the final costs.
  - Any changes in scope must be approved in writing by IDNR to be eligible costs.
- The Village will have 24 months to complete the entire project.
- The Village commits that it has sufficient funds to complete the work.
- The Village agrees to provide full documentation of the work and follow State of Illinois grant guidelines and statutes.
- The Village agrees to maintain all required records for not less than three years following submission of the final expenditure report.
- The Village agrees to indemnify the State against any liability, loss, damage, or expenses related to this project.

IDNR's representative confirmed that the Village can include costs for design work that is already completed.

## FINANCIAL IMPACT

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The planned timeline is to perform the design work in 2019 and perform all the construction during 2020. The 2019 budget includes \$50,000 for project engineering and \$200,000 for project construction. Only design expenses are anticipated during 2019.

## ATTACHMENTS

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1. Grant Agreement document

## RECOMMENDED MOTION

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Motion to approve the Grant Agreement with the Illinois Department of Natural Resources for grant funds in the amount of \$205,100 for the Turtle Island Redesign Project.

**GRANT AGREEMENT**



**BETWEEN  
THE STATE OF ILLINOIS, DEPARTMENT OF NATURAL RESOURCES  
AND  
VILLAGE OF LAKE IN THE HILLS**

The Illinois Department of Natural Resources (Grantor), with its principal office at One Natural Resources Way, Springfield, IL 62702-1271 and Village of Lake in the Hills (Grantee), with its principal office at 600 Harvest Gate, Lake in the Hills, IL 60156-6385 and payment address (if different than principal office) at \_\_\_\_\_ hereby enter into this Grant Agreement (Agreement). Grantor and Grantee are collectively referred to herein as "Parties" or individually as a "Party."

**PART ONE – THE UNIFORM TERMS  
RECITALS**

WHEREAS, it is the intent of the Parties to perform consistent with all Exhibits and attachments hereto and pursuant to the duties and responsibilities imposed by Grantor under the laws of the State of Illinois and in accordance with the terms, conditions and provisions hereof.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the value, receipt and sufficiency of which are acknowledged, the Parties hereto agree as follows:

**ARTICLE I  
AWARD AND GRANTEE SPECIFIC INFORMATION AND CERTIFICATION**

1.1 DUNS Number; SAM Registration; Nature of Entity. Under penalties of perjury, Grantee certifies that 113955934 is Grantee's correct DUNS number, that 36-6009195 is Grantee's correct FEIN or Social Security Number, and that Grantee has an active State registration and SAM registration (if federal funds). Grantee is doing business as a (check):

- |  |   |
|--|---|
| <input type="checkbox"/> Individual                            | <input type="checkbox"/> Nonresident Alien  |
| <input type="checkbox"/> Sole Proprietorship                   | <input type="checkbox"/> Pharmacy/Funeral Home/Cemetery Corp.                             |
| <input type="checkbox"/> Partnership                           | <input type="checkbox"/> Tax Exempt   |
| <input type="checkbox"/> Corporation (includes Not For-Profit) | <input type="checkbox"/> Limited Liability Company (select applicable tax classification) |
| <input type="checkbox"/> Medical Corporation                   | <input type="checkbox"/> D = disregarded entity   |
| <input checked="" type="checkbox"/> Governmental Unit          | <input type="checkbox"/> C = corporation  |
| <input type="checkbox"/> Estate or Trust                       | <input type="checkbox"/> P = partnership  |
| <input type="checkbox"/> Pharmacy-Non-Corporate                |   |

1.2 Amount of Agreement. Grant Funds (check one)  shall not exceed  are estimated to be \$205,100.00 of which \$0 are federal funds. Grantee agrees to accept Grantor's payment as specified in the Exhibits and attachments incorporated herein as part of this agreement.



1.3 Identification Numbers. If applicable, the Federal Award Identification Number (FAIN) is N/A the Federal awarding agency is N/A and the Federal Award date is N/A. If applicable, the Catalog of Federal Domestic Assistance (CFDA) Name is N/A and Number is N/A. The Catalog of State Financial Assistance (CSFA) Number is 422-11-0970.

1.4 Term. This contract shall commence upon the last dated signature of the Parties and shall terminate twenty-four (24) months from the date of full execution.

1.5 Certification. Grantee certifies under oath that (1) all representations made in this Agreement are true and correct and (2) all Grant Funds awarded pursuant to this Agreement shall be used only for the purpose(s) described herein. Grantee acknowledges that the Award is made solely upon this certification and that any false statements, misrepresentations, or material omissions shall be the basis for immediate termination of this Agreement and repayment of all Grant Funds.

1.6 Signatures. In witness whereof, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

**Illinois Department of Natural Resources**

**Village of Lake in the Hills**

By: \_\_\_\_\_  
Signature of Director of IDNR

By: \_\_\_\_\_  
Signature of Authorized Representative

By: \_\_\_\_\_  
Signature of Designee

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

E-mail: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Printed Name: Colleen Callahan

Printed Title: \_\_\_\_\_  
Designee

By: \_\_\_\_\_  
Signature of Chief Financial Officer

Date: \_\_\_\_\_

Printed Name: Doug Florence

By: \_\_\_\_\_  
Signature of Chief Counsel

Date: \_\_\_\_\_

Printed Name: Renee Snow

**ARTICLE II  
REQUIRED REPRESENTATIONS**

2.1 Standing and Authority. Grantee warrants that:

(a) Grantee is duly validly existing and in good standing, under the laws of the State in which it was incorporated or organized.

(b) Grantee has the requisite power and authority to execute and deliver this Agreement and all documents to be executed by it in connection with this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

(c) If Grantee is organized under the laws of another jurisdiction, Grantee warrants that it is also duly qualified to do business in Illinois and is in good standing with the Illinois Secretary of State.

(d) The execution and delivery of this Agreement, and the other documents to be executed by Grantee in connection with this Agreement, and the performance by Grantee of its obligations hereunder have been duly authorized by all necessary entity action.

(e) This Agreement and all other documents related to this Agreement, including the Uniform Grant Application, the Exhibits and attachments to which Grantee is a party constitute the legal, valid and binding obligations of Grantee enforceable against Grantee in accordance with their respective terms.

2.2 Compliance with Internal Revenue Code. Grantee certifies that it does and will comply with all provisions of the Federal Internal Revenue Code (26 USC 1), the Illinois Revenue Act (35 ILCS 5), and all rules promulgated thereunder, including withholding provisions and timely deposits of employee taxes and unemployment insurance taxes.

2.3 Compliance with Federal Funding Accountability and Transparency Act of 2006. Grantee certifies that it does and will comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282) (FFATA) with respect to Federal Awards greater than or equal to \$25,000. A FFATA sub-award report must be filed by the end of the month following the month in which the award was made.

2.4 Compliance with Uniform Grant Rules (2 CFR Part 200). Grantee certifies that it shall adhere to the applicable Uniform Administrative Requirements, Cost Principles, and Audit Requirements, which are published in Title 2, Part 200 of the Code of Federal Regulations, and are incorporated herein by reference. See 44 Ill. Admin. Code 7000.30(b)(1)(A).

2.5 Compliance with Registration Requirements. Grantee and its sub-grantees shall: (i) be registered with the Federal SAM if seeking an Award that is partially or fully paid by Federal funds, and registered with the State equivalent of SAM; (ii) be in good standing with the Illinois Secretary of State, if applicable; and (iii) have a valid DUNS number. It is Grantee's responsibility to remain current with these registrations and requirements. If Grantee's status with regard to any of these requirements change, or the certifications made in and information provided in the Uniform Grant Application changes, Grantee must notify the Grantor in accordance with ARTICLE XVIII.

**ARTICLE III  
DEFINITIONS**

3.1 Definitions. Capitalized words and phrases used in this Agreement have the following meanings:

“2 CFR Part 200” means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published in Title 2, Part 200 of the Code of Federal Regulations.

“Agreement” or “Grant Agreement” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Allocable Costs” means costs allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship. Costs allocable to a specific Program may not be shifted to other Programs in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by the terms of this Agreement, or for other reasons of convenience.

“Allowable Costs” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Award” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Budget” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“CFDA” or “Catalog of Federal Domestic Assistance” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Close-out Report” means a report from the Grantee allowing the Grantor to determine whether all applicable administrative actions and required work have been completed, and therefore closeout actions can commence.

“Conflict of Interest” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Consolidated Financial Report” means a financial information presentation in which the assets, equity, liabilities, and operating accounts of an entity and its subsidiaries are combined (after eliminating all inter-entity transactions) and shown as belonging to a single reporting entity.

“Cost Allocation Plan” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“CSFA” or “Catalog of State Financial Assistance” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Direct Costs” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Disallowed Costs” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“DUNS Number” means a unique nine-digit identification number provided by Dun & Bradstreet for each physical location of Grantee’s organization. Assignment of a DUNS Number is mandatory for all organizations seeking an Award from the State of Illinois.

“FAIN” means the Federal Award Identification Number.

“FFATA” or “Federal Funding Accountability and Transparency Act” has the same meaning as in 31 USC 6101; P.L. 110-252.

“Fixed-Rate” has the same meaning as in 44 Ill. Admin. Code 7000.20. “Fixed-Rate” is in contrast to fee-for-service, 44 Ill. Admin. Code 7000.20.

“GAAP” or “Generally Accepted Accounting Principles” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Grant Funds” has the same meaning as in 30 ILCS 705.

“Indirect Costs” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Indirect Cost Rate” means a device for determining in a reasonable manner the proportion of indirect costs each Program should bear. It is a ratio (expressed as a percentage) of the Indirect Costs to a Direct Cost base. If reimbursement of Indirect Costs is allowable under an Award, Grantor will not reimburse those Indirect Costs unless Grantee has established an Indirect Cost Rate covering the applicable activities and period of time, unless Indirect Costs are reimbursed at a fixed rate.

“Indirect Cost Rate Proposal” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Net Revenue” means an entity’s total revenue less its operating expenses, interest paid, depreciation, and taxes. “Net Revenue” is synonymous with “Profit.”

“Nonprofit Organization” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Notice of Award” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“OMB” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Prior Approval” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Profit” means an entity’s total revenue less its operating expenses, interest paid, depreciation, and taxes. “Profit” is synonymous with “Net Revenue.”

“Program” means the services to be provided pursuant to this Agreement.

“Program Costs” means all Allowable Costs incurred by Grantee and the value of the contributions made by third parties in accomplishing the objectives of the Award during the Term of this Agreement.

“Program Income” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Related Parties” has the meaning set forth in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850-10-20.

“SAM” means the federal System for Award Management (SAM); which is the Federal repository into which an entity must provide information required for the conduct of business as a recipient. 2 CFR 25 Appendix A (1)(C)(1).

“State” means the State of Illinois.

“Term” has the meaning set forth in Paragraph 1.4.

“Unallowable Costs” has the same meaning as in 44 Ill. Admin. Code 7000.20.

