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LOVES PARK CITY COUNCIL AGENDA–APRIL 29, 2019- 6 P.M.
AT CITY HALL COUNCIL CHAMBERS, 100 HEART BLVD.,
LOVES PARK, 61111

- I. CALL TO ORDER**

- II. INVOCATION & PLEDGE OF ALLEGIANCE**
 - 1. Invocation given by Pastor K. D. Bodwell of Windsor Baptist Church followed by the Pledge of Allegiance.**

- III. ROLL CALL**

- IV. APPROVAL OF CITY COUNCIL MINUTES OF PREVIOUS MEETING**

- V. COMMUNICATIONS, MAYOR’S REPORT AND ANNOUNCEMENTS**
 - 1. Proclamation for the “Motorcycle Awareness Month”.**

- VI. APPROVE PAYMENT OF BILLS**

- VII. OFFICER’S REPORTS**
 - 1. Public Safety**
 - 2. Public Works**

- VIII. COMMITTEE REPORTS**
 - 1. Finance and Administration/Jacobson (Finance, Personnel, Buildings & Grounds, Purchasing, Recreation & Beautification)**
 - 2. Public Safety/Allton (Police, Fire, Public Safety & Health)**
 - 3. Public Works/Schlensker (Street, Water & Utilities)**
 - 4. Codes and Regulations/Peterson (Ordinances & Licenses)**
 - 5. Community Development/Frykman (Development, Planning, Zoning, Annexation, Building & Drainage)**

IX. UNFINISHED BUSINESS

X. NEW BUSINESS

XI. RESOLUTIONS & MOTIONS

- 1. Resolution approving a Collective Bargaining Agreement between the City of Loves Park and the Illinois Fraternal Order of Police Labor Council Lodge #187 and authorizing the Mayor to sign the Agreement.**
- 2. Resolution authorizing the Mayor to execute an agreement for Bond Counsel Services between the City of Loves Park and Schiff Hardin LLP.**
- 3. Resolution authorizing the retention of a municipal advisor in association with the issuance of certain Debt Certificates.**

XII. ORDINANCES 2ND READING

XIII. ORDINANCES 1ST READING

- A. Ordinance authorizing and providing for (a) the execution and delivery of an installment purchase contract for the purpose of paying all or a portion of the costs of acquiring, constructing, installing and equipping improvements needed for the prevention and extinguishment of fires, building and equipment and (b) the issuance, sale and delivery of \$2,585,000.00 Debt Certificates, Series 2019.**

XIV. PUBLIC COMMENT

XV. EXECUTIVE SESSION

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Loves Park City Council Agenda
April 29, 2019

XVI. GOOD OF THE ORDER

XVII. ADJOURNMENT



CITY COUNCIL, CITY OF LOVES PARK, ILLINOIS

Journal of Proceedings

Regular Meeting, Monday, April 22, 2019

Loves Park City Hall

Mayor Gregory Jury called the meeting to order at 6:00 p.m.

Alderman Clint Little opened the meeting with an invocation, followed by the Pledge of Allegiance.

Present: Mayor Gregory Jury

Aldermen Clint Little, John Pruitt, Charles Frykman, Mark Peterson, A. Marie Holmes, Robert Schlensker, Doug Allton, Nancy Warden, John Jacobson, Jim Puckett

