La Grange Park

EST. 1892

~Village of Roses~

VILLAGE BOARD WORK SESSION MEETING

Tuesday, OCTOBER 14, 2014 – **7:30 P.M.**

AGENDA

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Public Participation (agenda and non-agenda related)**

5. **Building & Zoning Committee Items**
   A. Discussion & Action – Noise Ordinance Relief Nazareth Academy: *Motion to Grant an Exception to the nuisance regulations contained in Section 93.04.C.5 of the Village Municipal Code, for the purpose of allowing a night playoff game at Nazareth's Valenta Stadium on one of the following dates: Saturday, November 1, 2014, Friday, November 7, 2014, or Saturday, November 8, 2014 from 6:00 p.m. until 11:00 p.m. or until game's end, subject to the applicant meeting the requirements for exterior lighting under the Village's Zoning Code*

6. **Public Safety Committee Items**
   A. Discussion – Amendment to Village Municipal Code – Vehicle Code Violations: *Motion Approve an Ordinance Amending the "La Grange Park Municipal Code" as Amended*
   B. Discussion - Cook County Health Inspections: *Motion Approving the Resolution authorizing execution of a Health Inspection Services Agreement with the County of Cook, and authorize the Village President to execute the necessary contract documents*

7. **Public Works Committee Items**
   A. Discussion – 2014 – 2015 Tree Trimming Program: *Motion 1) to accept the lowest bid; and 2) to authorize the Village President to execute the necessary contract documents*

8. **Finance Committee Items**
   A. Discussion & Action – Village Debt Policy: *Motion to approve a Resolution Establishing a Village Debt Policy*
   B. Discussion – GASB 67/68 Implementation Plan

447 N. Catherine Avenue, La Grange Park, Illinois 60526-2099
708/354-0225 • Fax 708/354-0241 • www.lagrangepark.org

AGENDA (continued – Page 2)

Finance Committee Items (cont'd)

C. Discussion – 2006 Sewer Bonds Refunding: *Motion to approve an Ordinance authorizing and providing for the issuance of not to exceed $3,940,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014, of the Village, for the purpose of refunding certain outstanding sewerage alternate bonds, prescribing all the details of said bonds and providing for the imposition of taxes to pay the same, and for the collection, segregation and distribution of the revenues of the sewerage system operated by said Village*

D. Discussion – 2014 Property Tax Levy Estimate: *Motion that the President and Village Board of Trustees estimate that the amount necessary to be raised from the 2014 property tax levy for the 2014/15 fiscal year is $3,503,980; which amount is less than 5% greater than the amount of taxes extended for 2013*

9. Other Reports:

A. Village Manager
B. Village President
C. Village Clerk
D. Committee

10. New Business

11. Executive Session –

12. Adjourn

Next Village Board Meeting: October 28, 2014
Next Village Work Session Meeting: November 11, 2014

RULES FOR PUBLIC COMMENT

Village Board Work Session Meetings
Village Board Meetings

1. Please step up to the microphone before speaking, and announce your name and address before beginning your comments.

2. After announcing your name and address for the record, you will be allowed to speak for three (3) minutes.

3. You may not use profane or obscene language and you may not threaten any person with bodily harm, or engage in conduct which amounts to a threat of physical harm.

4. (a) Agenda-related comments: The Village President reserves the right to disallow comments that are repetitive of comments previously made during the meeting, or comments that do not relate to agenda items.

   (b) Non-agenda-related comments: The Village President reserves the right to disallow comments that are repetitive of comments previously made during the meeting, or comments that do not relate to Village business, Village services or Village governance.

5. The Village of La Grange Park complies with the Americans with Disabilities Act of 1990. If you require accommodations in order to observe or participate in the meeting, please contact Ms. Andy Bagley at (708) 354-0225 between 9:00 and 5:00 before the meeting so that the Village can make reasonable accommodations for you.

Building & Zoning Committee

Michael Sheehan, Chairman
Scott Mesick
James Kucera

Village Board Agenda Memo

Date: October 8, 2014

To: Village President and Board of Trustees

From: Julia Cedillo, Village Manager

RE: **Nazareth Academy – Temporary Use Permit & Noise Exception**

PURPOSE

To grant a temporary use permit for a night playoff football game at Nazareth Academy and to approve an exception to the nuisance restrictions specific to the event.

GENERAL BACKGROUND

Nazareth Academy would like to host its first ever night (home) playoff football game at Valenta Stadium, located on the school's campus. While a specific date for this event is not currently available, the application includes a list of potential dates, including: Saturday, November 1, 2014, Friday, November 7, 2014, or Saturday, November 8, 2014. The school must first qualify for play-offs and then subsequently, the IHSA will announce the play-off schedule at the end of the regular season.

As proposed, the event will take place from 6:00 p.m. until 11:00 p.m. (or when the game ends) and will utilize the stadium's existing sound system for announcements. The event will also include band play and five (5) 53' tall temporary light structures to illuminate the field for play.

Village staff may approve the event as a Permitted Temporary Use in accordance with Section 153.195 of the Village Municipal Code, but cannot approve the event to operate past 9:00 p.m. due to Village nuisance restrictions. Sections 93.04.C.5 of the Village Municipal Code classifies "all loud and discordant noises or vibrations of any kind between 9:00 p.m. and 7:00 a.m.," as a nuisance, affecting peace and safety.

The Municipal Code permits the Village Board to approve an exception to the nuisance restrictions for Temporary Uses. As such, should the Village Board approve an exception to nuisance restrictions specific to a night playoff football game at Nazareth Academy, for the proposed hours of operation, Village staff will approve their Temporary Use Application for the hours requested.

DISCUSSION

In addition to the detailed plans for the Temporary Use Permit, the exterior lighting must meet the requirements of the Village's Zoning Code. Section 12.3 Exterior Lighting requires that, "no exterior lighting shall glare into, or upon, the surrounding area or any residential premises." Specifically, subsection 12.3 A.1. requires that, "the light level shall be no greater than one-half (0.5) footcandle at a residential property line and one (1) footcandle at any non-residential property line or public right-of-way line."

Nazareth Academy submitted a Grid Summary Spill estimate, based upon the specifications of the proposed lighting and engineered software. The grid summary illustrates the estimated maximum spill at a 100 foot distance from the football field sideline. At a distance of 100 feet, at no point is the footcandle projected to exceed 0.5 from the sideline. The Village estimates that the residential property line is 140 feet from the sideline.

Staff contacted Musco lighting to inquire about light spill and assurances that the lighting plans will meet the Village's Zoning Code. Musco Representative Robyn Anderson confirmed that the Illumination Summary Plan (also included in the application packet) identifies the recommended location of the temporary light structures. The placement of the lights must match the drawings to ensure the uniformity of the lighting on the field. This placement is identical to what is indicated on the Grid Summary Spill estimate. In short, Ms. Anderson explained that the placement of the temporary light fixtures has been predetermined through engineering software to ensure both optimal lighting for the field while controlling for spillage.

RECOMMENDATION

Staff recommends the Village Board grant a specific exception to Village noise restrictions, in accordance with their authority as contained in Section 93.04.C.5 of the Municipal Code, subject to the applicant meeting the requirements under Section 12.3 Exterior Lighting, of the Zoning Code.

The application states that Nazareth Academy will test illumination levels for spill impacts prior to the event. Staff has confirmed with Musco lighting that this is standard practice after the temporary light structures are installed.

ACTION REQUESTED

This item is being placed on the October 14, 2014 agenda for discussion and action, per the request of the applicant.

Motion to Grant an Exception to the nuisance regulations contained in Section 93.04.C.5 of the Village Municipal Code, for the purpose of allowing a night playoff game at Nazareth's Valenta Stadium on one of the following dates: Saturday, November 1, 2014, Friday, November 7, 2014, or Saturday, November 8, 2014 from 6:00 p.m. until 11:00 p.m. or until game's end, subject to the applicant meeting the requirements for exterior lighting under the Village's Zoning Code.

DOCUMENTATION

- Section 93.04.C.5 of Village Municipal Code (Nuisances)
- Section 12.3 Exterior Lighting of the Village of La Grange Park Zoning Code
- Nazareth Academy Temporary Use Permit Application with Addendum and Attachments

GENERAL PROVISIONS

§ 93.01 POSITION OF OFFICER CREATED.

There is created the office of the Village Health Officer and the office of the Village Sanitarian. This role may be undertaken by an employee or an outside contractor.

('70 Code, § 11-1) (Ord. 286, passed 8-28-79; Ord. 729, passed 8-12-03)

§ 93.02 APPOINTMENT OF OFFICER.

The Village Health Officer and Village Sanitarian shall be appointed by the Village Manager.

('70 Code, § 11-2) (Ord. 286, passed 8-28-79; Ord. 729, passed 8-12-03)

§ 93.03 GENERAL DUTIES OF OFFICER.

The Village Health Officer shall enforce all regulations containing provisions for the protection of the public health; other duties and functions as may be required by this code, statutes or ordinances; and such additional duties as may be assigned him or her, from time to time, by the corporate authorities of the village. The duties, responsibilities and authority ascribed to the Village Health Officer are equally applicable to the Village Sanitarian in his or her area of expertise.

('70 Code, § 11-3) (Ord. 286, passed 8-28-79)

§ 93.04 NUISANCES.

(A) *Nuisance defined.* For the purposes of this section, a public nuisance is a thing, act, occupation, condition or use of property, which shall continue for such length of time as to:

(1) Substantially annoy, injure or endanger the comfort, health, repose or safety of the public;

(2) In any way render the public insecure in life or in the use of property;

(3) Greatly offend the public morals or decency;

(4) Unlawfully and substantially interfere with, obstruct or tend to obstruct or render dangerous for passage any street, alley, highway, or other public way; or

(5) Be any nuisance so defined by law.

12.3 EXTERIOR LIGHTING

A. Light Trespass and Distraction

1. No exterior lighting shall glare into, or upon, the surrounding area or any residential premises. In addition, no exterior lighting may be used in any manner that could interfere with the safe movement of motor vehicles on public streets. The light level shall be no greater than one-half (0.5) footcandle at a residential property line and one (1) footcandle at any non-residential property line or public right-of-way line.

2. Specifically, the following types of light trespass are prohibited:

   a. Any light not designed for roadway illumination that produces direct or reflected glare that could disturb the operator of a motor vehicle.

   b. Any light that may be confused with, or construed as, a traffic control device, except as authorized by state, federal or local government.

   c. In addition, gas station lighting shall comply with the requirements of Section 11.3.K and screening of drive-through facilities shall comply with Section 11.3.F.

B. Unshielded Lighting

The use of unshielded lighting, including incandescent light bulbs hung or strung on poles, wires, or any other type of support, are prohibited, except on a temporary basis in areas where approved carnivals, fairs or other similar activities are held and only when such activities are taking place.

C. Light Pole and Building-Mounted Lighting Heights

The maximum height of light poles on private property, as measured from grade at the base to the bottom of the luminaire, shall be as specified below, unless otherwise required by the Building Code. These standards do not apply to public right-of-way lighting. Permitted light pole heights shall be as follows:

1. Non-Residential Districts

a. Lights poles and building-mounted fixtures shall be designed with fully shielded luminaires. Such poles or mounts shall not exceed sixteen (16) feet in height.

b. Light poles for educational facilities or that light public outdoor recreational facilities shall not exceed sixty (60) feet in height. Exterior lighting for all outdoor recreation areas is subject to site plan review.

2. Residential Districts

Light poles for single- and two-family dwellings shall not exceed eight (8) feet in height. Light poles for non-residential uses, multi-family and townhouse uses shall not exceed twelve (12) feet in height. Lighting, including under-soffit lighting mounted upon a single-family, two-family or townhouse residential dwelling shall not be mounted higher than fifteen (15) feet above grade.

APPLICATION FOR TEMPORARY USE PERMIT VILLAGE OF LA GRANGE PARK, ILLINOIS

DATE October 2, 2014

Applicant Name, Address & Phone Number	**Property Owner Name, Address & Phone Number (where temporary use is to be located)**
Nazareth Academy Dennis Moran, President 1209 W. Ogden Avenue LaGrange Park, IL 60525 708-387-8517	Sisters of St. Joseph/Nazareth Academy 1209 W. Ogden Avenue LaGrange Park, IL 60525 708-387-8517
Address of Subject Property Valenta Stadium & Nazareth Academy Surrounding Property 1209 W. Ogden Avenue LaGrange Park, IL 60526	**Zoning District** **Current Use of Property** Educational Institution - Catholic Co-Ed High School

Temporary Uses Permitted by Zoning Code Requiring Temporary Use Permit (Zoning Administrator Approval)
Please check applicable temporary use:

___ **Carnival/Circus**
___ **Arts and Crafts Show, Plant Show (Indoor or Outdoor)**
___ **Temporary Contractor Trailer, Real Estate Model Unit**
___ **Christmas Tree Sales Lot or Pumpkin Patch**
___ **Sidewalk Sales**
___ **Tent (Non-Residential District)**
___ **Farmers Market**
___ **Temporary Retail Stand (Only in C-1, C-2, M-1 and OS Districts)**

Temporary uses not specifically listed above require the specific approval of the Village Board. Such uses may be allowed in any zoning district, provided that such temporary use is consistent with the purpose and intent of the Zoning Code and the zoning district in which it is located.

Description of Proposed Temporary Use
Nazareth Academy would like to host its first ever night (home) play-off football game at Valenta Stadium on either Saturday, November 1, 2014; Friday, November 7, 2014 or Saturday, November 8, 2014 from 6:00 p.m. until 11:00 p.m. or until end of game.

I (We) hereby affirm that all of the above statements and the statements contained in any papers or plans submitted herewith are true to the best of my (our) knowledge and belief.

I (We) hereby acknowledge my (our) obligation to reimburse the Village of La Grange Park for all necessary and reasonable expenses incurred by the Village in the review and certification of any documents submitted in conjunction with this application.

Dennis P Moran
Applicant Signature

Patricia Bergen CSJ
Property Owner Signature
Secretary Congregation of St Joseph

Applicant Mailing Address

Dennis Moran, President
Nazareth Academy
1209 W. Ogden Avenue
LaGrange Park, IL 60526

Application Fee is $25, if staff reviewed/approved; $50 if requires Village Board consideration/approval.

Description for Proposed Temporary Use

General Background
Nazareth Academy, a Catholic, co-ed high school, is planning to host its first ever night (home) play-off football game at Valenta Stadium. This home event would include lights, band, announcements that normally take place during a football game, food and beverages. Our largest home event on campus over the last 2 years accommodated between 1500 – 2000 people in attendance and we managed this size group without any incidents.

Event Hours
This game will take place on one of the following dates:
Saturday, November 1, 2014
Friday, November 7, 2014
Saturday, November 8, 2014
It will begin at 6:00 p.m. and last until 11:00 p.m. or when the game ends.

Practice hours will begin on Monday, October 27 from 4:00 – 8:00 p.m. and last until Nazareth Academy is eliminated from the IHSA Football Play-Off.

Parking
The strategic parking plan is as follows:
1. We will use the Nazareth Academy student parking lot to the north and the south faculty parking lot. We will have temporary parking on the front lawn grass area off of Ogden Avenue.
2. There will be a temporary highway light placed on Nazareth property to light the grass area and will be pointed toward the school north of Ogden Avenue. (See attached lighting diagram).
3. Designated handicap parking will be identified as the first eight spots by the north end of the facility by the gym. Identified parking areas will be monitored by Nazareth security.

Security/Public Safety
Dennis Moran, the school president, will coordinate the security detail needed to support the entire event. The following is the plan of action to support safety priorities of the community.
1. Nazareth Academy will pay for one uniformed police officer to work the event and dismissal of cars after the game.
2. Nazareth Academy will supply four Nazareth Academy security personnel to work the game.
3. Nazareth Academy will supply six maintenance personnel to work the parking of vehicles.

Food Vendors
Nazareth Academy will be using its own concession stand on property. No liquor will be served at this event. No tailgating will be allowed at this event.

Toilets
The school facility is equipped to handle the number of people expected for the event. There are out door restrooms adjacent to the concession stand along with school restroom facilities. Additional portable restrooms will be utilized to accommodate the crowd.

Garbage Disposal
Nazareth Academy has 3 dumpsters on site that will be available for disposal of all refuse. If an additional disposal container is deemed necessary, we would respond accordingly.

First Aid
1. A LaGrange Park ambulance will be present as it is at all home games.
2. A doctor will be on property as well as a representative from Athletico training services.

Noise
On the night of the game we are seeking relief from the noise requirement of the code and looking for approval for a temporary use for this event. The game will take place on one of the following dates:
Saturday, November 1, 2014
Friday, November 7, 2014
Saturday, November 8, 2014
It will begin at 6:00 p.m. and last until 11:00 p.m. or when the game ends.

Street Closure
No street closure is needed for this event.

Clean Up
Nazareth Academy's maintenance staff will be in charge of all clean-up at the end of the event.

Entertainment
The Nazareth Academy band, cheerleaders and Pom-Poms will be performing at the event with normal PA announcements that happen during an athletic event.

Lighting
Temporary lighting will be provided by Musco Sport Lighting, LLC. The lighting will be installed on Monday, October 27 and remain until Nazareth Academy is eliminated from the IHSA Football Play-Offs. This lighting will be used for practice between the hours of 4:00 p.m. – 8:00 p.m. daily due to daylight savings time. Musco will direct the lighting toward the field and they will measure the foot-candle and make any adjustments necessary (in advance) to ensure compliance with the Village code. (Please see the attached diagrams for lighting layout and information.)

Neighbors
We do not see a problem with our neighbors that genuinely support the school. We do maintain a good relationship with our neighbors and expect it to remain that way.

Nazareth Academy (Night) Football Game
Emergency Contact List (in order of contact)

1. Dennis Moran, President	708-417-0415 - Cell
2. Deborah Tracy, Principal	630-643-7823 - Cell
3. Duane Buturusis, Athletic Director	630-417-5642 – Cell


NAZARETH
NAZARETH
Light Tree
Nazareth Academy


Light Tree
Nazareth Academy

Musco Sport Lighting, LLC.
100 1st Avenue West
PO Box 808
Oskaloosa, Iowa 52577
800 / 825-6020 • 641/ 673-0411
FAX: 641 / 673-5752
Web site: www.musco.com

We Make It Happen.

October 3, 2014

To: Dennis Moran
President

From: Robyn Anderson
Mobile Sales Coordinator

Project: Nazareth Academy Football

Thank you for the opportunity to quote temporary lighting for the Nazareth Academy football field in LaGrange Park, IL. Musco is committed to working with Nazareth Academy in a manner that is cost effective and as efficient as possible.

Musco can provide (5) 53' Temporary Light Structure units with Light Structure Green fixtures & 5" visor (shield) for the illumination of a football field to approximately 29fc horizontal for one game or the remainder of the season, based on the preliminary information provided & accessibility to Musco's preferred TLS locations. Units are typically placed approximately 25 feet off the sideline of the field, with three units on one side & two units on the opposite side of the field. Included is a generic lighting & spill light scan & for your reference. Any variance from the preferred locations may result in lower light levels, poor uniformity & a negative impact on spill light. Schedule for services provides for Musco personnel to setup one day prior to the game or commencement of rental, aiming of equipment & removal one day after the game or ceasing of rental. Quotation is inclusive of equipment, transportation of five TLS per load from Oskaloosa, IA to LaGrange Park, IL & return*, technician travel expenses, labor, hotel, per diem and equipment for setup, aiming and removal. Please note that this is a temporary installation & Nazareth Academy would be responsible for any additional costs to meet any code requirements. This quotation does not reflect any prevailing wage requirements. It is responsibility of Nazareth Academy to notify Musco with any prevailing wage requirements & a list of the applicable rates, so Musco can provide a revised quotation inclusive of the prevailing wage requirements.

Nazareth Academy would be responsible for:

- Power to each TLS unit and the termination of conductors from each TLS unit to the customer supplied generators. Power must be connected to each unit prior to Musco leaving site to ensure all equipment is fully operational. Each TLS unit comes with 225' of power cable. **NOTE: CUSTOMER IS RESPONSIBLE FOR FULL REPLACEMENT VALUE OF ANY DAMAGED OR CUT CABLE.**

  208V, 60Hz single or three phase, 48/32 amps/leg*
  277V, 60Hz single or three phase, 36/12.2 amps/leg**
  480V, 60Hz single or three phase, 21/14 amps/leg***
  240V 60Hz single or three phase, 42/28 amps/leg*
  Each TLS requires 12 kw of power.

Per the National Fire Protection Association (NFPA) code 780, poles less than 75 feet should use a #2 copper wire to the ground rod. Customer supplied ground rod should be 10 foot by 5/8-inch round. Refer to the NFPA 780 and your local codes for additional information.

*Single phase assumes two "hot or live" conductors.
**277V setup only - requires the use of a neutral and when one hot leg is used, two input leads may be required to the TLS unit. The supply can be a one pole breaker, but the amperage would be 2X the amount shown.
***Minimum two weeks prior notice required for Musco to change out ballasts to accommodate 480V. Additional charges may be applicable.

- Reasonable access to site, staging area for equipment (80'x80' flat area with no overhead obstacles), ground protection (i.e. plywood) and additional labor for placement & movement of ground protection if needed for setup & removal. Musco prefers the same labor personnel for setup & removal is possible.
- Musco, a non-union organization, requires the Customer to arrange and secure all building, electrical & labor licenses, permits or any other applicable contracts or permitting, etc. with local authorities. Musco shall not be held responsible for local union labor or any permits, if required.
- Union labor if required.
- Operator for daily operation of equipment beyond one game.
- Maintenance of TLS unit beyond one game & the equipment & labor for installation of replacement parts while onsite, with Musco supplying the replacement parts only. Damages sustained to equipment while onsite, including damages sustained due to the negligence of the customer is the responsibility of the customer. ***Please note that Musco will no longer be responsible for cut or damaged power cables, all costs associated with replacing the damaged cable will be the responsibility of the customer.***
- Customer at their expense needs to store & be responsible for Musco setup tools and support equipment left on site while the system is being used, if declined Musco will ship it back to the Musco warehouse after setup and back to site for removal at an additional cost to the customer.
- Customer shall secure and maintain (a) Auto Liability insurance, including property damage liability, in an amount of not less than $1,000,000 combined single limit for personal and bodily injury, as well as third party property damage, and (b) Commercial General Liability insurance in an amount of not less than $1,000,000 per occurrence/$1,000,000 aggregate for personal injury, bodily injury, and property damage. Customer shall provide a Certificate of Insurance and shall have the insurance company providing the coverage add Musco as additional insured. Failure of Musco to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Musco to identify a deficiency from evidence that is provided shall not be construed as a waiver of Customer's obligation to maintain such insurance.

If you have any questions please feel free to give Jerome Fynaardt or myself a call at 800-825-6020.

Sincerely,
Robyn Anderson
Mobile Sales Coordinator

Cc: David Miller – Musco
Doug Miller – Musco

Musco Temporary Light-Structure™

100 1st Ave West
PO Box 808
Oskaloosa, IA 52577

Phone: 641/673-0411
Toll-Free Fax: 888-397-8736
Fax: 641/673-5752

Nationwide:
Toll-Free: 800/825-6020

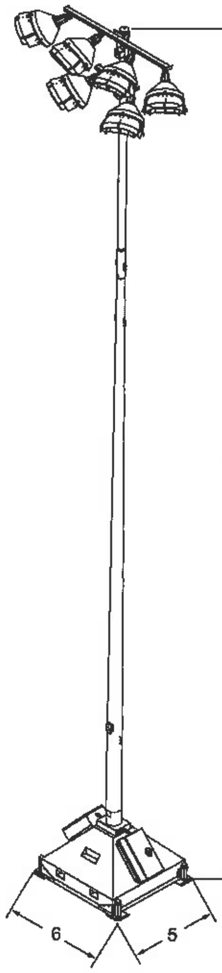
MUSCO Lighting

We Make It Happen.

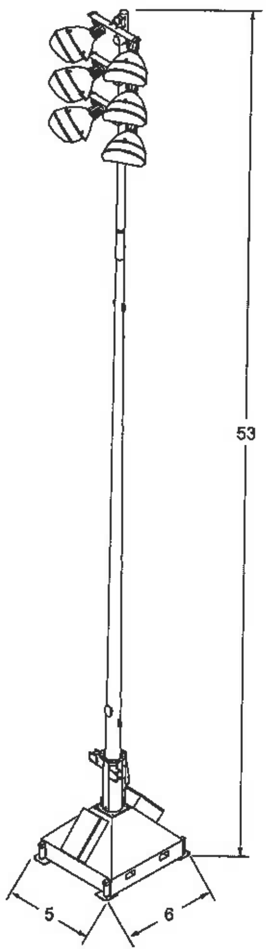
www.musco.com

Musco Temporary Light-Structure™

Light-Structure 2™
(5050)
Wind Rating: 50 mi/h



Light-Structure Green™
(5150)
Wind Rating: 50 mi/h



Dimensions in feet

Musco Lighting Temporary Light-Structure Specifications

Power Requirements

Voltage	208 V		240 V		277 V	*480 V		
Phase	Single phase	Three phase	Single phase	Three phase	Single phase	Three phase with neutral	Single phase	Three phase without neutral
Current (amps/leg)	48.6 A	32.4 A	43.8 A	29.2 A	36.6 A	12.2 A	21.0 A	14.0 A
Connections	L1, L2, G	L1, L2, L3, G	L1, L2, G	L1, L2, L3, G	L1,N, G	L1, L2, L3, N, G	L1, L2, G	L1, L2, L3, G
Frequency	60 Hz							
Power	12 kW per luminaire							

* Minimum of two weeks notice is required for Musco to change ballast for 480 V. Additional charges may apply.

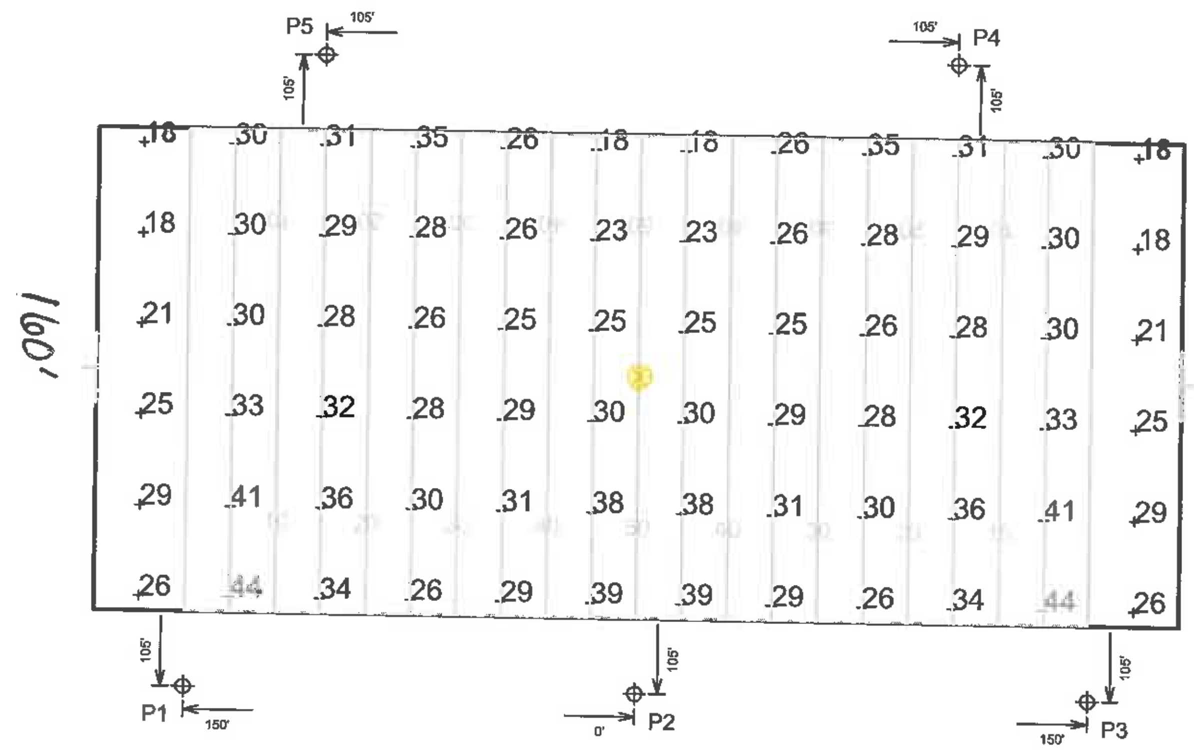
Weight:
8,000 lb assembled

Structure:
Musco Temporary Light-Structure features six 1500 watt metal halide Level-8™, Total Light Control™, or Light-Structure Green™ luminaires.