**ARTICLE IV  
PAYMENT**

4.1 Availability of Appropriation; Sufficiency of Funds. This Agreement is contingent upon and subject to the availability of sufficient funds. Grantor may terminate or suspend this Agreement, in whole or in part, without penalty or further payment being required, if (i) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the Federal funding source, (ii) the Governor or Grantor reserves funds, or (iii) the Governor or Grantor determines that funds will not or may not be available for payment. Grantor shall provide notice, in writing, to Grantee of any such funding failure and its election to terminate or suspend this Agreement as soon as practicable. Any suspension or termination pursuant to this Section will be effective upon the date of the written notice unless otherwise indicated.

4.2 Illinois Grant Funds Recovery Act. Any Grant Funds remaining at the end of the Agreement period which are not expended or legally obligated by Grantee shall be returned to Grantor within forty-five (45) days after the expiration of this Agreement in accordance with the Grant Funds Recovery Act (30 ILCS 705/1 *et seq.*). In the event of a conflict between the Grant Funds Recovery Act and the Grant Accountability and Transparency Act, the provisions of the Grant Accountability and Transparency Act shall control. 30 ILCS 708/80.

4.3 Cash Management Improvement Act of 1990. Unless notified otherwise in **PART TWO** or **PART THREE**, Federal funds received under this Agreement shall be managed in accordance with the Cash Management Improvement Act of 1990 (31 USC 6501 *et seq.*) and any other applicable Federal laws or regulations.

4.4 Payments to Third Parties. Grantee agrees that Grantor shall have no liability to Grantee when Grantor acts in good faith to redirect all or a portion of any Grantee payment to a third party. Grantor will be deemed to have acted in good faith when it is in possession of information that indicates Grantee authorized Grantor to intercept or redirect payments to a third party or when so ordered by a court of competent jurisdiction.

4.5 Modifications to Estimated Amount. If the Agreement amount is established on an estimated basis, then it may be increased by mutual agreement at any time during the Term. Grantor may decrease the estimated amount of this Agreement at any time during the Term if (i) Grantor believes Grantee will not use the funds during the Term, (ii) Grantor believes Grantee has used funds in a manner that was not authorized by this Agreement, (iii) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the Federal funding source, (iv) the Governor or Grantor reserves funds, or (v) the Governor or Grantor determines that funds will or may not be available for payment. Grantee will be notified, in writing, of any adjustment of the estimated amount of this Agreement. In the event of such reduction, services provided by Grantee under **Exhibit A** may be reduced accordingly. Grantee shall be paid for work satisfactorily performed prior to the date of the notice regarding adjustment. 2 CFR 200.308.

4.6 Interest.

(a) All interest earned on Grant Funds held by a Grantee shall become part of the Grant Funds when earned and be treated accordingly for all purposes, unless otherwise provided in **PART TWO** or **PART THREE**. 30 ILCS 705/10.

(b) Grant Funds shall be placed in an insured account, whenever possible, that bears interest, unless exempted under 2 CFR Part 200.305(b)(8). All interest earned shall be considered Grant Funds and are subject to the same restrictions, unless there is an applicable Federal program rule that takes precedence.

(c) A Grantee who is required to reimburse Grant Funds pursuant to an action brought under the Grant Funds Recovery Act, and who enters into a deferred payment plan for the purpose of satisfying a past due debt, shall be required to pay interest on such debt as required by Section 10.2 of the Illinois State Collection Act of 1986, 30 ILCS 210; See also 30 ILCS 705/10.

4.7 Timely Billing Required. Grantee must submit any payment request to Grantor within thirty (30) days of the end of the quarter, unless another billing schedule is specified in **PART TWO** or **PART THREE** or **Exhibit C**. Failure to submit such payment request timely will render the amounts billed an unallowable cost which Grantor cannot reimburse. In the event that Grantee is unable, for good cause, to submit its payment request timely, Grantee shall timely notify Grantor and may request an extension of time to submit the payment request. Grantor's approval of Grantee's request for an extension shall not be unreasonably withheld.

4.8 Certification. Pursuant to 2 CFR 200.415, each invoice and report submitted by Grantee must contain the following certification by an official authorized to legally bind the Grantee:

By signing this report [or payment request], I certify to the best of my knowledge and belief that the report [or payment request] is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal or State award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

## **ARTICLE V SCOPE OF GRANT ACTIVITIES/PURPOSE OF GRANT**

5.1 Scope of Grant Activities/Purpose of Grant. Grantee will conduct the Grant Activities or provide the services as described in the Exhibits and attachments, including **Exhibit A** (Project Description) and **Exhibit B** (Deliverables), incorporated herein and in accordance with all terms and conditions set forth herein and all applicable administrative rules. In addition, the State's Notice of Award is incorporated herein as an attachment. All Grantor-specific provisions and programmatic reporting required under this Agreement are described in **PART TWO** (The Grantor-Specific Terms). All Project-specific provisions and reporting required under this Agreement are described in **PART THREE**.

5.2 Scope Revisions. Grantee shall obtain Prior Approval from Grantor whenever a Scope revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308. All requests for Scope revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. See 2 CFR 200.308.

5.3 Specific Conditions. If applicable, specific conditions required after a risk assessment will be included in **Exhibit G**. Grantee shall adhere to the specific conditions listed therein.

## ARTICLE VI BUDGET

6.1. Budget. The Budget is a schedule of anticipated grant expenditures that is approved by Grantor for carrying out the purposes of the Award. When Grantee or third parties support a portion of expenses associated with the Award, the Budget includes the non-Federal as well as the Federal share (and State share if applicable) of grant expenses. The Budget submitted by Grantee at application will be final and is incorporated herein as an attachment. However, a revised Budget is incorporated if submitted to Grantor and thereafter approved.

6.2. Budget Revisions. Grantee shall obtain Prior Approval from Grantor whenever a Budget revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308. All requests for Budget revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. 2 CFR 200.308.

6.3. Discretionary Line Item Transfers. Unless prohibited from doing so in 2 CFR 200.308, transfers between approved line items may be made without Grantor's approval only if the total amount transferred does not exceed the allowable variance of the greater of either (i) ten percent (10%) of the Budget line item or (ii) one thousand dollars (\$1,000) of the Budget line item. Discretionary line item transfers may not result in an increase to the Budget.

6.4. Non-discretionary Line Item Transfers. Total line item transfers exceeding the allowable variance of the greater of either (i) ten percent (10%) of the Budget line item or (ii) one thousand dollars (\$1,000) of the Budget line item require Grantor approval as set forth in Paragraph 6.2.

6.5. Notification. Within thirty (30) calendar days from the date of receipt of the request for Budget revisions, Grantor will review the request and notify Grantee whether the Budget revision has been approved, denied, or the date upon which a decision will be reached.

## ARTICLE VII ALLOWABLE COSTS

7.1. Allowability of Costs; Cost Allocation Methods. The allowability of costs and cost allocation methods for work performed under this Agreement shall be determined in accordance with 2 CFR 200 Subpart E and Appendices III, IV, and V.

7.2. Indirect Cost Rate Submission.

(a) This Paragraph 7.2 applies only to:

(i) A Grantee who charges, or expects to charge, any Indirect Costs; and

(ii) A Grantee who is allowed to charge Indirect Costs under federal or state statutes, state administrative rules, and agency or program rules, regulations and policies.

(b) A Grantee must submit an Indirect Cost Rate Proposal in accordance with federal regulations for approval no later than three months after the effective date of the Award, in a format prescribed by Grantor.

(c) A Grantee who has a current, applicable rate negotiated by a cognizant Federal agency shall provide to Grantor a copy of its Indirect Cost Rate acceptance letter from the Federal government. Grantor will accept that Indirect Cost Rate, up to any statutory, rule- based or programmatic limit.

7.3 Transfer of Costs. Cost transfers between Grants, whether as a means to compensate for cost overruns or for other reasons, are unallowable. See 2 CFR 200.451.

7.4. Higher Education Cost Principles. The Federal cost principles that apply to public and private institutions of higher education are set forth in 2 CFR Part 200 Subpart E and Appendix III.

7.5 Nonprofit Organizations Cost Principles. The Federal cost principles that apply to Nonprofit Organizations that are not institutions of higher education are set forth in 2 CFR Part 200 Subpart E, unless exempt under 2 CFR 200 Appendix VIII.

7.6. Government Cost Principles. The Federal cost principles that apply to State, local and Federally-recognized Indian tribal governments are set forth in 2 CFR Part 200 Subpart E, Appendix V, and Appendix VII.

7.7. Commercial Organization Cost Principles. The Federal cost principles and procedures for cost analysis and the determination, negotiation and allowance of costs that apply to commercial organizations are set forth in 48 CFR Part 31.

7.8 Financial Management Standards. The financial management systems of Grantee must meet the following standards:

(a) **Accounting System.** Grantee organizations must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each State- and Federally-funded Program. Accounting records must contain information pertaining to State and Federal pass-through awards, authorizations, obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly. Cash contributions to the Program from third parties must be accounted for in the general ledger with other Grant Funds. Third party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger. See 2 CFR 200.302.

(b) **Source Documentation.** Accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the Award and general ledger accounts which are to be charged or credited.

(i) The documentation standards for salary charges to grants are prescribed by 2 CFR 200.430, and in the cost principles applicable to the entity's organization (Paragraphs 7.4 through 7.7).

(ii) If records do not meet the standards in 2 CFR 200.430, then Grantor may notify Grantee in **PART TWO**, **PART THREE** or **Exhibit G** of the requirement to submit Personnel activity reports. See 2 CFR 200.430(i)(8). Personnel activity reports shall account on an after-the-fact basis for one hundred percent (100%) of the employee's actual time, separately indicating the time spent on the grant, other grants or projects, vacation or sick leave, and administrative time, if applicable. The reports must be signed by the employee, approved by the appropriate official, and coincide with a pay period. These time records should be used to record the distribution of salary costs to the appropriate accounts no less frequently than quarterly.



(iii) Formal agreements with independent contractors, such as consultants, must include a description of the services to be performed, the period of performance, the fee and method of payment, an itemization of travel and other costs which are chargeable to the agreement, and the signatures of both the contractor and an appropriate official of Grantee.

(iv) If third party in-kind (non-cash) contributions are used for Grant purposes, the valuation of these contributions must be supported with adequate documentation.

(c) **Internal Control.** Effective control and accountability must be maintained for all cash, real and personal property, and other assets. Grantee must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. Grantee must also have systems in place that provide reasonable assurance that the information is accurate, allowable, and compliant with the terms and conditions of this Agreement.

(d) **Budget Control.** Records of expenditures must be maintained for each Award by the cost categories of the approved Budget (including indirect costs that are charged to the Award), and actual expenditures are to be compared with Budgeted amounts at least quarterly.

(e) **Cash Management.** Requests for advance payment shall be limited to Grantee's immediate cash needs. Grantee must have written procedures to minimize the time elapsing between the receipt and the disbursement of Grant Funds to avoid having excess funds on hand. 2 CFR 200.305.

7.9 **Federal Requirements.** All Grants, whether funded in whole or in part with either Federal or State funds, are subject to Federal requirements and regulations, including but not limited to 2 CFR Part 200, 44 Ill. Admin. Code 7000.30(b) and the Financial Management Standards in Paragraph 7.9.

7.10 **Profits.** It is not permitted for any person or entity to earn a Profit from an Award. See, e.g., 2 CFR 200.400(g); see also 30 ILCS 708/60(a)(7).