Also Present: City Clerk Bob Burden
City Attorney Gino Galluzzo

1. Approve Minutes 04/15/19 The Journal of Proceedings for the regular meeting of April 15, 2019, was approved as submitted by the city clerk on a motion by Alderman Pruitt. Second by Alderman Schlensker. Motion carried. 9 Ayes (Aldermen Little, Pruitt, Frykman, Holmes, Schlensker, Allton, Warden, Jacobson, Puckett) 1 Present (Alderman Peterson)
2. ComEd Rate Decrease Received a notice from ComEd of a proposed rate decrease, effective January 2020. Placed on file.
3. Commerce Commission Hearing Received a notice from the Illinois Commerce Commission of a hearing regarding Commonwealth Edison Company, to be held April 30, 2019, in the offices of the Commission, Chicago, IL. Placed on file.
4. Great American Cleanup Day Proclamation Mayor Jury presented a proclamation to Frank Manzullo and Director Pam Osborne of Keep Northern Illinois Beautiful, proclaiming Saturday, April 27, 2019 to be "Great American Cleanup Day", in the City of Loves Park.
5. Thanks Frank Manzullo and Pam Osborne thanked everyone for supporting the proclamation.
6. Workers Memorial Day Mayor Jury presented a proclamation to Bill Corey of Rockford United Labor, proclaiming Sunday, April 28, 2019, to be "Workers Memorial Day", in the City of Loves Park.
7. Thanks Bill Corey thanked everyone for supporting the proclamation.
8. Deputy Chief Paul Spencer Proclamation Mayor Jury presented a proclamation to Deputy Chief Paul Spencer in appreciation of 47 years of service to the Loves Park Fire Department, proclaiming Monday, April 22, 2019, to be "Deputy Chief Paul Spencer Day", in the City of Loves Park.
9. Thanks Deputy Chief Paul Spencer thanked everyone for the proclamation.
10. Presentation To Alderman Jim Puckett Janine Ibstein from Heartland Hospice Care presented a plaque in appreciation to Alderman Jim Puckett for his participation as Keynote Speaker in the National Vietnam War Veteran's Day Ceremony held on March 29th.

11. Thanks Alderman Jim Puckett thanked everyone that helped with the Veteran's Day Ceremony.
12. Water Department Bills Alderman Jacobson presented the Water Department bills dated April 15, 2019 in the amount of \$199,136.30, and moved that they be paid. Second by Alderman Peterson. Motion carried. 10 Ayes (Aldermen Little, Pruitt, Frykman, Peterson, Holmes, Schlensker, Allton, Warden, Jacobson, Puckett)
13. General Fund Bills Alderman Jacobson presented the General Fund and all other bills dated April 15, 2019, in the amount of \$90,715.90, and moved that they be paid. Second by Alderman Peterson. Motion carried. 10 Ayes (Aldermen Little, Pruitt, Frykman, Peterson, Holmes, Schlensker, Allton, Warden, Jacobson, Puckett)
14. Public Safety Report Alderman Allton presented the Police Department Report dated April 22, 2019, to be placed on file.
15. Public Works Report Alderman Schlensker presented the Water Department Report dated April 17, 2019; presented the Street Department Report dated April 22, 2019, to be placed on file.
16. Finance & Administration Committee Alderman Jacobson of the Finance and Administration Committee presented General Fund and all other bills dated April 22, 2019 in the amount of \$130,954.95, for consideration at next week's city council meeting; presented the minutes from the committee meeting held April 15, 2019, to be placed on file.
17. Public Works Committee Alderman Schlensker of the Public Works Committee presented the Water Department list of bills dated April 22, 2019 in the amount of \$31,301.25, for consideration at next week's city council meeting.
18. Fire Department To Purchase Portable Radios Alderman Jacobson presented the following resolution and moved for its adoption: **RESOLVED**, that by the adoption of this Resolution, that Chief Jerry Wiltfang of the Loves Park Fire Department be allowed to purchase from Rock River Service Co and Motorola Solutions, twelve (12) PAX6000 VHF MHZ Model 2.5 Portable Radios with Remote Speaker Microphones including Two (2) Charger Multi-unit impress 6-Disp. NA/LA plug ACC USB chargers at a total cost of \$41,520.14. Funds will be taken from Account No. 01-12-8550. Second by Alderman Peterson. Motion carried. 10 Ayes (Aldermen Little, Pruitt, Frykman, Peterson, Holmes, Schlensker, Allton, Warden, Jacobson, Puckett)
RESOLUTION NO. 19-031
19. Continue To Spend Funds at The Same Rate as 2018-19 Alderman Jacobson presented the following resolution and moved for its adoption: **RESOLVED**, that by the adoption of this Resolution, that the City of Loves Park may continue to spend funds at the same rate as the 2018-2019 Appropriation Ordinance until the 2019-2020 Appropriation Ordinance is approved. Further, that the City Treasurer is hereby authorized to make appropriation transfer within funds as provided by law. Second by Alderman Peterson. Motion carried. 10 Ayes (Aldermen Little, Pruitt, Frykman, Peterson, Holmes, Schlensker, Allton, Warden, Jacobson, Puckett)
RESOLUTION NO. 19-032
20. ORD 4265-19 Billboard Regulations Alderman Frykman presented for second reading an ordinance amending the Loves Park Code of Ordinances by adding regulations and licensing requirements to billboards, and moved for passage of the ordinance. Second by Alderman Warden. Motion carried. 10 Ayes (Aldermen Little, Pruitt, Frykman, Peterson, Holmes, Schlensker, Allton, Warden, Jacobson, Puckett)
ORDINANCE NO. 4265-19