Requirements:
Customer must supply 10 foot by 5/8 inch ground rod with #2 copper conductor per the National Fire Protection Association (NFPA) code 780. Refer to NFPA 780 and your local codes for additional information.

EQUIPMENT LIST FOR AREAS SHOWN								
Pole				Luminaires				
QTY	LOCATION	SIZE	GRADE ELEVATION	MOUNTING HEIGHT	LAMP TYPE	QTY / POLE	THIS GRID	OTHER GRIDS
5	P1-P5	53'	-	53'	1500W MZ	6	6	0
5	← TOTALS →					30	30	0

5 fixtures/lights ensures uniformity in lighting.



Lights are 25' off sideline.

SCALE IN FEET 1 : 60

0' 60' 120'

Pole location(s) ⌖ dimensions are relative to 0,0 reference point(s) ⊗

MUSCO

GREEN GENERATION LIGHTING™

GUARANTEED PERFORMANCE

ILLUMINATION SUMMARY

Football

Untitled

Football

- Size: 360' x 160'
- Grid Spacing = 30.0' x 30.0'
- Values given at 3.0' above grade

- Luminaire Type: Green Generation
- Rated Lamp Life: 5,000 hours
- Avg Lumens/Lamp: 134,000

CONSTANT ILLUMINATION HORIZONTAL FOOTCANDLES

	Entire Grid
No. of Target Points:	72
Average:	29.05
Maximum:	44
Minimum:	18
Avg/Min:	1.65
Max/Min:	2.50
UG (Adjacent Pts):	1.74
CV:	0.21

Average Lamp Tilt Factor:	1.000
Number of Luminaires:	30
Avg KW over 5,000 hours:	46.92
Max KW:	51.0

Guaranteed Performance: The CONSTANT ILLUMINATION described above is guaranteed for the rated life of the lamp.

Field Measurements: Averages shall be +/-10% in accordance with IESNA RP-6-01 and CIBSE LG4. Individual measurements may vary from computer predictions.

Electrical System Requirements: Refer to Amperage Draw Chart and/or the **"Musco Control System Summary"** for electrical sizing.

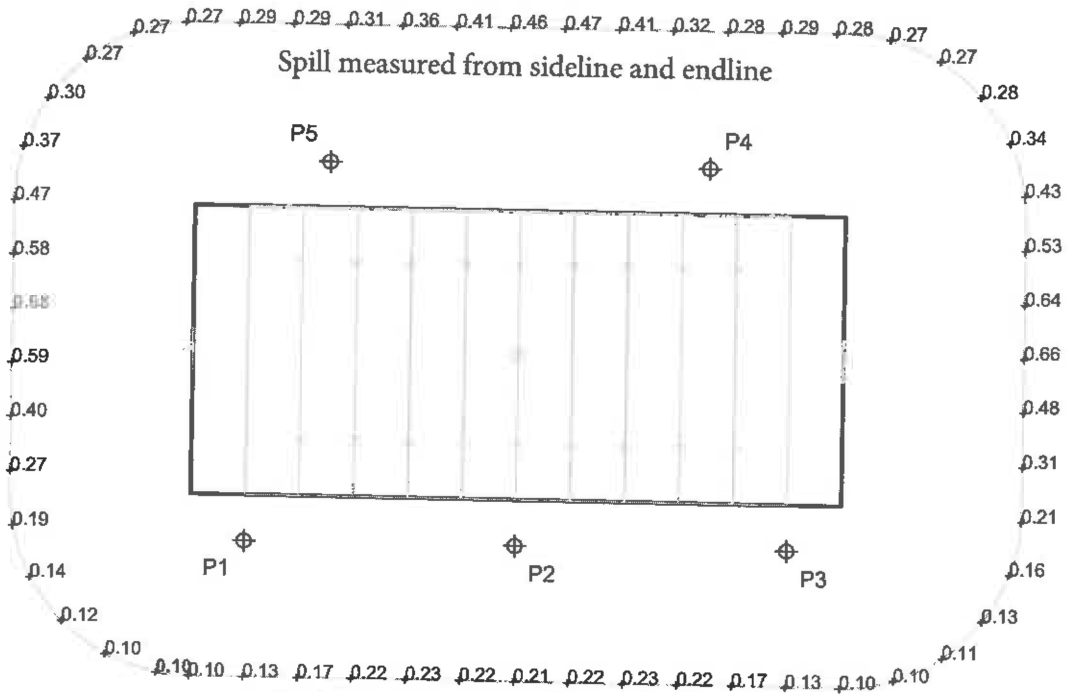
Installation Requirements: Results assume +/- 3% nominal voltage at line side of the ballast and structures located within 3 feet (1m) of design locations.

By: T.FERGUSON

File #: 5PLSFBLSG5105 Date: 22-Jun-09

EQUIPMENT LIST FOR AREAS SHOWN

Pole				Luminaires				
QTY	LOCATION	SIZE	GRADE ELEVATION	MOUNTING HEIGHT	LAMP TYPE	QTY / POLE	THIS GRID	OTHER GRIDS
5	P1-P5	53'	-	53'	1500W MZ	6	6	0
5	TOTALS					30	30	0



SCALE IN FEET 1 : 100

0' 100' 200'

Pole location(s) ⌖ dimensions are relative to 0,0 reference point(s) ⊘

MUSCO Lighting

MY PROJECT

Name: 5TLSFBLSG5150

Location:

GRID SUMMARY

Name: 100' Spill

Spacing: 30.0'

Height: 3.0' above grade

CONSTANT ILLUMINATION

SUMMARY — HORIZONTAL FOOTCANDLES

	Entire Grid
Scan Average:	0.2958
Maximum:	0.68
Minimum:	0.10
No. of Points:	56

LUMINAIRE INFORMATION

Luminaire Type:	Green Generation
Rated Lamp Life:	5,000 hours
Design Lumens:	134,000
Avg Lamp Tilt Factor:	1.000
Add'l Non-Rec LLF:	1.010
Recoverable LLF:	0.700
Total LLF:	0.707
No. of Luminaires:	30
Avg KW:	46.92 (51.0 max)

Guaranteed Performance: The CONSTANT ILLUMINATION described above is guaranteed for the rated life of the lamp.

Field Measurements: Illumination measured in accordance with IESNA LM-5-04 and CIBSE LG4. Individual values may vary. See the Warranty document for details.

Electrical System Requirements: Refer to Amperage Draw Chart and/or the **"Musco Control System Summary"** for electrical sizing.

Installation Requirements: Results assume +/- 3% nominal voltage at line side of the ballast and structures located within 3 feet (1m) of design locations.

ENGINEERED DESIGN

By: T.FERGUSON

File # / Date: 5TLSFBLSG5150 16-Sep-14

ILLUMINATION SUMMARY

musco Lighting

We Make It Happen.

1000/1500/2K/6k Watt Power Requirements

Amperage - Maximum per leg when evenly distributed

Supplied Voltage	Connections	Calculation Method	1000 Watt				1500 Watt				2K Watt			
			1P	2P	4P	6P	1P	2P	4P	6P / TLS	1P	2P	4p	6p
208 Single phase	L1, L2, G	A	5.4	10.8	21.6	32.4	8.1	16.2	32.4	48 6	10.8	21.6	43.2	64.8
208 Three phase	L1, L2, L3, G	B	5.4	10.6	16.2	21.6	8.1	16.2	24.3	32 4	10.8	21.6	32.4	43.2
240 Single phase	L1, L2, G	A	4.9	9.8	19.6	29.4	7.3	14.6	29.2	43 8	9.8	19.6	39.2	58.8
240 Three phase	L1, L2, L3, G	B	4.9	9.8	14.7	19.6	7.3	14.6	21.9	29 2	9.8	19.6	29.4	39.2
277 Single phase	L1, N, G	A	4.1	8.2	16.4	24.6	6.1	12.2	24.4	36 6	8.2	16.4	32.8	49.2
480 Three phase w/neutral (277)	L1, L2, L3, N, G	C	4.1	7.1 *	8.2	8.2	6.1	10.6 *	12.2	12 2	8.2	14.2 *	16.4	16.4

* Current is highest in the neutral leg

Prior notice required for the following supplied voltages. Ballasts must be changed out to accommodate them.

Supplied Voltage	Connections	Calculation Method	1000 Watt 1P	1000 Watt 2P	1000 Watt 4P	1000 Watt 6P	1500 Watt 1P	1500 Watt 2P	1500 Watt 4P	1500 Watt 6P / TLS	2K Watt 1P	2K Watt 2P	2K Watt 4p	2K Watt 6p
380 Single phase	L1, L2, G	A	3.0	6.0	12.0	18.0	4.4	8.8	17.6	26.4	6.0	12.0	24.0	36.0
380 Three phase	L1, L2, L3, G	B	3.0	6.0	9.0	12.0	4.4	8.8	13.2	17.6	6.0	12.0	18.0	24.0
415 Single phase	L1, L2, G	A	2.7	5.4	10.8	16.2	4.0	8.0	16.0	24 0	5.5	11.0	22.0	33.0
415 Three phase	L1, L2, L3, G	B	2.7	5.4	8.1	10.8	4.0	8.0	12.0	16 0	5.5	11.0	16.5	22.0
480 Single phase	L1, L2, G	A	2.4	4.8	9.6	14.4	3.5	7.0	14.0	21 0	4.5	9.0	18.0	27.0
480 Three phase w/o neutral	L1, L2, L3, G	B	2.4	4.8	7.2	9.6	3.5	7.0	10.5	14 0	4.5	9.0	13.5	18.0

To use this chart first select the voltage that you have available
Then select the numer of fixures that you are feeding to determine the supply current needed
This current load can be used to determine wire size.

6K Watt

	1P	3P	6P	15P
208 Three Phase	35	70	140	NA
480 Three Phase w/neutral (277)	27	27	54	135

Calculation Method A for multiple fixtures on single phase applications calculate loads as follows:

Multiply the number of fixtures by the current specification for 1P applications found in the table above.

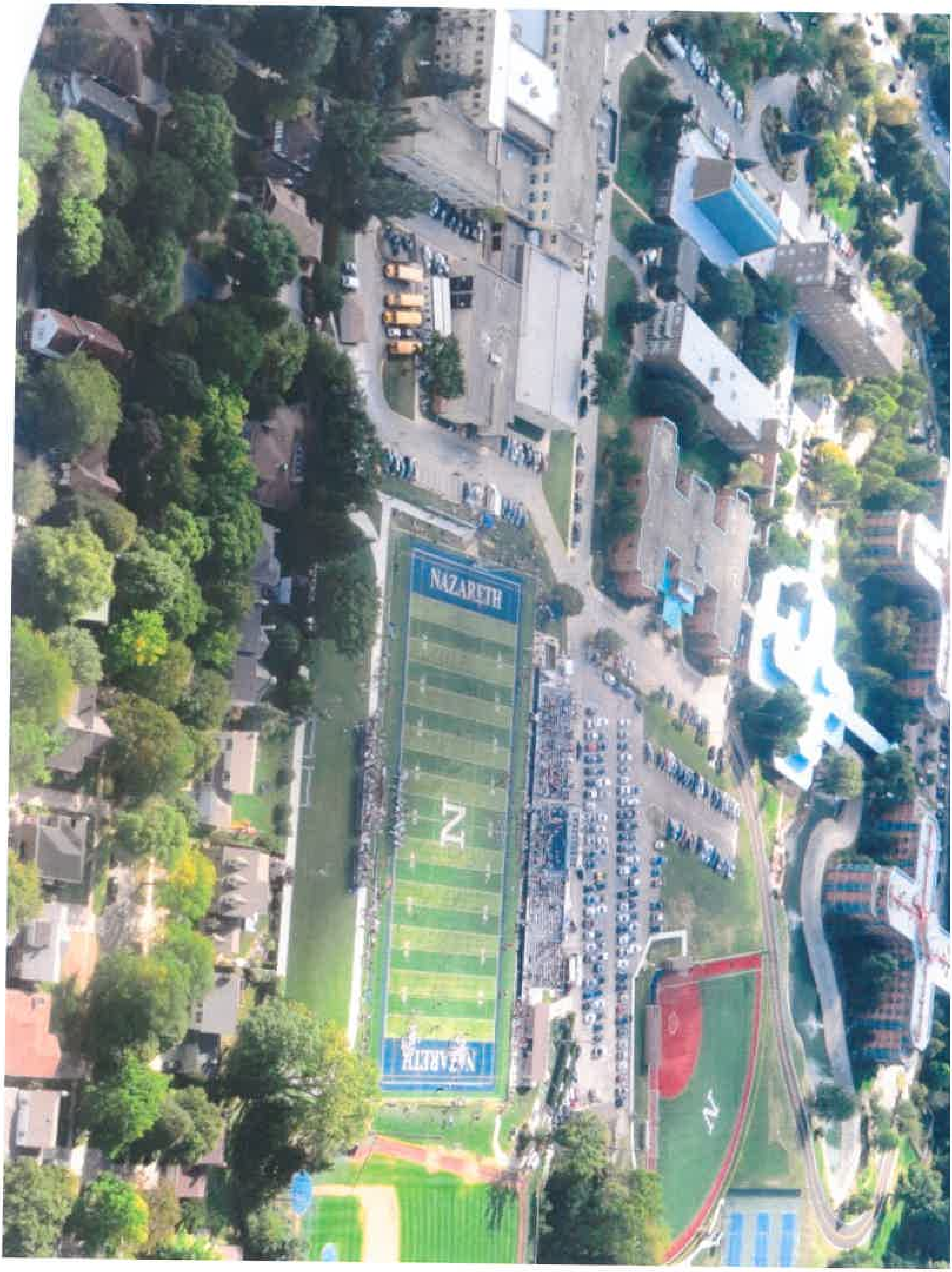
Calculation Method B for multiple fixtures on 3 phase applications calculate current loads with the 1 2 3 method as follows:

Add 1 to the number of fixtures being powered up
Multiply the result by 2
Divide this number by 3
Drop the decimal amount
Multiply the result by the current specification for 1P found in the table above
Result is current per leg for evenly distributed loads

Calculation Method C for 4 or more fixtures on 3 phase application with Neutral calculate current loads as follows:
Add 2 to the number of fixtures being powered up
Divide this result by 3
Drop the decimal amount
Multiply the result by the current specification for 1P found in the table above
Result is current per leg for evenly distributed loads

For help determining loads with non listed voltages contact Musco Engineering

m:\mobile\shop operation\lightbar\power requirements


NAZARETH
NAZARETH

Public Safety Committee

Mario Fotino, Chairman
Patricia Rocco
Robert Lautner

Village Board Agenda Memo

Date: September 15, 2014

To: Village President and Board of Trustees

From: Julia Cedillo, Village Manager
Philip J. Kubisztal, Interim Chief of Police

Re: Amendment to Village Municipal Code – Vehicle Code Violations

---

PURPOSE

To approve an amendment to the Village's Municipal Code that deletes, makes correction to, or adds to the authorized Illinois Vehicle Code violations adopted by reference, in Title VII, Section 70.097 ALTERNATIVE PENALTIES; COMPLIANCE of the Village of La Grange Park Municipal Code.

GENERAL BACKGROUND

As an alternative to the issuance of a uniform traffic complaint, the Village Municipal Code authorizes Police Officers to issue a compliance warning ticket for a violation of certain sections of the Illinois Vehicle Code.

During various legislative sessions, the Illinois General Assembly has repealed, changed or created new violations of the Illinois Vehicle Code through Public Acts, which need to be adopted by reference to the municipal code, for Village Police Officers to enforce certain vehicle code violations through a Village compliance warning ticket.

The specific changes to Title VII, Section 70.097 of the Municipal Code are as follows:

Deletions:

12-604(a) – Operation of vehicle with television receiver visible to driver. This section of the Illinois Vehicle Code was repealed.

1203-1 – Operation of all-terrain vehicle or off-highway motorcycle without valid registration.
1203-4(b) – Operation of all-terrain of off-highway motorcycle without affixed registration decal.
1203-4(c) – Operation of all-terrain vehicle without registration certificate in possession of operator.
1203-9 – Failure to renew registration certificate.

1204-3 – Operation of all-terrain vehicle or off-highway motorcycle without safety helmet and eye protection.
1204-6 – Operation of all-terrain vehicle without headlamp and tail lamp when required.
1204-7 – Operation of all-terrain vehicle without operational service brake.
1204-8 – Operation of all-terrain vehicle without adequate muffler system.
1204-10 – Operation of all-terrain vehicle with modified exhaust system.
These sections of the Illinois Vehicle Code were repealed.

13A-140(c) – Failure to display valid unexpired emission inspection sticker. This section of the Illinois Vehicle Code was repealed.

Changes:

3-112(b) – Failure to transfer title within ~~five~~ (twenty) days. The Illinois Vehicle Code now allows twenty days, before a violation will occur.

12-603(b) – Operation of vehicle without two front seat safety belts – vehicles of ~~1961~~ (1965) or later model years. The Illinois Vehicle Code now allows for vehicles of 1965 or later model years.

12-603.1 – Failure of ~~driver/front seat occupant(s)~~ (driver or passengers) to use seat safety belt. The Illinois Vehicle Code now requires all vehicle occupants to use a seat safety belt.

Additions:

11-1404 – Operation of a motorcycle or moped without eye protection. Addition to the Illinois Vehicle Code that requires operators of motorcycles or mopeds to wear eye protection.

12-201(a) – Operation of a motorcycle without a lighted headlamp. Addition to the Illinois Vehicle Code that requires operators of motorcycles to have a lighted headlamp.

12-604.1(a) – Operation of a vehicle with a video device visible to the driver. Addition to the Illinois Vehicle Code to include other video devices in addition to television receivers from being viewed by the vehicle operator.

12-610.2(b) – Operation of a vehicle while using an electronic communications device. Addition to the Illinois Vehicle Code that requires operators of motor vehicles to not use an electronic communication device while driving.

12-704.3 – Failure to maintain a decal marking liquefied petroleum gas or compressed natural gas. Addition to the Illinois Vehicle Code that requires 2^nd^ division vehicles using alternative fuels to be marked.

MOTION/ACTION REQUESTED

This matter is being placed on the agenda for the October 14, 2014 Village Board Work Session for discussion. If there is consensus to support the approval of the Ordinance, the matter will be placed on the October 28, 2014 Village Board Meeting Agenda for approval.

DOCUMENTATION

- Ordinance Amending the La Grange Park Municipal Code as Amended.

ORDINANCE NO. ___________

ORDINANCE AMENDING THE "LA GRANGE PARK MUNICIPAL CODE" AS AMENDED

Whereas, the Board of Trustees has determined that it is in the best interests of the Village of La Grange Park to amend Title VII of the La Grange Park Municipal Code.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of La Grange Park, Cook County, Illinois, as follows:

<u>SECTION 1:</u> That Section **§ 70.097 ALTERNATIVE PENALTIES; COMPLIANCE** of Title VII of the La Grange Park Municipal Code is hereby deleted in its entirety, and replace it with the following language:

§ 70.097 ALTERNATIVE PENALTIES; COMPLIANCE.

(A) *Warning tickets; settlement.* Any person, pursuant to the issuance of a compliance warning ticket, who is accused of a violation of certain sections of this code as hereinafter described in division (C), except a traffic offense for which a court appearance is required pursuant to Supreme Court Rule 551, may settle and compromise that ticket by paying to the village a fee of $40 within ten days from the date such alleged violation was committed or by paying to the village the sum of $80 subsequent to the ten-day period and prior to 30 days thereafter.

(B) *Failure to settle claim.* The issuance of compliance warning citations shall be as a courtesy in lieu of instituting a prosecution in court for the alleged offense. If the person accused of the violation does not settle the claim, a uniform traffic complaint or notice to appear will be issued for that violation and otherwise that person shall be subject to the general penalties set forth in § 70.999.

(C) *Illinois Vehicle Code violations adopted by reference.* The following violations of the ILCS Chapter 625, Act 5, Illinois Vehicle Code, are adopted by reference to this code and shall be subject to the procedures described herein:

IVC Section Description

3-112(b) Failure to transfer title within twenty days

3-401(a) No valid registration - never applied

3-404 No bill of lading or manifest/dispatch record

3-411(a) Failure to carry a registration card or reciprocity permit - second division vehicle

3-413(a,b) Improper display of license plates

3-413(f) Operation of vehicle with expired registration plate or sticker

3-416 Failure to notify the Secretary of State of name/address change

3-417(a) Failure to immediately apply for replacement registration card, plate or sticker

3-701(1) No valid registration - no valid plate or sticker obtained

3-701(2) No valid registration - reciprocity, prorate or apportionment

5-201(h) No in-transit plates

5-202(e) Failure to display three tow-truck plates

11-1404 Operation of a motorcycle or moped without eye protection

11-1419.02 Failure to display Illinois Motor Fuel Use Tax License

11-1419.03 Failure to display external Illinois Motor Fuel Use Tax decal

11-1507(a) Operation of bicycle without lamp and reflector

11-1507.1 Operation of a motorized pedacycle without a lamp and reflector

12-101(a) Operation of vehicle with unsafe equipment

12-201(a) Operation of a motorcycle without a lighted headlamp

12-201(b) Driving vehicles without two lighted head lamps and tail lamps when required

12-201(c) No white rear registration light

12-202(a,b) Insufficient clearance, identification or side marker lamps and reflectors - second division vehicle

12-203(a) Failure to use parking lights while a vehicle is standing on the highway

12-204 Improper lamp or flag on projecting load

12-205 Improper use of lamps on towing and towed vehicles

12-207(a) Improper use of more than one spot lamp

12-207(b) Improper use of more than three auxiliary driving lamps

12-208(a) No stop signal lamp or device

12-209(c) Defective backup lights

12-210(a) Failure to dim headlights/auxiliary driving lamps within 500 feet on approach of vehicle

12-210(b) Failure to dim headlights/auxiliary driving lamps within 300 feet of vehicle in same direction

12-211(a) Improper lighting on vehicles other than motorcycles - only one head lamp

12-211(b) Improper use of more than four lighted headlights/auxiliary driving lamps

12-212(a) Improper use of red light visible from front of vehicle

12-212(b) Unlawful use of flashing lights

12-215 Unlawful use of oscillating, rotating or flashing lights

12-301 Use of defective brakes

12-401 Unlawful use of metal studded tire

12-405(c) Use of unsafe tire

12-501(a) Operation of vehicle without windshield

12-502 Operation of vehicle without rear reflecting mirror

12-503(a) Obstructed view of the windshield or side windows adjacent to the driver

12-503(c) Obstructed view of any window by stationary or suspended object(s)

12-503(d) Operation of vehicle without windshield cleaning device; operation of vehicle with view obstructed by snow, ice or moisture

12-503(e) Obstructed view due to defective condition or repair of any window

12-601(a) Operation of vehicle with defective horn

12-601(b) Unlawful possession or use of siren

12-602 Operation of vehicle with defective or modified exhaust system

12-603(b) Operation of vehicle without two front seat safety belts - vehicles of 1965 or later model years

12-603.1 Failure of driver or passengers to use seat safety belt

12-604.1(a) Operation of a vehicle with a video device visible to driver

12-606 Operation of tow truck without:

(a) Identifying sign attached on each side

(b) Required equipment - one broom, shovel, trash can and fire extinguisher

(c) Removing roadway debris and spreading dirt or sand on oil/grease deposits

(d) Insurance policy in cab

12-607(a) Operation of vehicle with unlawfully altered vehicle suspension system - body lifted in excess of three inches from chassis

12-607.1(a) Operation of first division vehicle with frame in excess of 22 inches above ground

12-607.1(b) Operation of second division vehicle with frame in excess of specified limits above ground - refer to statute

12-608(a) Operation of vehicle with a gross vehicle weight rating (GVWR) of 9,000 pounds or less or a recreational vehicle without two bumpers

12-608(a) Operation of vehicle with unlawful bumper height

12-610(a) Operation of vehicle while wearing headset receiver

12-610.2(b) Operation of a vehicle while using an electronic communication device

12-702(a) Operation of second division vehicle without carrying flares/warning devices

12-702(c,d,e,f,g) Failure to use flare/warning devices when second division vehicle is disabled

12-704.3 Failure to maintain a decal marking liquefied petroleum gas or compressed natural gas

12-707 Overloaded school bus, commuter van or motor vehicle used for hire

12-711 Operation of garbage truck, roll-off hoist or roll-on container without audible backing warning system

12-806 Failure to cover school bus sign

12-808 Operating school bus without fire extinguisher

12-809 Operating school bus without first aid kit

12-810 Transporting disabled passenger(s) without restraining device

13-111 Operation without certificate of valid safety test attached to windshield - second division vehicle

15-105 A load projecting in any excess beyond left fenders or six inches beyond right fenders of first division vehicle

15-106 Failure to fasten loose projecting member

15-108 Failure to plank edge of pavement for any vehicle in excess of 8,000 pounds

15-109(a) Spilling load on highway

15-109(b) Operating a loaded vehicle without a securely fastened covering

15-109.1 Operating a second division vehicle with a load falling, blowing or dropping to a highway

15-114 Unlawful pushing of disabled vehicle

18c-4104(a) Operation without registration - intrastate or interstate

18c-4604(1) Operating without a current cab card and an Illinois identifier stamp

18c-4604(3) Use of a cab card and Illinois identifier stamp issued to another carrier

18c-4604(4) Failure to display or present a cab card and Illinois identifier stamp

18c-4701(1) Operating without a trade name, license and registration number of carrier painted or affixed to both doors of power unit

(D) *Other violations adopted by reference.* The following violations are adopted by reference to this code and shall be subject to the penalties and procedures herein:

(1) ILCS Chapter 625, Act 40, § 3-1, Operation of unnumbered snowmobile

(2) ILCS Chapter 625, Act 40, § 4-1, Operation of a snowmobile without required:
   (A) One white headlamp during darkness
   (B) One rear taillight during darkness
   (C) Brake system in good mechanical condition
   (D) Reflective material on each side of cowling
   (E) Adequate sound suppression equipment

(3) ILCS Chapter 625, Act 40, § 5-1(D), Operating snowmobile without a lighted headlamp and taillight

SECTION 2: That all ordinance and resolutions, or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, expressly repealed.

SECTION 3: That this Ordinance shall be in full force and effect after its passage, approval and publication as required by law;

ADOPTED BY THE PRESIDENT AND THE BOARD OR TRUSTEES of the Village of La Grange Park, Cook County, Illinois this 28th day of October 2014.

YES:
NO:
ABSENT:

Approved this 28th day of October 2014.