7.11 **Management of Program Income.** Grantee is encouraged to earn income to defray program costs where appropriate, subject to 2 CFR 200.307.

## ARTICLE VIII REQUIRED CERTIFICATIONS

8.1 **Certifications.** Grantee, its officers, and directors shall be responsible for compliance with the enumerated certifications to the extent that the certifications apply to Grantee.

(a) **Bribery.** Grantee certifies that it has not been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois, nor made an admission of guilt of such conduct which is a matter of record (30 ILCS 500/50-5).

(b) **Bid Rigging.** Grantee certifies that it has not been barred from contracting with a unit of State or local government as a result of a violation of Paragraph 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33E-3 or 720 ILCS 5/33E-4, respectively).

(c) **Debt to State.** Grantee certifies that neither it, nor its affiliate(s), is/are barred from receiving an Award because Grantee, or its affiliate(s), is/are delinquent in the payment of any debt to the State, unless Grantee, or its affiliate(s), has/have entered into a deferred payment plan to pay off the debt, and Grantee acknowledges Grantor may declare the Agreement void if the certification is false (30 ILCS 500/50-11).

(d) **Educational Loan.** Grantee certifies that it is not barred from receiving State agreements as a result of default on an educational loan (5 ILCS 385/1 *et seq.*).

(e) **International Boycott.** Grantee certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provision of the U.S. Export Administration Act of 1979 (50 USC Appendix 2401 *et seq.* or the regulations of the U.S. Department of Commerce promulgated under that Act (15 CFR Parts 730 through 774).

(f) **Dues and Fees.** Grantee certifies that it is not prohibited from receiving an Award because it pays dues or fees on behalf of its employees or agents, or subsidizes or otherwise reimburses them for payment of their dues or fees to any club which unlawfully discriminates (775 ILCS 25/1 *et seq.*).

(g) **Pro-Children Act.** Grantee certifies that it is in compliance with the Pro-Children Act of 2001 in that it prohibits smoking in any portion of its facility used for the provision of health, day care, early childhood development services, education or library services to children under the age of eighteen (18), which services are supported by Federal or State government assistance (except such portions of the facilities which are used for inpatient substance abuse treatment) (20 USC 7181-7184).

(h) **Drug-Free Work Place.** If Grantee is not an individual, Grantee certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act. 30 ILCS 580/3. If Grantee is an individual and this Agreement is valued at more than \$5,000, Grantee certifies it shall not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the Agreement. 30 ILCS 580/4. Grantee further certifies that it is in compliance with the government-wide requirements for a drug-free workplace as set forth in 41 USC 8102.

(i) **Motor Voter Law.** Grantee certifies that it is in full compliance with the terms and provisions of the National Voter Registration Act of 1993 (52 USC 20501 *et seq.*).

(j) **Clean Air Act and Clean Water Act.** Grantee certifies that it is in compliance with all applicable standards, order or regulations issued pursuant to the Clean Air Act (42 USC §7401 *et seq.*) and the Federal Water Pollution Control Act, as amended (33 USC §1251 *et seq.*).

(k) **Debarment.** Grantee certifies that it is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any Federal department or agency (45 CFR Part 76), or by the State (See 30 ILCS 708/25(6)(G)).

(l) **Non-procurement Debarment and Suspension.** Grantee certifies that it is in compliance with Subpart C of 2 CFR Part 180 as supplemented by 2 CFR Part 376, Subpart C.

(m) **Grant for the Construction of Fixed Works.** Grantee certifies that all Programs for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*) unless the provisions of that Act exempt its application. In the construction of the Program, Grantee shall comply with the requirements of the Prevailing Wage Act including, but not limited to, inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the Program shall be paid to all laborers, workers, and mechanics performing work under the Award and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract.

(n) **Health Insurance Portability and Accountability Act.** Grantee certifies that it is in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law No. 104-191, 45 CFR Parts 160, 162 and 164, and the Social Security Act, 42 USC 1320d-2 through 1320d-7, in that it may not use or disclose protected health information other than as permitted or required by law and agrees to use appropriate safeguards to prevent use or disclosure of the protected health information. Grantee shall maintain, for a minimum of six (6) years, all protected health information.

(o) **Criminal Convictions.** Grantee certifies that neither it nor any managerial agent of Grantee has been convicted of a felony under the Sarbanes-Oxley Act of 2002, nor a Class 3 or Class 2 felony under Illinois Securities Law of 1953, or that at least five (5) years have passed since the date of the conviction. Grantee further certifies that it is not barred from receiving an Award under 30 ILCS 500/50-10.5, and acknowledges that Grantor shall declare the Agreement void if this certification is false (30 ILCS 500/50-10.5).

(p) **Forced Labor Act.** Grantee certifies that it complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been or will be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (30 ILCS 583).

(q) **Illinois Use Tax.** Grantee certifies in accordance with 30 ILCS 500/50-12 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.

(r) **Environmental Protection Act Violations.** Grantee certifies in accordance with 30 ILCS 500/50-14 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.

(s) **Goods from Child Labor Act.** Grantee certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been produced in whole or in part by the labor of any child under the age of twelve (12) (30 ILCS 584).

(t) **Federal Funding Accountability and Transparency Act of 2006.** Grantee certifies that it is in compliance with the terms and requirements of 31 USC 6101.

## ARTICLE IX CRIMINAL DISCLOSURE

9.1. Mandatory Criminal Disclosures. Grantee shall continue to disclose to Grantor all violations of criminal law involving fraud, bribery or gratuity violations potentially affecting this Award. See 30 ILCS 708/40. Additionally, if Grantee receives over \$10 million in total Grant Funds, funded by either State or Federal funds, during the period of this Award, Grantee must maintain the currency of information reported to SAM regarding civil, criminal or administrative proceedings as required by 2 CFR 200.113 and Appendix II of 2 CFR Part 200, and 30 ILCS 708/40.

## ARTICLE X UNLAWFUL DISCRIMINATION

10.1. Compliance with Nondiscrimination Laws. Both Parties, their employees and subcontractors under subcontract made pursuant to this Agreement, remain compliant with all applicable provisions of State and Federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including, but not limited to, the following laws and regulations and all subsequent amendments thereto:

- (a) The Illinois Human Rights Act (775 ILCS 5/1-101 *et seq.*), including, without limitation, 44 Ill. Admin. Code Part 750, which is incorporated herein;
- (b) The Public Works Employment Discrimination Act (775 ILCS 10/1 *et seq.*);
- (c) The United States Civil Rights Act of 1964 (as amended) (42 USC 2000a- and 2000h-6). (See *also* guidelines to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons [Federal Register: February 18, 2002 (Volume 67, Number 13, Pages 2671-2685)]);
- (d) Section 504 of the Rehabilitation Act of 1973 (29 USC 794);
- (e) The Americans with Disabilities Act of 1990 (42 USC 12101 *et seq.*); and
- (f) The Age Discrimination Act (42 USC 6101 *et seq.*).

**ARTICLE XI  
LOBBYING**

11.1 Improper Influence. Grantee certifies that no Grant Funds have been paid or will be paid by or on behalf of Grantee to any person for influencing or attempting to influence an officer or employee of any government agency, a member of Congress or Illinois General Assembly, an officer or employee of Congress or Illinois General Assembly, or an employee of a member of Congress or Illinois General Assembly in connection with the awarding of any agreement, the making of any grant, the making of any loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment or modification of any agreement, grant, loan or cooperative agreement. 31 USC 1352. Additionally, Grantee certifies that it has filed the required certification under the Byrd Anti-Lobbying Amendment (31 USC 1352), if applicable.

11.2 Federal Form LLL. If any funds, other than Federally-appropriated funds, were paid or will be paid to any person for influencing or attempting to influence any of the above persons in connection with this Agreement, the undersigned must also complete and submit Federal Form LLL, Disclosure of Lobbying Activities Form, in accordance with its instructions.

11.3 Lobbying Costs. Grantee certifies that it is in compliance with the restrictions on lobbying set forth in 2 CFR Part 200.450. For any Indirect Costs associated with this Agreement, total lobbying costs shall be separately identified in the Program Budget, and thereafter treated as other Unallowable Costs.

11.4 Procurement Lobbying. Grantee warrants and certifies that it and, to the best of its knowledge, its sub-grantees have complied and will comply with Executive Order No. 1 (2007) (EO 1-2007). EO 1-2007 generally prohibits Grantees and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments, if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

11.5 Subawards. Grantee must include the language of this ARTICLE XI in the award documents for any subawards made pursuant to this Award at all tiers. All sub-awardees are also subject to certification and disclosure. Pursuant to Appendix II(I) to 2 CFR Part 200, Grantee shall forward all disclosures by contractors regarding this certification to Grantor.

11.6 Certification. This certification is a material representation of fact upon which reliance was placed to enter into this transaction and is a prerequisite for this transaction, pursuant to 31 USC 1352. Any person who fails to file the required certifications shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

## ARTICLE XII MAINTENANCE AND ACCESSIBILITY OF RECORDS; MONITORING

12.1 Records Retention. Grantee shall maintain for three (3) years from the date of submission of the final expenditure report, adequate books, all financial records and, supporting documents, statistical records, and all other records pertinent to this Award, adequate to comply with 2 CFR 200.333, unless a different retention period is specified in 2 CFR 200.333. If any litigation, claim or audit is started before the expiration of the retention period, the records must be retained until all litigation, claims or audit exceptions involving the records have been resolved and final action taken.

12.2 Accessibility of Records. Grantee, in compliance with 2 CFR 200.336, shall make books, records, related papers, supporting documentation and personnel relevant to this Agreement available to authorized Grantor representatives, the Illinois Auditor General, Illinois Attorney General, any Executive Inspector General, the Grantor's Inspector General, Federal authorities, any person identified in 2 CFR 200.336, and any other person as may be authorized by Grantor (including auditors), by the State of Illinois or by Federal statute. Grantee shall cooperate fully in any such audit.

12.3 Failure to Maintain Books and Records. Failure to maintain books, records and supporting documentation, as described in this ARTICLE XII, shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this Agreement for which adequate books, records and supporting documentation are not available to support disbursement.

12.4 Monitoring and Access to Information. Grantee must monitor its activities to assure compliance with applicable State and Federal requirements and to assure its performance expectations are being achieved. Grantor shall monitor the activities of Grantee to assure compliance with all requirements and performance expectations of the award. Grantee shall timely submit all financial and performance reports, and shall supply, upon Grantor's request, documents and information relevant to the Award. Grantor may make site visits as warranted by program needs. See 2 CFR 200.328 and 200.331. Additional monitoring requirements may be in **PART TWO** or **PART THREE**.

## ARTICLE XIII FINANCIAL REPORTING REQUIREMENTS

13.1 Required Periodic Financial Reports. Grantee agrees to submit financial reports as requested and in the format required by Grantor. Grantee shall file quarterly reports with Grantor describing the expenditure(s) of the funds related thereto, unless more frequent reporting is required by the Grantee pursuant to specific award conditions. 2 CFR 200.207. The first of such reports shall cover the first three months after the Award begins. Quarterly reports must be submitted no later than 30 calendar days following the three-month period covered by the report. Additional information regarding required financial reports may be set forth in **Exhibit H**. Failure to submit the required financial reports may cause a delay or suspension of funding. 30 ILCS 705/1 *et seq.*; 2 CFR 207(b)(3) and 200.327.