21. ORD 4266-19 Alderman Peterson presented for second reading an ordinance amending Section 6-43(a) of the Loves Park Code of Ordinances, by creating a Class M Liquor License classification, and moved for passage of the ordinance. Second by Alderman Warden. Motion carried. 10 Ayes (Aldermen Little, Pruitt, Frykman, Peterson, Holmes, Schlensker, Allton, Warden, Jacobson, Puckett)
Creation Of Class M Liquor License Classification
ORDINANCE NO. 4266-19
22. Adjourn Alderman Jacobson moved that the meeting be adjourned. Second by Alderman Pruitt. Motion carried by voice vote. The meeting was adjourned at 6:25 p.m.

APPROVED:

Robert J. Burden, City Clerk

STANDING COMMITTEE MEETINGS:

Community Development:	Following Council Meeting 6:15 p.m.
Finance and Administration:	Prior to Council Meeting 5:40 p.m.
Public Works:	Prior to Council Meeting 5:15 p.m.
Zoning Board of Appeals:	3 rd Thursday of the Month 5:30 p.m.



CITY OF LOVES PARK

100 HEART BOULEVARD
LOVES PARK, ILLINOIS 61111
815-654-5030 • Fax: 815-633-2359

Gregory R. Jury, *Mayor* • Robert J. Burden, *City Clerk* • John C. Danielson, *City Treasurer*

PROCLAMATION

WHEREAS, safety is the highest priority for the highways and streets of our City and State, and Illinois is proud to be a national leader in motorcycle safety, education and awareness; and

WHEREAS, motorcycles are a more common and economical means of transportation that reduces fuel consumption and road wear, and contributes in a significant way to the relief of traffic and parking congestion; and

WHEREAS, it is especially meaningful that the citizens of our City and State be aware of motorcycles on the roadways and recognize the importance of motorcycle safety; and

WHEREAS, the members of A.B.A.T.E. of Illinois, Inc., (A Brotherhood Aimed Toward Education), continually promote motorcycle safety, education and awareness in high school drivers' education programs and to the general public in our City and State, presenting motorcycle awareness programs to over 120,000 participants in Illinois over the past six years.

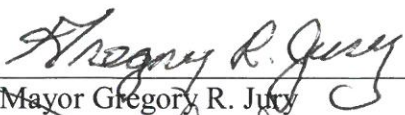
NOW, THEREFORE, I, Gregory R. Jury, as Mayor of the City of Loves Park, do hereby proclaim the month of May, 2019 to be:

“MOTORCYCLE AWARENESS MONTH”


in Loves Park, and urge all motorists to join in an effort to unite in the safe sharing of roadways within the City of Loves Park and to recognize the 32nd anniversary of the efforts of A.B.A.T.E. throughout the great state of Illinois.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Loves Park to be affixed this 29th day of April, 2019.





Mayor Gregory R. Jury



Attest: Robert J. Burden, City Clerk

“The City with a Heart”



LOVES PARK **POLICE**

540 Loves Park Drive, Loves Park, IL 61111

Phone 815/654-5015 Fax 815/633-0555

To: Alderman Doug Allton

From: Chief Charles Lynde

Date: 04/29/2019

Subject: Police Activity Report

Police activity report for the week of 04/14/2019 through 04/20/2019

Calls for Service 526

Total Number of Arrests 285

Accidents 18

MICHAEL MCCAMMOND
DEPUTY CHIEF OF POLICE

CHARLES LYNDE
CHIEF OF POLICE

SHANE LYNCH
DEPUTY CHIEF OF POLICE

**Department of Public Works
Street Department Weekly Activity Report**

Submitted by: Shannon Messinger
Street Department Manager

Week of April 22, 2019 thru April 23, 2019

Previous week's activity:

1. Filled potholes.
2. Continued sweeping with both sweepers.
3. Rebuilt a manhole at Orion and Maple.
4. Serviced mowing equipment.
5. Repaired various signs around the City.
6. Cleaned up 21 stumps after grinding.

Proposed work:

1. Fill potholes.
2. Continue sweeping residential with both sweepers.
3. Backfill stumps with dirt and seed.
4. Haul street sweepings to the landfill.