Dr. James L. Discipio, Village President

ATTEST:

Amanda Seidel, Village Clerk

Village Board Agenda Memo

Date: **October 7, 2014**

To: President & Board of Trustees

From: Dean J. Maggos, Director of Fire, Building and Emergency Management
Julia Cedillo, Village Manager

RE: **Cook County Health Inspections**

GENERAL BACKGROUND:

Our current Intergovernmental Agreement with the Cook County Department of Public Health expires on November 30, 2014. The Department of Public Health has provided health inspection services to the Village of La Grange Park since April of 2001, and the system overall has continued to work very well.

The overall content of the new agreement would remain unchanged, but unfortunately with the exception of the fees charged for inspections. The current fee is set at $60.00 per inspection, and the new agreement calls for an increase to $100.00 per inspection, as proposed by the County. Due to the substantial increase, we did contact the Assistant Director of Environmental Health Services, who coordinates this program, to see if the fee is negotiable. Unfortunately it is not, and all municipalities using this program pay the same rate per inspection. This does though appear to be the first increase since 2002, and according to the County, represents only the second increase in the history of this Intergovernmental Agreement program.

Finally, although the financial burden does unfortunately increase for those facilities where inspections are required, it should be noted that the Village invoices the individual facilities for the required inspections, and for any follow-up inspections which are needed that we may be charged for. As such, there is no additional financial impact directly to Village finances.

ACTION REQUESTED:

Review and discuss the proposed IGA, a copy of which is enclosed. There appear to be no changes from the current agreement in place. If there is consensus, this item will be placed on the consent agenda for the October 28th Board meeting.

RECOMMENDATION:
Staff recommends entering into another contract with the Cook County Department of Public Health for health inspection services, effective December 1, 2014, and continuing through November 30, 2015.

DOCUMENTATION:
- Copy of the proposed Intergovernmental Agreement
- Copy of Resolution approving agreement
- List of businesses/facilities where inspections are being conducted

COOK COUNTY HEALTH & HOSPITALS SYSTEM

CCHHS

Toni Preckwinkle • President
Cook County Board of Commissioners
Ram Raju, MD, MBA, FACS, FACHE
Chief Executive Officer
Cook County Health & Hospitals System
Terry Mason, MD, FACS
Chief Operating Officer
Cook County Department of Public Health
Southwest District Clinic, 5th District Courthouse
10220 S. 76th Avenue
Bridgeview, IL 60455
708-974-6160 phone

August 29, 2014

Mr. Dean Maggos
Village of LaGrange Park
447 N. Catherine Avenue
LaGrange Park, IL 60526

Dear Mr. Maggos:

Enclosed are two (2) original copies of the Intergovernmental Agreement for the Provision of Environmental Health Inspectional Services for the period of December 1, 2014 through November 30, 2015. **Both original copies of the agreement need to be signed where required and returned to me for final approval**. One of the fully executed original copies will then be returned to you for your official records.

Please note that the fee has been changed to $100 per inspection. This is the first increase since 2002 and represents only the second increase in the history of the Intergovernmental Agreement Program.

If you should have any questions or need any further information, please contact me at (708) 974-7107 or Michelle Beckles at (708) 974-7105.

Sincerely yours,

George Papadopoulos

George Papadopoulos, M.P.H.
Assistant Director
Environmental Health Services

cc – File

Enclosure

INTERGOVERNMENTAL AGREEMENT FOR THE PROVISION OF ENVIRONMENTAL HEALTH INSPECTIONAL SERVICES

This **AGREEMENT** entered into as of December 1, 2014 by and between the Village of La Grange Park, Cook County, Illinois a municipal corporation (hereinafter called the **VILLAGE**), and the County of Cook, Illinois a body corporate and politic (hereinafter called the **COUNTY**).

WITNESSETH:

WHEREAS, The **VILLAGE** wishes to provide environmental health inspectional services relating to food service sanitation and retail food store sanitation; and

WHEREAS, the **COUNTY** is willing to provide the **VILLAGE** with certain environmental health services through the work of its Department of Public Health, (hereinafter called the **DEPARTMENT**) upon the terms and conditions as hereinafter set forth; and

WHEREAS, the **COUNTY** is a home rule unit as provided in the 1970 Illinois Constitution (Art. VII, Sec. 6); and

WHEREAS, the **VILLAGE** is a municipality deriving its authority as provided in the Illinois Compiled Statutes (65 ILCS 5); and

WHEREAS, the 1970 Illinois Constitution (Art. VII, Section 10) and the Illinois Compiled Statutes (5 ILCS 220) provide authority for intergovernmental cooperation; and

WHEREAS, the Illinois Compiled Statutes (55 ILCS 5/5-25013 (B) 5), provides that the **DEPARTMENT** may contract for the sale of health services; and

WHEREAS, the parties hereto seek to protect the health of the citizens of the **COUNTY** and the **VILLAGE** by undertaking the **AGREEMENTS** contained herein through their joint effort.

NOW THEREFORE, in consideration of the premises, and such other considerations as hereinafter set forth, the parties hereto agree as follows:

1. The **DEPARTMENT**, through its Environmental Health Division Staff, shall provide the following environmental services to the **VILLAGE:**

    a. Make inspections as required by the food sanitation provisions of the Code of Ordinances of the **VILLAGE** (hereinafter called the **VILLAGE CODE**) of all food service establishments and retail food stores licensed or permitted by the **VILLAGE** as scheduled by the **VILLAGE** and the **DEPARTMENT** during the term of this **AGREEMENT** to assure compliance with the **VILLAGE CODE;**

b. Reinspect all food service establishments and retail food stores to monitor the correction of violations identified at the time of the initial inspection pursuant to (a.) above;

c. Provide the **VILLAGE** with reports of inspections undertaken;

d. Report immediately to the **VILLAGE** on matters which in the opinion of the inspector are of serious concern;

e. Testify as required in any court cases brought by the **VILLAGE** for correction of food sanitation code violations cited pursuant to inspections conducted by the **DEPARTMENT**;

f. Review plans for any new or extensively remodeled food service establishment or retail food store in the **VILLAGE** to assure compliance with current Federal, State, **COUNTY**, and **VILLAGE** Food Service Establishment and Retail Food Store Regulations.

2. The **DEPARTMENT** agrees to furnish its employees with means of transportation to, from, and within the **VILLAGE** in order to carry out the duties and inspections as described herein.

3. The **VILLAGE** agrees:

a. To maintain in force during the term and any extension of this intergovernmental **AGREEMENT**, ordinances or regulations at least equivalent to the **COUNTY** Food Service Establishment and Retail Food Store Ordinances;

b. To maintain files and records of inspections and licensing or permitting of food service establishments and retail food stores, and to provide the **DEPARTMENT** with one copy of inspection reports prepared by **DEPARTMENT** personnel and upon reasonable notice provide the **COUNTY** with access to said files and records;

c. To provide any legal action in the determination of the **VILLAGE** necessary to enforce the **VILLAGE** ordinances or regulations.

4. To provide the **DEPARTMENT** with the necessary authority to perform the duties and services referred to above.

5. The **DEPARTMENT** agrees to provide all of the services outlined in Paragraph Number 1 above, at a cost of **$100.00 per inspection** billed to the **VILLAGE** for the term of the **AGREEMENT**.

6. The **VILLAGE** agrees to hold harmless and to indemnify the **COUNTY**, its Board members, officers, agents and employees from liabilities, costs, judgments, attorneys' fees or other expenses resulting from any negligence or act or failure to act under this **AGREEMENT** by the **VILLAGE**, its officers, agents or employees. The **COUNTY** agrees to hold harmless and to indemnify the **VILLAGE**, its Board members, officers, agents and employees from liabilities, costs, judgments, attorneys' fees or other expenses resulting from any negligence or act or failure to act under this **AGREEMENT** by the **COUNTY**, its officers, agents or employees. Nothing herein shall be construed to require the **VILLAGE** to indemnify the **COUNTY** for the negligence of the **DEPARTMENT** or its officers, agents, or employees; and further, nothing herein shall be construed to require the **VILLAGE** to indemnify or make any payments in connection with any claim for which the **COUNTY** or the **DEPARTMENT** otherwise would not be liable, nor shall it be construed to waive any defenses that the **COUNTY**, the **DEPARTMENT** or the **VILLAGE** may otherwise have to any such claim. Furthermore, nothing herein shall be construed to require the **COUNTY** to indemnify the **VILLAGE** for the negligence of the **VILLAGE** or its officers, agents or employees; and further, nothing herein shall be construed to require the **COUNTY** to indemnify or make payments in connection with any claim for which the **VILLAGE** otherwise would not be liable.

7. This **AGREEMENT** shall become effective as of December 1, 2014 and shall continue through November 30, 2015 unless otherwise terminated by either party as hereinafter provided. This **AGREEMENT** may be renewed on an annual basis by resolution of the corporate authority of both parties or with the written agreement of the parties through their designated representatives. For purposes of the renewal of the terms and conditions contained in this **AGREEMENT** the **COUNTY** authorizes the Chief of the Bureau of Health Services or the Director of the **DEPARTMENT** to renew on its behalf.

8. The parties hereto shall at any time during the term of this **AGREEMENT** have the right to terminate same upon 30 days written notice to the other party, said notice to be sent certified mail, return receipt to: Director, Cook County Department of Public Health, 15900 S. Cicero Avenue, Building E, Oak Forest, IL 60452; or the Village Manager, Village of La Grange Park, 447 N. Catherine, La Grange Park, Illinois 60526.

9. It is expressly agreed by the parties hereto that all environmental health staff members of the **DEPARTMENT** shall be deemed its employees and shall be under the sole supervision and control of the **DEPARTMENT**.

10. This intergovernmental **AGREEMENT** may be amended only by resolution of the corporate authority of each party hereto.

11. If any provision of this **AGREEMENT** is invalid for any reason, such invalid portion shall not render invalid the remaining provisions of this **AGREEMENT** which can be given effect without the invalid provision to carry out the intent of the parties as stated herein.

12. Neither party hereto may assign this **AGREEMENT** in whole or in part without the written consent of the other party.

13. The waiver by a party or any breach or failure of the other party to perform any covenant or obligation contained herein shall not constitute a waiver of any subsequent breach.

14. This **AGREEMENT** represents the entire **AGREEMENT** between the parties and supersedes any and all prior **AGREEMENTS**, whether written or oral. Any modification of this **AGREEMENT** shall be valid only if in writing and signed by all parties hereto.

15. This **AGREEMENT** shall be governed by and construed in accordance with the laws of the State of Illinois.

16. All notices relating to the **AGREEMENT** shall be either hand delivered to the party or mailed to the party by certified mail, return receipt requested to all respective parties at addresses as both appear in Section 8 of this **AGREEMENT**.

17. None of the provisions of this **AGREEMENT** is intended to create nor shall be designed or construed to create any relationship between the **COUNTY** and the **VILLAGE** other than of independent entities contracting with each other hereunder solely for effecting the provisions of the **AGREEMENT**. Neither of the parties hereto nor any of their respective representatives shall be construed to be the agent, the employer or representative of the other. The **VILLAGE** and the **COUNTY** will maintain separate and independent managements and each has full unrestricted authority and responsibility regarding its own organization and structure.

18. The execution of this **AGREEMENT** by the **COUNTY** shall be subject to the authorization of the Cook County Board of Commissioners adopted in accordance with applicable law.

IN WITNESS WHEREOF, the undersigned governmental units have caused this **AGREEMENT** to be duly executed and attached herewith are copies of the respective resolutions authorizing the signing official to execute this **AGREEMENT**.

VILLAGE OF LA GRANGE PARK
a municipal corporation

By:______________________________

Village President

ATTEST:

By:______________________________
Village Clerk

Dated:

COUNTY OF COOK, a body
corporate and politic

____________________ By:________________________________

Dated Director, Cook County
Department of Public Health

RESOLUTION NO. _____

RESOLUTION AUTHORIZING EXECUTION OF A HEALTH INSPECTION SERVICES AGREEMENT WITH THE COUNTY OF COOK

WHEREAS, the Village of La Grange Park seeks to continue to retain the Cook County Department of Public Health to perform health and sanitation inspections within all businesses involved in the sale of food products; and

WHEREAS, the Cook County Department of Public Health undertakes this role for a number of Cook County communities on a contractual basis; and is qualified and staffed to undertake this role; and

WHEREAS, the Cook County Department of Public Health and is well qualified and staffed to undertake this role for the Village of La Grange Park.

NOW, THEREFORE BE IT RESOLVED, by the President and Board of Trustees of the Village of La Grange Park, Cook County, Illinois, as follows:

1. That the *Intergovernmental Agreement for the Provision of Environmental Health Inspectional Services,* attached hereto is approved.

2. That the President is authorized to execute the agreement, and the Village Clerk is authorized to attest the agreement.

3. The Village Manager is authorized and directed to take such further actions as he deems necessary and appropriate to implement, administer and enforce this Resolution.

ADOPTED BY THE PRESIDENT AND THE BOARD OF TRUSTEES of the Village of La Grange Park, Cook County, Illinois this 21st day of October, 2014.

YES:

NOS:

ABSENT:

Approved this 21st day of October, 2014.

____
Dr. James L. Discipio, Village President

ATTEST: ______________________________
Amanda G. Seidel
Village Clerk

APPROVED AS TO FORM-
VILLAGE ATTORNEY: Agreement Approved by Village Attorney on __________

Village of La Grange Park
Food Establishment Inspection List

Address	Business
9 E. 31st St.	Mattone
704 E. 31st St.	Seven-Eleven
714 E. 31st St.	New Hong Kong
720 E. 31st St.	Alex & Aldo's
722 E. 31st St.	Subway
1000 E. 31st St.	Angel's Spirits
920 Barnsdale	Barnsdale School
901 Forest Rd.	Forest Rd. School
1125 Harrison Ave.	St. Louise DeMarillac School
315 N. La Grange Rd.	Plymouth Place
425 N. La Grange Rd.	Fruitful Yield
439 N. La Grange Rd.	Panera Bread
701 N. La Grange Rd.	The Grove of La Grange Park
1045 N. La Grange Rd.	La Grange Park BP
1101 N. La Grange Rd.	BMS Mart, Inc. (Citgo)
1122 Maple Ave.	Golden Wok
1130 Maple Ave.	Montessori Childrens Place
1136 Maple Ave.	The Betty Scheck Senior Center
1146 Maple Ave.	Bill's Place
1209 W. Ogden Ave.	Nazareth Academy
1571 W. Ogden	Bethlehem Woods
1571 W. Ogden	Bethlehem Woods - Country Store
325 N. Park	Park Jr. High School
507 Woodlawn	Jewel Food Store
507 Woodlawn	Osco

Last Updated: October 7, 2014

Public Works Committee

Scott Mesick, Chairman
Michael Sheehan
Mario Fotino

VILLAGE BOARD AGENDA MEMO

Date: 10/8/14

To: Village President and Board of Trustees

From: Brendan McLaughlin, Director of Public Works
Julia Cedillo, Village Manager

Re: 2014 - 2015 Tree Trimming Program

GENERAL BACKGROUND

The area of the Village scheduled for tree trimming this year is the section located North of 31st Street, between La Grange Road and the IHB railroad tracks. This area has not been trimmed in 7 years and includes approximately 844 trees which are over 2.5"dbh. *This figure does not include the trimming of any Ash trees.*

Bid specifications were prepared, and a Request for Proposal was published in the October 1, 2014, Suburban Life newspaper. *Bid packets were also sent out to twelve contractors.* A bid opening will be held on October 15, 2014, at 9:30am. The results and a recommendation will be provided to the Board at the Board meeting on October 21st.

$40,000 is budgeted in the Public Works Budget – Trimming & Removal (#01-44-3-322) for the tree trimming program.

MOTION ACTION REQUESTED

A motion: (1) to accept the lowest bid; and (2) to authorize the Village President to execute the necessary contract documents.

RECOMMENDATION

Staff recommendation will be provided at the Board Meeting on October 21st.

Finance Committee

Patricia Rocco, Chairwoman
Scott Mesick
James Kucera

Village Board Agenda Memo

Date: October 8, 2014

To: Finance Committee Chair Patricia Rocco
Village President and Board of Trustees

From: Larry Noller, Finance Director
Julia Cedillo, Village Manager

Re: Village Debt Policy

PURPOSE

To approve a Village debt policy.

BACKGROUND

During the Finance Committee's process of selecting a financial advisor for the 2006 sewer bond refunding, the benefit of a Village debt policy was discussed. The Government Finance Officers Association (GFOA) recommends that local governments adopt a written debt policy to guide the borrowing process. Additionally, a formally adopted debt policy is one of the many items that a credit rating agency looks for when considering the quality of an issuer. As the Village is preparing to seek a rating review as part of the 2006 sewer bond refunding, the Village's financial advisor has recommended the Board adopt a debt policy.

Debt policies for local governments can range from simple to very detailed. The attached proposed debt policy formalizes the Village's current practices in a clear and concise format and is based on reviewing other municipal debt policies in consultation with the Village's financial advisor.

STAFF RECOMMENDATION

Staff recommends the Village Board approve the attached resolution establishing a Village debt policy at the October 14 meeting.

ACTION REQUESTED

Motion to approve a Resolution Establishing a Village Debt Policy.

DOCUMENTATION

- GFOA Debt Management Policy Best Practices
- Resolution Establishing a Village Debt Policy

GFOA Best Practice

Debt Management Policy

Background. Debt management policies are written guidelines, allowances, and restrictions that guide the debt issuance practices of state or local governments, including the issuance process, management of a debt portfolio, and adherence to various laws and regulations. A debt management policy should improve the quality of decisions, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital and financial planning. Adherence to a debt management policy signals to rating agencies and the capital markets that a government is well managed and therefore is likely to meet its debt obligations in a timely manner. Debt management policies should be written with attention to the issuer's specific needs and available financing options and are typically implemented through more specific operating procedures. Finally, debt management policies should be approved by the issuer's governing body to provide credibility, transparency and to ensure that there is a common understanding among elected officials and staff regarding the issuer's approach to debt financing.

Recommendation. GFOA recommends that state and local governments adopt comprehensive written debt management policies. These policies should reflect local, state, and federal laws and regulations. To assist with the development of these policies GFOA recommends that a government's Debt Management Policy (Policy) should be reviewed periodically (and updated if necessary) and should address at least the following:

1. Debt Limits. The Policy should consider setting specific limits or acceptable ranges for each type of debt. Limits generally are set for legal, public policy, and financial reasons.

a. *Legal restrictions* may be determined by:

- State constitution or law,
- Local charter, by-laws, resolution or ordinance, or covenant, and
- Bond referenda approved by voters.

b. *Public Policies* will address the internal standards and considerations within a government and can include:

- Purposes for which debt proceeds may be used or prohibited,
- Types of debt that may be issued or prohibited,
- Relationship to and integration with the Capital Improvement Program, and
- Policy goals related to economic development, including use of tax increment financing and public-private partnerships.

c. *Financial restrictions or planning considerations* generally reflect public policy or other financial resources constraints, such as reduced use of a particular type of debt due to changing financial conditions. Appropriate debt limits can have a positive impact on bond ratings, particularly if the government demonstrates adherence to such policies over time. Financial limits often are expressed as ratios customarily used by credit analysts. Different financial limits are used for different types of debt. Examples include:

- *Direct Debt,* including general obligation bonds, are subject to legal requirements and may be able to be measured or limited by the following ratios:
  - Debt per capita,
  - Debt to personal income,
  - Debt to taxable property value, and
  - Debt service payments as a percentage of general fund revenues or expenditures.
- *Revenue Debt* levels often are limited by debt service coverage ratios (e.g., annual net pledged revenues to annual debt service), additional bond provisions contained in bond covenants, and potential credit rating impacts.
- *Conduit Debt* limitations may reflect the right of the issuing government to approve the borrower's creditworthiness, including a minimum credit rating, and the purpose of the borrowing issue. Such limitations reflect sound public policy, particularly if there is a contingent impact on the general revenues of the government or marketability of the government's own direct debt.
- *Short-Term Debt Issuance* should describe the specific purposes and circumstances under which it can be used, as well as limitations in term or size of borrowing.
- *Variable Rate Debt* should include information about when using non-fixed rate debt is acceptable to the entity either due to the term of the project, market conditions, or debt portfolio structuring purposes.

2. Debt Structuring Practices. The Policy should include specific guidelines regarding the debt structuring practices for each type of bond, including:

- Maximum term (often stated in absolute terms or based on the useful life of the asset(s)),
- Average maturity,
- Debt service pattern such as equal payments or equal principal amortization,
- Use of optional redemption features that reflect market conditions and/or needs of the government,
- Use of variable or fixed-rate debt, credit enhancements, derivatives, short-term debt, and limitations as to when, and to what extent, each can be used, and

- Other structuring practices should be considered, such as capitalizing interest during the construction of the project and deferral of principal, and/or other internal credit support, including general obligation pledges.

3. Debt Issuance Practices. The Policy should provide guidance regarding the issuance process, which may differ for each type of debt. These practices include:

   - Selection and use of professional service providers, including an independent financial advisor, to assist with determining the method of sale and the selection of other financing team members,
   - Criteria for determining the sale method (competitive, negotiated, private placement) and investment of proceeds,
   - Use of comparative bond pricing services or market indices as a benchmark in negotiated transactions, as well as to evaluate final bond pricing results,
   - Criteria for issuance of advance refunding and current refunding bonds, and
   - Use of credit ratings, minimum bond ratings, determination of the number of ratings, and selection of rating services.

4. Debt Management Practices. The Policy should provide guidance for ongoing administrative activities including:

   - Investment of bond proceeds,
   - Primary and secondary market disclosure practices, including annual certifications as required,
   - Arbitrage rebate monitoring and filing,
   - Federal and state law compliance practices, and
   - Ongoing market and investor relations efforts.

5. Use of Derivatives. The Debt Management Policy should clearly state whether or not the entity can or should use derivatives. If the policy allows for the use of derivatives, a separate and comprehensive derivatives policy should be developed (see GFOA's Advisory, Developing a Derivatives Policy and Derivatives Checklist).

References.

GFOA Advisory, Using Variable Rate Debt Instruments, 2010.

GFOA Advisory, Use of Debt-Related Derivatives Products and the Development of a Derivatives policy, 2010.

GFOA Derivatives Checklist, 2010.

GFOA Best Practice, Selecting Bond Counsel, 2008.

GFOA Best Practice, Selecting Financial Advisors, 2008.

GFOA Best Practice, Selecting Underwriters for a Negotiated Bond Sale, 2008.

GFOA/NABL Post Issuance Compliance Checklist, 2003.

Benchmarking and Measuring Debt Capacity, Rowan Miranda and Ron Picur, GFOA, 2000.

A Guide for Preparing a Debt Policy, Patricia Tigue, GFOA, 1998.

Approved by the GFOA's Executive Board, October, 2012.

RESOLUTION NO. 14-22

A RESOLUTION ESTABLISHING A VILLAGE DEBT POLICY

WHEREAS, the Village Board has determined that from time to time it is necessary and prudent to issue debt for capital improvements and other projects that provide long-term benefit to the Village; and

WHEREAS, establishing a debt policy clearly articulates the Village's policy goals regarding the use of debt, provides guidance with debt management and demonstrates the Village's commitment to long-term capital and financial planning;

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of La Grange Park, Cook County, Illinois as follows:

Section 1:

That the following debt policy is hereby adopted.

1. The Village will limit long-term borrowing to financing the cost of necessary capital improvements and other projects that provide continuing benefit to the Village and which cannot be financed from current fund balances.

2. The Village will set the repayment schedule of debt as short as financially possible, but in no case shall the duration of the Village's long-term debt obligations extend beyond the anticipated useful life of the assets financed.

3. The Village's debt limit is set by State statutes at 8.625% of the Village's equalized assessed valuation.

4. The Village will consider refunding debt whenever an analysis indicates the potential for present value savings is in excess of 3% of the principal being refunded.

5. The Village will employ the assistance and expertise of qualified professional advisors when considering debt issuance.

6. The Village will select the method of issuing debt based on achieving the lowest true interest cost.

7. The Village will fully comply with all debt compliance and continuing disclosure requirements as established by bond covenants and Federal and State laws.

8. The Village will not use derivatives for the purpose of debt management.

ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES of the Village of La Grange Park, Cook County, Illinois this 14th day of October 2014.

AYES:

NAYS:

ABSENT:

Approved this 14th day of October, 2014.

____
James L. Discipio
Village President

ATTEST:____________________________
Amanda Seidel
Village Clerk

Village Board Agenda Memo

Date: October 7, 2014

To: Finance Committee Chair Patricia Rocco
President Discipio and Board of Trustees

From: Larry Noller, Finance Director
Julia Cedillo, Village Manager

Re: GASB 67/68 Implementation Plan

PURPOSE

To approve a plan to begin implementing GASB Statements 67 and 68.

BACKGROUND

The Governmental Accounting Standards Board (GASB) has issued new standards that direct how state and local governments account for pension costs in their financial statements. These standards, referred to as GASB Statements 67 and 68, will change the way the Village reports information about both the Police Pension and the Illinois Municipal Retirement Fund (IMRF) in its annual financial report. GASB 67 focuses on pension plan financial reporting and is effective for the Village's fiscal year 2014/15. GASB 68 addresses how pension information is reported by employers and is effective for the Village's fiscal year 2015/16.

With Statements 67 and 68, GASB has separated pension accounting from pension funding. Previously, GASB had set the parameters for how the Village should determine its Actuarial Required Contribution (ARC) for accounting purposes. The Village, like many other local governments, currently uses the ARC as the basis for its annual funding policy. GASB is now focused on reporting pension liabilities, which is an accounting concern, rather than funding the cost of pensions, which is a policy issue. As GASB is no longer providing a basis for funding guidance, the Government Finance Officers Association, along with other state and local government associations, has recommended that local governments adopt a pension funding policy. The primary purpose of a pension funding policy is to guide the Village in making pension decisions, such as annual contributions. Additionally, a funding policy provides the public and other parties, such as credit rating agencies, assurance that the Village is prudently managing its pension obligations.

In developing a pension funding policy for the Village, the focus will be on the Police Pension plan. This is because the IMRF plan is a multiple employer plan and sets the policy for all participating employers based on State law. While State law does mandate the actuarial method required to calculate the minimum annual contribution to the Police Pension plan, the Village has the option to use a professional actuary to calculate a funding level it deems appropriate as long as it is above the minimum. The Village's funding policy will determine how the annual Police Pension contribution is calculated by an actuary. It is important to note that GASB 67 and 68 do not require the Village to change the method or assumptions used to calculate the Police Pension plan contribution.

STAFF RECOMMENDATION

Developing a funding policy will require the Village to select the method and assumptions utilized by an actuary to calculate the ARC, such as the investment rate of return and projected salary increases. The Village and Police Pension Board should also engage an actuary soon after the close of each fiscal year so that the most current information is available for the Village's annual financial report, which includes the Police Pension plan financial statements.

Staff recommends forming a working group that would include members from both the Village Board and the Police Pension Board. The working group will select and work with an actuary to set the required assumptions to calculate the annual pension contribution. The working group will then incorporate those assumptions into a recommended Pension Funding Policy for the Village Board to consider in early 2015. The cost of the annual actuarial report would be split between the Village and the Pension Board.

ACTION REQUESTED

No formal action is required at this time. Staff is seeking Village Board consensus to proceed with the formation of the Pension Funding Policy working group. The working group's recommendation for a Police Pension funding policy will be brought to the Village Board for formal approval in early 2015.