13.2 Close-out Reports.

(a) Grantee shall submit a Close-out Report within 60 calendar days following the end of the period of performance for this Agreement. In the event that this Agreement is terminated prior to the end of the Term, Grantee shall submit a Close-out Report within 60 calendar days of such termination. The format of this Close-out Report shall follow a format prescribed by Grantor. 2 CFR 200.343.

(b) If an audit or review of Grantee occurs and results in adjustments after Grantee submits a Close-out Report, Grantee will submit a new Close-out Report based on audit adjustments, and immediately submit a refund to Grantor, if applicable. 2 CFR 200.344.

13.3 Annual Financial Reports.

(a) This Paragraph 13.3 applies to all Grantees, unless exempted by **PART TWO** or **PART THREE**.

(b) Grantees shall submit Annual Financial Reports within 180 days after the Grantee's fiscal year ending on or after June 30. This deadline may be extended at the discretion of the Grantor.

(c) The Annual Financial Report must cover the same period the Audited Financial Statements cover. If no Audited Financial Statements are required, however, then the Annual Financial Report must cover the same period as the Grantee's tax return.

(d) Annual Financial Reports must include an in relation to opinion from the report issuer on the Cost and Revenue schedules included in the Annual Financial Report.

(e) Annual Financial Reports shall follow a format prescribed by Grantor.

13.4 Effect of Failure to Comply. Failure to comply with reporting requirements shall result in the withholding of funds, the return of improper payments or Unallowable Costs, will be considered a material breach of this Agreement and may be the basis to recover Grant Funds. Grantee's failure to comply with this ARTICLE XIII, ARTICLE XIV, or ARTICLE XV shall be considered prima facie evidence of a breach and may be admitted as such, without further proof, into evidence in an administrative proceeding before Grantor, or in any other legal proceeding.

#### **ARTICLE XIV PERFORMANCE REPORTING REQUIREMENTS**

14.1 Required Periodic Performance Reports. Grantee agrees to submit Performance Reports as requested and in the format required by Grantor. Performance Measures listed in **Exhibit E** must be reported quarterly, unless otherwise specified in **PART TWO** or **PART THREE**. Unless so specified, the first of such reports shall cover the first three months after the Award begins. If Grantee is not required to report performance quarterly, then Grantee must submit a Performance Report at least annually. In unusual circumstances where more frequent reporting is necessary some Grantees may be required to submit monthly Performance Reports; in such cases, Grantor shall notify Grantee of same in **PART TWO** or **PART THREE**. Pursuant to 2 CFR 200.328, periodic Performance Reports shall be submitted no later than 30 calendar days following the period covered by the report. For certain construction-related Awards, such reports may be exempted as identified in **PART TWO** or **PART THREE**. 2 CFR 200.328. Failure to submit such required Performance Reports may cause a delay or suspension of funding. 30 ILCS 705/1 *et seq.*

14.2 Close-out Performance Reports. Grantee agrees to submit a Close-out Performance Report, in the format required by Grantor, within 60 calendar days following the end of the period of performance. See 2 CFR 200.343.

14.3 Content of Performance Reports. Pursuant to 2 CFR 200.328(b)(2) all Performance Reports must include Program qualitative and quantitative information, including a comparison of actual accomplishments to the objectives of the award established for the period; where the accomplishments can be quantified, a computation of the cost if required; performance trend data and analysis if required; and reasons why established goals were not met, if appropriate. Appendices may be used to include additional supportive documentation. Additional content and format guidelines for the Performance Reports will be determined by Grantor contingent on the Award's statutory, regulatory and administrative requirements, and are included in **PART TWO** or **PART THREE** of this Agreement.

14.4 Performance Standards. Grantee shall perform in accordance with the Performance Standards set forth in **Exhibit F**. See 2 CFR 200.301 and 200.210.

**ARTICLE XV  
AUDIT REQUIREMENTS**

15.1 Audits. Grantee shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 USC 7501-7507) and Subpart F of 2 CFR Part 200, and the audit rules set forth by the Governor's Office of Management and Budget. See 30 ILCS 708/65(c).

15.2 Single and Program-Specific Audits. If Grantee expends \$750,000 or more in Federal Awards (direct federal and federal pass-through awards combined) during its fiscal year, it must have a single audit or program-specific audit conducted for that year as required in 2 CFR 200.501 and other applicable sections of Subpart F. The audit and reporting package (including data collection form) must be completed as described in 2 CFR 200.512 (single audit) or 2 CFR 200.507 (Program-specific audit). The audit (and package) must be submitted to Grantor either within (i) 30 calendar days after receipt of the auditor's report(s) or (ii) nine months after the end of the audit period, whichever is earlier.

15.3 Financial Statement Audit. If Grantee expends less than \$750,000 in Federal Awards during its fiscal year and is not subject to the audit requirements in 15.2, but receives between \$300,000 and \$499,999 in Federal and State Awards combined, Grantee must have a financial statement audit conducted in accordance with Generally Accepted Auditing Standards(GAAS); if Grantee expends between \$500,000 and \$749,999 in Federal and State awards combined, Grantee must have a financial statement audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). Grantee shall submit these financial statement audit reports to Grantor either within (i) 30 calendar days after receipt of the auditor's report(s) or (ii) 180 calendar days after the end of the audit period, whichever is earlier.

15.4 For Profit Entities. A For-Profit entity that expends \$750,000 or more in Federal Awards (direct federal and federal pass-through awards combined) during its fiscal year is required to have a Program-specific audit conducted in accordance with 2 CFR 200.507. The Program-specific audit must be completed and the reporting required by 2 CFR 200.507 must be submitted to Grantor either within (i) 30 calendar days after receipt of the auditor's report(s) or (ii) nine months after the end of the audit period, whichever is earlier. A For-Profit entity that expends less than \$750,000 in Federal Awards during its fiscal year, but receives between \$300,000 and \$499,999 in Federal and State Awards combined must have a financial statement audit conducted in accordance with Generally Accepted Auditing Standards (GAAS); a For-Profit entity that expends between \$500,000 and \$749,999 in Federal and State awards combined must have a financial statement audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). The For-Profit entity shall submit these financial statement audit reports to Grantor either within (i) 30 calendar days after receipt of the auditor's report(s) or (ii) 180 calendar days after the end of the audit period, whichever is earlier.

15.5 Performance of Audits. For those organizations required to submit an independent audit report, the audit is to be conducted by a Certified Public Accountant or Certified Public Accounting Firm licensed in the State of Illinois. For audits required to be performed subject to Generally Accepted Government Auditing Standards, Grantee shall request and maintain on file a copy of the auditor's most recent peer review report and acceptance letter.

**ARTICLE XVI  
TERMINATION; SUSPENSION**

16.1 Termination.

5. This Agreement may be terminated, in whole or in part, by either Party for any or no reason upon thirty (30) days' prior written notice to the other Party. If terminated by the Grantee, Grantee must include the reasons for such termination, the effective date, and, in the case of a partial termination, the portion to be terminated. If Grantor determines in the case of a partial termination that the reduced or modified portion of the Award will not accomplish the purposes for which the Award was made, Grantor may terminate the Agreement in its entirety. 2 CFR 200.339(a)(4).

6. This Agreement may be terminated, in whole or in part, by Grantor without advance notice:

- (i) Pursuant to a funding failure under Paragraph 4.1;
- (ii) If Grantee fails to comply with the terms and conditions of this or any Award, application or proposal, including any applicable rules or regulations, or has made a false representation in connection with the receipt of this or any Grant;
- (iii) For cause, which may render the Grantee ineligible for consideration for future grants from the Grantor or other State agencies; or
- (iv) If Grantee breaches this Agreement and either (1) fails to cure such breach within 15 calendar days' written notice thereof, or (2) if such cure would require longer than 15 calendar days and the Grantee has failed to commence such cure within 15 calendar days' written notice thereof. In the event that Grantor terminates this Agreement as a result of the breach of the Agreement by Grantee, Grantee shall be paid for work satisfactorily performed prior to the date of termination.

16.2 Suspension. Grantor may suspend this Agreement, in whole or in part, pursuant to a funding failure under Paragraph 4.1 or if the Grantee fails to comply with terms and conditions of this or any Award. If suspension is due to Grantee's failure to comply, Grantor may withhold further payment and prohibit Grantee from incurring additional obligations pending corrective action by Grantee or a decision to terminate this Agreement by Grantor. Grantor may determine to allow necessary and proper costs that Grantee could not reasonably avoid during the period of suspension.

16.3 Objection. If Grantor suspends or terminates this Agreement, in whole or in part, for cause, Grantee may avail itself of any opportunities to object and challenge such suspension or termination in accordance with any applicable written processes and procedures. 2 CFR 200.341.

16.4 Effects of Suspension and Termination.

(a) Grantor may credit Grantee for expenditures incurred in the performance of authorized services under this Agreement prior to the effective date of a suspension or termination.



(b) Grantee shall not incur any costs or obligations that require the use of these Grant Funds after the effective date of a suspension or termination, and shall cancel as many outstanding obligations as possible.

7. Costs to Grantee resulting from obligations incurred by Grantee during a suspension or after termination of the Agreement are not allowable unless:

1) Grantor expressly authorizes them in the notice of suspension or termination;

and

2) The costs result from obligations properly incurred before the effective date of suspension or termination, are not in anticipation of the suspension or termination, and the costs would be allowable if the Agreement was not suspended or terminated. 2 CFR 200.342.

16.5 Close-out of Terminated Agreements. If this Agreement is terminated, in whole or in part, the Parties shall comply with all close-out and post-termination requirements of this Agreement. 2 CFR 200.339(c).

**ARTICLE XVII  
SUBCONTRACTS/SUB-GRANTS**

17.1 Sub-recipients/Delegation. Grantee may not subcontract nor sub-grant any portion of this Agreement nor delegate any duties hereunder without Prior Approval of Grantor. The requirement for Prior Approval is satisfied if the subcontractor or sub-grantee has been identified in the Uniform Grant Application, such as, without limitation, a Project Description, and Grantor has approved.

17.2 Application of Terms. Grantee shall advise any sub-grantee of funds awarded through this Agreement of the requirements imposed on them by Federal and State laws and regulations, and the provisions of this Agreement.

**ARTICLE XVIII  
NOTICE OF CHANGE**

18.1 Notice of Change. Grantee shall notify the Grantor if there is a change in Grantee's legal status, Federal employer identification number (FEIN), DUNS number, SAM registration or the state equivalent registration status, Related Parties, or address. See 30 ILCS 708/60(a). If the change is anticipated, Grantee shall give thirty (30) days' prior written notice to Grantor. If the change is unanticipated, Grantee shall give notice as soon as practicable thereafter. Grantor reserves the right to take any and all appropriate action as a result of such change(s).

18.2 Failure to Provide Notification. Grantee shall hold harmless Grantor for any acts or omissions of Grantor resulting from Grantee's failure to notify Grantor of these changes.