Loves Park Water Department

Weekly Activity Report

Submitted by: Craig McDonald
Department Manager

Date: 4/17/19-4/24/19

Previous week's activity:

1. Routine work:
 - a. Install new meters
 - b. JULIE locates
 - c. Chemical tests
 - d. Back wash wells as needed
 - e. Read commercial and residential meters
2. Continued radio read meter installation
3. Finished seasoning filter beds at filter plant #1
4. Sampled filter plant #1 and placed back online
5. Repaired main break at 725 River Park Dr.

Work anticipated for this week:

1. Continue radio read meter installation
2. Repair main break at the intersection of Commonwealth Dr. and Windswept Way
3. Repair main break at 308 Riverside Blvd.
4. Start Rehabilitation work on well #6

**CITY OF LOVES PARK
AGENDA
FINANCE & ADMINISTRATION COMMITTEE
April 29, 2019 – 5:40 P.M.
CITY COUNCIL CHAMBERS**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES FROM THE COMMITTEE MEETING HELD APRIL 22, 2019**
- 4. ITEMS FOR CONSIDERATION**
 - A. Resolution approving a Collective Bargaining Agreement between the City of Loves Park and the Illinois Fraternal Order of Police Labor Council Lodge #187 and authorizing the Mayor to sign the Agreement.**
 - B. Ordinance authorizing and providing for (a) the execution and delivery of an installment purchase contract for the purpose of paying all or a portion of the costs of acquiring, constructing, installing and equipping improvements needed for the prevention and extinguishment of fires, building and equipment and (b) the issuance, sale and delivery of \$2,585,000.00 Debt Certificates, Series 2019.**
 - C. Resolution authorizing the Mayor to execute an agreement for Bond Counsel Services between the City of Loves Park and Schiff Hardin LLP.**
 - D. Resolution authorizing the retention of a municipal advisor in association with the issuance of certain Debt Certificates.**
- 5. LIST OF BILLS**
- 6. GENERAL DISCUSSION/PUBLIC COMMENT**
- 7. ADJOURN**

**FINANCE AND ADMINISTRATION COMMITTEE
MEETING MINUTES**

DATE OF MEETING: April 22, 2019

CALLED TO ORDER: 5:30 P.M.

MEMBERS PRESENT: Aldermen John Jacobson, Mark Peterson, Charles Frykman, John Pruitt

ALSO PRESENT: Mayor Jury, Clerk Bob Burden, Steve Thompson, Attorney Galluzzo, A. Marie Holmes, Rob Schlensker, Doug Allton, Nancy Warden, Jim Puckett, Clint Little, Chief Wiltfang, Chief Lynde

MINUTES APPROVAL: April 15, 2019

Alderman Frykman moved to approve minutes. Second by Alderman Pruitt.
Motion carried. 4 Ayes – 0 Nays

ITEMS FOR CONSIDERATION

1. Resolution authorizing the Fire Chief to purchase 12 Motorola portable radios from Rock River Service Co. for \$41,520.14.

Alderman Frykman moved to approve. Second by Alderman Peterson.
Motion carried. 4 Ayes – 0 Nays

2. Resolution authorizing the City of Loves Park to continue to spend funds at the same rate as the 2018-19 Appropriation Ordinance until the 2019-2020 Appropriation Ordinance is approved.

Alderman Frykman moved to approve. Second by Alderman Peterson.
Motion carried. 4 Ayes – 0 Nays

3. List of Bills: No questions or concerns.

4. Adjournment.

Alderman Peterson moved for adjournment. Second by Alderman Frykman.
Motion carried. 4 Ayes – 0 Nays

Adjournment: 5:43 P.M.