DOCUMENTATION

- Proposed Village GASB 67/68 Implementation Timeline
- Press Release and Summary of Pension Funding Guidelines from the "Big 7"
- Pension Funding: A Guide For Elected Officials from the "Big 7"
- IMRF Press Release regarding GASB 67/68
- IMRF Funding Policy
- GASB's New Pension Standards: Setting the Record Straight

Village of La Grange Park
Proposed Pension Funding Working Group Timeline
10/07/2014

Oct 2014	Village Board and Pension Board create working group -2 Village Board members -2 Pension Board members -Village Treasurer -Village Manager -Finance Director
Oct/Nov 2014	Working group meets to review GASB 67/68 requirements
Nov/Dec 2014	Request for Proposals for actuary
Dec 2014	Working group reviews proposals and reaches consensus on actuary
Jan 2014	Working group meets with selected actuary to review and set actuarial assumptions
Feb 2014	Village Board and Pension Board approve actuarial assumptions and discuss funding policy
Feb 2015	Village Board adopts Pension Funding Policy
May 2015	FY2015 information in sent to actuary
July/Aug 2015	FY2016 Actuarial report is completed
Sep/Oct 2015	Joint Village Board and Pension Board meeting to review actuarial report and required contribution based on funding policy
Nov 2015	2015 Tax levy is based on FY2016 actuarial report

National Governors Association

NCSL

The Council of State Governments

NACo National Association of Counties

National League of Cities

ICMA Leaders at the Core of Better Communities

News Release

FOR IMMEDIATE RELEASE
March 26, 2013

STATE AND LOCAL GOVERNMENTS FOCUS ON PENSION FUNDING POLICY

WASHINGTON—The "Big 7" state and local government associations and the Government Finance Officers Association (GFOA) today released Pension Funding: A Guide for Local Officials to provide key facts about public pension plans and a brief overview of which issues state and local officials should address. The guide explores why developing a pension funding policy is essential and offers guidelines to follow when developing that policy.

Last year, the Governmental Accounting Standards Board (GASB) issued new standards that focused on how state and local governments should account for pension benefit costs but did not address how employers should calculate the annual required contribution (ARC) necessary to fund those pensions. To assist state and local government employers, the Big 7 and GFOA established a Pension Funding Task Force (Task Force) to develop policy objectives and guidelines. The policy objectives were released last October.

"These new GASB accounting standards will change the way public pensions and their sponsoring governments report their pension liabilities. In fact, the new GASB standards end the relationship between pension accounting and the funding of the ARC, which is how many governments budget their pension plans each year," said **Robert J O'Neill, International City/County Management Association executive director and the current chair of the Big 7**. "Because some ratings agencies could use another set of criteria to assess creditworthiness that could dramatically affect the issuance of municipal bonds, it is critical for both the financial community and the public to have an objective set of guidelines on which to present their financial reports. Thus, the most important step here is for state and local governments to base their policy on actuarially determined contributions that use these guidelines."

The Task Force recommends that pension funding policies be based on the following five general policy objectives:

- Have a pension funding policy that is based on actuarially determined contributions;
- Build funding discipline into the policy to ensure promised benefits can be paid;
- Maintain intergenerational equity so the cost of employee benefits is paid by the generation of taxpayers who receives services;
- Make employer costs a consistent percentage of payroll; and
- Require clear reporting to show how and when pension plans will be fully funded.

The Big 7 is a coalition of seven national associations in Washington, D.C., whose members represent state and local governments. Members of the Big 7 include the National Governors Association, the National Conference of State Legislatures, The Council of State Governments, the National Association of Counties, the National League of Cities, The U.S. Conference of Mayors and the International City/County Management Association.

In addition, the National Association of State Auditors, Comptrollers and Treasurers; the National Association of State Retirement Administrators; and the National Council on Teacher Retirement serve on the Task Force. The Center for State and Local Government Excellence is the convening organization.

###

Jodi Omear, NGA, 202-624-5346
Jon Kuhl, NSCL, 202-624-3557
Kelley Arnold, CSG, 859-244-8258
Jim Philipps, NACo, 202-942-4220
Gregory Minchak, NLC, 202-626-3003
Elena Temple-Webb, USCM, 202-286-1100
Michele Frisby, ICMA, 202-962-3658
Barrie Tabin Berger, GFOA, 202-393-8467

The Big 7 is a coalition of seven national associations in Washington, D.C., whose members represent state and local governments. The leadership of these organizations works together regularly to discuss issues of mutual interest affecting state and local governments. Members of the "Big 7" include: The National Governors Association, the National Conference of State Legislatures, The Council of State Governments, the National Association of Counties, the National League of Cities, The U.S. Conference of Mayors and the International City/County Management Association.

PENSION FUNDING GUIDELINES

The Governmental Accounting Standards Board (GASB) has issued new standards for how state and local government employers should account for pension benefit costs. Significantly, the calculation of the employer pension expense will no longer be related to the employer funding requirements. Under this new approach, the GASB will require employers to report an actuarially determined annual required contribution (ARC) only if they voluntarily decide to calculate one. GASB will no longer set the parameters within which an employer calculates the ARC.[1]

Recognizing the need for action, the "Big 7" (National Governors Association, National Conference of State Legislatures, Council of State Governments, National Association of Counties, National League of Cities, U.S. Conference of Mayors, and the International City/County Management Association), established a pension funding task force. In addition to representatives from the Big 7, the National Association of State Auditors, Comptrollers and Treasurers, Government Finance Officers Association, National Association of State Retirement Administrators, and National Council on Teacher Retirement serve on it. The Center for State and Local Government Excellence is the convening organization for the task force.

The task force continues to follow closely at work in progress by the actuarial community and others in order to develop pension funding policy guidelines that are designed around five general policy objectives, starting with an actuarially determined **annual required contribution (ARC)**.[2] The funding policy guidelines should address **three core elements**: (1) actuarial cost method; (2) asset smoothing; and (3) amortization policy.

Draft guidelines have been developed to identify practices for the systematic funding and consistent reporting of funding progress. Recognizing that some accepted practices are more restrictive than current practice, the task force is exploring options that might

[1] The new GASB standards no longer use the term "annual required contribution " or "ARC". Instead, the new standards refer to the disclosure of an "actuarially determined contribution". However, these guidelines use the ARC terminology as it is already established in industry practice.

[2] Many public sector retirement systems have a fixed contribution rate that is set by statute or other legal guidance. Other systems determine contributions using other methodologies. Such systems should evaluate their contribution rates relative to their ARC determined in accordance with these Guidelines.

be needed to phase in the new practices over a period of years. [3] The task force notes that these guidelines likely will be updated periodically to reflect changes in actuarial practice with regard to funding policy.

GENERAL POLICY OBJECTIVES

State and local governments should have a pension funding policy that is based upon an actuarially determined annual required contribution (ARC), and that meets the following five policy objectives in an integrated way. Governments likely will need to strike a balance between competing objectives and determine the most appropriate time frame in which to meet their goals.

- **Actuarially Determined Contributions.** A pension funding plan should be based upon an actuarially determined annual required contribution (ARC) that incorporates both the cost of benefits in the current year and the amortization of the plan's unfunded actuarial accrued liability.
- **Funding Discipline.** A commitment to make timely, actuarially determined contributions to the retirement system is needed to ensure that sufficient assets are available for all current and future retirees.
- **Intergenerational equity.** Annual contributions should be reasonably related to the expected and actual cost of each year of service so that the cost of employee benefits is paid by the generation of taxpayers who receives services from those employees.
- **Contributions as a stable percentage of payroll.** Contributions should be managed so that employer costs remain consistent as a percentage of payroll over time.
- **Accountability and transparency.** Clear reporting of pension funding should include an assessment of whether, how, and when the plan sponsor will ensure sufficient assets are available for all current and future retirees.

[3] These Pension Funding Guidelines are developed for ongoing pension plans that provide a lifetime income according to a defined benefit formula based on the member's salary. Other funding policy consideration may apply to other types of plans, including terminated or frozen plans, retiree only plans, plans that have matched investment and benefit cash flows ("immunized" plans), retiree medical plans, other non-pay-related benefits and defined contribution plans. There are also some plan features that may require special consideration, including floor offset plans, cash balance plans and plans with "gain sharing" features.

PENSION FUNDING:

A Guide for Elected Officials

Report from the Pension Funding Task Force 2013

Issued by:

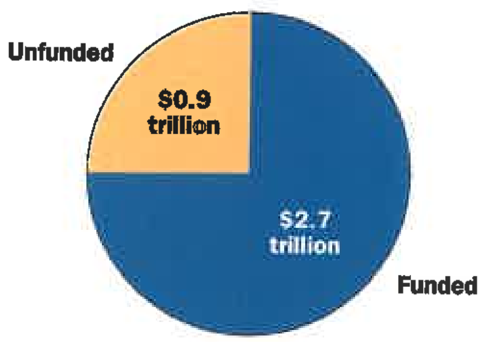
National Governors Association (NGA)
National Conference of State Legislatures (NCSL)
The Council of State Governments (CSG)
National Association of Counties (NACo)
National League of Cities (NLC)
The U.S. Conference of Mayors (USCM)
International City/County Management Association (ICMA)
National Council on Teacher Retirement (NCTR)
National Association of State Auditors, Comptrollers and Treasurers (NASACT)
Government Finance Officers Association (GFOA)
National Association of State Retirement Administrators (NASRA)

PENSION FUNDING:
A Guide for Elected Officials

Introduction

Defined benefit pension plans have a long history in public sector compensation. These plans are typically funded through a combination of employer and employee contributions and earnings from investments. Public pension plans hold more than $3 trillion in assets in trust on behalf of more than 15 million working and 8 million retired state and local government employees and their surviving family members. The pie chart below illustrates the 2011 funded status of 109 state-administered plans and 17 locally administered plans. These plans represent 85 percent of total state and local government pension assets and members.

Figure 1. *Funding of Aggregate Pension Liability, 2011*



Source: BC-CRR Estimates based on *Public Plans Database* (PPD).

The value of securities held by public and private retirement plans declined significantly following the economic crisis of 2008–2009, causing an increase in unfunded pension liabilities. The range of those unfunded public pension liabilities varies widely among governments. These same governments also have enacted major changes in their retirement plans over the past decade. Today, some public pension plans are well funded, while others have seen their funded status decline.

Now another change is on the horizon: new pension accounting standards issued by the Governmental Accounting Standards Board (GASB) in 2012. GASB Statement No. 67, *Financial Reporting for Pension Plans*, takes effect for pension plan fiscal years beginning after June 15, 2013 (fiscal years ending on or after June 30, 2014). GASB Statement No. 68, *Accounting and Reporting for Pensions*, applies to employers (and contributing nonemployers) in fiscal years beginning after June 15, 2014 (fiscal years ending on or after June 30, 2015).

These new accounting standards will change the way public pensions and their sponsoring governments report their pension liabilities. In particular, the new standards no longer provide guidance on how to calculate the actuarially determined annual required contribution (ARC), which many governments have used not only for accounting, but also to budget their pension plan contribution each year. In fact, these new GASB accounting standards end the relationship between pension accounting and the funding of the ARC.

In addition to GASB's new accounting standards, policymakers should be aware that rating agencies such as Moody's may use yet another set of criteria to assess the impact of pension obligations on the creditworthiness of a municipal bond issuer. If the ratings agencies publicize their pension calculations, state and local officials would be faced with the challenge of interpreting three sets of pension numbers: an accounting number to comply with the GASB's financial reporting requirements, an actuarial calculation to determine funding requirements for budgeting purposes, and a financial analysis figure produced by bond rating agencies to evaluate and compare issuers of municipal debt.

This guide provides key facts about public pension plans, why it is essential to have a pension funding policy, a brief overview of the new GASB standards, and which issues state and local officials need to address. The guide also offers guidance for policy makers to use when developing their pension plan's funding policy.

Pension funding background

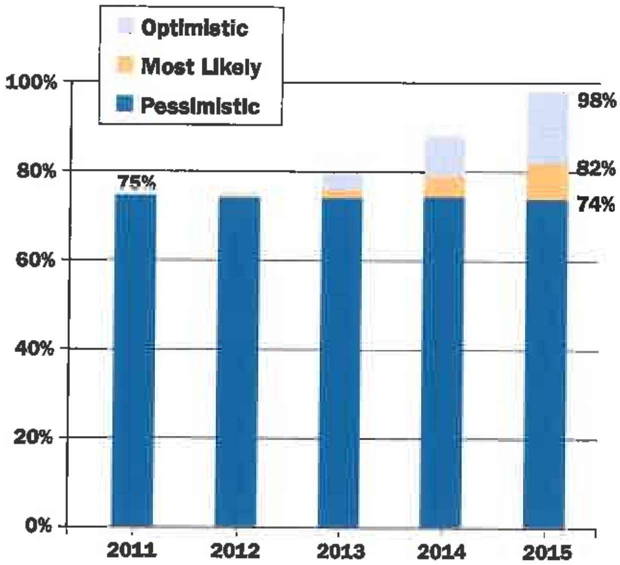
In the 1970s, it was not uncommon for state and local governments to fund their pensions on a pay-as-you-go basis. Following the passage of ERISA, which set private sector funding requirements, state and local officials took steps to fully advance-fund their pensions. They were further encouraged to meet their actuarial funding obligations by new accounting and reporting standards issued by the GASB in 1986.

The trend to improve pension funding continued over the next decade. When the GASB issued Statements 25 and 27 in 1994, employers were required to disclose information on plan assets and liabilities in their financial reports. More important, to comply with GASB, employers also had to disclose their actuarially determined ARC and the percentage of the ARC the employer actually paid. The GASB defined the ARC to include the normal cost of pensions for today's employees plus a contribution to pay for any unfunded liabilities, typically amortized over a maximum 30-year period. Paying the full ARC has been an important measure of whether or not a pension plan is on track to fund its pension promises.

By the turn of the century, public pensions were as well funded as private pensions. In fact, most public plans were nearly 100 percent funded in 2000. Unfortunately, the last decade of economic upheaval and the wide swings in the stock market have reduced pension assets in both public and private plans.

In 2011, the estimated aggregate ratio of assets to liabilities slipped to 75 percent[1]. State and local officials have stepped up their efforts to restore pension funding. According to the National Conference of State Legislatures, 44 states have enacted major changes in state retirement plans from 2009–2012.[2] Changes have included increases in employee contributions to pension plans, longer vesting periods, reduced benefit levels, higher retirement ages, and lower cost-of-living adjustments. Some modifications may apply to new workers only, while others affect current employees and/or retirees.

Figure 2. *Projected State and Local Funding Ratios Under Three Scenarios, 2011–2015*



Source: BC-CRR estimates for 2011–2015 based on *Public Plans Database* (PPD).

Pension funding policies

A variety of state and local laws and policies guide decisions concerning pension funding practices. Many state and local governments have passed legislation that stipulates how pensions should be funded. Others have policies that address how pension assets are to be invested or if pension reserves must be maintained.

Generally speaking, employers with well-funded pension plans take a long-term approach to estimating investment returns, adjust their demographic and other assumptions as needed, and consistently pay their annual required contribution in full.

A clear pension funding policy is important because it:

- Lays out a plan to fund pensions;
- Provides guidance in making annual budget decisions;
- Demonstrates prudent financial management practices;
- Reassures bond rating agencies; and
- Shows employees and the public how pensions will be funded.

GASB's new approach

Under prior GASB statements, there was a close link between accounting and funding measures. That link has now been broken. The new GASB standards

1 Munnell, Alicia H., Aubrey, Jean-Pierre, Hurwitz, Josh, Medinica, Madeline, and Quinby, Laura, "The Funding of State and Local Pensions: 2011–2015," Center for State and Local Government Excellence, May 2012.

2 Snell, Ron, "State Retirement Legislation 2009–2012," National Conference of State Legislatures, July 31, 2012.

focus entirely on accounting measurements of pension liabilities and no longer on how employers fund the cost of benefits or calculate their ARC. This is a significant change for government employers because the ARC historically served as a guide for policy makers, employees, bond rating agencies and the public to determine whether pension obligations were being appropriately funded. The ARC also often was used to inform budget decisions.

Today, employers report a liability on the face of their financial statements only if they fail to fully fund their ARC (just as a homeowner would report a liability only for mortgage payments in arrears). Thus, many government employers today do *not* report a liability for pensions on the face of their financial statements. However, if the plan they sponsor does have an unfunded pension liability, it is reported in the notes to the financial statements, which are considered an integral part of financial reporting. In contrast, under the new GASB standards, employers will report their unfunded pension liability on the face of their financial statements, even if they fully fund each year's ARC (just as a homeowner would report a mortgage liability even if all monthly mortgage payments are paid on time, in full). Thus, in the future, all employers will report any unfunded pension liability on the face of their financial statements, and that amount may be substantial for many.

Furthermore, those seeking to know how much an employer should be contributing each year to the pension plan and how much the employer actually contributed (funding information) today can find that information in the employer's financial report. In contrast, under the new GASB pension accounting standards, employers will no longer *automatically* be required to obtain an actuarially determined ARC and then include information concerning that amount and actual employer contributions in their financial report.

Filling the gap in funding guidance

Because the GASB's new standards focus entirely on how state and local governments should account for pension liabilities and no longer focus on how employers fund the costs of benefits or calculate their ARC, a new source of guidance is needed.

To help fill that gap, the national associations representing local and state governments established a Pension Funding Task Force (Task Force) to develop policy guidelines.

The "Big 7" (National Governors Association, National Conference of State Legislatures, Council of State Governments, National Association of Counties, National League of Cities, U.S. Conference of Mayors, and the International City/County Management Association) and the Government Finance Officers Association established a pension funding task force in 2012. The National Association of State Auditors, Comptrollers and Treasurers; the National Association of State Retirement Administrators; and the National Council on Teacher Retirement also serve on it. The Center for State and Local Government Excellence is the convening organization for the Task Force.

The Task Force has monitored the work of the actuarial community and the rating agencies, as well as considered recommendations from their own organizations to develop guidelines for funding standards and practices and to identify methods for voluntary compliance with these standards and practices.

The actuarial and finance communities have been working on the pension funding issues and will be invaluable resources as governments make needed changes. Indeed, the California Actuarial Advisory Panel and the Government Finance Officers Association have issued guidelines consistent with the Task Force's recommendations, but with a greater level of specificity. The Conference of Consulting Actuaries is also preparing similar guidance. State and local officials are encouraged to review the guidelines and best practices of these organizations.

It also is important to note that some governments with well-funded pension plans will determine that they need to make few, if any, changes to their funding policies, while others may face many challenges. Keep in mind that changes can be made over time. A transition plan can address changes that may need to be phased in over a period of years. For example, an employer or retirement board that currently amortizes its unfunded liabilities over 30 years could adopt a transition plan to continue that schedule (as a fixed, decreasing period) for current unfunded liabilities and to amortize any new unfunded liabilities over 25 years. In five years, that pension plan would have completed its transition to a 25-year amortization period.

In many cases, governments will need to strike a balance between competing objectives to determine the most appropriate timeframe in which to meet their goals.

Task force recommendations

States and localities have established distinct statutory, administrative and procedural rules governing how retirement benefits are financed. While nothing in the new GASB standards or the possible credit rating agency changes *requires* a change in funding policy, the Task Force recommends pension funding policies be based on the following five general policy objectives:

1. Have a pension funding policy that is based on an actuarially determined contribution.
2. Build funding discipline into the policy to ensure that promised benefits can be paid.
3. Maintain intergenerational equity so that the cost of employee benefits is paid by the generation of taxpayers who receives services.
4. Make employer costs a consistent percentage of payroll.
5. Require clear reporting to show how and when pension plans will be fully funded.

A sound pension funding policy should address at least the following three core elements of pension funding in a manner consistent with the policy objectives:

- Actuarial cost method;
- Asset smoothing method; and
- Amortization policy.

These core elements should be consistent with the parameters established by GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, with which most governmental entities currently comply. Such parameters specify an actuarially determined ARC that should comply with applicable Actuarial Standards of Practice (ASOP No. 4), be based on an estimated long-term investment yield for the plan, and should amortize unfunded liabilities over no more than 30 years. The actuarially determined ARC, the parameters for determining the ARC, and the percentage of the ARC the employer actually paid should be disclosed and reassessed periodically to be sure that they remain effective. To that end, the Task Force recommends that state and local governments not only stay within the ARC calculation parameters established in GASB 27, but also consider the following policy objectives when reviewing each core element of their funding policy:

Actuarial Cost Method: the method used to allocate the pension costs (and contributions) over an employee's working career.

Policy Objectives:

1. Each participant's benefit should be fully funded under a reasonable allocation method by the expected retirement date.
2. The benefit costs should be determined as a level percentage of member compensation and include expected income adjustments.

The Entry Age Normal (level percentage of payroll) actuarial cost method is especially well-suited to meeting these policy objectives.

Asset Smoothing Method: the method used to recognize gains or losses in pension assets over some period of time to reduce the effects of market volatility and provide stability to contributions.

Policy Objectives:

1. The funding policy should specify all components of asset smoothing, such as the amount of return subject to smoothing and the time period(s) used for smoothing a specific gain or loss.
2. The asset smoothing method should be the same for both gains and losses and should not be reset or biased toward high or low investment returns.

The use of a five-year period for "smoothing" investment experience is especially well-suited to meeting these policy objectives.

Amortization Policy: the policy that determines the length of time and structure of payments required to systematically fund accrued employee benefits not covered by the actuarial value of assets.

Policy Objectives:

1. The adjustments to contributions should be made over periods that appropriately balance intergenerational equity against the goal of keeping contributions level as a percentage of payroll over time.
2. The amortization policy should reflect explicit consideration of (a) gains and losses actually experienced by a plan, (b) any changes in assumptions and methods, and (c) benefit or plan changes.
3. The amortization of surplus requires special consideration consistent with the goal of stable costs and intergenerational equity.

Amortizing the various components of the unfunded actuarial accrued liability over periods that focus on matching participant demographics but also, except for plan amendments, consider managing contribution volatility, is especially well-suited to meeting these policy objectives.

Conclusion

The most important step for local and state governments to take is to base their pension funding policy on an actuarially determined contribution (ADC). The ADC should be obtained on an annual or biannual basis. The pension policy should promote fiscal discipline and intergenerational equity, and clearly report when and how pension plans will be fully funded.

Other issues to address in the policy are periodic audits and outside reviews. The ultimate goal is to ensure that pension promises can be paid, employer costs can be managed, and the plan to fund pensions is clear to everyone.

Resources

1. GFOA best practice, *Guidelines for Funding Defined Benefit Pension Plans*, at: www.gfoa.org
2. GASB Statements No. 67 and 68 at: www.GASB.org
3. GASB Statement 27: http://www.gasb.org/cs/ContentServer?site=GASB&c=Document_C&pagename=GASB%2FDocument_C%2FGASBDocumentPage&cid=1176160029312
4. Moody's Request for Comments: Adjustments to US State and Local Government Reported Pension Data at: http://www.wikipension.com/wiki/Moodys_Request_For_Comments
5. National Conference of State Legislatures, changes to state pension plans at: http://www.ncsl.org/documents/employ/2012-LEGISLATION-FINAL-Aug-31-2012.pdf
6. The National Association of State Retirement Administrators for examples of state funding policies at: www.NASRA.org
7. Center for State and Local Government Excellence for examples of changes to state and local government pension plans at: http://slge.org
8. California Actuarial Advisory Panel at: http://www.sco.ca.gov/caap.html
9. Conference of Consulting Actuaries at: http://www.ccactuaries.org/index.cfm

For More Information

National Governors Association
Barry Anderson ▪ (202) 624-5318, banderson@nga.org

National Conference of State Legislatures
Michael Bird ▪ (202) 624-8686, michael.bird@ncsl.org
Jeff Hurley ▪ (202) 624-7753, jeff.hurley@ncsl.org

The Council of State Governments
Chris Whatley ▪ (202) 624-5460, cwhatley@csg.org

National Association of Counties
Deseree Gardner ▪ (202) 942-4204, dgardner@naco.org

National League of Cities
Neil Bomberg ▪ (202) 626-3042, bomberg@nlc.org

The U.S. Conference of Mayors
Larry Jones ▪ (202) 861-6709, ljones@usmayors.org

International City/County Management Association
Joshua Franzel ▪ (202) 682-6104, jfranzel@icma.org

Center for State and Local Government Excellence
Elizabeth Kellar ▪ (202) 962-3611, ekellar@slge.org

National Association of State Auditors, Comptrollers and Treasurers
Cornelia Chebinou ▪ (202) 624-5451, cchebinou@nasact.org

Government Finance Officers Association
Barrie Tabin Berger ▪ (202) 393-8467, btberger@gfoa.org

National Association of State Retirement Administrators
Jeannine Markoe Raymond ▪ (202) 624-1417, jeannine@nasra.org

National Council on Teacher Retirement
Leigh Snell ▪ (540) 333-1015, lsnell@nctr.org

Illinois Municipal Retirement Fund

Suite 500 2211 York Road Oak Brook IL 60523-2337
Member Services Representatives 1-800-ASK-IMRF
www.imrf.org

FOR IMMEDIATE RELEASE

Media Contacts:
Kristin Ellertson / Anahita Wadia Khan
Sikich Marketing & Public Relations
(312) 541-9300, Ext. 110 / 104
kellertson@sikich.com
akhan@sikich.com

John Krupa
Illinois Municipal Retirement Fund
(630) 472-9754
jkrupa@imrf.org

IMRF Adopts New Financial Reporting Procedures

— Pension plan changes accounting based on new rules from Governmental Accounting Standards Board —

OAK BROOK, Ill. — October 2, 2014 — The Illinois Municipal Retirement Fund (IMRF) has modified how it reports its financial position to comply with new reporting requirements from the Governmental Accounting Standards Board (GASB).

The accounting rule changes required by GASB Statement No. 67, which apply to pension plans such as IMRF, are reflected in IMRF's Comprehensive Annual Financial Report for the year ending Dec. 31, 2013.

Many IMRF employers — including municipalities, park districts and county governments — will now change how they report their financial position to conform with GASB Statement No. 68, which applies to local units of government participating in pension plans. The new accounting rules for those employers will take effect in the fiscal year that ends June 30, 2015 or thereafter.

The new GASB requirements only impact how IMRF and its employers report their financial position. These new accounting rules have no impact on IMRF's assets ($33.2 billion as of Dec. 31, 2013) or its funded status (96.7 percent). These new guidelines also have no impact on how much IMRF collects from its employers and members, how it invests these funds or how much it distributes to retirees.

"Adjusting the way we now report financials does not affect the financial position or health of our plan," IMRF Executive Director Louis Kosiba. "Over a 30-year time horizon, our total rate of return on investments has been 10.38 percent – well in excess of our goal. We will continue to collect the required contributions from our employers and members, invest them prudently and pay modest benefits. IMRF calculations always have conformed with generally accepted accounting principles, and they will continue to do so."

For IMRF employers, the most notable change will occur on the "statement of net position" (i.e., balance sheet). Instead of recording a plan's unfunded actuarial liability in the footnotes, an employer will list it on the balance sheet. The amount of the liability will not change.

GASB believes the new rules — which will also prohibit "smoothing" of investment returns in financial reporting and will require plans to recognize pension expenses as they occur — will increase the transparency, consistency and comparability of pension information across state and local governments. While GASB is not a federal agency, it sets standards of financial accounting and reporting for state and local governments.

Other financial report modifications that GASB Statement 67 required of pension plans, such as IMRF as of Dec. 31, 2013, include:

1. Changing the calculation of liabilities for each employer's pension plan;
2. In some instances, reporting assets and liabilities "as of" a consistent measurement date (e.g., the last day of its fiscal year);
3. Helping the local government pension plan determine whether to discount pension liabilities using the long-term assumed rate of return on investments, or by a blended rate involving the assumed rate of return and a municipal bond rate.