18.3 Notice of Impact. Grantee shall immediately notify Grantor of any event that may have a material impact on Grantee's ability to perform this Agreement.

18.4 Circumstances Affecting Performance; Notice. In the event Grantee becomes a party to any litigation, investigation or transaction that may reasonably be considered to have a material impact on Grantee's ability to perform under this Agreement, Grantee shall notify Grantor, in writing, within five (5) calendar days of determining such litigation or transaction may reasonably be considered to have a material impact on the Grantee's ability to perform under this Agreement.

18.5 Effect of Failure to Provide Notice. Failure to provide the notice described in Paragraph 18.4 shall be grounds for immediate termination of this Agreement and any costs incurred after notice should have been given shall be disallowed.

**ARTICLE XIX  
REORGANIZATION AND BOARD MEMBERSHIP**

19.1 Effect of Reorganization. Grantee acknowledges that this Agreement is made by and between Grantor and Grantee, as Grantee is currently organized and constituted. No promise or undertaking made hereunder is an assurance that Grantor agrees to continue this Agreement, or any license related thereto, should Grantee reorganize or otherwise substantially change the character of its corporate structure, business structure or governance structure. Grantee agrees that it will give Grantor prior notice of any such action and will provide any and all reasonable documentation necessary for Grantor to review the proposed transaction including financial records and corporate and shareholder minutes of any corporation which may be involved. Failure to comply with this ARTICLE XIX shall constitute a material breach of this Agreement.

**ARTICLE XX  
AGREEMENTS WITH OTHER STATE AGENCIES**

20.1 Agreement Disclosure. Grantee shall fully disclose, in **Exhibit G**, all contracts and other agreements to which it is a party or it anticipates entering into within one month after the effective date of this Award with any other State agency. For each contract or agreement, Grantee shall indicate:

- (a) The name of the State agency;
- (b) The number of the contract(s) or other agreement(s);
- (c) The estimated amount of the contract(s) or other agreement(s);
- (d) The term of the contract(s) or other agreement(s); and
- (e) The nature or purpose of the contract(s) or other agreement(s).

If Grantee has multiple Agreements with Grantor for the same fiscal year, Grantee only needs to supplement its previously submitted **Exhibit G**.

20.2 Copies upon Request. Grantee shall, upon request by Grantor, provide Grantor with copies of contracts or other agreements to which Grantee is a party with any other State agency.

**ARTICLE XXI  
CONFLICT OF INTEREST**

21.1 Required Disclosures. Grantee must immediately disclose in writing any potential or actual Conflict of Interest to the Grantor. 2 CFR 200.112 and 44 Ill. Admin. Code 7000.40(b)(3).

21.2 Prohibited Payments. Grantee agrees that payments made by Grantor under this Agreement will not be used to compensate, directly or indirectly, any person (1) currently holding an elective office in this State including, but not limited to, a seat in the General Assembly, or (2) employed by an office or agency of the State of Illinois whose annual compensation is in excess of sixty percent (60%) of the Governor's annual salary, or \$106,447.20 (30 ILCS 500/50-13).

21.3 Request for Exemption. Grantee may request written approval from Grantor for an exemption from Paragraph 21.2. Grantee acknowledges that Grantor is under no obligation to provide such exemption and that Grantor may, if an exemption is granted, grant such exemption subject to such additional terms and conditions as Grantor may require.

## **ARTICLE XXII EQUIPMENT OR PROPERTY**

22.1 Transfer of Equipment. Grantor shall have the right to require that Grantee transfer to Grantor any equipment, including title thereto, purchased in whole with Grantor funds, if Grantor determines that Grantee has not met the conditions of 2 CFR 200.439(a). Grantor shall notify Grantee in writing should Grantor require the transfer of such equipment. Upon such notification by Grantor, and upon receipt or delivery of such equipment by Grantor, Grantee will be deemed to have transferred the equipment to Grantor as if Grantee had executed a bill of sale therefor.

22.2 Prohibition against Disposition/Encumbrance. The Grantee is prohibited from, and may not sell, transfer, encumber (other than original financing) or otherwise dispose of said equipment, material, or real property during the Grant Term without Prior Approval of Grantor. Any real property acquired using Grant Funds must comply with the requirements of 2 CFR 200.311.

22.3 Equipment and Procurement. Grantee must comply with the uniform standards set forth in 2 CFR 200.310–200.316 governing the management and disposition of property which cost was supported by Grant Funds. Any waiver from such compliance must be granted by both the President's Office of Management and Budget, the Governor's Office of Management and Budget, or both, depending on the source of the Grant Funds used. Additionally, Grantee must comply with the standards set forth in 2 CFR 200.317-200.326 for use in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Grant Funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal and State statutes and executive orders.

## **ARTICLE XXIII PROMOTIONAL MATERIALS; PRIOR NOTIFICATION**

23.1 Publications, Announcements, etc. Use of Grant Funds for promotions is subject to the prohibitions for advertising or public relations costs in 2 CFR 200.421(e). In the event that Grantor funds are used in whole or in part to produce any written publications, announcements, reports, flyers, brochures or other written materials, Grantee agrees to include in these publications, announcements, reports, flyers, brochures and all other such material, the phrase "Funding provided in whole or in part by the [Grantor]." Exceptions to this requirement must be requested, in writing, from Grantor and will be considered authorized only upon written notice thereof to Grantee.

23.2 Prior Notification/Release of Information. Grantee agrees to notify Grantor ten (10) days prior to issuing public announcements or press releases concerning work performed pursuant to this Agreement, or funded in whole or in part by this Agreement, and to cooperate with Grantor in joint or coordinated releases of information.

**ARTICLE XXIV  
INSURANCE**

24.1 Purchase and Maintenance of Insurance. Grantee shall maintain in full force and effect during the Term of this Agreement casualty and bodily injury insurance, as well as insurance sufficient to cover the replacement cost of any and all real or personal property, or both, purchased or, otherwise acquired, or improved in whole or in part, with funds disbursed pursuant to this Agreement. 2 CFR 200.310. Additional insurance requirements may be detailed in **PART TWO** or **PART THREE**.

24.2 Claims. If a claim is submitted for real or personal property, or both, purchased in whole with funds from this Agreement and such claim results in the recovery of money, such money recovered shall be surrendered to Grantor.

**ARTICLE XXV  
LAWSUITS AND INDEMNIFICATION**

25.1 Independent Contractor. Grantee is an independent contractor under this Agreement and neither Grantee nor any employee or agent of Grantee is an employee of Grantor and do not acquire any employment rights with Grantor or the State of Illinois by virtue of this Agreement. Grantee will provide the agreed services and achieve the specified results free from the direction or control of Grantor as to the means and methods of performance. Grantee will be required to provide its own equipment and supplies necessary to conduct its business; provided, however, that in the event, for its convenience or otherwise, Grantor makes any such equipment or supplies available to Grantee, Grantee's use of such equipment or supplies provided by Grantor pursuant to this Agreement shall be strictly limited to official Grantor or State of Illinois business and not for any other purpose, including any personal benefit or gain.

25.2 Indemnification. To the extent permitted by law, Grantee agrees to hold harmless Grantor against any and all liability, loss, damage, cost or expenses, including attorneys' fees, arising from the intentional torts, negligence or breach of contract of Grantee, with the exception of acts performed in conformance with an explicit, written directive of Grantor. Indemnification by Grantor will be governed by the State Employee Indemnification Act (5 ILCS 350/1 *et seq.*) as interpreted by the Illinois Attorney General. Grantor makes no representation that Grantee, an independent contractor, will qualify or be eligible for indemnification under said Act.

**ARTICLE XXVI  
MISCELLANEOUS**

26.1 Gift Ban. Grantee is prohibited from giving gifts to State employees pursuant to the State Officials and Employees Ethics Act (5 ILCS 430/10-10) and Executive Order 15-09.

26.2 Access to Internet. Grantee must have Internet access. Internet access may be either dial-up or high-speed. Grantee must maintain, at a minimum, one business e-mail address that will be the primary receiving point for all e-mail correspondence from Grantor. Grantee may list additional e-mail addresses at any time during the Term of this Agreement. The additional addresses may be for a specific department or division of Grantee or for specific employees of Grantee. Grantee must notify Grantor of any e-mail address changes within five (5) business days from the effective date of the change.

26.3 Exhibits and Attachments. **Exhibits A** through **H**, **PART TWO**, **PART THREE**, if applicable, and all other exhibits and attachments hereto are incorporated herein in their entirety.

26.4 Assignment Prohibited. Grantee acknowledges that this Agreement may not be sold, assigned, or transferred in any manner by Grantee, to include an assignment of Grantee's rights to receive payment hereunder, and that any actual or attempted sale, assignment, or transfer by Grantee without the Prior Approval of Grantor in writing shall render this Agreement null, void and of no further effect.

26.5 Amendments. This Agreement may be modified or amended at any time during its Term by mutual consent of the Parties, expressed in writing and signed by the Parties.

26.6 Severability. If any provision of this Agreement is declared invalid, its other provisions shall not be affected thereby.

26.7 No Waiver. No failure of Grantor to assert any right or remedy hereunder will act as a waiver of its right to assert such right or remedy at a later time or constitute a course of business upon which Grantee may rely for the purpose of denial of such a right or remedy to Grantor.

26.8 Applicable Law; Claims. This Agreement and all subsequent amendments thereto, if any, shall be governed and construed in accordance with the laws of the State of Illinois. Any claim against Grantor arising out of this Agreement must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1 *et seq.* Grantor does not waive sovereign immunity by entering into this Agreement.

26.9 Compliance with Law. This Agreement and Grantee's obligations and services hereunder are hereby made and must be performed in compliance with all applicable Federal and State laws, including, without limitation, Federal regulations, State administrative rules, including 44 Ill. Admin. Code 7000, and any and all license requirements or professional certification provisions.

26.10 Compliance with Confidentiality Laws. If applicable, Grantee shall comply with applicable State and Federal statutes, Federal regulations and Grantor administrative rules regarding confidential records or other information obtained by Grantee concerning persons served under this Agreement. The records and information shall be protected by Grantee from unauthorized disclosure.

26.11 Compliance with Freedom of Information Act. Upon request, Grantee shall make available to Grantor all documents in its possession that Grantor deems necessary to comply with requests made under the Freedom of Information Act. (5 ILCS 140/7(2)).

26.12 Precedence. In the event there is a conflict between this Agreement and any of the exhibits or attachments hereto, this Agreement shall control. In the event there is a conflict between **PART ONE** and **PART TWO** or **PART THREE** of this Agreement, **PART ONE** shall control. In the event there is a conflict between **PART TWO** and **PART THREE** of this Agreement, **PART TWO** shall control. In the event there is a conflict between this Agreement and relevant statute(s) or Administrative Rule(s), the relevant statute(s) or rule(s) shall control.

26.13 Headings. Article and other headings contained in this Agreement are for reference purposes only and are not intended to define or limit the scope, extent or intent of this Agreement or any provision hereof.

26.14 Entire Agreement. Grantee and Grantor acknowledge that this Agreement constitutes the entire agreement between them and that no promises, terms, or conditions not recited, incorporated or referenced herein, including prior agreements or oral discussions, shall be binding upon either Grantee or Grantor.