RESPECTFULLY SUBMITTED: CHAIRMAN JACOBSON OF THE FINANCE COMMITTEE



CITY OF LOVES PARK

Department of Community Development

100 HEART BOULEVARD
LOVES PARK, ILLINOIS 61111
815- 654-5033 • Fax: 815-654-5004

Planning • Zoning • Building • Economic Development

AGENDA

City of Loves Park
Community Development Committee Meeting
April 29, 2019
CITY COUNCIL CHAMBERS
6:15 P.M.
100 Heart Boulevard, Loves Park, Illinois 61111

1. Roll call and declaration of a quorum
2. Reading and approval of the minutes from the **April 1, 2019** meeting
3. Report from the Zoning Office - None
4. Unfinished business
5. New business –
 - A. **6200 DAYTONA DRIVE** – A Special Use Permit for a fitness training establishment in the CR (Commercial Retail) Zoning District

Staff Recommendation: Approval w/ conditions

1. The Special Use Permit expires with the discontinuance of the business, change in business ownership, or change in property ownership.
2. The Special Use Permit shall be revoked with verified complaints from adjacent businesses or property owners.
3. Customer parking shall only be permitted in the parking lot for this facility, and parking directly in front of the building is not permitted. Two no parking signs shall placed in front of the building.
4. Customer parking shall not be permitted in adjacent parking lots, or other private property.
5. The business shall not open the doors during classes. Music or audio related to the business shall not project outside of the building onto adjacent properties.
6. The Special Use Permit shall have a 1 year renewal from the date of approval.
7. The dumpster enclosure shall be installed no later than May 31, 2019.

ZBA Recommendation: Approval, same as above

- B. **5009 PARK VALLEY DRIVE** – A Variance from a required 40 foot building setback to a requested 20 foot building setback on the McFarland Road frontage in the R1 (Single Family Residential) Zoning District

Staff Recommendation: Approval

ZBA Recommendation: Approval

C. TEXT AMENDMENT – CHAPTER 102, ARTICLE III, DISTRICTS, 102-132(E)

Staff Recommendation: Approval

ZBA Recommendation: Approval

D. 11-01-405-007 & 11-01-405-008 E. RIVERSIDE BOULEVARD – A Special Use Permit for a billboard sign over 600 square feet in the CR (Commercial Retail) Zoning District

Staff Recommendation: Approval with conditions

1. A pedestrian sidewalk shall be installed across the frontage of both properties, 11-01-405-007 and 11-01-405-008. Arrangements shall be coordinated with City Staff.
2. The combined square footage of both sign faces shall not exceed 792 square feet.
3. The billboard must comply with all of IDOT standards and regulations, and subject to the permitting process with the City of Loves Park.

ZBA Recommendation: Denial

6. Public participation & comment
7. General discussion
8. Adjournment

Andrew Quintanilla
Zoning Officer

Community Development Committee Meeting Minutes

Date of Meeting: April 1, 2019

Called to Order At: 6:15 p.m.

Members Present: Ald. Frykman, Ald. Holmes, Ald. Warden and Ald. Allton

Staff Present: Steve Thompson, Andrew Quintanilla and Nathan Bruck

Others Present: Mayor Jury, Eli Nicolosi, Attorney Galluzzo, Treasurer Danielson, Clerk Burden, Ald. Schlensker, Ald. Pruitt, Ald. Jacobson, Ald. Little, Ald. Puckett, Ald. Peterson

Approval of Minutes: January 28, 2019

Motion Ald. Warden 2nd Vote Ald. Allton to approve 3 ayes – 0 nays

Items for Consideration:

A. Text Amendment-Chapter 102, Article VI, Signs

Presentation by: Staff

No Objector's Present

Motion to Approve by Ald. Warden, 2nd by Ald. Allton
No Additional conditions

Vote: Approved 3 ayes – 0 nays

B. Update and discussion-New Website and Branding

Presentation by: Staff and Eli Nicolosi

Public Participation and Comment: None

General Discussion: None

Adjournment at 7:08 p.m. on a motion by Ald. Warden, 2nd by Ald. Allton

Respectfully submitted by: Ald. Chuck Frykman Chairman of the Community Development Committee

Recommended Findings of Fact of City Staff based on the information provided by the applicant

Findings as Required by Loves Park Ordinance - Each enumerated finding must be considered before a petition for a special use may be approved.

Mark "Yes" if the findings have been considered and found to be relevant and true. Mark "No" if the findings have been considered and not found to be true. If you mark "No," please explain why in the space provided below each finding. Mark "N/A" if the finding is not applicable to the situation.

Staff ZBA

1 YES Yes The establishment, maintenance, or operation of the special use will not be detrimental to or endanger the public health, safety, morals, comfort or general welfare.

The establishment, maintenance, or operation of the special use will not be detrimental to or endanger the public health, safety, morals, comfort or general welfare. The special use will likely generate traffic to the area, which will likely have a positive impact for businesses in the zoning district. It is unlikely that a fitness center will adversely affect adjacent properties or businesses in this zoning district.