Other financial report modifications that GASB Statement 68 requires of local government employers as of June 30, 2015 or thereafter include:

1. Starting to report the unfunded actuarial liability for its pension on the balance sheet, rather than in its footnotes;
2. Utilizing a combination of the long-term assumed rate of return on investments and a municipal bond rate to discount future pension liabilities;
3. Stopping the reporting of the annual required contribution as an expense;
4. Continuing to include the liability-calculation factors for expected future service and future salary increases and any ad hoc post-retirement benefit increases, including cost-of-living-adjustments (COLAs), if those will be substantially automatic;
5. Reporting assets and liabilities "as of" a consistent measurement date (e.g., the last day of its fiscal year).

ABOUT IMRF

The Illinois Municipal Retirement Fund (IMRF) was created by the Illinois General Assembly. Since 1941, IMRF has partnered with local units of government to provide retirement, disability and death benefits for public employees. With a funded status of 96 percent and $33 billion in assets, IMRF is well-funded and sustainable. Today, IMRF has about 400,000 members and retirees, and serves nearly 3,000 different units of government, including towns and villages, libraries and park districts, and counties and school districts (non-teaching personnel). The average member who retired in 2013 had 22 years of service and received an annual benefit of about $16,500. For more information, visit www.imrf.org.

###

Illinois Municipal Retirement Fund
Drake Oak Brook Plaza Suite 500 2211 York Road Oak Brook IL 60523-2374 630/368-1010
Service Representatives 1-800-ASK-IMRF
www.imrf.org

Funding Policy of the Illinois Municipal Retirement Fund

Background

The fundamental financial objective of a public employee defined benefit pension plan is to fund the long-term cost of benefits promised to the plan participants. In order to assure that pension benefits will remain sustainable, the governmental plan sponsor should accumulate adequate resources for future benefit payments in a systematic and disciplined manner during the active service life of the benefitting employees. In pursuit of this objective, the Illinois Municipal Retirement Fund (IMRF) has adopted a funding policy targeting a 100 percent funded ratio.

IMRF believes that its funding policy and its implementation meets the recently released draft "Pension Funding Policy Guidelines" for state and local governments which address the following general policy objectives:

- Ensure pension funding plans are based on actuarially determined contributions
- Build funding discipline into the policy to ensure promised benefits can be paid
- Maintain intergenerational equity so the cost of employee benefits is paid by the generation of taxpayers who receive services
- Make employer costs a consistent percentage of payroll
- Require clear reporting to show how and when pension plans will be adequately funded

Implementation of Funding Policy

In order to actualize the aforementioned funding policy, the IMRF Board will set employer contribution rates required to fully fund promised benefits utilizing the following principles:

1. An actuarially determined annual required contribution expressed as a percentage of payroll will be calculated which will include a factor for normal cost for current service for each eligible plan and tier based upon the benefit provisions in the Illinois Pension Code and a factor to collect or refund any under or over funded amount.
2. Annual employer contributions will be calculated utilizing the annual required contribution rate.

3. In situations where the annual contributions based upon the annual required contribution rate times employer payroll are insufficient to reduce an unfunded liability, a minimum contribution will be calculated which will pay down the unfunded liability over a closed 20 year period.
4. Normal cost will be calculated using the entry age normal level percentage of payroll actuarial cost method utilizing the following:
   a. Economic assumptions based upon the latest applicable triennial experience study. The current economic assumptions are as follows:
      i. Investment rate of return – 7.5%
      ii. Assumed wage inflation rate – 4%
   b. Non-economic assumptions based upon the latest applicable triennial experience study including the following:
      i. Rates of quitting among actives
      ii. Rates of disability among actives
      iii. Patterns of merit and longevity increases among actives
      iv. Rates of retirements
      v. Rates of mortality
5. Amortization of under or over funded status will be determined based upon the following:
   a. Actuarial assets will be determined using a five-year smooth market related basis with a 20% corridor
   b. Amortization will be based on a level percentage of payroll
   c. The amortization period for taxing bodies will be a closed 29 years until it reaches 15 years at which time it will switch to a 15 year open period
   d. The amortization period for non-taxing bodies will be a 10 year open period
6. IMRF will annually furnish employers information on the annual required contributions and the actual contributions received and a schedule of funding progress based on the above actuarial principles and assumptions.

All aspects of the funding policy and the individual factors in the calculation of the employer contribution rate which is the resultant of the above process are subject to the review and approval of the IMRF Board of Trustees and are subject to change if deemed appropriate and in the best interests of IMRF sponsors and participants.

Adopted by the IMRF Board of Trustees on December 21, 2012

GASB's New Pension Standards: Setting the Record Straight

The Governmental Accounting Standards Board's (GASB) recent pension standards substantially improve the accounting and financial reporting of public employee pensions by state and local governments. The new standards are:

- Statement No. 67, *Financial Reporting for Pension Plans*, which applies to financial reporting by most pension plans.
- Statement No. 68, *Accounting and Financial Reporting for Pensions*, which applies to financial reporting by most governments that provide their employees with pension benefits.

Below are questions and answers that should help clarify common misperceptions about the new pension Statements.

1. Do the new GASB Statements establish requirements for how governments should fund their pensions?

No. In the past, the accounting and financial reporting standards were closely associated with the approach that many governments take to funding their benefits—that is, toward contributing sufficient resources to a defined benefit pension plan to finance benefit payments when they come due. Consequently, many governments have established funding policies based on the GASB's standards. However, after reexamining the prior standards for pensions, the GASB concluded that approaches to funding are not necessarily the best approach to accounting for and reporting pension benefits. Therefore, the new Statements mark a definitive separation of accounting and financial reporting from funding.

2. Will governments have to pay more each year for pensions because of the GASB's new Statements?

As just stated, the new pension Statements relate only to accounting and financial reporting, or how pension costs and obligations are measured and reported in external financial reports. How much governments actually contribute each year to a pension plan is a policy issue. Governments will likely report pension expense more quickly than under the prior standards; however, how or whether this information is used in assessing the amounts that governments will contribute to their pension plans is a public policy decision made by government officials.

3. Do governments have to use a municipal bond rate for discounting as punishment for not fully funding their pensions?

No. The selection of an appropriate interest rate for discounting projected future benefit payments to their present value is based on what resources are projected to be used to make those payments: (1) assets of the plan that have been invested using an investment strategy to achieve the assumed long-term expected rate of return and their earnings; or (2) the general resources of the government employer. As long as the projected plan net position related to current employees and inactive employees exceeds the projected benefit payments for those employees, the long-term expected rate of return on investments will serve as the basis for discounting. This asset-based rate is appropriate because the earnings on the plan's investments reduce the amount an employer will need to contribute to the plan.

If a government reaches a *crossover point*—when projected benefit payments for current employees and inactive employees exceed projected plan net position related to those employees—then benefit payments projected to be made from that point forward will be discounted using a high-quality municipal bond interest rate. This liability-based rate is appropriate because the plan would no longer be expected to have sufficient assets related to those employees to produce investment income that will reduce how much an employer will have to contribute. The pension liability would then resemble the employer's outstanding debt and other typical long-term liabilities.

However, it is true—all other factors being equal— that the less well-funded a pension plan is, the more likely it will reach a crossover point and therefore have to discount some projected benefit payments using the municipal bond index rate. Under current economic conditions, municipal bond rates are lower than long-term expected returns on pension plan investments. Using a lower discount rate increases the present value of projected benefit payments and, thereby, increases the size of the pension liability.

4. Do the GASB's standards allow governments to make their liabilities look smaller by using a discount rate based on unrealistically high expected rates of investment return?

No. The new Statements require that governments measure their pension liabilities using assumptions that are consistent with the standards of practice of the actuarial profession. If a government assumes a rate of return that is out of line with the actuarial standards, then it is misapplying the accounting standards rather than exploiting a loophole in the standards.

It is important to note that examining a pension plan's investment return in any short-term period is not appropriate for drawing conclusions about the appropriateness of a government's assumption about *long-term* investment earnings. The investment return in any given year or short-term period is likely to be either higher or lower than the assumed long-term return. However, an appropriate long-term investment return assumption will reflect the expected average earnings over a long period, even though it may not be the same as actual earnings in any particular single or short-term period.

Governments will disclose information about their long-term investment return assumptions in the notes to the financial statements to assist in evaluating the reasonableness of those assumptions. The information will include a brief description of how the long-term expected rate of return was determined, significant methods and assumptions used for that purpose, the assumed asset allocation of the pension plan's portfolio, and the long-term expected real rate of return for each major asset class.

5. Is the discount rate the most important factor in determining the size of a government's pension liability?

The guidance put forth in the new Statements pertaining to the selection of a discount rate is certainly an important element but it is only one part of the determination. Discounting is one of the basic three steps involved in measuring a government's total pension liability—projecting, discounting, and attributing. (The measurement process is more fully described in separate fact sheets about accounting and financial reporting by governments that provide pension benefits.)

The amount of a government's pension liability also depends on a variety of other factors such as:

- The types of benefits a government has promised
- The length of service of employees and their salaries in the final years of their employment
- The life expectancy of retirees, which determines how long they will continue to receive benefits
- The inflation rate, which affects both salaries and rates of return on investments.

6. Can the information reported by governments under the new Statements be compared?

Yes. The comparability of the pension information that will result from the new Statements has been significantly improved. One of the features of the prior standards that many financial statement users have criticized is the variety of choices that employers could make when attributing the present value of projected benefit payments to past, present, and future periods. Governments previously were allowed to select from six different actuarial cost allocation methods, each of which could be applied in two ways—as a level dollar amount each year or as a level percentage of payroll in each year. In the view of many users, these options seriously diminished comparability. The new Statements, however, require that all governments use one type of actuarial cost method—called *entry age*—and apply it only as a level percentage of payroll.

It should be noted that, although governments are required to measure their pensions within the same parameters set forth in the standards, the resulting amounts will be different because of differences in the terms of the governments' respective pension plans, differences in the demographics of the plan members, and differences in other relevant factors. In other words, because the governments are in different circumstances, their measurements will employ different assumptions.

It has been suggested that comparability would be greatly improved if all governments were required to use the same assumptions. However, taking a one-size-fits-all approach would ignore significant differences between governments—such as the mix of their investment portfolios and their actual earnings experience—that are relevant to determining the amount that governments are obligated to provide for pensions.

7. Has the GASB determined that state and local government pension plans are underfunded by $3 trillion?

No. The GASB has never conducted research regarding the extent to which pension plans are funded in the aggregate. Funding relates to a public policy issue that is beyond the scope of the GASB's activities.

Village Board Agenda Memo

Date: October 9, 2014

To: Finance Committee Chair Patricia Rocco
Village President and Board of Trustees

From: Larry Noller, Finance Director
Julia Cedillo, Village Manager

Re: 2006 Sewer Bonds Refunding

PURPOSE

To authorize the issuance of bonds for the purpose of refunding the 2006 sewer bonds.

BACKGROUND

The Village issued $5,645,000 in general obligation bonds to finance sewer projects in 2006. The debt service for these bonds is paid with revenue collected from sewer fees charged to Village utility customers. The bonds are scheduled to be paid in full in 2025 with interest rates ranging from 3.75% to 4.125% and are callable at the end of this calendar year. The Village may refinance the debt by issuing new bonds at lower interest rates which pay off or "refund" the existing bonds. Based on current interest rates, the Village would reduce future debt service by over $300,000 and realize a net present value savings of over 7.5%. For comparison, a net present value savings of 2% to 3% is a typical threshold for proceeding with a refunding.

In order to proceed with evaluating and potentially refunding the 2006 sewer bonds, the Village Board recently selected R.W. Baird as financial advisor and Chapman and Cutler as bond counsel. The next step in the process is for the Village Board to authorize the issuance of the refunding bonds.

Stephan Roberts from Robert W. Baird will attend the October 14 Village Board workshop to present his firm's recommendation for a competitive sale of the refunding bonds and review the attached draft ordinance authorizing the issuance of the refunding bonds. The attached draft ordinance was prepared by Chapman and Cutler and is currently being reviewed by Village staff and Robert W. Baird. The final ordinance will be included on the October 28 Board agenda for approval.

STAFF RECOMMENDATION

Staff recommends the Village Board approve an ordinance authorizing the issuance of refunding bonds at the October 28 meeting.

ACTION REQUESTED

Motion to approve an Ordinance authorizing and providing for the issuance of not to exceed $3,940,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014, of the Village, for the purpose of refunding certain outstanding sewerage alternate bonds, prescribing all the details of said bonds and providing for the imposition of taxes to pay the same, and for the collection, segregation and distribution of the revenues of the sewerage system operated by said Village.

DOCUMENTATION

- Memo from Stephan Roberts recommending a competitive sale for the refunding of the 2006 sewer bonds
- Refunding Analysis
- Draft ordinance authorizing the issuance of refunding bonds

EXTRACT OF MINUTES of a regular public meeting of the President and Board of Trustees of the Village of La Grange Park, Cook County, Illinois, held at the Village Hall, 447 North Catherine Avenue, La Grange Park, Illinois, in said Village, at 7:30 o'clock P.M., on the 28th day of October, 2014.

The meeting was called to order by the President, and upon the roll being called, Dr. Jim Discipio, the President, and the following Trustees were physically present at said location:____

____

The following Trustees were allowed by a majority of the members of the President and Board of Trustees in accordance with and to the extent allowed by rules adopted by the President and Board of Trustees to attend the meeting by video or audio conference: _________________

____

No Trustee was not permitted to attend the meeting by video or audio conference.

The following Trustees were absent and did not participate in the meeting in any manner or to any extent whatsoever: ____

____

Thereupon, ____________________ presented and read by title an ordinance as follows, a copy of which was provided to each member of the President and Board of Trustees prior to said meeting and to everyone in attendance at said meeting who requested a copy:

ORDINANCE NO. _______

AN ORDINANCE authorizing and providing for the issuance of not to exceed $3,940,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014, of the Village of La Grange Park, Cook County, Illinois, for the purpose of refunding certain outstanding sewerage alternate bonds, prescribing all the details of said bonds and providing for the imposition of taxes to pay the same, and for the collection, segregation and distribution of the revenues of the sewerage system operated by said Village.

Adopted by the President and Board of Trustees on the 28th day of October, 2014.

Published in Pamphlet Form by the Authority of the President and Board of Trustees on the ____ day of October, 2014.

TABLE OF CONTENTS

This Table of Contents is for convenience only and is not a part of the ordinance.

ORDINANCE NO. _______

AN ORDINANCE authorizing and providing for the issuance of not to exceed \$3,940,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014, of the Village of La Grange Park, Cook County, Illinois, for the purpose of refunding certain outstanding sewerage alternate bonds, prescribing all the details of said bonds and providing for the imposition of taxes to pay the same, and for the collection, segregation and distribution of the revenues of the sewerage system operated by said Village.

WHEREAS the Village of La Grange Park, Cook County, Illinois (the *"Village"*), is a duly organized and existing municipality and unit of local government created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Illinois Municipal Code, as supplemented and amended (the *"Municipal Code"*), and for many years has owned and operated a municipally-owned sewerage system (the *"System"*) as set forth in Division 141 of Article 11 of the Code; and

WHEREAS the Village has heretofore issued and there are now outstanding the General Obligation Bonds, Series 2006, of the Village, which bonds were authorized in an original aggregate principal amount of \$5,645,000, and were delivered on April 18, 2006 (the *"Prior Alternate Bonds"* or the "*Prior Bonds*"); and

WHEREAS the President and Board of Trustees of the Village (the *"Corporate Authorities"*) has heretofore determined and does hereby determine that it is advisable, necessary and in the best interests of the Village, its residents, and the users of the System, in order to promote the public health, welfare, safety and convenience, to undertake the refunding of all or a portion of the Prior Alternate Bonds and thereby accomplish debt service savings (the *"Refunding"*); and

WHEREAS although it is presently contemplated that a portion of the Prior Alternate Bonds will be refunded, the specific Prior Alternate Bonds to be refunded (the *"Refunded Bonds"*), will be specifically identified in the Bond Notification (as hereinafter defined); and

WHEREAS the expenses and contingencies related to the Refunding include legal, financial and accounting services related to the accomplishment of said purpose and the issuance of bonds therefor; bond discount; bond registrar, paying agent, and other related banking fees; printing and publication costs; and other miscellaneous costs; and

WHEREAS the estimated costs of effectuating the Refunding, including, as applicable, such expenses and contingencies, is not more than $3,940,000 plus investment earnings thereon, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS such costs are expected to be paid from cash on hand or expected to be on hand and lawfully available for the purpose and the proceeds of bonds payable from the revenues of the System and authorized to be issued pursuant to Division 141 of Article 11 of the Municipal Code; and

WHEREAS pursuant to the provisions of the Local Government Debt Reform Act of the State of Illinois, as amended (the *"LGDR Act"*), alternate bonds as defined in the LGDR Act may be issued pursuant to Applicable Law as defined in the LGDR Act for the refunding purpose aforesaid, *i.e.,* the Village is authorized to issue revenue bonds (without referendum or right of petition by the electors) pursuant to Division 4 of Article 8 and Division 141 of Article 11 of the Municipal Code, and further pursuant to the provisions of the LGDR Act and, accordingly, is authorized to issue Alternate Bonds in lieu of said revenue bonds pursuant to the provisions of the LGDR Act; and

WHEREAS the LGDR Act provides that Alternate Bonds can be issued to refund the Refunded Bonds without meeting any of the provisions and requirements of Section 15 of the LGDR Act provided that the term of such Alternate Bonds is not longer than the term of the Refunded Bonds and that the debt service payable in any year on such Alternate Bonds shall not exceed the debt service payable in such year on the Refunded Bonds (the *"Refunding Conditions"*); and

WHEREAS the Corporate Authorities have heretofore, and it is hereby expressly, determined that the Refunding Conditions can be met and accordingly, Alternate Bonds, being hereinafter defined as the "Bonds," can be issued to pay the costs of the Refunding; and

WHEREAS the Bonds to be issued will be payable from the Pledged Revenues and the Pledged Taxes, both as hereinafter defined; and

WHEREAS the debt service due on December 1, 2014, on the Prior Alternate Bonds will be provided for prior to the issuance of the Bonds; and

WHEREAS the Property Tax Extension Limitation Law of the State of Illinois, as amended by Public Act 89-385 (the *"Tax Limitation Law"*), imposes certain limitations on the "aggregate extension" of certain property taxes levied by the Village, but provides that the definition of "aggregate extension" contained in Section 18-185 of the Tax Limitation Law does not include "extensions . . . payments of principal and interest on bonds issued under Section 15 of the Local Government Debt Reform Act;" and

WHEREAS the County Clerk of The County of Cook, Illinois (the "*County Clerk*"), is therefore authorized to extend and collect said direct annual and valorem tax so levied for the payment of the Bonds for the Refunding, as alternate bonds, without limitation as to rate or amount:

NOW THEREFORE Be It Ordained by the President and Board of Trustees of the Village of La Grange Park, Cook County, Illinois, as follows:

Section 1. Definitions. The following words and terms used in this ordinance shall have the following meanings unless the context or use clearly indicates another or different meaning is intended:

"Additional Bonds" means any alternate bonds issued in the future in accordance with the provisions of the LGDR Act on a parity with and sharing ratably and equally in the Pledged Revenues with the Bonds.

"Bond" or *"Bonds"* means one or more, as applicable, of the not to exceed $3,940,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014, authorized to be issued by this Ordinance.

"Bond Fund" means the Alternate Bond Fund established hereunder and further described by Section 17 of this Ordinance.

"Bond Register" means the books of the Village kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

"Bond Registrar" means U.S. Bank National Association, Chicago, Illinois, or a successor thereto or a successor designated as Bond Registrar hereunder.

"Code" means the Internal Revenue Code of 1986, as amended.

"Corporate Authorities" means the President and Board of Trustees of the Village.

"Fiscal Year" means that twelve-calendar month period selected by the Corporate Authorities as the Fiscal Year for the Village.

"Future Bond Ordinances" means the ordinances of the Village authorizing the issuance of bonds payable from the Revenues, but not including this Ordinance or any other ordinance authorizing the issuance of Additional Bonds.

"LGDR Act" means the Local Government Debt Reform Act of the State of Illinois, as amended.

"Municipal Code" means the Illinois Municipal Code, as supplemented and amended.

"Operation and Maintenance Costs" means all costs of operating, maintaining and routine repair of the System, including wages, salaries, costs of materials and supplies, power,

fuel, insurance, purchase of sewage treatment services (including all payments by the Village pursuant to long term contracts for such services as and to the extent provided in such contracts); but excluding debt service, depreciation, or any reserve requirements; and otherwise determined in accordance with generally accepted accounting principles for municipal enterprise funds.

"Ordinance" means this ordinance as originally adopted and as the same may from time to time be amended or supplemented in accordance with terms hereof.

"Outstanding" when used with reference to the Bonds and Additional Bonds means such of those bonds which are outstanding and unpaid; *provided, however,* such term shall not include any of the Bonds or Additional Bonds (i) which have matured and for which moneys are on deposit with proper paying agents or are otherwise sufficiently available to pay all principal thereof and interest thereon or (ii) the provision for payment of which has been made by the Village by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America, the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all the principal of and interest on such Bonds or Additional Bonds.

"Paying Agent" means U.S. Bank National Association, Chicago, Illinois, or a successor thereto or a successor designated as Paying Agent hereunder.

"Pledged Moneys" means, collectively, the Pledged Revenues and the Pledged Taxes.

"Pledged Revenues" means the Revenues available for the payment of debt service on the Bonds and the Prior Bonds not being refunded by the Bonds after payment of Operation and Maintenance Expenses.

"Pledged Taxes" means the ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount, pledged hereunder by the Village as security for the Bonds.

"Prior Bonds" means the General Obligation Bonds, Series 2006, described as such in the preambles hereto, which bonds due December 1, 2015, and thereafter are subject to redemption and payment prior to maturity at the option of the Village on December 1, 2014, or any date thereafter at a price of par and accrued interest to the date fixed for redemption.

"Purchaser" means either (a) the best bidder for the Bonds at a competitive sale conducted by the Village's independent financial advisor, Robert W. Baird & Co., Naperville, Illinois (*"Baird"*), or (b) a bank or firm (1) listed in the Dealers & Underwriters or Municipal Derivatives sections of the most recent edition of The Bond Buyer's Municipal Marketplace, and (2) recommended by Baird to purchase the Bonds on a negotiated basis because of (i) the pricing of the Bonds by the Purchaser, (ii) market conditions or (iii) the timing of the sale of the Bonds.

"Refunded Bonds" means those certain Prior Bonds being refunded by the Bonds.

"Refunding" means the refunding of the Prior Bonds as provided herein.

"Revenues" means all income from whatever source derived from the System, including (i) investment income; (ii) connection, permit and inspection fees and the like; (iii) penalties and delinquency charges; (iv) capital development, reimbursement, or recovery charges and the like; (v) annexation or pre-annexation charges insofar as designated by the Corporate Authorities as paid for System connection or service; but excluding expressly (a) non-recurring income from the sale of property of the System; (b) governmental or other grants; (c) advances or grants made from the Village; and as otherwise determined in accordance with generally accepted accounting principles for municipal enterprise funds.

"Sewerage Fund" means the Sewerage Fund of the Village continued by this Ordinance.

"System" refers to all property, real, personal or otherwise owned or to be owned by the Village or under the control of the Village, and used for sewerage purposes, including any and all further extensions, improvements and additions to the System.

"Tax-exempt" means, with respect to the Bonds, the status of interest paid and received thereon as not includible in the gross income of the owners thereof under the Code for federal income tax purposes except to the extent that such interest will be taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations.

"Village" means the Village of La Grange Park, Cook County, Illinois.

"Village Clerk" means the Clerk of the Village.

"Village President" means the President of the Village.

"Village Treasurer" means the Treasurer of the Village.

Section 2. Incorporation of Preambles. The Corporate Authorities hereby find that the recitals contained in the preambles to this Ordinance are true, correct and do hereby incorporate them into this Ordinance by this reference.

Section 3. Determination to Issue Bonds. It is necessary and in the best interests of the Village for the Village to undertake the Refunding in accordance with the estimate of costs therefor as described, and to issue the Bonds to enable the Village to pay the costs thereof.

Section 4. Bond Details. For the purpose of providing for the payment of costs of the Refunding, there shall be issued and sold the Bonds in the aggregate principal amount of not to exceed $3,940,000. The Bonds shall each be designated "General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014", or such other name or names or series designations as may be appropriate and as stated in the Bond Notification. The Bonds, if issued, shall be issued in an amount not to exceed $3,940,000, shall be dated such date as set forth in the Bond Notification (not earlier than October 28, 2014 and not later than April 28, 2015), and shall also bear the date of authentication thereof. The Bonds shall be in fully registered form, shall be in denominations of $5,000 or authorized integral multiples thereof (but no single Bond shall represent principal maturing on more than one date), shall be numbered consecutively in such fashion as shall be determined by the Bond Registrar. The Bonds shall become due and payable serially or subject to mandatory redemption (subject to redemption as hereinafter set forth) on December 1 of each of the years (not later than 2025), in the amounts (not exceeding $420,000 per year) and bearing interest at the rates per annum (not exceeding 6.00% per annum) as set forth in the Bond Notification. The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semi-annually commencing with the first interest payment date as set forth in the Bond Notification, and on June 1 and December 1 of each year thereafter to maturity.

Interest on each Bond shall be paid by check or draft of the Paying Agent, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the applicable Record Date (the *"Record Date"*), and mailed to the registered owner of the Bond as shown in the Bond Register or at such other address furnished in writing by such Registered Owner. The Record Date shall be the 15th day of the month next preceding any regular or other interest payment date occurring on the first day of any month and 15 days preceding any interest payment date occasioned by the redemption of Bonds on other than the first day of a month. The principal of or redemption price due on the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the principal corporate trust office of the Paying Agent or at successor Paying Agent and locality.

Section 5. Registration of Bonds; Persons Treated as Owners. (a) *General.* The Village shall cause books (the *"Bond Register"*) for the registration and for the transfer of the

Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the Village. The Village is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his attorney duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, *provided, however,* the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds as provided in Section 4 hereof, and the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto (*"Cede"*), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns (*"DTC"*). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The Village President, the Village Clerk and Village Treasurer are hereby authorized to execute and deliver on behalf of the Village such letters to or agreements with DTC and the Bond Registrar as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the *"Representation Letter"*).

With respect to the Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the Village and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a *"DTC Participant"*) or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Village and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. The Village and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Village's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond certificate evidencing the obligation of the Village to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, the name *"Cede"* in this ordinance shall refer to such new nominee of DTC.

In the event that (i) the Village determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the Village, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the Village determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Village shall notify DTC and DTC Participants of the availability through DTC of Bond certificates and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At the time, the Village may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a global book-entry system, as may be acceptable to the Village, or such depository's agent or designee, and if the Village does not select such alternate global book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 5(a) hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

Section 6. *Redemption.* (a) *Optional Redemption.* All or a portion of the Bonds, if any, due on or after the date, if any, specified in the Bond Notification shall be subject to redemption prior to maturity at the option of the Village as a whole, or in part in integral multiples of $5,000 in any order of their maturity as determined by the Village (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on the date specified in the Bond Notification, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

(b) *Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated in the Bond Notification are subject to mandatory redemption, in integral multiples of $5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date on December 1 of the years, if any, and in the principal amounts, if any, as indicated in the Bond Notification.

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the Village may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Bond Registrar may, and if directed by the Corporate Authorities shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

(c) *General.* The Bonds shall be redeemed only in the principal amount of $5,000 and integral multiples thereof. The Village shall, at least forty-five (45) days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any $5,000 Bond or $5,000 portion of a Bond shall be as likely to be called for redemption as any other such $5,000

Bond or $5,000 portion. The Bond Registrar shall make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

The Bond Registrar shall promptly notify the Village in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 7. Redemption Procedure. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All notices of redemption shall state:

(1) the redemption date,

(2) the redemption price,

(3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar, and

(6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the Village shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Village shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the Village shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

Section 8. Execution; Authentication. The Bonds shall be executed on behalf of the Village by the manual or facsimile signature of its Village President and attested by the manual or facsimile signature of its Village Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 9. Form of Bonds. The Bonds shall be in substantially the form hereinafter set forth; *provided, however,* that if the text of the Bonds is to be printed in its entirety on the front side of the Bonds, then the second paragraph on the front side and the legend "See Reverse Side for Additional Provisions" shall be omitted and the text of paragraphs set forth for the reverse side shall be inserted immediately after the first paragraph.