26.15 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered to be one and the same agreement, binding on all Parties hereto, notwithstanding that all Parties are not signatories to the same counterpart. Duplicated signatures, signatures transmitted via facsimile, or signatures contained in a Portable Document Format (PDF) document shall be deemed original for all purposes.

26.16 Attorney Fees and Costs. If Grantor prevails in any proceeding to enforce the terms of this Agreement, including any administrative hearing pursuant to the Grant Funds Recovery Act or the Grant Accountability and Transparency Act, the Grantor has the right to recover reasonable attorneys' fees, costs and expenses associated with such proceedings.

**THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.**

**EXHIBIT A**

**PROJECT DESCRIPTION**

**TURTLE ISLAND PARK EXPANSION**

The purpose of this Agreement is to enable IDNR to provide financial assistance to the Grantee for the acquisition, development and rehabilitation of lands for public outdoor recreational purposes.

This grant is funded through the Open Space Land Acquisition and Development Grant Program (OSLAD). It is funded up to 50% (90% for Disadvantaged Communities) through OSLAD.

This project includes the construction of a demonstrative butterfly garden, ADA accessible fishing pier, rock bank stabilization, native vegetation bank stabilization, stone fishing docks, bioswale from Indian Trail road to the Woods Creek Lake, a pavilion with a green roof accompanied with rain barrels and the expansion of existing parking lot.

**EXHIBIT B****DELIVERABLES OR MILESTONES**

This grant is funded through the Open Space Land Acquisition and Development Grant Program (OSLAD). It is funded up to 50% (90% for Disadvantaged Communities) through OSLAD.

The Implementation and Billing Requirement Packet is incorporated into this Exhibit B1 as a separate attachment (labeled Exhibit B1).

Project billings shall be submitted to at project completion unless otherwise approved by IDNR.

Deliverables/Milestones will be the completed project components as presented in the original application (attachment labeled Exhibit B2\*) or an approved project scope change. They will be reported as directed in the Implementation and Billing Packet (Exhibit B1).

If the approved OSLAD project includes the use of Force Account labor, the Grantee shall ensure that any audits required will include an internal control evaluation and opinion on the grantee's time and attendance allocation system. In addition, if the grantee uses materials purchased by means of a Central Procurement System and allocates a portion of those materials to the project (Force Account material claim), the audit must include testing and reporting on the allocation system used for tracking material use.

The Grantee is required to file quarterly status reports on the grant project describing the progress of the program, project, or use and expenditure of the grant funds related thereto, if the grant amount is over \$25,000.00 (30 ILCS 705/4(b)(2)). The grantee must submit status reports on the first day of the next existing quarterly schedule (Jan, April, July & Oct) beginning with the quarter immediately following the project effective date.

\*Exhibit B2 also includes the approved project budget



## EXHIBIT C

## PAYMENT

Grantee shall receive up to \$205,100.00 under this Agreement.

Enter specific terms of payment here:

1. This grant is funded through the Open Space Land Acquisition and Development Grant Program (OSLAD). It is funded up to 50% (90% for Disadvantaged Communities) through OSLAD with any remaining funds to be covered by the Grantee.
2. The Grantee will receive a minimum of 50% of the grant award as an advance payment. Grant funds paid in advance must be kept in a separate interest-bearing account with a federally or Illinois regulated financial institution that is insured by the Federal Deposit Insurance Corporation (FDIC), and maintained therein until used in the execution of the approved project. All interest earned on grant funds held by a grantee shall become part of the grant principal when earned and be used for and in the same manner as the principal to fulfill the purposes and objectives of the grant. If funds are not held in an interest-bearing account, the grantee will be responsible for the payment of interest to the Department at a rate equal to twelve percent (12%) per annum. (17 Ill. Adm. Code 3025.32).
3. Any additional payment(s) to the Grantee will be made as reimbursement for eligible expenses following submission to IDNR of a certified billing request listing all funds expended and including any other documentation required by IDNR following all instruction provided in Exhibit B1.
4. A project shall be deemed completed for grant payment when the Grantee submits a certified development project billing form seeking grant reimbursement which is approved for payment by IDNR. Failure by the Grantee to submit required billing forms and substantiating documentation within a one (1) year period following the project expiration date will result in the Grantee forfeiting all project reimbursements and relieves IDNR from further payment obligations on the grant. Any grant funds remaining after final reimbursement to the Grantee may be reprogrammed at the discretion of IDNR.
5. The grant will be administered in accordance with the time limit on expenditure of grant funds under the Illinois Grant Funds Recovery Act, 30 ILCS 705/5. All funds advanced to the Grantee that remain at the end of the grant agreement or at the expiration of the expenditure or obligation period stipulated in the grant agreement, shall be returned to the State within 45 days (30 ILCS 705/4(b)(5)).
6. Conditions may arise after work has begun that are beyond the control of the Grantee and contractor which necessitate a change in specification and/or price. To maintain grant eligibility, such changes must be done by formal change orders. All change orders with a value (+/-) over \$10,000.00 must be approved by IDNR before being executed. **Failure to obtain prior approval will result in the amount of the change order being disallowed and could result in a Class 4 felony.** (720 ILCS §5/33E-9).
7. Project costs for which reimbursement is sought cannot be incurred by the project applicant prior to grant approval notification or IDNR authorization, except for architectural and engineering fees. Costs incurred prior to IDNR approval are ineligible for grant assistance. For acquisition projects, costs are considered incurred when property deed, lease or other conveyance is accepted by the Grantee or first payment is made on the project property or to an escrow account for the property. In addition, no purchase agreement, option, etc., or price negotiations shall be entered into without IDNR approval. Development project costs are considered incurred on the date construction contracts are signed or actual physical work begins on the project site or project materials are delivered. (See 17 Ill. Adm. Code 3025.50).
8. Maximum grant amount will not exceed the amount listed above and only actual expenditures up to the maximum grant amount will be paid with this grant.

**EXHIBIT D**

**CONTACT INFORMATION**

**CONTACT FOR NOTIFICATION:**

Unless specified elsewhere, all notices required or desired to be sent by either Party shall be sent to the persons listed below.

**GRANTOR CONTACT**

Name: Drew Jenkins  
Title: Conservation Grant Administrator I  
Address: One Natural Resources Way, Springfield, IL 62702-1271  
Phone: (217) 782-4426  
TTY#: \_\_\_\_\_  
Fax#: \_\_\_\_\_  
E-mail Address: andrew.jenkins@illinois.gov

**GRANTEE CONTACT**

Name: Fred Mullard  
Title: Community Services Director  
Address: 600 Harvest Gate, Lake in the Hills, IL 60156-6385  
Phone: (847) 960-7440  
TTY#: \_\_\_\_\_  
Fax#: (847) 960-7445  
E-mail Address: fmullard@lith.org

**Additional Information:**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
TTY#: \_\_\_\_\_  
Fax#: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

**EXHIBIT E**

**PERFORMANCE MEASURES**

Following all methods and standards as required by state and federal laws and regulations, this project will make outdoor recreation available to members of the general public by accomplishing the following items:

Providing community members with a demonstrative butterfly garden, ADA accessible fishing pier, rock bank stabilization, native vegetation bank stabilization, stone fishing docks, bioswale from Indian Trail road to the Woods Creek Lake, a pavilion with a green roof accompanied with rain barrels and the expansion of existing parking lot in an area that can be utilized by members of the general public for outdoor recreational use.

**EXHIBIT F**

**PERFORMANCE STANDARDS**

Completion of this project will allow citizens of McHenry County and others from the general populace outdoor recreational opportunities by providing a demonstrative butterfly garden, ADA accessible fishing pier, rock bank stabilization, native vegetation bank stabilization, stone fishing docks, bioswale from Indian Trail road to the Woods Creek Lake, a pavilion with a green roof accompanied with rain barrels and the expansion of existing parking lot in an area that can be utilized by members of the general public for outdoor recreational use.

Timely completion of this project will satisfy the requirements of the IDNR.

**EXHIBIT G****SPECIFIC CONDITIONS****ICQ Section: 08-Property Standards (2 CFR 200.310 - 316)**

- Conditions:** Requires additional prior approvals;
- Risk Explanation:** Medium to high risk increases the likelihood of non-compliance resulting in audit findings, questioned cost and fraud, waste and abuse.
- How to Fix:** Implementation of corrective action including new or enhanced controls over equipment and property.
- Timeframe:** One year from the implementation of corrective action.

**ICQ Section: 09-Procurement Standards (2 CFR 200.317 - 326)**

- Conditions:** Requires additional prior approvals;
- Risk Explanation:** Medium to high risk increases the likelihood of non-compliance resulting in audit findings, questioned cost and fraud, waste and abuse.
- How to Fix:** Implementation of corrective action including new or enhanced controls over procurements of activities.
- Timeframe:** One year from the implementation of corrective action.

**ICQ Section: 11-Fraud, Waste and Abuse**

- Conditions:** Requires technical assistance including required training;
- Risk Explanation:** Medium to high risk increases the likelihood of fraud, waste and abuse occurring and not being identified in the normal course of employees' duties, also decreases the likelihood of employees or clients not reporting fraud, waste and abuse.
- How to Fix:** Corrective action including implementing a fraud awareness program including information on how to report fraud, waste and abuse without fear of retaliation.
- Timeframe:** One year after implementation of corrective action.

**PART TWO – THE GRANTOR-SPECIFIC TERMS**

In addition to the uniform requirements in **PART ONE**, the Grantor has the following additional requirements for its Grantee:

[See Paragraphs 4.3, 4.6, 4.7, 5.1, 7.8, 12.4, 13.3(a), 14.1, 14.3, 15.2, 19.1 and 24.1 for information that may be required in this **PART TWO**.]

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- 27.1 The Cash Management requirements and Interest requirements listed in Paragraphs 4.3 and 4.6 of PART ONE respectively do not apply as there are no federal funds as part of this agreement and the Grantee, with the exception of the 50% advance payment, is paid as reimbursement of prior project expenditures.
- 27.2 The Grantee is required to deposit the 50% advance payment in an interest-bearing account separate from their general accounts. The interest earned from this account must be reported quarterly and expended on the project in addition to all grant payments and required matching funds.
- 27.3 Additional information provided in the Project Implementation and Billing Packet will be considered an appendix to this agreement and is hereby incorporated into it through Exhibit B1.
- 27.4 The full application completed for this grant including all attachments, budget and maps is hereby incorporated into this agreement.
- 27.5 The Grantee must comply with and abide by the following operation and maintenance provisions (17 Ill. Adm. Code 3025.70):
- 1) All lands and facilities assisted with OSLAD funds shall be continuously operated and maintained by the Grantee in a safe and attractive manner at no cost to IDNR and be operated and utilized in such a manner as to maximize the intended benefits to and for the public.
  - 2) IDNR shall have access to OSLAD-assisted facilities at all times for inspection purposes to ensure the Grantee's continued compliance with this Part.
  - 3) The Grantee may enter into a contract or agreement with responsible concessionaires to operate and/or construct facilities, for dispersing food to the public and/or any other services as may be desired by the public and the Grantee for enjoyable and convenient use of the OSLAD-assisted site. Any and all concession revenue in excess of the costs of operation and maintenance of the OSLAD lands and/or facilities shall be used for the improvement of said lands or facilities or similar nearby public facilities. All sub-leases or licenses entered into by the Grantee with third persons relating to accommodations or concessions to be provided for or at the OSLAD facility for benefit of the public shall be submitted to IDNR, upon request, for its approval prior to the sub-lease or license being entered into or granted by the Grantee. The lessee concessionaire or licensee providing such service at the project site shall not discriminate against any person or persons on the basis of race, color, creed, national origin, disability or place of residence in the conduct of its operation under the lease, license or concession agreement.
- 27.6 No significant deviations from the approved Agreement (development plan) or control of property interests in the project site shall be made without prior written approval from IDNR. Specific actions regarded as significant deviations include, but are not limited to:
- 1) The granting of an easement, right-of-way, or other such encumbrance on title which divests control of the project site from the Grantee to another individual, group, agency, or entity.