Reason:

2 YES Yes The special use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purposes already permitted, not substantially diminish and impair property values within the neighborhood.

The special use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purposes already permitted, not substantially diminish and impair property values within the neighborhood. The "use" is appropriate for this zoning district provided the business obtain a Special Use Permit. This use is a recreational use which will likely enhance activity in the vicinity. The use will provide increased short-term activity to the area throughout the day. Users of the facility will be utilizing a service for no more than a few hours at a time and likely leave the area once using the facility. Some users may stay and patronize other businesses in the area and zoning district.

Reason:

3 YES Yes The establishment of the special use will not impede the normal orderly development and improvement of the surrounding property for "uses" permitted in the district.

The establishment of the special use will not impede the normal orderly development and improvement of the surrounding property for "uses" permitted in the district. The property will not undergo any significant changes as a result of the approval. The surrounding businesses will likely notice increased traffic to the area as a result of the approval because the business will be situated among other businesses, but located on a private drive that serves as a secondary access point for the businesses in the zoning district. It is unlikely that the excess traffic to the zoning district using the private drive will adversely affect the adjacent businesses.

Reason:

4 N/A Yes Adequate utilities, access roads, drainage and/or necessary facilities have been, are being, or will be provided.

Reason:

5 YES *Yes* Adequate measures have been or will be taken to provide ingress or egress so designed as to minimize traffic congestion in the public streets.

Adequate measures have been or will be taken to provide ingress or egress so designed as to minimize traffic congestion in the public streets. Access to the business will be from the east and west of the zoning via a private road that is owned and maintained by all of the adjacent property owners. Access on the private drive may be problematic is customers of this facility utilized parking directly in front of the building. If customers are only permitted to park in the parking lot for this facility, it is unlikely that access on the private drive will be an issue.

Reason:

6 YES *Yes* The special use shall, in all other respects, conform to the applicable regulations of the district in which it is located. The zoning officer shall forward the board of appeal's decision and records to the city council within ten days after action or within 45 days from the date of public hearing if no action has been taken by the board of appeals.

Provided.

These findings are based on staff interpretation of the required findings necessary for approval of a Special Use Permit. The Zoning Board of Appeals must indicate whether or not all the findings have been met to substantiate the approval of a special use.

These findings have been adopted as the official Findings of Fact for the City of Loves Park, Zoning Board of Appeals agenda item: 6200 Daytona Drive
Fitness center

Chairman
Alise Howlett

Alise Howlett

Signature

2.18.19

Date

Recommended Findings of Fact of City Staff based on the information provided by the applicant

Findings as Required by Loves Park Ordinance - Each enumerated finding must be considered before a petition for a variation may be approved.

Mark **"Yes,"** if the findings have been considered and found to be relevant and true. Mark **"No,"** if the findings have been considered and found to be not true. If you mark **"No,"** please explain why in the space provided below each finding. Mark **"N/A,"** if the findings are not applicable to the situation.

Location: 5009 Park Valley Drive

Staff ZBA

- 1 YES Yes Strict or literal interpretation and enforcement of the specified regulation would result in practical difficulty or unnecessary physical hardship inconsistent with the objectives of this chapter.
Strict or literal interpretation and enforcement of the specified regulation would result in practical difficulty or unnecessary physical hardship inconsistent with the objectives of this chapter. The restrictions placed on the property do create an unnecessary burden on the property owner. The homeowner is not expecting to use the property for unreasonable uses that do not already exist in the district. The variance will allow him to use the property for reasonable residential uses that exist across all residential zoning districts.
Reason:

- 2 YES Yes There are exceptional or extraordinary circumstances or conditions applicable to the property involved or to the intended use of the property that do not apply generally to other properties classified in the same zoning district.
There are exceptional or extraordinary circumstances or conditions applicable to the property involved or to the intended use of the property that do not apply generally to other properties classified in the same zoning district. The property has a 30ft setback, and 40ft setback, and a sizeable easement across the property that severely limits the property owner from using his property. While there are other properties in the area that have dual setbacks, there are very few that a large sanitary sewer easement spanning the full width of the property.
Reason:

- 3 YES Yes Strict or literal interpretation and enforcement of the specified regulation would deprive the applicant of privileges enjoyed by the owners of other properties classified in the same zoning district.
Strict or literal interpretation and enforcement of the specified regulation would deprive the applicant of privileges enjoyed by the owners of other properties classified in the same zoning district. The property has an existing single family dwelling, however, under normal circumstances the property could be utilized for a recreational pool. The owner was given permission to install a pool in the sanitary sewer easement but did not want to risk loosing the pool at some future date as a result of repairs or maintenance. The homeowner will be using some portion of the easement but would prefer to use the secondary building setback to install the pool, where there is less risk to his investment.
Reason:

- 4 YES Yes The granting of the variation will not constitute a grant of special privilege inconsistent with the limitations on the other properties classified in the same zoning district.