[Form of Bond - Front Side]

REGISTERED
No. ______

REGISTERED
$________

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF COOK

VILLAGE OF LA GRANGE PARK

GENERAL OBLIGATION REFUNDING BOND

(ALTERNATE REVENUE SOURCE)

SERIES 2014

See Reverse Side for
Additional Provisions

Interest Rate: ____%	Maturity Date: December 1, ___	Dated Date: __________, 20___	CUSIP: ________

Registered Owner: CEDE & CO.

Principal Amount: DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the Village of La Grange Park, Cook County, Illinois, a municipality and political subdivision of the State of Illinois (the *"Village"*), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for at the Interest Rate per annum identified above, such interest to be payable on _________, 20__, and semiannually thereafter on June 1 and December 1 of each year until the Principal Amount is paid or duly provided for. The Principal Amount of this Bond are payable in lawful money of the United States of America upon presentation at the principal corporate trust office of U.S. Bank National Association, Chicago, Illinois, as paying agent and bond registrar (the *"Bond Registrar"*). Payment of interest shall be made to the Registered Owner hereof as appearing on the Bond Register of the Village maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding the interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar.

Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof, and such further provisions shall for all purposes have the same effect as if set forth at this place.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have been done and have happened and have been performed in regular and due form of law; that the indebtedness of the Village, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; that provision has been made for the collection of the Pledged Revenues, the levy and collection of the Pledged Taxes, and the segregation of all Pledged Moneys to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity; and that the Village hereby covenants and agrees that it will properly account for said Pledged Moneys and will comply with all the covenants of and maintain the funds and accounts as provided by the Ordinance.

FOR THE PROMPT PAYMENT OF THIS BOND, BOTH PRINCIPAL AND INTEREST AT MATURITY, THE FULL FAITH, CREDIT AND RESOURCES OF THE VILLAGE ARE HEREBY IRREVOCABLY PLEDGED.

The Village has designated each of the Bonds as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF the Village of La Grange Park, Cook County, Illinois, by its President and Board of Trustees, has caused this Bond to be executed with the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

SPECIMEN

President,
Village of La Grange Park,
Cook County, Illinois

ATTEST:

SPECIMEN

Village Clerk
Village of La Grange Park,
Cook County, Illinois

[SEAL]

Date of Authentication: __________, 20__

CERTIFICATE
OF
AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014, of the Village of La Grange Park, Cook County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,
as Bond Registrar

By_______SPECIMEN_______
Authorized Officer

Bond Registrar and Paying Agent:
U.S. Bank National Association,
Chicago, Illinois

[Form of Bond - Reverse Side]

VILLAGE OF LA GRANGE PARK, COOK COUNTY, ILLINOIS

GENERAL OBLIGATION REFUNDING BOND

SERIES 2014

This bond and the bonds of the series of which it forms a part (*"Bond"* and *"Bonds"* respectively) are of an authorized issue of ________________ Dollars ($__________) Bonds of like dated date and tenor except as to maturity and rate of interest, and are issued pursuant to the Local Government Debt Reform Act of the State of Illinois, as amended. The Bonds are also issued pursuant to Division 141 of Article 11 of the Illinois Municipal Code, as supplemented and amended, for the purpose of paying the costs of refunding a portion of the outstanding General Obligation Bonds, Series 2006 (the "*Series 2006 Bonds*"), of the Village.

The Bonds are payable, together with the Series 2006 Bonds not being refunded, from the net revenues of the sewerage system of the Village (the *"Pledged Revenues"*) and are also payable from the Pledged Taxes of the Village (as defined in the Ordinance).

The Bonds are issued pursuant to a bond ordinance passed by the President and Board of Trustees of the Village on the 28th day of October, 2014 (the *"Ordinance"*), to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the Registered Owner by the acceptance of this Bond assents. This Bond does not and will not constitute an indebtedness of the Village within the meaning of any constitutional or statutory provision or limitation, unless the Pledged Taxes shall be extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, in which case the amount of the Bonds then Outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shall show that the Bonds shall have been paid from the Pledged Revenues for a complete Fiscal Year.

Bonds of the issue of which this Bond is one maturing on and after December 1, 20__, are subject to redemption prior to maturity at the option of the Village as a whole, or in part in integral multiples of $5,000 in any order of their maturity as determined by the Village (less than all of the Bonds of a single maturity to be selected by lot by the Bond Registrar), on December 1, 20__, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

[Mandatory redemption as applicable inserted here.]

Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the Village maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Ordinance. Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Bond Registrar in Chicago, Illinois, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the Registered Owner or an attorney for such owner duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the Registered Owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the 15th day of the calendar month preceding an interest payment date on the Bonds to the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

The Village and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof, premium, if any, hereon and interest due hereon and for all other purposes; and neither the Village nor the Bond Registrar shall be affected by any notice to the contrary.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto ____________________

____

____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint ______________________

____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: ___________________________ ______________________________

Signature Guaranteed: ___________________________

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 10. Sale of Bonds. The Village President and the Director of Finance of the Village (the *"Designated Representatives"*) are hereby authorized to proceed not later than the 28th day of April, 2015, without any further authorization or direction from the Corporate Authorities, to sell and deliver the Bonds upon the terms as prescribed in this Ordinance. The Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the delivery of the Bond Notification as may be, and thereupon be deposited with the Village Treasurer, and, after authentication thereof by the Bond Registrar, be by said Village Treasurer delivered to the Purchaser upon receipt of the purchase price therefor, the same being not less than 98% of the principal amount of the Bonds, plus accrued interest to the date of delivery, if any, it being hereby found and determined that the sale of the Bonds to the Purchaser is in the best interests of the Village and that no person holding any office of the Village, either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the sale of the Bonds to the Purchaser. As an additional limitation on the sale of the Bonds, Baird must provide a certificate or report setting forth that the Refunding will provide a present value debt service savings to the Village resulting from the issuance of Bonds to refund the Prior Alternate Bonds which are chosen to be refunded, which report shall demonstrate that the Village will realize a minimum net present value savings of 3.00% of the debt service on the Prior Alternate Bonds being refunded. The Designated Representatives may choose all or any lesser portion of the Prior Alternate Bonds to be refunded, in such manner as will provide such savings.

Prior to the sale of the Bonds, the President is hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to further secure the Bonds, as long as the present value of the fee to be paid for the Municipal Bond Insurance Policy (using as a discount rate the expected yield on the Bonds treating the fee paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Municipal Bond Insurance Policy.

Upon the sale of the Bonds, the Designated Representatives shall prepare a Bond Notification, which shall include the pertinent details of sale as provided herein. In the Bond Notification, the Designated Representatives shall find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Bonds does not exceed the maximum rate otherwise authorized by applicable law. The Bond Notification shall be entered into the records of the Village and made available to the Corporate Authorities at the next regular meeting thereof; but such action shall be for information purposes only, and the Corporate Authorities shall have no right or authority at such time to approve or reject such sale as evidenced in the Bond Notification.

Upon the sale of the Bonds, as evidenced by the execution and delivery of the Bond Notification by the Designated Representatives, the Village President, Village Clerk and the Village Treasurer and any other officers of the Village, as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, the contract for the sale of the Bonds between the Village and the Purchaser (the *"Purchase Contract"*). Prior to the execution and delivery of the Purchase Contract, the Designated Representatives shall find and determine that no person holding any office of the Village, either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (the *"Official Statement"*) is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Corporate Authorities are hereby authorized to take any action as may be required on the part of the Village to consummate the transactions contemplated by the Purchase Contract, this Ordinance, said Preliminary Official Statement, the Official Statement and the Bonds.

Section 11. Treatment of Bonds As Debt. The Bonds shall be payable from the Pledged Moneys and do not and shall not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall be extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, as set forth in Section 16 hereof, in which case the amount of the Bonds then Outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shall show that the Bonds have been paid from the Pledged Revenues for a complete Fiscal Year in accordance with the LGDR Act.

Section 12. Continuation of Sewerage Fund and Accounts; Flow of Funds. Upon the issuance of any of the Bonds, the System shall continue to be operated on a Fiscal Year basis. All of the Revenues shall be set aside as collected and be deposited in a separate fund and in an account in a bank to be designated by the Corporate Authorities, which fund has heretofore been created and designated as the "Sewerage Fund" of the Village and is expressly continued hereunder, and which fund shall constitute a trust fund for the sole purpose of carrying out the covenants, terms, and conditions of the Prior Alternate Bond Ordinance, this Ordinance and any Future Bond Ordinances, and shall be used only in paying Operation and Maintenance Expenses, providing an adequate depreciation fund, paying the principal of and interest on all bonds of the

Village which by their terms are payable from the revenues derived from the System, and providing for the establishment of and expenditure from the respective accounts as hereinafter described.

Section 13. Flow of Funds; Investments. There shall be and there are hereby created separate accounts in the Sewerage Fund to be known as the "Operation and Maintenance Account," such other accounts as may be established under any Future Bond Ordinances, the "Depreciation Account," and the "Surplus Account," to which there shall be credited on or before the first day of each month by the financial officer of the Village, without any further official action or direction, in the order in which said accounts are hereinafter mentioned, all moneys held in the Fund, in accordance with the following provisions:

(a) Operation and Maintenance Account:

There shall be credited to or retained in the Operation and Maintenance Account an amount sufficient, when added to the amount then on deposit in said Account, to establish or maintain a balance to an amount not less than the amount considered necessary to pay Operation and Maintenance Expenses for the then current month.

(b) Accounts Created Pursuant to Future Bond Ordinances:

Future Bond Ordinances may create additional accounts in the Fund for the payment and security of sewerage revenue bonds that hereafter may be issued by the Village. Amounts in the Sewerage Fund shall be credited to and transferred from said accounts in accordance with the terms of the Future Bond Ordinances.

(c) Depreciation Account:

Beginning the month after the delivery of the Bonds, there shall be credited to the Depreciation Account and held, in cash and investments, such sum as the Corporate Authorities may deem necessary in order to provide an adequate depreciation fund for the System. In future bond ordinances, the Village may covenant to make specific monthly deposits to said Depreciation Account and to accumulate funds therein.

Amounts to the credit of said Depreciation Account shall be used for (i) the payment of the cost of extraordinary maintenance, necessary repairs and replacements, or contingencies, the payment for which no other funds are available, in order that the System may at all times be able to render efficient service, (ii) for the purpose of acquiring or constructing improvements and extensions to the System, and (iii) the payment of principal of or interest and applicable premium on any Outstanding Bonds at any time when there are no other funds available for that purpose in order to prevent a default. Future Bond Ordinances may provide for additional deposits to said Depreciation Account and additional uses and transfers of the funds on deposit in said Depreciation Account.

(d) Surplus Account:

All moneys remaining in the Sewerage Fund, after crediting the required amounts to the respective accounts hereinabove provided for, and after making up any deficiency in said accounts, shall be credited to the Surplus Account. Funds in the Surplus Account shall first be used to make up any subsequent deficiencies in any of said accounts and then shall be deposited to a separate and segregated account hereby created and designated the "Alternate Bond and Interest Subaccount of the Surplus Account" (the *"Alternate Bond and Interest Subaccount"*), as follows:

A. There shall be paid into the Alternate Bond and Interest Subaccount in each month after the required payments have been made into the Accounts above described, a fractional amount of the interest becoming due on the next succeeding interest payment date on all Outstanding Bonds and Outstanding Prior Alternate Bonds and a fractional amount of the principal becoming due on the next succeeding principal maturity date of all Outstanding Bonds and Outstanding Prior Alternate Bonds until there shall have been accumulated in the Alternate Bond and Interest Subaccount on or before the month preceding such maturity date of interest or principal, an amount sufficient to pay such principal or interest, or both, of all Outstanding Bonds and Outstanding Prior Alternate Bonds. The Bonds are expressly issued on a parity with respect to the Sewer Revenues with the Outstanding Prior Alternate Bonds and are Additional Bonds as such are defined in the Outstanding Prior Alternate Bond Ordinances.

B. In computing the fractional amount to be set aside each month in said Alternate Bond and Interest Subaccount, the fraction shall be so computed that sufficient funds will be set aside in said Subaccount and will be available for the prompt payment of such principal of and interest on all Outstanding Bonds and Outstanding Prior Alternate Bonds as the same will become due and shall be not less than 1/6 of the interest becoming due on the next succeeding interest payment date and not less than 1/12 of the principal becoming due on the next succeeding principal payment date on all Outstanding Bonds and Outstanding Prior Alternate Bonds until there is sufficient money in said Subaccount to pay such principal or interest or both.

C. Credits to the Alternate Bond and Interest Subaccount may be suspended in any Fiscal Year at such time as there shall be a sufficient sum, held in cash and investments, in said Subaccount to meet principal and interest requirements in said Subaccount for the balance of such Fiscal Year, but such credits shall be resumed at the beginning of the next Fiscal Year.

D. All moneys in said Subaccount shall be used only for the purpose of paying interest on and principal of Outstanding Bonds, Outstanding Prior Alternate Bonds and Additional Bonds.

E. Any funds remaining in the Surplus Account after making the aforesaid deposits to the credit of the Alternate Bond and Interest Subaccount, at the discretion of the Corporate Authorities, shall be used, first, to make up any subsequent deficiencies in any of the accounts hereinabove named; and then, for the remainder of all surplus Revenues, at the discretion of the Corporate Authorities, shall be used for any purpose enumerated in any Future Bond Ordinance or for any other lawful System purpose.

Money to the credit of the Sewerage Fund may be invested pursuant to any authorization granted to municipal corporations by Illinois statute or court decision.

Section 14. Account Excesses Any amounts to the credit of the Accounts in excess of the then current requirements therefor may be transferred at any time by the Corporate Authorities to such other Account or Accounts of the Sewerage Fund as it may in its sole discretion designate.

Section 15. Use of Bond Proceeds. Accrued interest received on the delivery of the Bonds, if any, is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund. Simultaneously with the delivery of the Bonds, the principal proceeds of the Bonds, together with any premium received from the sale of the Bonds and such additional amounts as may be necessary from the general funds of the Village, are hereby appropriated to pay the costs of issuance of the Bonds and for the purpose of refunding the Refunded Bonds, and that portion thereof not needed to pay such costs is hereby ordered deposited with Wells Fargo Bank, N.A., Chicago, Illinois, as paying agent for the Prior Bonds, for the purpose of paying the principal of and interest on the Refunded Bonds upon the redemption thereof. At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the Village from the proceeds of the Bonds.

Section 16. Pledged Taxes; Tax Levy. For the purpose of providing necessary funds to pay the principal of and interest on the Bonds, and as provided in Section 15 of the LGDR Act, there is hereby levied upon all of the taxable property within the Village, in the years for which any of the Bonds are Outstanding, a direct annual tax in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the Village the following direct annual taxes (the *"Pledged Taxes"*):

For the Year	A Tax Sufficient to Produce the Sum of:	
2015	$428,431	for principal and interest up to and including December 1, 2016
2016	$428,431	for principal and interest
2017	$428,431	for principal and interest
2018	$428,431	for principal and interest
2019	$428,431	for principal and interest
2020	$428,431	for principal and interest
2021	$428,431	for principal and interest
2022	$428,431	for principal and interest
2023	$428,431	for principal and interest
2024	$428,431	for principal and interest

Interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Moneys to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Moneys herein pledged and levied; and when the Pledged Moneys shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

To the extent that the taxes levied above exceed the amount necessary to pay debt service on the Bonds as set forth in the Bond Notification, the Village President, Village Clerk and Village Treasurer are hereby authorized to direct the abatement of such taxes to the extent of the excess of such levy in each year over the amount necessary to pay debt service on the Bonds in the following bond year. Proper notice of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement.

For levy year 2014 the Village will not levy a direct annual tax to pay debt service on the Bonds. Principal of and interest on the Bonds up to and including December 1, 2015, shall be payable solely from the Pledged Revenues.

Section 17. Filing with County Clerk, Alternate Bond Fund, and Certificate of Reduction of Taxes. Forthwith upon the passage of this Ordinance, a copy hereof, certified by the Village Clerk, shall be filed with the County Clerk, and it shall be the duty of the County Clerk to annually in and for each of the years 2015 to 2024, inclusive, to ascertain the rate percent necessary to produce the aggregate Pledged Taxes hereinbefore provided to be levied in each of said years; and extend the same for collection on the tax books in connection with other taxes levied in said years in and by the Village for general corporate purposes of the Village; and the County Clerk, or other appropriate officer or designee, shall remit the Pledged Taxes for deposit to the credit of the Bond Fund, and in said years the Pledged Taxes shall be levied and collected by and for and on behalf of the Village in like manner as taxes for general municipal purposes of the Village for said years are levied and collected, and in addition to and in excess of all other taxes. The Pledged Taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying principal of and interest on the Bonds. The purpose of the Bond Fund is to provide a fund to receive and disburse Pledged Taxes for any of the Bonds. All payments made with respect to the Bonds from the Revenues shall be made directly from the Alternate Bond and Interest Subaccount. The Bond Fund and its respective accounts constitute a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by this Ordinance. It is hereby expressly provided that in the event there shall be moneys both to the credit of the Alternate Bond and Interest Subaccount and the Bond Fund, the Bond Fund shall be fully depleted before moneys to the credit of the Alternate Bond and Interest Subaccount shall be used to pay principal of and interest on the Bonds.

The Corporate Authorities be and the same are hereby directed to prepare and file with the County Clerk, a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Prior Obligations being refunded and directing the abatement of the taxes heretofore levied to pay the Refunded Obligations.

Section 18. Abatement of Pledged Taxes. Whenever funds are available to pay any principal of or interest on the Bonds when due, so as to enable the abatement of the Pledged Taxes levied for the same, the Corporate Authorities or the officers of the Village acting with proper authority, shall direct the deposit of such funds into the Bond Fund or into a proper escrow account created solely for such purpose. The Village covenants that, prior to the abatement of any Pledged Taxes, it will have the necessary offsetting cash on hand. The Corporate Authorities shall direct the abatement of the Pledged Taxes by the amount deposited into the Bond Fund, and proper notification of such abatement shall be filed with the County Clerk, in a timely manner to effect such abatement.

Section 19. General Covenants. The Village covenants and agrees with the registered owners of the Bonds that, so long as any Bonds remain Outstanding:

A. The Village hereby pledges the Pledged Revenues to the payment of the Bonds, and the Corporate Authorities covenant and agree to provide for, collect and apply the Pledged Revenues to the payment of the Bonds and, with respect to the Sewer Revenues, the Outstanding Prior Alternate Bonds and the provision of not less than an additional .25 times debt service on the Bonds and the Outstanding Prior Alternate Bonds, all in accordance with Section 15 of the LGDR Act. The determination of the sufficiency of the Pledged Revenues pursuant to this subsection (A) shall be supported by reference to the annual audit of the Village and acceptance of said Audit by the Corporate Authorities shall be conclusive evidence that the conditions of Section 15 of the LGDR Act have been met.

B. The Village will punctually pay or cause to be paid from the Alternate Bond and Interest Subaccount and from the Bond Fund the principal of and the interest on the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof and hereof.

C. The Village will pay and discharge, or cause to be paid and discharged, from the Alternate Bond and Interest Subaccount and the Bond Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Moneys, or any part thereof, or upon any funds in the hands of the Paying Agent, or which might impair the security of the Bonds. Nothing herein contained shall require the Village to make any such payment so long as the Village in good faith shall contest the validity of said claims.

D. The Village will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries shall be made of all transactions relating to the Project, the Pledged Moneys, the Alternate Bond and Interest Subaccount and the Bond Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the registered owners of not less than ten per cent (10%) of the principal amount of the Outstanding Bonds and Outstanding Prior Alternate Bonds or their representatives authorized in writing.

E. The Village will preserve and protect the security of the Bonds and the rights of the registered owners of the Bonds, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the Village, the Bonds shall be incontestable by the Village.

F. The Village will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, the Prior Alternate Bond Ordinances and this Ordinance, and for the better assuring and confirming unto the registered owners of the Bonds of the rights and benefits provided in this Ordinance.

G. As long as any Bonds are Outstanding, the Village will continue to deposit the Pledged Revenues to the Alternate Bond and Interest Subaccount and, if applicable, the Pledged Taxes to the General Account of the Bond Fund. The Village covenants and agrees with the purchasers of the Bonds and with the registered owners thereof that so long as any Bonds remain Outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to collect the Pledged Taxes and to collect and to segregate the Pledged Moneys. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes can be extended and that the Pledged Revenues and the Pledged Taxes may be collected and deposited to the Alternate Bond and Interest Subaccount and the Bond Fund as provided herein.

H. Once issued, the Bonds shall be and forever remain until paid or defeased the general obligation of the Village, for the payment of which its full faith and credit are pledged, and shall be payable, in addition to the Pledged Revenues, from the levy of the Pledged Taxes as provided in the Act.

I. The Village will maintain the System in good repair and working order, will operate the same efficiently and faithfully and will punctually perform all duties with respect thereto required by the Constitution and laws of the State of Illinois and Federal law.

J. The Village will establish and maintain at all times reasonable fees, charges, and rates for the use and service of the System and will provide for the collection thereof and the segregation and application of the Revenues in the manner provided by this Ordinance, sufficient at all times to pay Operation and Maintenance Expenses, to provide an adequate depreciation fund, to pay the principal of and interest on all bonds of the Village which by their terms are payable from the revenues of the System, and to provide for the creation and maintenance and funding of the respective accounts as provided in Section 13 of this Ordinance; it is hereby expressly provided that the pledge and establishment of rates or charges for use of the System shall constitute a continuing obligation of the Village with respect to such establishment and a continuing appropriation of the amounts received.

K. There shall be charged against all users of the System, including the Village, such rates and amounts for sewerage services as shall be adequate to meet the requirements of this section. Charges for services rendered the Village shall be made against the Village, and payment for the same shall be made monthly from the corporate funds into the Fund as revenues derived from the operation of the System; *provided, however,* that the Village need not charge itself for such services if in the previous Fiscal Year Revenues not including any payments made by the Village shall have met the requirements of this Ordinance.

L. Within nine months following the close of each Fiscal Year, the Village will cause the books and accounts of the System to be audited by independent certified public accountants in accordance with appropriate audit standards. Said audit will be available for inspection by the registered owners of any of the Bonds.

Section 20. Future Revenue Bonds, Additional Bonds. The Village reserves the right to issue without limit bonds payable solely and only from the Revenues, which bonds may have a lien on the Revenues prior to the lien on the Revenues that secures the Outstanding Bonds, *provided* that upon the issuance of such bonds, the Village shall be able to demonstrate in the same manner as provided by the LGDR Act, as the LGDR Act is written at this time, that at such time all Outstanding Bonds could then be issued as if not then having previously been issued; that is, that the requirements of the LGDR Act for the issuance of alternate bonds payable from the Revenues shall have been met on such date for all Outstanding Bonds.

The Village also reserves the right to issue Additional Bonds from time to time payable from the Pledged Revenues, and any such Additional Bonds shall share ratably and equally in the Pledged Revenues with the Bonds; *provided, however,* that no Additional Bonds shall be issued except in accordance with the provisions of the LGDR Act as the LGDR Act is written at this time.

Section 21. *Non-Arbitrage and Tax-Exemption.* One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the Corporate Authorities and the Village as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein and at the time of the Closing are made on behalf of the Village for the benefit of the owners from time to time of the Bonds. In addition to providing the certifications, covenants and representations contained herein, the Village hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the hereinafter defined Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The Village acknowledges that, in the event of an examination by the Internal Revenue Service (the *"IRS"*) of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the Village may be treated as a "taxpayer" in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination. The Corporate Authorities and the Village certify, covenant and represent as follows:

1.1. *Definitions.* In addition to such other words and terms used and defined in this Ordinance, the following words and terms used in this Section shall have the following meanings unless, in either case, the context or use clearly indicates another or different meaning is intended:

"Bond Counsel" means Chapman and Cutler LLP or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

"Capital Expenditures" means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election)

under federal income tax principles if the Village were treated as a corporation subject to federal income taxation, taking into account the definition of Placed-in-Service set forth herein.

"Closing" means the first date on which the Village is receiving the purchase price for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commingled Fund" means any fund or account containing both Gross Proceeds and an amount in excess of $25,000 that are not Gross Proceeds if the amounts in the fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

"Control" means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

(a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or

(b) to require the use of funds or assets of a Controlled Entity for any purpose.

"Controlled Entity" means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

"Controlled Group" means a group of entities directly or indirectly subject to Control by the same entity or group of entities, including the entity that has Control of the other entities.

"Controlling Entity" means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

"Costs of Issuance" means the costs of issuing the Bonds, including underwriters' discount and legal fees.

"External Commingled Fund" means a Commingled Fund in which the Village and all members of the same Controlled Group as the Village own, in the aggregate, not more than ten percent of the beneficial interests.

"GIC" means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

"Gross Proceeds" means amounts in the Bond Fund.

"Net Sale Proceeds" means amounts actually or constructively received from the sale of the Bonds reduced by any such amounts that are deposited in a reasonably required reserve or replacement fund for the Bonds.

"Person" means any entity with standing to be sued or to sue, including any natural person, corporation, body politic, governmental unit, agency, authority, partnership, trust, estate, association, company, or group of any of the above.

"Placed-in-Service" means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

"Prior Bond Fund" means the fund or funds established in connection with the issuance of the Prior Bonds to pay the debt service on the Prior Bonds, excluding any interest paid on the Prior Bonds from the Prior Bond Proceeds.

"Prior Bond Proceeds" means amounts actually or constructively received from the sale of the Prior Bonds and all other amounts properly treated as gross proceeds of the Prior Bonds under the Regulations, including (a) amounts used to pay underwriters' discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before the Prior Bonds were issued but only if it is to be paid within one year after the Prior Bonds were issued and (b) amounts derived from the sale of any right that is part of the terms of a Prior Bond or is otherwise associated with a Refunded Bond (*e.g.,* a redemption right).

"Prior Bonds" means the Village's outstanding issue being refunded by the Bonds, as more particularly described in the preambles hereof.

"Prior Project" means the facilities financed, directly or indirectly with the proceeds of the Prior Bonds.

"Private Business Use" means any use of the Prior Project by any Person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Prior Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Prior Project that is available for use by the general public or that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Prior Project that is not available for use by the general public.

"Qualified Administrative Costs of Investments" means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or

selling commissions but not legal and accounting fees, recordkeeping, custody and similar costs; or (b) all reasonable administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund.

"Qualified Tax Exempt Obligations" means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest which is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. pt. 344.

"Rebate Fund" means the fund, if any, identified and defined in paragraph 4.2 herein.

"Rebate Provisions" means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

"Regulations" means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

"Reimbursed Expenditures" means expenditures of the Village paid prior to Closing to which Sale Proceeds or investment earnings thereon are or will be allocated.

"Reserve Portion of the Bond Fund" means the portion of the Bond Fund funded in excess of the amount of debt service payable each year.

"Sale Proceeds" means amounts actually or constructively received from the sale of the Bonds, including (a) amounts used to pay underwriter's discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (*e.g.*, a redemption right).

"Transferred Proceeds" means amounts actually or constructively received from the sale of the Prior Bonds, plus investment earnings thereon, which have not been spent prior to the date principal on the Refunded Bonds is discharged by the Bonds.