2) Any significant deviation from the approved project site plan OR change, alteration or disposition of the project site to anything other than public outdoor recreation use, unless approved in this Agreement or by IDNR. The construction of any building including indoor recreation facilities, exclusive of outdoor recreation service or support structures and sanitary facilities, are considered a conversion in use.

3) The construction of any overhead service utility line on the project site subsequent to the date of this Agreement, except for electric lines over 15 kv, unless otherwise approved by IDNR. (All future utility lines servicing the project site, except as noted, must be buried.)

- 27.7 Property acquired or developed with OSLAD funds may not be converted to a use other than public outdoor recreation use as provided in this Part without prior IDNR approval. Approval for property conversion will be granted only if the Grantee substitutes replacement property of at least equal market value and comparable outdoor recreation usefulness, quality and location (17 Ill. Adm. Code 3025.70).
- 27.8 Any deviation or conversion of the project site(s) from public outdoor recreation use without DNR approval shall be considered a breach of this Agreement resulting in the Grantee being held liable for replacing said converted property with comparable land as deemed acceptable by IDNR.
- 27.9 The Grantee shall maintain, for a minimum of 3 years following project completion, satisfactory financial accounts, documents, and records associated with the project and the disbursement of grant funds pursuant to this Agreement and shall make them available to IDNR and the State of Illinois, Auditor General or Attorney General, for auditing at reasonable times. Failure by the Grantee to maintain such accounts, documents, and records as required herein shall establish a presumption in favor of the State of Illinois for recovery of any funds paid by the State per this Agreement for which adequate records are not available to support their purported disbursement.
- 27.10 Grantees receiving a cumulative total of \$500,000 or more in state OSLAD assistance in a given year are required to have an agency-wide annual financial and compliance audit conducted, as is generally required by 1) state law (65 ILCS 5/8-8-1 *et seq.* or 55 ILCS 5/6-31001 *et seq.*) or 2) by the Grantee's own governing body, as applicable. A copy of the audit must be provided to IDNR, upon request, OR if any findings (irregularities) involving the OSLAD grant are reported in the audit.
- 27.11 All required audits must be conducted by an independent certified public accountant, licensed by the State of Illinois, and must be performed in accordance with generally accepted auditing standards adopted by the American Institute of Certified Public Accountants (AICPA). The Grantee shall be responsible for procuring all required audits in accordance with its normal procurement rules, providing that these rules promote open competitive procurement.
- 27.12 The Grantee shall be responsible for timely action in resolving any audit findings or questioned project costs. If questioned costs are ultimately deemed disallowed as determined by IDNR or its representative, the Grantee shall be responsible for repayment of such costs.
- 27.13 The agreement is subject to the Illinois Grant Funds Recovery Act (30 ILCS 705/1 *et seq.*).

**PART THREE – THE PROJECT-SPECIFIC TERMS**

In addition to the uniform requirements in **PART ONE** and the Grantor-Specific Terms in **PART TWO**, the Grantor has the following additional requirements for this Project:

[See Paragraphs 4.3, 4.6, 4.7, 5.1, 7.8, 12.4, 14.1, 14.3, 15.2, 19.1 and 24.1 for information that may be required in this **PART THREE**.]

- 28.1 The purpose of this Agreement is to enable IDNR to provide financial assistance to the Grantee to acquire and/or develop land for outdoor recreation facilities that are open and accessible to the public in Illinois.
- 28.2 Grantee is solely responsible for the design and implementation of the project described in its Project Application, the terms and conditions of which are hereby incorporated by reference and made a part of this Agreement. Failure by the Grantee to comply with any of the Agreement terms or the terms of the Project Application shall be cause for the suspension of all grant assistance obligations thereunder and may result in debarment for two grant cycles.
- 28.3 The Grantee agrees to implement and complete the approved project pursuant to the time schedule and plans set forth in the Project Application. Failure to render satisfactory progress or to complete the approved project to the satisfaction of IDNR per the terms of this Agreement is cause for suspension and/or termination of all obligations of IDNR under this Agreement.
- 28.4 Environmental and Cultural Resource Compliance: Approved grant project construction shall not commence and no payment shall be made under this grant until the Grantee, as set forth under IDNR’s Comprehensive Environmental Review Process (CERP), has initiated and completed all necessary project review and consultation with IDNR as required by section 11 of the Endangered Species Protection Act, 520 ILCS 10/11; section 17 of the Illinois Natural Areas Preservation Act, 525 ILCS 30/17; the mitigation or compensation determinations required by the Interagency Wetland Policy Act, 20 ILCS 830/1 *et seq.*; and the environmental and economic impact determination required by the Historic Preservation Act, 20 ILCS 3420/4.
- 28.5 Project Signage and Publicity: Grantee must permanently post an OSLAD grant acknowledgment sign at the project site. The necessary sign will be provided by IDNR or specifications for its construction will be furnished to the Grantee, if requested (17 Ill. Adm. Code 3025.70). The acknowledgment shall incorporate the following language:  
  

"OPEN SPACE LANDS ACQUISITION & DEVELOPMENT PROGRAM"  
ILLINOIS DEPARTMENT OF NATURAL RESOURCES
- 28.6 50% of the labor hours on the project must be performed by actual residents of the State of Illinois (20 ILCS 805/805-350).
- 28.7 Any property acquired or developed through assistance from the Illinois OSLAD grant program must be open to the public for outdoor recreation use without regard to race or color, creed, national origin, sex or disability, nor based on residence, except to the extent that reasonable differences in user fees may be imposed amounting to no more than double the fees charged to residents.

Projects receiving development grant assistance only shall be bound by the terms of this Agreement for the period of time specified below for the total amount of OSLAD funds expended on the project (17 Ill. Adm. Code 3025.70):



Total Grant Award	Time Period After Final Billing
\$1 to \$50,000	6 years
For every \$25,000 increment over \$50,000	Add 1 year

Land acquired with funding assistance from the OSLAD program shall be operated and maintained in perpetuity for public outdoor recreation use.

- 28.8 Property acquired or developed with OSLAD funds may not be converted to a use other than public outdoor recreation use as provided in this Part without prior IDNR approval. Approval for property conversion will be granted only if the Grantee substitutes replacement property of at least equal market value and comparable outdoor recreation usefulness, quality and location (17 Ill. Adm. Code 3025.70).
- 28.9 For projects receiving acquisition assistance, an appraisal must be provided by the Grantee and submitted to IDNR for review and certification to establish the property's market value. The appraisal must be completed to IDNR specifications (17 Ill. Adm. Code 3025.70).
- 28.10 For projects receiving development assistance, the Grantee must possess either fee simple title or other means of legal control and tenure (easement, lease, etc.) over the property being improved for a period of time commensurate with the program amortization schedule shown in the administrative rules, unless otherwise approved by IDNR. The IDNR will consider, on a case-by-case basis, lease arrangements for shorter periods when State statute prohibits a unit of local government from entering into such a long-term agreement, or other circumstances beyond the control of the local unit of government prohibit such arrangements. The Grantee must also adhere to applicable local bidding and procurement requirements (17 Ill. Adm. Code 3025.70).
- 28.11 The Grantee must comply with and abide by the following operation and maintenance provisions (17 Ill. Adm. Code 3025.70):
- 1) All lands and facilities assisted with OSLAD funds shall be continuously operated and maintained by the Grantee in a safe and attractive manner at no cost to IDNR and be operated and utilized in such a manner as to maximize the intended benefits to and for the public.
  - 2) IDNR shall have access to OSLAD-assisted facilities at all times for inspection purposes to ensure the Grantee's continued compliance with this Part.
  - 3) The Grantee may enter into a contract or agreement with responsible concessionaires to operate and/or construct facilities, for dispersing food to the public and/or any other services as may be desired by the public and the Grantee for enjoyable and convenient use of the OSLAD-assisted site. Any and all concession revenue in excess of the costs of operation and maintenance of the OSLAD lands and/or facilities shall be used for the improvement of said lands or facilities or similar nearby public facilities. All sub-leases or licenses entered into by the Grantee with third persons relating to accommodations or concessions to be provided for or at the OSLAD facility for benefit of the public shall be submitted to IDNR, upon request, for its approval prior to the sub-lease or license being entered into or granted by the Grantee. The lessee concessionaire or licensee providing such service at the project site shall not discriminate against any person or persons on the basis of race, color, creed, national origin, disability or place of residence in the conduct of its operation under the lease, license or concession agreement.
- 28.12 No significant deviations from the approved Agreement (development plan) or control of

property interests in the project site shall be made without prior written approval from IDNR. Specific actions regarded as significant deviations include, but are not limited to:

- 1) The granting of an easement, right-of-way, or other such encumbrance on title which divests control of the project site from the Grantee to another individual, group, agency, or entity.
- 2) Any significant deviation from the approved project site plan OR change, alteration or disposition of the project site to anything other than public outdoor recreation use, unless approved in this Agreement or by IDNR. The construction of any building including indoor recreation facilities, exclusive of outdoor recreation service or support structures and sanitary facilities, are considered a conversion in use.
- 3) The construction of any overhead service utility line on the project site subsequent to the date of this Agreement, except for electric lines over 15 kv, unless otherwise approved by IDNR. (All future utility lines servicing the project site, except as noted, must be buried.)

- 28.13 Any deviation or conversion of the project site(s) from public outdoor recreation use without DNR approval shall be considered a breach of this Agreement resulting in the Grantee being held liable for replacing said converted property with comparable land as deemed acceptable by IDNR.
- 28.14 In connection with project construction, and the subsequent operation and maintenance of the facilities, the Grantee agrees that it shall be responsible for and obtain all permits, licenses, or forms of consent required to complete the project. **Failure to obtain any required permit or approval may jeopardize grant reimbursement and/or cause debarment.**
- 28.15 No assignment of grant provisions or duties is allowed.
- 28.16 All facilities constructed with state OSLAD grant assistance must be designed and developed to fully accommodate accessibility standards as per the Illinois Accessibility Code Standards, the Americans with Disabilities Act (ADA) (42 U.S.C. 12101 *et seq.*) and the regulations thereunder (28 CFR 35.130).
- 28.17 If the grant award is \$250,000 or more for capital construction costs or professional services, Grantee certifies that it shall comply with the business enterprise program practices for minority-owned businesses, female-owned businesses, and businesses owned by persons with disabilities of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act (30 ILCS 575/) and the equal employment practices of Section 2-105 of the Illinois Human Rights Act (775 ILCS 5/2-105). See 30 ILCS 105/45.
- 28.18 It is agreed and understood by the Grantee that an IDNR representative shall have access to the project site to make periodic inspections as work progresses. It is further agreed and understood by the Grantee that IDNR reserves the right to inspect the completed project prior to project acceptance and grant reimbursement to the Grantee.