The granting of the variation will not constitute a grant of special privilege inconsistent with the limitations on the other properties classified in the same zoning district. The property owner has a legitimate hardship derived from the property that place unreasonable restrictions on the land.

Reason:

Yes, similar lots do not have a sanitary sewer easement to reduce the buildable area.

5 YES

Yes

The granting of the variation will not be detrimental to the public health, safety, welfare or material injurious to properties or improvements in the vicinity.

The granting of the variation will not be detrimental to the public health, safety, welfare or material injurious to properties or improvements in the vicinity. The nature of the variance is for a recreational pool, that is unlikely to adversely impact the welfare of residents in the vicinity, or potential development in the zoning district.

Reason:

6 YES

Yes

The concurring vote of four members of the board shall be necessary to recommend the authorization of any variance in this chapter.

provided.

These findings are based on staff interpretation of the required findings necessary for approval of a variation. The Zoning Board of Appeals must indicate whether or not all the findings have been considered to substantiate the approval of a variation.

These findings have been adopted as the official Findings of Fact for the City of Loves Park, Zoning Board of Appeals agenda item:

5009 Park Valley Drive

Variance from a required 40 ft setback to a requested 20 ft building setback

Chairman

Alise Howlett

Alise Howlett

Signature

04.18.19

Date

Recommended Findings of Fact of City Staff based on the information provided by the applicant

Findings as Required by Loves Park Ordinance - Each enumerated finding must be met before a petition for a special use may be approved.

Mark "Yes," if the findings have been considered and found to be relevant and true. Mark "No," if the findings have been considered and found to be not true. If you mark "No," please explain why in the space provided below each finding. Mark "N/A," if the findings are not applicable to the situation.

Location: 11-01-405-007 & 11-01-405-008 E. Riverside Boulevard parcels

Staff ZBA

- 1 NO Nb. The establishment, maintenance, or operation of the special use will not be detrimental to or endanger the public health, safety, morals, comfort or general welfare.
The establishment, maintenance, or operation of the special use will not be detrimental to or endanger the public health, safety, and general welfare of the surrounding uses. The sign will generate a volume of artificial light that will not have any means of filtering the light because the applicant does not want to provide landscaping. Additional landscaping may help the artificial light from projecting onto adjacent properties, and residences. Light may also be cast across the street, onto the residences on Grand Boulevard, as the sign will be about 30 feet in height. Staff sees that there may be an adverse impact on traffic in the area. The sign will be close to the are roadway, and project light onto moving traffic on Riverside.
Reason:

- 2 NO Nb. The special use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purposes already permitted, not substantially diminish and impair property values within the neighborhood.
The special use will may be injurious to the use and enjoyment of other property in the immediate vicinity. It may negatively impact property values, both residential and commercial within the neighborhood. The proposed sign will be 30 feet high. The sign has two digital faces that will project a high volume of artificial light onto properties in the zoning district. There are several residential properties and residences in this zoning district. The approval of the special use could adversely impact property values. The proposed sign could impact development for this area. Having such a large sign in close proximity to existing and future development may discourage development and may increase the undesirability of the surrounding land.
Reason:

- 3 NO Nb. The establishment of the special use will not impede the normal orderly development and improvement of the surrounding property for uses permitted in the district.
The establishment of the special use may impede the normal orderly development and improvement of the surrounding property for uses permitted in the district. It is a real possibility that the sign being proposed may have adverse consequences for permitted existing uses, and may drive existing and new business from the area. The request is not only for a 600 + square foot double sided 30 ft high sign, it's also for increased artificial light projected onto residences and businesses that does not already exist.
Reason:

- 4 N/A N/A. Adequate utilities, access roads, drainage and/or necessary facilities have been, are being, or will

be provided.