"Yield" means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to

the obligation's purchase price (or in the case of the Bonds, the issue price as established in paragraph 5.1 hereof), including accrued interest.

"Yield Reduction Payment" means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the IRS may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

2.1. Purpose of the Bonds. The Bonds are being issued solely and exclusively to currently refund in advance of maturity the Refunded Bonds in a prudent manner consistent with the revenue needs of the Village. A breakdown of the sources and uses of funds is set forth in the preceding Section of this Ordinance. Except for any accrued interest on the Bonds used to pay first interest due on the Bonds, no proceeds of the Bonds will be used more than 90 days after the date of issue of the Bonds for the purpose of paying any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the Village or for the purpose of replacing any funds of the Village used for such purpose.

2.2. Bond Fund Investment. The investment earnings on the Bond Fund will be spent to pay interest on the Bonds, or to the extent permitted by law, investment earnings on amounts in the Bond Fund will be commingled with substantial revenues from the governmental operations of the Village, and the earnings are reasonably expected to be spent for governmental purposes within six months of the date earned. Interest earnings on the Bond Fund have not been earmarked or restricted by the Corporate Authorities for a designated purpose.

2.3. Reimbursement. None of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

2.4. Working Capital. All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to pay principal of, interest on and redemption premium (if any) on the Refunded Bonds, other than the following:

(a) [Reserved];

(b) Costs of Issuance and Qualified Administrative Costs of Investments;

(c) payments of rebate or Yield Reduction Payments made to the United States under the Regulations;

(d) principal of or interest on the Bonds paid from unexpected excess Sale Proceeds and investment earnings thereon;

(e) investment earnings that are commingled with substantial other revenues and are expected to be allocated to expenditures within six months; and

(f) fees for the Credit Facility.

2.5. Consequences of Contrary Expenditure. The Village acknowledges that if Sale Proceeds and investment earnings thereon are spent other than as permitted by paragraph 2.4 hereof, a like amount of then available funds of the Village will be treated as unspent Sale Proceeds.

2.6. Investment of Bond Proceeds. No portion of the Bonds is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

2.7. No Grants. None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

2.8. Hedges. Neither the Village nor any member of the same Controlled Group as the Village has entered into or expects to enter into any hedge (*e.g.,* an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Bonds or the Prior Bonds. The Village acknowledges that any such hedge could affect, among other things, the calculation of Bond Yield under the Regulations. The IRS could recalculate Bond Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction.

The Village also acknowledges that if it acquires a hedging contract with an investment element (including *e.g.,* an off-market swap agreement, or any cap agreement for which all or a portion of the premium is paid at, or before the effective date of the cap agreement), then a portion of such hedging contract may be treated as an investment of Gross Proceeds of the Bonds, and be subject to the fair market purchase price rules, rebate and yield restriction. The Village agrees not to use proceeds of the Bonds to pay for any such hedging contract in whole or in part. The Village also agrees that it will not give any assurances to any Bondholder or any credit or liquidity enhancer with respect to the Bonds that any such hedging contract will be entered into or maintained. The Village recognizes that if a portion of a hedging contract is determined to be an investment of gross proceeds, such portion may not be fairly priced even if the hedging contract as a whole is fairly priced.

2.9. IRS Audits. The Village represents that the IRS has not contacted the Village regarding the Prior Bonds or any other obligations issued by or on behalf of the Village. To the best of the knowledge of the Village, no such obligations of the Village are currently under examination by the IRS.

3.1. Use of Proceeds. (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under this Ordinance at the time of Closing are described in the preceding Section of this Ordinance. No Sale Proceeds will be used to pre-pay for goods or services to be received over a period of years prior to the date such goods or services are to be received. No Sale Proceeds or any investment earnings thereon will be used to pay for or otherwise acquire goods or services from the Village, any member of the same Controlled Group as the Village, or an Affiliated Person.

(b) Only the funds and accounts described in said Section will be funded at Closing. There are no other funds or accounts created under this Ordinance, other than the Rebate Fund if it is created as provided in paragraph 4.2 hereof.

(c) Principal of and interest on the Bonds will be paid from the Bond Fund.

(d) Any Costs of Issuance incurred in connection with the issuance of the Bonds to be paid by the Village will be paid at the time of Closing.

3.2. Purpose of Bond Fund. The Bond Fund (other than the Reserve Portion of the Bond Fund) will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Bonds in each bond year. It is expected that the Bond Fund (other than the Reserve Portion of the Bond Fund) will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment of moneys in the Bond Fund (other than the Reserve Portion of the Bond Fund) for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Bonds for the immediately preceding bond year.

The Village will levy taxes to produce an amount sufficient to pay all principal of and interest on the Bonds in each bond year. To minimize the likelihood of an insufficiency, the amount extended to pay the Bonds may in most years be in excess of the amount required to pay principal and interest within one year of collection. This over-collection (if any) may cause the Bond Fund as a whole to fail to function as a bona fide debt service fund. Nevertheless, except for the Reserve Portion of the Bond Fund, the Bond Fund will be depleted each year as described above. The Reserve Portion of the Bond Fund will constitute a separate account not treated as part of the bona fide debt service fund. The Reserve Portion of the Bond Fund is subject to yield restriction requirements except as it may otherwise be excepted as provided in 5.2 below. It is also subject to rebate requirements.

3.3. The Prior Bonds. (a) As of the earlier of (i) the time of the Closing or (ii) the date three years after the Prior Bonds were issued, all Prior Bond Proceeds, including investment earnings thereon, were completely spent to pay the costs of Capital Expenditures.

(b) As of the date hereof, no Prior Bond Proceeds or money or property of any kind (including cash) is on deposit in any fund or account, regardless of where held or the source thereof, with respect to the Prior Bonds or any credit enhancement or liquidity device relating to the foregoing, or is otherwise restricted to pay the Village's obligations.

(c) The Prior Bond Fund was used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Prior Bonds in each bond year. The Prior Bond Fund was depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (i) the earnings on the investment of moneys in such account for the immediately preceding bond year or (ii) one-twelfth (1/12th) of the principal and interest payments on the Prior Bonds.

(d) At the time the Prior Bonds were issued, the Village reasonably expected to spend at least 85% of the proceeds (including investment earnings) of the Prior Bonds to be used for non-refunding purposes for such purposes within three years of the date the Prior Bonds were issued and such proceeds were so spent. Not more than 50% of the proceeds of the Prior Bonds to be used for non-refunding purposes was invested in investments having a substantially guaranteed Yield for four years or more.

(e) The Refunded Bonds subject to redemption prior to maturity will be called within 90 days of the Closing.

(f) The Village has not been notified that the Prior Bonds or any obligation refunded by the Prior Bonds is under examination by the IRS, and to the best of the Village's knowledge neither the Prior Bonds nor any obligation refunded by the Prior Bonds is under examination by the IRS.

(h) The Village acknowledges that (i) the final rebate payment with respect to the Prior Bonds may be required to be made sooner than if the refunding had not occurred and (ii) the final rebate is due 60 days after the Prior Bonds are paid in full.

3.4. No Other Gross Proceeds. (a) Except for the Bond Fund and except for investment earnings that have been commingled as described in paragraph 2.2 and any credit enhancement or liquidity device related to the Bonds, after the issuance of the Bonds, neither the Village nor any member of the same Controlled Group as the Village has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

(ii) amounts in any fund or account with respect to the Bonds (other than the Rebate Fund);

(iii) Transferred Proceeds;

(iv) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(v) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds or any obligations under any credit enhancement or liquidity device with respect to the Bonds, even if the Village encounters financial difficulties;

(vi) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the Bondholders or any credit enhancement provider, including any liquidity device or negative pledge (*e.g.,* any amount pledged to pay principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Bonds or a guarantor of the Bonds); or

(vii) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i), (ii) or (iii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes required to be maintained at least at a particular level or similar arrangement exists with respect to, in any way, the Bonds or any credit enhancement or liquidity device related to the Bonds.

(c) The term of the Bonds is not longer than is reasonably necessary for the governmental purposes of the Bonds. The average reasonably expected remaining economic life of the Prior Project is at least 11 years. The weighted average maturity of the Bonds does not exceed 11 years and does not exceed 120 percent of the average reasonably expected economic life of the Prior Project. The maturity schedule of the Bonds (the *"Principal Payment Schedule"*) is based on an analysis of revenues expected to be available to pay debt service on the Bonds. The Principal Payment Schedule is not more rapid (*i.e.,* having a lower average maturity) because a more rapid schedule would place an undue burden on tax rates and cause such rates to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Bonds as set forth in paragraph 2.1 hereof.

4.1. Compliance with Rebate Provisions. The Village covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Bonds. The Village will make, or cause to be made, rebate payments with respect to the Bonds in accordance with law.

4.2. Rebate Fund. The Village is hereby authorized to create and establish a special fund to be known as the Rebate Fund (the *"Rebate Fund"*), which, if created, shall be continuously held, invested, expended and accounted for in accordance with this Ordinance. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Bonds. Except as provided in the Regulations, moneys in the

Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Ordinance.

4.3. Records. The Village agrees to keep and retain or cause to be kept and retained for the period described in paragraph 7.9 adequate records with respect to the investment of all Gross Proceeds and amounts in the Rebate Fund. Such records shall include: (a) purchase price; (b) purchase date; (c) type of investment; (d) accrued interest paid; (e) interest rate; (f) principal amount; (g) maturity date; (h) interest payment date; (i) date of liquidation; and (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment is retained after the date the last Bond is retired, the records required to be kept shall include the fair market value of such investment on the date the last Bond is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

4.4. Fair Market Value; Certificates of Deposit and Investment Agreements. The Village will continuously invest all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Ordinance. In making investments of Gross Proceeds or of amounts in the Rebate Fund the Village shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review other bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (*i.e.,* providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Bonds;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Bonds;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Village or any other person (whether or not in connection with the Bonds) and that the bid is not being submitted solely as a courtesy to the Village or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

(c) If a GIC is purchased, the Village will retain the following records with its bond documents until three years after the Bonds are redeemed in their entirety:

(i) a copy of the GIC;

(ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under subparagraph (b)(xi) of this paragraph;

(iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and

(iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States shall be invested to mature on or prior to the anticipated rebate payment date. All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in this Section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market" includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or Yield restriction requirements not been relevant to the Village. An investment of Gross

Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this paragraph.

A single investment, or multiple investments awarded to a provider based on a single bid may not be used for funds subject to different rules relating to rebate or yield restriction.

The foregoing provisions of this paragraph satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this paragraph are contained herein for the protection of the Village, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Bonds. The Village will contact Bond Counsel if it does not wish to comply with the provisions of this paragraph and forego the protection provided by the safe harbors provided herein.

4.5. Arbitrage Elections. The Village President, Village Clerk and Village Treasurer are hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

4.6. Six Month Exception. If all Gross Proceeds of the Bonds (including earnings thereon) are spent within six months of the date the Bonds are issued, other than amounts deposited in a reasonably required reserve fund or a bona fide debt service fund, no rebate is required except in the case of unexpected gross proceeds arising after the date of Closing. If all proceeds (including earnings thereon) required to be spent are so spent within this six-month period, except for 5% of the Bond proceeds, and the Village spends the 5% (plus earnings thereon), within one year from the Closing, no rebate is required. To qualify for the six-month exception, there must be no other amounts that are treated as Gross Proceeds of the Bonds, other than a reasonably required reserve or replacement fund or a bona fide debt service fund. Even if the Village qualifies for this exception, the Village may have to rebate with respect to any amounts that arise or are pledged to the payment of the Bonds at a later date.

5.1. Issue Price. For purposes of determining the Yield on the Bonds, the purchase price of the Bonds is equal to the first offering price (including accrued interest) at which the Purchaser reasonably expected to sell at least ten percent of the principal amount of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). All of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at prices equal to those set forth in the Official Statement. Based upon prevailing market conditions, such prices are not less than the fair market value of each Bond as of the sale date for the Bonds.

5.2. Yield Limits. Except as provided in paragraph (a) or (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Bonds.

The following may be invested without Yield restriction:

(a) amounts on deposit in the Bond Fund (except for capitalized interest and any Reserve Portion of the Bond Fund) that have not been on deposit under the Ordinance for more than 13 months, so long as the Bond Fund (other than the Reserve Portion of the Bond Fund) continues to qualify as a bona fide debt service fund as described in paragraph 3.2 hereof;

(b) (i) An amount not to exceed the lesser of $100,000 or five percent of the Sale Proceeds;

(ii) amounts invested in Qualified Tax Exempt Obligations (to the extent permitted by law and this Ordinance);

(iii) amounts in the Rebate Fund;

(iv) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and

(v) all amounts derived from the investment of Sale Proceeds or investment earnings thereon.

5.3. Yield Limits on Prior Bond Proceeds. Except for an amount not to exceed the lesser of $100,000 or five percent of Prior Bond Proceeds, the Village acknowledges that all Prior Bond Proceeds must be invested at market prices and at a Yield not in excess of the Yield on the Prior Bonds.

5.4. Continuing Nature of Yield Limits. Except as provided in paragraph 7.10 hereof, once moneys are subject to the Yield limits of paragraph 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

5.5. Federal Guarantees. Except for investments meeting the requirements of paragraph 5.2(a) hereof, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank, as amended (*e.g.*, Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). Except as otherwise permitted in the immediately prior sentence and in the Regulations, no portion of the payment of principal or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). Neither this paragraph nor paragraph 5.6 hereof applies to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

5.6. Investments After the Expiration of Temporary Periods, Etc. Any amounts that are subject to the yield limitation in Section 5.2 because Section 5.2(a) is not applicable and amounts not subject to yield restriction only because they are described in Section 5.2(b) cannot be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (*e.g.*, Refcorp Strips).

6.1. Payment and Use Tests. (a) No more than five percent of the proceeds of each issue of the Prior Bonds and investment earnings thereon were used, directly or indirectly, in whole or in part, in any Private Business Use. The Village acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(b) The payment of more than five percent of the principal of or the interest on the Bonds or on each issue of the Prior Bonds considered separately will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the Village or a member of the same Controlled Group as the Village) in respect of property, or borrowed money, used or to be used in any Private Business Use.

(c) No more than the lesser of $5,000,000 or five percent of the sum of the proceeds of each issue of the Prior Bonds and investment earnings thereon were used, and no more than the lesser of $5,000,000 or five percent of the sum of the Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to make or finance loans to any persons. The Village acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(d) No user of the Prior Project other than a state or local governmental unit will use more than five percent of such facilities, considered separately, on any basis other than the same basis as the general public.

6.2. I.R.S. Form 8038-G. The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, is true and complete. The Village will file Form 8038-G (and all other required information reporting forms) in a timely manner.

6.3. Bank Qualification. (a) The Village hereby designates each of the Bonds as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the Village hereby certifies that (i) none of the Bonds will be at anytime a "private activity bond" (as defined in Section 141 of the Code), (ii) as of the date hereof in calendar year 2014, other than the Bonds, no tax-exempt obligations of any kind have been issued (x) by or on behalf of the Village, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the Village or (z) any portion of which has been allocated to the Village for purposes of Section 265(b) of the Code and (iii) not more than $10,000,000 of obligations of any kind (including the Bonds) issued (x) by or on behalf of the Village, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the Village or (z) any portion of which has been allocated to the Village for purposes of Section 265(b) of the Code during calendar year 2014 will be designated for purposes of Section 265(b)(3) of the Code.

(b) The Village is not subject to Control by any entity, and there are no entities subject to Control by the Village.

(c) On the date hereof, the Village does not reasonably anticipate that for calendar year 2014 it will issue, have another entity issue on behalf of the Village, borrow the proceeds of or have allocated to the Village for purposes of Section 265(b) of the Code more than $10,000,000 Section 265 Tax-Exempt Obligations (including the Bonds). "Section 265 Tax-Exempt Obligations" are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code. The Village will not, in calendar year 2014 issue, permit the issuance on behalf of it or by any entity subject to Control by the Village (which may hereafter come into existence), borrow the proceeds of or have allocated to it for purposes of Section 265(b) of the Code Section 265 Tax-Exempt Obligations (including the Bonds) that exceed the aggregate amount of $10,000,000 during calendar year 2014 unless it first obtains an opinion of Bond Counsel to the effect that such issuance, borrowing or allocation will not adversely affect the treatment of the Bonds as "qualified tax-exempt obligations" for the purpose and within the meaning of Section 265(b)(3) of the Code.

(d) The Bonds have not been sold in conjunction with any other obligation.

7.1. Termination; Interest of Village in Rebate Fund. The terms and provisions set forth in this Section shall terminate at the later of (a) 75 days after the Bonds have been fully paid and retired or (b) the date on which all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States and any other payments required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of paragraphs 4.3, 4.4(c) and 7.9 hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

7.2. Separate Issue. Since a date that is 15 days prior to the date of sale of the Bonds by the Village to the Purchaser, neither the Village nor any member of the same Controlled Group as the Village has sold or delivered any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds. Neither the Village nor any member of the same Controlled Group as the Village will sell or deliver within 15 days after the date of sale of the Bonds any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

7.3. No Sale of the Prior Project. (a) Other than as provided in the next sentence, neither the Prior Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the Village of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity date of the Bonds. The Village may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of the reasonably expected economic life to the Village of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity of the Bonds, provided: (A) the weighted average maturity of the Bonds financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the Village reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the Village deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the Village reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

(b) The Village acknowledges that if property financed with the Prior Bonds is sold or otherwise disposed of in a manner contrary to (a) above, such sale or disposition may constitute a "deliberate action" within the meaning of the Regulations that may require remedial actions to prevent the Bonds from becoming private activity bonds. The Village shall promptly contact Bond Counsel if a sale or other disposition of Bond-financed property is considered by the Village.

7.4. Purchase of Bonds by the Village. The Village will not purchase any of the Bonds except to cancel such Bonds.

7.5. First Call Date Limitation. The period between the date of Closing and the first call date of the Bonds is not more than 10-1/2 years.

7.6. Registered Form. The Village recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon be exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the Village agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

7.7. First Amendment. The Village acknowledges and agrees that it will not use, or allow the Prior Project to be used, in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America or by any comparable provisions of the Constitution of the State of Illinois.

7.8. Future Events. The Village acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein. The Village shall promptly contact Bond Counsel if such changes do occur.

7.9. Records Retention. The Village agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Bonds from federal income taxation, to demonstrate compliance with the covenants in this Ordinance and to show that all tax returns related to the Bonds submitted or required to be submitted to the IRS are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Bond transaction (including this Ordinance and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (*i.e.,* copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the information required under paragraphs 4.3 and 4.4 hereof and in particular information related to the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Bonds are outstanding, plus three (3) years after the later of the final payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds.

7.10. Permitted Changes; Opinion of Bond Counsel. The Yield restrictions contained in paragraph 5.2 hereof or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled and the Village receives an opinion of Bond Counsel to such effect. Unless the Village otherwise directs, such opinion shall be in such form and contain such disclosures and disclaimers as may be required so that such opinion will not be treated as a covered opinion or a state or local bond opinion for purposes of Treasury Department regulations governing practice before the IRS (Circular 230) 31 C.F.R. pt. 10.

7.11. Successors and Assigns. The terms, provisions, covenants and conditions of this Section shall bind and inure to the benefit of the respective successors and assigns of the Corporate Authorities and the Village.

7.12. Expectations. The Corporate Authorities has reviewed the facts, estimates and circumstances in existence on the date of issuance of the Bonds. Such facts, estimates and circumstances, together with the expectations of the Village as to future events, are set forth in summary form in this Section. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein, the Village has adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that Sale Proceeds, investment earnings thereon or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds within the meaning of the Rebate Provisions and the Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

The Village also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future which applies to the Bonds and affects the tax-exempt status of the Bonds.

The Corporate Authorities hereby authorizes the officials of the Village responsible for issuing the Bonds, the same being the Village President, Village Clerk and Village Treasurer, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest in the Bonds will be exempt from federal income taxation. In connection therewith, the Village and the Corporate Authorities further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

Section 22. Defeasance. Bonds which are no longer Outstanding Bonds as defined in this Ordinance shall cease to have any lien on or right to receive or be paid from Pledged Revenues or the Pledged Taxes, and shall no longer have the benefits of any covenant for the registered owners of Outstanding Bonds as set forth herein as such relates to lien and security for the Bonds in the Pledged Revenues or the Pledged Taxes.

Section 23. This Ordinance a Contract. The provisions of this Ordinance shall constitute a contract between the Village and the registered owners of the Bonds, and no changes, additions or alterations of any kind shall be made hereto, except as herein provided.

Section 24. Duties of Bond Registrar. If requested by the Bond Registrar, the President and Village Clerk of the Village are authorized to execute the Bond Registrar's standard form of agreement between the Village and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

(a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;

(b) to maintain a list of Bondholders as set forth herein and to furnish such list to the Village upon request, but otherwise to keep such list confidential;

(c) to give notice of redemption of Bonds as provided herein;

(d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

(e) to furnish the Village at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(f) to furnish the Village at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

Section 25. Continuing Disclosure Undertaking. The Village President or Village Treasurer is hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking (the *"Continuing Disclosure Undertaking"*) in substantially the same form as now before the Corporate Authorities, or with such changes therein as the individual executing the Continuing Disclosure Undertaking on behalf of the Village shall approve, the official's execution thereof to constitute conclusive evidence of the approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the Village as herein provided, the Continuing Disclosure Undertaking will be binding on the Village and the officers, employees and agents of the Village, and the officers, employees and agents of the Village are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under the Continuing Disclosure Undertaking.

Section 26. Record-Keeping Policy and Post-Issuance Compliance Matters. It is necessary and in the best interest of the Village to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Bonds and other debt obligations of the Village, the interest on which is excludable from "gross income" for federal income tax purposes or which enable the Village or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds (including the Bonds, the *"Tax Advantaged Obligations"*). Further, it is necessary and in the best interest of the Village that (i) the Corporate Authorities adopt policies with respect to record-keeping and post issuance compliance with the Village's covenants related to its Tax Advantaged Obligations and (ii) the Compliance Officer (as hereinafter defined) at least annually review the Village's Contracts (as hereinafter defined) to determine whether the Tax Advantaged Obligations comply with the federal tax requirements applicable to each issue of the Tax Advantaged Obligations. The Corporate Authorities and the Village hereby adopt the following Record-Keeping Policy and, in so doing, amend any such policy previously adopted for such purpose:

(a) *Compliance Officer Is Responsible for Records.* The Finance Director of the Village (the *"Compliance Officer"*) is hereby designated as the keeper of all records of the Village with respect to each issue of the Tax Advantaged Obligations, and such officer shall report to the Corporate Authorities at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

(b) *Closing Transcripts.* For each issue of Tax Advantaged Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax Advantaged Obligations, including without limitation (i) the proceedings of the Village authorizing the Tax Advantaged Obligations, (ii) any offering document with respect to the offer and sale of the Tax Advantaged Obligations, (iii) any legal opinions with respect to the Tax Advantaged Obligations delivered by any lawyers, and (iv) all written representations of any person delivered in connection with the issuance and initial sale of the Tax Advantaged Obligations.

(c) *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the Village with respect to each issue of Tax Advantaged Obligations and shall prepare a report for the Corporate Authorities stating whether or not the Village has any rebate liability to the United States Treasury, and setting forth any applicable exemptions that each issue of Tax Advantaged Obligations may have from rebate liability. Such report shall be updated annually and delivered to the Corporate Authorities.

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax Advantaged Obligations and shall determine what requirements the Village must meet in order to maintain the tax-exemption of interest paid on its Tax Advantaged Obligations, its entitlement to direct payments by the United States Treasury of the applicable percentages of each interest payment due and owing on its Tax Advantaged Obligations, and applicable tax credits or other tax benefits arising from its Tax Advantaged Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax Advantaged Obligations is entitled to be excluded from "gross income" for federal income tax purposes, that the Village is entitled to receive from the United States Treasury direct payments of the applicable percentages of interest payments coming due and owing on its Tax Advantaged Obligations, and the entitlement of holders of any Tax Advantaged Obligations to any tax credits or other tax benefits, respectively. Notwithstanding any other policy of the Village, such retained records shall be kept for as long as the Tax Advantaged Obligations relating to such records (and any obligations issued to refund the Tax Advantaged Obligations) are outstanding, plus three years, and shall at least include:

(i) complete copies of the transcripts delivered when any issue of Tax Advantaged Obligations is initially issued and sold;

(ii) copies of account statements showing the disbursements of all Tax Advantaged Obligation proceeds for their intended purposes, and records showing the assets and other property financed by such disbursements;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax Advantaged Obligations has been held or in which funds to be used for the payment of principal of or interest on any Tax Advantaged Obligations has been held, or which has provided security to the holders or credit enhancers of any Tax Advantaged Obligations;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax Advantaged Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at *fair market value*;

(v) copies of any subscriptions to the United States Treasury for the purchase of State and Local Government Series (SLGS) obligations;

(vi) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of Tax Advantaged Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the United States Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the Village, including any leases (the *"Contracts"*), with respect to the use of any property owned by the Village and acquired, constructed or otherwise financed or refinanced with the proceeds of the Tax Advantaged Obligations effective at any time when such Tax Advantaged Obligations are, will or have been outstanding. Copies of contracts covering no more than 50 days of use and contracts related to Village employees need not be retained.

(e) *IRS Examinations or Inquiries.* In the event the IRS commences an examination of any issue of Tax Advantaged Obligations or requests a response to a compliance check, questionnaire or other inquiry, the Compliance Officer shall inform the Corporate Authorities of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination or inquiry.

(f) *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax Advantaged Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the Corporate Authorities, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2008-31 or similar program instituted by the IRS.

(g) *Training.* The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the Village has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the Village's staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Ordinance and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax Advantaged Obligations then currently outstanding (the *"Tax Agreements"*) to staff members who may be responsible for taking actions described in such documents. The Compliance Officer should assist in the education of any new Compliance Officer and the transition of the duties under these procedures. The Compliance Officer will review this Ordinance and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

(h) *Amendment and Waiver.* The procedures described in this Section are only for the benefit of the Village. No other person (including an owner of a Tax Advantaged Obligation) may rely on the procedures included in this Section. The Village may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax Advantaged Obligations and as authorized by passage of an ordinance by the Corporate Authorities. Additional procedures may be required for Tax Advantaged Obligations the proceeds of which are used for purposes other than capital governmentally owned projects or refundings of such, including tax increment financing bonds, bonds financing output facilities, bonds financing working capital, or private activity bonds. The Village also recognizes that these procedures may need to be revised in the event the Village enters into any derivative products with respect to its Tax Advantaged Obligations.

Section 27. Call of Refunded Bonds. In accordance with the redemption provisions of the ordinance authorizing the issuance of the Refunded Bonds, the Village does hereby make provision for the payment of and does hereby call (subject only to the delivery of the Bonds) the Refunded Bonds for redemption on the date set forth in the Bond Notification (not later than 90 days after the date of the Bonds).

Section 28. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

Section 29. Repealer. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this ordinance are to the extent of such conflict hereby repealed.

Section 30. *Effective Date.* This Ordinance shall be effective immediately.

PASSED by the President and Board of Trustees on October 28, 2014.

AYES: ______________________________

____

NAYS: ______________________________

ABSENT: ______________________________

Approved: October 28, 2014.

____
President

PUBLISHED in pamphlet form by authority of the Board on October __, 2014.

RECORDED in the Village Records on October 28, 2014.

ATTEST:

____
Village Clerk

[SEAL]

Trustee ______________ moved and Trustee ______________ seconded the motion that said ordinance as presented and read by title by the Village Clerk be adopted.