# REQUEST FOR BOARD ACTION

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**MEETING DATE:** May 9, 2019

**DEPARTMENT:** Community Services

**SUBJECT:** **Design and Engineering Services Task Order for Turtle Island Park  
Redevelopment**

## EXECUTIVE SUMMARY

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The Village previously contracted with HR Green to perform preliminary project design and shoreline stabilization for the Turtle Island Park redevelopment project. The attached task order with HR Green includes final design, letting and construction management services for the project.

## FINANCIAL IMPACT

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The 2019 Capital Improvement Plans Fund includes \$50,000 for engineering costs related to this budgeted construction project. This task order for engineering services is under budget with a not to exceed cost of \$44,055.50.

## ATTACHMENTS

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1. HR Green Task Order No. 180992.01

## RECOMMENDED MOTION

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Motion to approve the task order with HR Green to provide design and construction management for the Turtle Island Park redevelopment project at a cost not to exceed \$44,055.50.



**TASK ORDER**  
**BETWEEN**  
**THE VILLAGE OF LAKE IN THE HILLS**  
**AND**  
**HR GREEN, INC.**  
**FOR**  
**HR GREEN PROJECT NO. 180992.01**

## FORM OF TASK ORDER

In accordance with Section 1.1 of the Master Contract between the Village of Lake in the Hills (“Owner”) and HR Green, Inc. (“Consultant”) for Calendar Year 2019 Professional Engineering Services, dated January 10, 2019 (the “Contract”), Owner and Consultant agree as follows:

1. **Project:**

Turtle Island Park Redevelopment

This project is to complete the design and prepare construction documents for the design approved for the OSLAD grant received by the Village. The shoreline stabilization portion of this project was completed under a prior phase of this project.

2. **Services of Consultant:**

A. Basic Services:

**DESIGN**

COMPANY will provide the following services to complete the design and construction documents based on the conceptual design included as ATTACHMENT A. the main design features will include:

- Modification of existing parking area to include additional handicap accessible parking spaces and overall increase in parking spaces.
- A demonstrative Butterfly Garden created with low maintenance native plantings.
- An ADA accessible fishing pier.
- A Bio-swale to handle stormwater drainage from Indian Trail to the Woods Creek Lake.
- Pavilion with green roof and rain barrel collection system.
- ADA walking paths.
- Educational signage describing the amenities within the park.
- Open space for sports and picnic activities.

It is anticipated that the plans will be generated with the use of in-field survey pick up survey, as needed, and will be completed using aerial imagery and available topography data. A typical plan set will include the following sheets:

- Cover
- Standard Notes and Quantities
- Existing Conditions and Removal
- Proposed Paving and Grading Plan
- Proposed site Layout and Landscaping plan
- Proposed Stabilization Plan and Erosion Control Plan
- Typical Sections
- Details and Specifications

COMPANY will prepare an Engineers Estimate of Probable Construction Costs (EOPC) based on the final design plans.

Internal QA/QC will be completed by COMPANY prior to submitting to CLIENT for approval.

COMPANY will incorporate plans, detail and specifications into bidding documents for the Village to use to obtain a contractor for the project.

COMPANY will schedule and coordinate up to 3 meetings including a project kick-off meeting and two (2) design review meetings. Meeting minutes will be provided for each meeting.

COMPANY will provide Grant coordination providing all necessary updates and submittals as required by the OSLAD Grant being utilized on this project.

### **PERMITTING**

COMPANY will provide Army Corp of Engineers (ACOE) and Soil and Water Conservation District with updates to the permits completed in prior phase for shoreline stabilization.

COMPANY will complete a Village Stormwater Permit Application as required by Village Ordinance.

**BID ASSISTANCE**

COMPANY will provide construction documents for the CLIENT to use for Bidding purposes. COMPANY will assist the CLIENT with contractor questions during bidding, provided addenda as necessary, attend bid opening, review submitted bids and provide a recommendation of award with bid tabulations.

**CONSTRUCTION OBSERVATION**

COMPANY will visit the site in a manner necessary to provide documentation of work completed by the contractor that is in general conformance with the approved plans and specifications for the purpose of approving pay requests and providing documentation as required by the OSLAD grant.

COMPANY will document field visits via field reports with necessary descriptions and photos of completed work and materials.

It is assumed that day to day observation will be performed by Village Staff. COMPANY will provide assistance as necessary to clarify plan details with discovered site conditions.

This agreement does not include any permitting fees other easements, plats of survey, geotechnical services, wetland delineations, testing, water sample collecting, or sampling.

B. Additional Services:

None

3. **Approvals and Authorizations:** Consultant shall obtain the following approvals and authorizations:

As indicated above.

4. **Commencement Date:**

The date of execution of this Task Order by Owner.

5. **Completion Date:**

- A. Final Design Phase: August 9, 2019 plus extensions, if any, authorized by a Change Order issued pursuant to Section 2.1 of the Contract.
- B. Bidding or Negotiating Phase: September 13, 2019 extensions, if any, authorized by a Change Order issued pursuant to Section 2.1 of the Contract.
- C. Construction Phase: August 15, 2020 plus extensions, if any, authorized by a Change Order issued pursuant to Section 2.1 of the Contract.

6. **Submittal Schedule:**

Submittal:	Due Date:
Project Kick-off Meeting	May 14, 2019
60% Design Review	June 21, 2019
90% Design Review	July 19, 2019
Final Bid Docs	August 16, 2019
Recommendation of Award	September 13, 2019
Final Construction Close-out	August 2020

7. **Key Project Personnel:**

Names:	Telephone:
Chad J. Pieper, P.E.	(815) 759-8346
Fred Mullard	(847) 960-7441

8. **Contract Price:**

For providing, performing, and completing each phase of Services, an amount equal to Consultant’s Direct Labor Costs for all Services rendered by principals and employees engaged directly on the Project, plus an amount equal to the actual costs of all Reimbursable Expenses, but not to exceed, in each phase of



Services, the following not to exceed amount set forth opposite each such phase except as adjusted by a Change Order issued pursuant to Section 2.1 of the Contract:

<u>Phase</u>	<u>Not to Exceed</u>
Final Design	\$20,602.92
Bidding	\$5,760.00
Construction	\$14,812.58
Permitting	\$2,880.00
Project Total	<b>\$44,055.50</b>

9. **Payments:**

PREFERRED METHOD--BILLING RATE TASK ORDER

For purposes of payments to Consultant, the value of the Services shall be determined as follows:

Direct Labor Costs shall mean the billing rates assigned to all Consultant personnel as set forth on the list supplied by Consultant attached hereto as Attachment A-1, including all professionals whether owners or employees, engaged directly on the Project.

Reimbursable Expenses shall mean the actual expenses incurred by Consultant directly or indirectly in connection with the Project, including expenses for transportation, telephone, postage, computer time and other highly specialized equipment, reproduction and similar Project related items.

10. **Modifications to Contract:**

[Describe Contract modifications or state “none”]

11. **Attachments:**

ATTACHMENT A – Conceptual Design

ATTCHMENT B - Standard Charges for Professional Services

Approval and Acceptance: Acceptance and approval of this Task Order, including the attachments listed above, shall incorporate this Task Order as part of the Contract.

The Effective Date of this Task Order is \_\_\_\_\_, 2019

VILLAGE OF LAKE IN THE HILLS

By: \_\_\_\_\_  
Russ Ruzanski  
Village President

DESIGNATED REPRESENTATIVE FOR TASK ORDER:

HR GREEN, INC.

\_\_\_\_\_  
Timothy J. Hartnett  
Vice President

DESIGNATED REPRESENTATIVE FOR TASK ORDER:

Name: Chad J. Pieper, PE

Title: Project manager / Village Engineer

Address: 420 North Front Street

E-mail Address: [cpieper@hrgreen.com](mailto:cpieper@hrgreen.com)

Phone: 815-759-8346



Village of Lake in the Hills  
Turtle Island Park Expansion Development



NOTES:  
 EXISTING ELECTRIC FEED FOR ISLAND LIGHT TO BE REMOVED.  
 FUTURE LIGHTING TO CONSIDER ALTERNATIVE POWER SOURCE.

SITE DEVELOPMENT PLAN

TURTLE ISLAND REDESIGN

LAKE IN THE HILLS, IL



All map data should be considered as preliminary, in need of verification, and subject to change. This land plan is conceptual in nature and does not represent any regulatory approval. Plan is subject to change.



## ATTACHMENT B

### Standard Charges for Professional Services (For Billing Rate Task Orders Only)

PRINCIPAL	\$195 to \$ 280.00/HR
<i>Akram Chaudhry</i>	<i>\$265/HR</i>
SENIOR PROFESSIONAL	\$160 to \$ 250.00/HR
<i>Bob Davies</i>	<i>\$250/HR</i>
<i>Steve Bicking</i>	<i>\$240/HR</i>
<i>Todd Destree</i>	<i>\$220/HR</i>
PROFESSIONAL	\$110.00 to \$180.00/HR
<i>Chad Pieper – Village Eng.</i>	<i>\$180/HR</i>
<i>Ben Hartman</i>	<i>\$160/HR</i>
<i>Chris Caldarella</i>	<i>\$148/HR</i>
<i>Katie Snyder</i>	<i>\$108/HR</i>
<i>Logan Gilbertsen</i>	<i>\$153/HR</i>
<i>Mike Hastings</i>	<i>\$130/HR</i>
JUNIOR PROFESSIONAL	\$85.00 to \$135.00/HR
SENIOR TECHNICIAN	\$90.00 to \$ 125.00/HR
TECHNICIAN	\$45.00 to \$ 105.00/HR
SENIOR FIELD PERSONNEL	\$100.00 to \$ 165.00/HR
FIELD PERSONNEL	\$60.00 to \$ 145.00/HR
JUNIOR FIELD PERSONNEL	\$50.00 to \$ 90.00/HR
ADMINISTRATIVE COORDINATOR	\$65.00 to \$100.00/HR
ADMINISTRATIVE	\$60.00 to \$110.00/HR
CORPORATE ADMIN	\$70.00 to \$120.00/HR
<i>2019 Rate for all Administrative Staff</i>	<i>\$90.00/HR</i>
PRINTS/IN HOUSE*	\$0.45/SQ FT
MILEAGE (Personal Vehicle)*	\$0.54/MILE
MILEAGE (Survey or Construction vehicle)	\$0.85/MILE
PROPERTY IRONS*	\$2.00/EA
HUB/LATH*	\$0.75/EA
MAILING/SHIPPING*	VARIABLE

\*Indicates Reimbursable Items