After a full and complete discussion thereof, including a public recital of the nature of the matter being considered and such other information as would inform the public of the business being conducted, the President directed that the roll be called for a vote upon the motion to adopt the ordinance as read.

Upon the roll being called, the following Trustees voted

AYE: ____

____

NAY: ____

ABSENT: ____

Whereupon the President declared the motion carried and the ordinance adopted, and henceforth did approve and sign the same in open meeting and did direct the Village Clerk to record the same in full in the records of the President and Board of Trustees of the Village.

Other business not pertinent to the adoption of said ordinance was duly transacted at said meeting.

Upon motion duly made and seconded, the meeting was adjourned.

____

Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF ORDINANCE AND MINUTES

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of La Grange Park, Cook County, Illinois (the *"Village"*), and as such officer I am the keeper of the books, records, files, and journal of proceedings of the Village and of the President and Board of Trustees (the *"Corporate Authorities"*) thereof.

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the legally convened meeting of the Corporate Authorities held on the 28th day of October, 2014, insofar as same relates to the adoption of an ordinance numbered ________ and entitled:

> AN ORDINANCE authorizing and providing for the issuance of not to exceed $3,940,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014, of the Village of La Grange Park, Cook County, Illinois, for the purpose of refunding certain outstanding sewerage alternate bonds, prescribing all the details of said bonds and providing for the imposition of taxes to pay the same, and for the collection, segregation and distribution of the revenues of the sewerage system operated by said Village.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of said ordinance were taken openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all of the news media requesting such notice; that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Corporate Authorities at least 96 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 96-hour period preceding said meeting, that said agenda contained a separate specific item concerning the proposed adoption of said ordinance, that a true, correct and complete copy of said agenda as so posted being attached to this Certificate as *Exhibit A,* that said meeting was called and held in strict accordance with the provisions of the Open Meetings Act of the State of Illinois, as amended; and that the Corporate Authorities have complied with all of the applicable provisions of said Act and their procedural rules in the adoption of said ordinance.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the Village this 28th day of October, 2014.

____
Village Clerk

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of La Grange Park, Cook County, Illinois (the *"Village"*), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the Village and of the President and Board of Trustees (the *"Corporate Authorities"*) of the Village.

I do further certify that on the ____ day of October, 2014 there was published in pamphlet form, by authority of the President and Board of Trustees, a true, correct, and complete copy of Ordinance Number ______ of the Village entitled:

> AN ORDINANCE authorizing and providing for the issuance of not to exceed $3,940,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014, of the Village of La Grange Park, Cook County, Illinois, for the purpose of refunding certain outstanding sewerage alternate bonds, prescribing all the details of said bonds and providing for the imposition of taxes to pay the same, and for the collection, segregation and distribution of the revenues of the sewerage system operated by said Village.

and that the ordinance as so published was on that date readily available for public inspection and distribution, in sufficient number so as to meet the needs of the general public, at my office as Village Clerk located in the Village.

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of the Village this ____ day of October, 2014.

____
Village Clerk

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois (the *"County"*), and as such officer I do hereby certify that on the ____ day of __________, 2014 there was filed in my office a duly certified copy of an ordinance, numbered ________, and entitled:

> AN ORDINANCE authorizing and providing for the issuance of not to exceed $3,940,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014, of the Village of La Grange Park, Cook County, Illinois, for the purpose of refunding certain outstanding sewerage alternate bonds, prescribing all the details of said bonds and providing for the imposition of taxes to pay the same, and for the collection, segregation and distribution of the revenues of the sewerage system operated by said Village.

passed by the President and Board of Trustees of the Village of La Grange Park, Cook County, Illinois, on the 28th day of October, 2014, and approved by the President of said Village, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of the County this ____ day of ________, 2014.

____
County Clerk of The
County of Cook, Illinois

[SEAL]

SAMPLE FORM OF ANNUAL ABATEMENT ORDINANCE

ORDINANCE NO. _______

> ORDINANCE abating the tax hereto levied for the year 20__ to pay the principal of and interest on $_________ General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014, of the Village of La Grange Park, Cook County, Illinois.

WHEREAS the President and Board of Trustees (the *"Corporate Authorities"*) of the Village of La Grange Park, Cook County, Illinois (the *"Village"*), by Ordinance Number ______, adopted on the 28th day of October, 2014 (the *"Ordinance"*), did provide for the issue of $_________ General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014 (the *"Bonds"*), and the levy of a direct annual tax sufficient to pay the principal of and interest on the Bonds; and

WHEREAS the Village will have the Pledged Revenues (as defined in the Ordinance) in the appropriate account or fund pursuant to the Ordinance for the purpose of paying the principal of and interest on the Bonds up to and including June 1, 20__; and

WHEREAS it is necessary and in the best interests of the Village that the tax heretofore levied for the year 20__ to pay the principal of and interest on the Bonds be abated;

NOW THEREFORE Be It Ordained by the President and Board of Trustees of the Village of La Grange Park, Cook County, Illinois, as follows:

Section 1. Abatement of Tax. The tax heretofore levied for the year 20__ in the Ordinance is hereby abated in its entirety.

Section 2. Filing of Ordinance. Forthwith upon the adoption of this ordinance, the Village Clerk shall file a certified copy hereof with the County Clerk of The County of Cook, Illinois, and it shall be the duty of said County Clerk to abate said tax levied for the year 20__ in accordance with the provisions hereof.

Section 3. *Effective Date.* This ordinance shall be in full force and effect forthwith upon its passage by the Corporate Authorities and signing and approval by the President.

Passed by the President and Board of Trustees on ___________, 20__.

Approved ___________, 20__.

____
President

AYES: ______________________________

____

NAYS: ______________________________

ABSENT: ______________________________

Recorded in the Village Records on ___________, 20__.

ATTEST:

____
Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois, and as such official I do further certify that on the ____ day of ___________, 2014, there was filed in my office a duly certified copy of Ordinance No. _______ entitled:

> AN ORDINANCE authorizing and providing for the issuance of not to exceed $3,940,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014, of the Village of La Grange Park, Cook County, Illinois, for the purpose of refunding certain outstanding sewerage alternate bonds, prescribing all the details of said bonds and providing for the imposition of taxes to pay the same, and for the collection, segregation and distribution of the revenues of the sewerage system operated by said Village.

(the *"Ordinance"*) duly adopted by the President and Board of Trustees of the Village of La Grange Park, Cook County, Illinois (the *"Village"*), on the 28th day of October, 2014, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of said County this ____ day of ___________, 2014.

____
County Clerk

[SEAL]

Robert W. Baird & Co.
Public Finance

BAIRD

MEMORANDUM

TO: Mr. Larry Noller
Village of La Grange Park

FROM: Mr. Stephan C. Roberts
Robert W. Baird & Co.

DATE: October 8, 2014

SUBJECT: Method of Sale

The question of whether to sell bonds at a negotiated or competitive sale or private placement is often the topic of discussion at the time issuers are contemplating the sale of bonds. Baird does not believe that one method of sale is always superior to the other. Certain factors must be explored to determine the method of sale that could result in the lowest interest rates.

GFOA Recommendation

The GFOA recommends that issuers select a method of sale based on thorough analysis of the relevant rating, security, structure and other factors pertaining to the proposed bond issue as described in the table below.

Factors that Favor Competitive Sale:	Factors that Favor Negotiated Sale:
• Rating of the bonds is at least in the "A" category. • Bonds are GO bonds or full faith and credit obligations of the issuer or are secured by a strong, known and long-standing revenue stream. • Structure of the bonds does not include innovative or new financing features that require extensive explanation of the bond market. • Issuer is well known and frequently in the market.	• Rating of the bonds is lower than "A" category. • Bond insurance or other credit enhancement is unavailable or not cost-effective. • Structure of the bonds has features such as a pooled bond program, variable rate debt, deferred interest bonds or other bonds that may be better suited to negotiation. • Issuer desires to target underwriting participation to include minority or local firms.

The Village's proposed refunding is a standard bank-qualified general obligation bond issue that will be well accepted in the market. This refunding will not have any innovative or new financing features, will have a short amortization structure and will carry a strong "AA" category rating. While the Village does not issue bonds frequently, we believe it does have name recognition being in the Chicago metro area. The GFOA's guidelines lean towards a competitive sale.

Baird's Recommendation

In addition to the factors mentioned above, the Village must also consider the level of savings generated by the refunding and current market conditions.

There could be an argument for a negotiated sale if the debt service savings generated by the refunding was at or near the Village's savings threshold. The Village's proposed refunding generates over 6.5% present value savings which is well above the Village's minimum savings threshold of 3% present value savings. Based on the estimated savings, we believe there is an argument for a competitive sale.

The current municipal market offers ideal conditions for a competitive sale. Thus far in 2014, there has been a lack of supply in the muni bond market including a lack of comparable Illinois competitive transactions within the last month. As a result, underwriters are aggressively bidding on competitive offerings in need of municipal paper. In mid-September the Village of Arlington Heights (rated Aa1) competitively sold a $7.6 million general obligation bond issue that had 12 underwriters place bids and a true interest cost of 1.1697%. There was only 0.0008% difference between the winning bid and cover bid. In early October, Wheeling Park District (rated AA) competitively sold a $3.38 million general obligation alternate revenue bond issue that had 8 underwriters place bids and a true interest cost of 2.0122%. There was only 0.001% difference between the winning bid and cover bid. These are the only comparable Illinois municipal competitive issuance brought to market in the last month.

Private Placement

There are certain risks/barriers with private placements that must be taken into consideration. All investors approached could turn down the Village's credit, face capital restrictions, demand certain covenants/terms or set an interest rate above what the Village could achieve in the public market. Private placements are most commonly used for bond issues with any or all of the following characteristics:

- Small in par amount;
- Poor credit rating;
- Story bond; and/or
- Nontraditional structure or terms.

Transactions with the above referenced characteristics are often not suitable or well received in the public market making a private placement a very attractive alternative. Given the Village's proposed issuance is a standard general obligation bond with a strong "AA" category rating we believe a public offering (specifically a competitive sale) would result in a lower true interest cost for the Village.

Conclusion

Based on all the above factors, it is Baird's belief that a competitive sale would result in the lowest true interest cost and greatest debt service savings on the Village's proposed refunding.

Village of La Grange Park, IL

Hypothetical Illustration for Refunding GO Bonds, Series 2006

Dated: November 17, 2014

Assumes Aa2 Rating, BQ Rates, Level Savings

Table of Contents

Report

Village of La Grange Park, IL

Hypothetical Illustration for Refunding GO Bonds, Series 2006

Dated: November 17, 2014

Assumes Aa2 Rating, BQ Rates, Level Savings

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
12/01/2014	-	275,062.50	275,062.50	275,062.50	-
12/01/2015	400,096.60	-	400,096.60	428,431.26	28,334.66
12/01/2016	400,262.50	-	400,262.50	427,931.26	27,668.76
12/01/2017	399,162.50	-	399,162.50	427,056.26	27,893.76
12/01/2018	397,962.50	-	397,962.50	425,806.26	27,843.76
12/01/2019	396,662.50	-	396,662.50	428,406.26	31,743.76
12/01/2020	397,062.50	-	397,062.50	425,406.26	28,343.76
12/01/2021	397,162.50	-	397,162.50	427,006.26	29,843.76
12/01/2022	396,962.50	-	396,962.50	428,006.26	31,043.76
12/01/2023	396,462.50	-	396,462.50	428,406.26	31,943.76
12/01/2024	400,662.50	-	400,662.50	428,206.26	27,543.76
12/01/2025	398,475.00	-	398,475.00	426,912.50	28,437.50
Total	**$4,380,934.10**	**$275,062.50**	**$4,655,996.60**	**$4,976,637.60**	**$320,641.00**

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	320,641.00
Gross PV Debt Service Savings	355,452.63
Net PV Cashflow Savings @ 2.283%(Bond Yield)	355,452.63
Transfers from Prior Issue Debt Service Fund	(74,215.63)
Contingency or Rounding Amount	1,852.70
Net Present Value Benefit	$283,089.70
Net PV Benefit / $3,740,000 Refunded Principal	7.569%
Average Annual Cash Flow Savings	26,720.08

Refunding Bond Information

Refunding Dated Date	11/17/2014
Refunding Delivery Date	11/17/2014

Village of La Grange Park, IL

Hypothetical Illustration for Refunding GO Bonds, Series 2006

Dated: November 17, 2014

Assumes Aa2 Rating, BQ Rates, Level Savings

Sources & Uses

Dated 11/17/2014 | Delivered 11/17/2014

SOURCES OF FUNDS	
Par Amount of Bonds	$3,685,000.00
Reoffering Premium	144,931.95
Transfers from Prior Issue Debt Service Funds	74,215.63
TOTAL SOURCES	**$3,904,147.58**

USES OF FUNDS	
Deposit to Current Refunding Fund	3,821,224.88
Assumed Costs of Issuance	81,070.00
Rounding Amount	1,852.70
TOTAL USES	$3,904,147.58

Village of La Grange Park, IL

Hypothetical Illustration for Refunding GO Bonds, Series 2006

Dated: November 17, 2014

Assumes Aa2 Rating, BQ Rates, Level Savings

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/17/2014	-	-	-	-	-
06/01/2015	-	-	54,515.35	54,515.35	-
12/01/2015	295,000.00	2.000%	50,581.25	345,581.25	400,096.60
06/01/2016	-	-	47,631.25	47,631.25	-
12/01/2016	305,000.00	2.000%	47,631.25	352,631.25	400,262.50
06/01/2017	-	-	44,581.25	44,581.25	-
12/01/2017	310,000.00	2.000%	44,581.25	354,581.25	399,162.50
06/01/2018	-	-	41,481.25	41,481.25	-
12/01/2018	315,000.00	2.000%	41,481.25	356,481.25	397,962.50
06/01/2019	-	-	38,331.25	38,331.25	-
12/01/2019	320,000.00	3.000%	38,331.25	358,331.25	396,662.50
06/01/2020	-	-	33,531.25	33,531.25	-
12/01/2020	330,000.00	3.000%	33,531.25	363,531.25	397,062.50
06/01/2021	-	-	28,581.25	28,581.25	-
12/01/2021	340,000.00	3.000%	28,581.25	368,581.25	397,162.50
06/01/2022	-	-	23,481.25	23,481.25	-
12/01/2022	350,000.00	3.000%	23,481.25	373,481.25	396,962.50
06/01/2023	-	-	18,231.25	18,231.25	-
12/01/2023	360,000.00	3.000%	18,231.25	378,231.25	396,462.50
06/01/2024	-	-	12,831.25	12,831.25	-
12/01/2024	375,000.00	3.250%	12,831.25	387,831.25	400,662.50
06/01/2025	-	-	6,737.50	6,737.50	-
12/01/2025	385,000.00	3.500%	6,737.50	391,737.50	398,475.00
Total	**$3,685,000.00**	-	**$695,934.10**	**$4,380,934.10**	-

Yield Statistics

Bond Year Dollars	$23,223.31
Average Life	6.302 Years
Average Coupon	2.9967056%
Net Interest Cost (NIC)	2.3726258%
True Interest Cost (TIC)	2.2993834%
Bond Yield for Arbitrage Purposes	2.2825809%
All Inclusive Cost (AIC)	2.6764562%

IRS Form 8038

Net Interest Cost	2.2738866%
Weighted Average Maturity	6.327 Years

Village of La Grange Park, IL

Hypothetical Illustration for Refunding GO Bonds, Series 2006

Dated: November 17, 2014

Assumes Aa2 Rating, BQ Rates, Level Savings

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price		Dollar Price
12/01/2015	Serial Coupon	2.000%	0.550%	295,000.00	101.499%		299,422.05
12/01/2016	Serial Coupon	2.000%	0.800%	305,000.00	102.421%		312,384.05
12/01/2017	Serial Coupon	2.000%	1.050%	310,000.00	102.833%		318,782.30
12/01/2018	Serial Coupon	2.000%	1.400%	315,000.00	102.347%		322,393.05
12/01/2019	Serial Coupon	3.000%	1.700%	320,000.00	106.251%		340,003.20
12/01/2020	Serial Coupon	3.000%	1.950%	330,000.00	105.953%		349,644.90
12/01/2021	Serial Coupon	3.000%	2.250%	340,000.00	104.856%		356,510.40
12/01/2022	Serial Coupon	3.000%	2.500%	350,000.00	103.620%		362,670.00
12/01/2023	Serial Coupon	3.000%	2.650%	360,000.00	102.796%		370,065.60
12/01/2024	Serial Coupon	3.250%	2.750%	375,000.00	104.359%		391,346.25
12/01/2025	Serial Coupon	3.500%	2.850%	385,000.00	105.639%	c	406,710.15
Total	-	-	-	**$3,685,000.00**	-	-	**$3,829,931.95**

Bid Information

Par Amount of Bonds	$3,685,000.00
Reoffering Premium or (Discount)	144,931.95
Gross Production	$3,829,931.95
Bid (103.933%)	3,829,931.95
Total Purchase Price	$3,829,931.95
Bond Year Dollars	$23,223.31
Average Life	6.302 Years
Average Coupon	2.9967056%
Net Interest Cost (NIC)	2.3726258%
True Interest Cost (TIC)	2.2993834%

Village of La Grange Park, IL

Hypothetical Illustration for Refunding GO Bonds, Series 2006

Dated: November 17, 2014

Assumes Aa2 Rating, BQ Rates, Level Savings

Current Refunding Escrow

Date	Principal	Rate	Receipts	Disbursements	Cash Balance
11/17/2014	-	-	74,215.88	-	74,215.88
12/01/2014	-	-	-	74,215.63	0.25
12/18/2014	3,747,009.00	-	3,747,009.00	3,747,009.25	-
Total	$3,747,009.00	-	$3,821,224.88	$3,821,224.88	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	74,215.88
Cost of Investments Purchased with Bond Proceeds	3,747,009.00
Total Cost of Investments	$3,821,224.88
Target Cost of Investments at bond yield	$3,813,843.31
Actual positive or (negative) arbitrage	(7,381.57)
Yield to Receipt	-3.73E-12
Yield for Arbitrage Purposes	2.2825809%
State and Local Government Series (SLGS) rates for	10/08/2014

Village of La Grange Park, IL
Hypothetical Illustration for Refunding GO Bonds, Series 2006
Dated: November 17, 2014
Assumes Aa2 Rating, BQ Rates, Level Savings

Primary Purpose Fund Proof Of Yield @ 0.0000000%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
11/17/2014	-	1.0000000x	-	-
12/18/2014	3,747,009.00	1.0000000x	3,747,009.00	3,747,009.00
Total	**$3,747,009.00**	-	**$3,747,009.00**	-

Composition Of Initial Deposit

Cost of Investments Purchased with Bond Proceeds	3,747,009.00
Adjusted Cost of Investments	3,747,009.00

Village of La Grange Park, IL

Hypothetical Illustration for Refunding GO Bonds, Series 2006

Dated: November 17, 2014

Assumes Aa2 Rating, BQ Rates, Level Savings

Current Refunding Escrow Summary Cost

Maturity	Type	Coupon	Yield	$ Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
Current Refunding Escrow								
12/18/2014	SLGS-CI	-	-	100.0000000%	3,747,009	3,747,009.00	-	3,747,009.00
Subtotal		-	-	-	**$3,747,009**	**$3,747,009.00**	-	**$3,747,009.00**
Total		-	-	-	**$3,747,009**	**$3,747,009.00**	-	**$3,747,009.00**

Current Refunding Escrow

Cash Deposit	74,215.88
Cost of Investments Purchased with Bond Proceeds	3,747,009.00
Total Cost of Investments	$3,821,224.88

Delivery Date	11/17/2014

Village of La Grange Park, IL

General Obligation Bonds, Series 2006

Dated: April 15, 2006

Callable: December 1, 2014 @ 100

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S	Fiscal Total
11/17/2014	-	-	-	-	-	-	-	-
12/01/2014	-	74,215.63	74,215.63	-	3.750%	74,215.63	74,215.63	74,215.63
12/18/2014	3,740,000.00	7,009.25	3,747,009.25	-	-	-	-	-
06/01/2015	-	-	-	-	-	74,215.63	74,215.63	-
12/01/2015	-	-	-	280,000.00	3.750%	74,215.63	354,215.63	428,431.26
06/01/2016	-	-	-	-	-	68,965.63	68,965.63	-
12/01/2016	-	-	-	290,000.00	3.750%	68,965.63	358,965.63	427,931.26
06/01/2017	-	-	-	-	-	63,528.13	63,528.13	-
12/01/2017	-	-	-	300,000.00	3.750%	63,528.13	363,528.13	427,056.26
06/01/2018	-	-	-	-	-	57,903.13	57,903.13	-
12/01/2018	-	-	-	310,000.00	4.000%	57,903.13	367,903.13	425,806.26
06/01/2019	-	-	-	-	-	51,703.13	51,703.13	-
12/01/2019	-	-	-	325,000.00	4.000%	51,703.13	376,703.13	428,406.26
06/01/2020	-	-	-	-	-	45,203.13	45,203.13	-
12/01/2020	-	-	-	335,000.00	4.000%	45,203.13	380,203.13	425,406.26
06/01/2021	-	-	-	-	-	38,503.13	38,503.13	-
12/01/2021	-	-	-	350,000.00	4.000%	38,503.13	388,503.13	427,006.26
06/01/2022	-	-	-	-	-	31,503.13	31,503.13	-
12/01/2022	-	-	-	365,000.00	4.000%	31,503.13	396,503.13	428,006.26
06/01/2023	-	-	-	-	-	24,203.13	24,203.13	-
12/01/2023	-	-	-	380,000.00	4.000%	24,203.13	404,203.13	428,406.26
06/01/2024	-	-	-	-	-	16,603.13	16,603.13	-
12/01/2024	-	-	-	395,000.00	4.125%	16,603.13	411,603.13	428,206.26
06/01/2025	-	-	-	-	-	8,456.25	8,456.25	-
12/01/2025	-	-	-	410,000.00	4.125%	8,456.25	418,456.25	426,912.50
Total	**$3,740,000.00**	**$81,224.88**	**$3,821,224.88**	**$3,740,000.00**	-	**$1,035,790.73**	**$4,775,790.73**	-

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/17/2014
Average Life	6.425 Years
Average Coupon	4.0255078%
Weighted Average Maturity (Par Basis)	6.425 Years

Refunding Bond Information

Refunding Dated Date	11/17/2014
Refunding Delivery Date	11/17/2014

Village of La Grange Park, IL

General Obligation Bonds, Series 2006

Dated: April 15, 2006

Callable: December 1, 2014 @ 100

Current Outstanding Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/01/2014	270,000.00	3.750%	5,062.50	275,062.50
Total	**$270,000.00**	-	**$5,062.50**	**$275,062.50**

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/17/2014
Average Life	0.039 Years
Average Coupon	3.7500000%
Weighted Average Maturity (Par Basis)	0.039 Years

Refunding Bond Information

Refunding Dated Date	11/17/2014
Refunding Delivery Date	11/17/2014

Village Board Agenda Memo

Date: October 7, 2014

To: Finance Committee Chair Patricia Rocco
Village President and Board of Trustees

From: Larry Noller, Finance Director
Julia Cedillo, Village Manager

Re: **2014 Property Tax Levy Estimate**

PURPOSE

To approve an estimate of the amount of property taxes to be levied by the Village for 2014 as required by the Truth in Taxation Law.

BACKGROUND

The Truth in Taxation Law requires that the Village Board estimate the amount of property taxes it will levy at least 20 days prior to the adoption of the tax levy. The Village's 2014 tax levy ordinance will be reviewed at the November 11 workshop and then placed on the agenda for Board approval at its November 25 meeting.

The Village's annual property tax levy is restricted by the Illinois Property Tax Extension Limitation Law (PTELL). The PTELL limits the amount the Village may increase the operating levy each year to the lesser of 5% or the change in the Consumer Price Index (CPI). For the 2014 levy, the PTELL CPI change is 1.5% and is therefore the limiting factor.

The PTELL allows the Village to collect additional property taxes on any new construction value. As we do not know the amount of new value until well after the final tax levy is due, the Village estimates a levy that is greater than allowed by PTELL and the County will reduce the levy to the allowed amount.

The Village's levy estimate for 2014 is $3,503,980 which is 4.9% above the 2013 levy extension of $3,340,305. Due to the PTELL, the final extension increase will be much closer to the 1.5% adjustment in CPI. Since the estimated amount is less than a 5% increase, a public hearing is not required under the Truth in Taxation Law.

STAFF RECOMMENDATION

Staff recommends the Village Board approve the following motion at the October 28 Board meeting.

ACTION REQUESTED

Motion that the President and Village Board of Trustees estimate that the amount necessary to be raised from the 2014 property tax levy for the 2014/15 fiscal year is $3,503,980; which amount is less than 5% greater than the amount of taxes extended for 2013.

DOCUMENTATION

- PTELL CPI History
- 5 Year History of Village Property Tax Levies

Illinois Dept. of Revenue
History of CPI's Used for the PTELL
01/21/2014

Year	December CPI-U	% Change From Previous December	% Use for PTELL	Comments	Levy Year	Years Taxes Paid
1991	137.900	--				
1992	141.900	2.9%	2.9%		1993	1994
1993	145.800	2.7%	2.7%	(5 % for Cook)	1994	1995
1994	149.700	2.7%	2.7%		1995	1996
1995	153.500	2.5%	2.5%		1996	1997
1996	158.960	3.6%	3.6%		1997	1998
1997	161.300	1.5%	1.5%		1998	1999
1998	163.900	1.6%	1.6%		1999	2000
1999	168.300	2.7%	2.7%		2000	2001
2000	174.000	3.4%	3.4%		2001	2002
2001	176.700	1.6%	1.6%		2002	2003
2002	180.900	2.4%	2.4%		2003	2004
2003	184.300	1.9%	1.9%		2004	2005
2004	190.300	3.3%	3.3%		2005	2006
2005	196.800	3.4%	3.4%		2006	2007
2006	201.800	2.5%	2.5%		2007	2008
2007	210.036	4.08%	4.1%		2008	2009
2008	210.228	0.1%	0.1%		2009	2010
2009	215.949	2.7%	2.7%		2010	2011
2010	219.179	1.5%	1.5%		2011	2012
2011	225.672	3.0%	3.0%		2012	2013
2012	229.601	1.7%	1.7%		2013	2014
2013	233.049	1.5%	1.5%		2014	2015

Village of La Grange Park
5 Year Property Tax History

Levy Year	PTELL CPI	Levy	$ Change	% Change	Equalized Assessed Value	EAV Increase/(Decrease)	
2013	1.7%	$ 3,340,305	$ 59,666	1.8%	$ 317,519,480	$ (18,611,566)	-5.5%
2012	3.0%	$ 3,280,639	$ 99,815	3.1%	$ 336,131,046	$ (27,391,646)	-7.5%
2011	1.5%	$ 3,180,824	$ 67,162	2.2%	$ 363,522,692	$ (71,346,283)	-16.4%
2010	2.7%	$ 3,113,662	$ 92,369	3.1%	$ 434,868,975	$ 6,316,815	1.5%
2009	0.1%	$ 3,021,293	$ 15,631	0.5%	$ 428,552,160	$ 28,330,846	7.1%

Items of Interest

VILLAGE OF LA GRANGE PARK
La Grange Park Village Hall, 447 N. Catherine Ave., La Grange Park, Illinois

State of the Village Address
Village Hall Boardroom

Thursday, November 6th
7:00 pm

2014 MEETINGS REMINDER

October 28, 2014	Village Board Meeting	7:30 p.m.	Village Hall
November 11, 2014	Work Session Meeting	7:30 p.m.	Village Hall
November 25, 2014	Village Board Meeting	7:30 p.m.	Village Hall
December 9, 2014	Work Session Meeting	7:30 p.m.	Village Hall