Reason:

- 5 N/A ~~N/A~~ Adequate measures have been or will be taken to provide ingress or egress so designed as to minimize traffic congestion in the public streets.

Ingress/egress to property is not of issue.

Reason:

- 6 YES ~~Yes~~ The special use shall, in all other respects, conform to the applicable regulations of the district in which it is located. The zoning officer shall forward the board of appeal's decision and records to the city council within ten days after action or within 45 days from the date of the public hearing if no action has been taken by the board of appeals.

These findings are based on staff interpretation of the required findings necessary for approval of a Special Use Permit. The Zoning Board of Appeals must indicate whether or not all the findings have been considered to substantiate the approval of a special use.

These findings have been adopted as the official Findings of Fact for the City of Loves Park, Zoning Board of appeals agenda item: 11-01-405-007 & 11-01-405-008
Billboard greater than 600 square feet sign

Chairman
Alise Howlett

Alise Howlett

Signature

4.18.19

Date

**A RESOLUTION APPROVING A COLLECTIVE BARGAINING AGREEMENT
BETWEEN THE CITY OF LOVES PARK AND THE ILLINOIS FRATERNAL ORDER
OF POLICE LABOR COUNCIL LODGE #187
AND AUTHORIZING THE MAYOR TO SIGN THE AGREEMENT**

WHEREAS, the City and the Illinois Fraternal Order of Police Labor Council Lodge #187 have each negotiated in good faith to provide for the terms of employment of identified members of the Loves Park Police Department; and

WHEREAS, the City has determined that it is in the best interests of the health, safety and welfare of the community to enter into this new agreement to provide for law enforcement protection for the City.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and the City Council of the City of Loves Park, County of Winnebago and County of Boone, Illinois, that by the adoption of this resolution, that the Mayor and the City Council hereby agree as follows:

1. The above recitals are hereby incorporated into this Resolution as if fully stated herein.
2. The terms of the attached Collective Bargaining Agreement are ratified and approved.
3. The Mayor is authorized to sign a Collective Bargaining Agreement in a form substantially similar to that attached hereto.
4. Should any provision of this Resolution be declared invalid by a court of competent jurisdiction, the invalidity of such provision shall not affect any of the other provisions of this Resolution.
5. This Resolution shall be in full force and effect from and after its passage and approval.

AYES:

NAYS:

ABSENT:

PASSED AND APPROVED the _____ day of _____, 2019.

APPROVED:

Mayor Greg Jury

ATTEST:

City Clerk Robert Burden

PUBLISHED:

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

THE CITY OF LOVES PARK

AND

THE ILLINOIS FRATERNAL ORDER OF POLICE LABOR COUNCIL

LODGE #187

MAY 1, 2019 THROUGH APRIL 30, 2023

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Preamble

This Agreement entered into by the City of Loves Park, Illinois, hereinafter referred to as the City, and Loves Park Police Department Bargaining Unit and the Illinois FOP Labor Council, hereinafter collectively referred to as the Council, has as its purpose the promotion of harmonious relations between the City and the Council; the establishment of an equitable and peaceful procedure for the resolution of differences; and the establishment of rates of pay, hours of work, and other conditions of employment.

Article I Recognition

Section 1.1 Recognition

Consistent with the Act, and in accord with the certification by the State of Illinois, Illinois State Labor Relations Board Case Nos. S-RC-88-39 and S-VR-99-09, the City hereby recognizes the Council as the sole and exclusive representative with respect to rates of pay, wages, hours of employment or other conditions of employment upon which it may lawfully bargain collectively for employees as follows:

Included: Full-time peace officers in the rank of patrolman and sergeant (including those in the classification of detective within those ranks).

Excluded: All other sworn peace officers, any supervisory, managerial or confidential employees and all other employees of the City of Loves Park.

Section 1.2 Dues Deduction

Upon receipt of a written and signed authorization form from an employee, the City shall deduct the amount of Lodge 187 dues and initiation fee, if any, set forth in such form and any authorized increase therein, and shall remit such deductions monthly to the Illinois Fraternal Order of Police Labor Council at the address designated by the Council. The Council shall advise the City of any increases in dues, in writing, at least thirty (30) days prior to its effective date.

Section 1.3 Dues

For any employee on whose behalf the City receives written authorization in a form agreed upon by the Council and the City, the City shall deduct from the wages of the employee the dues and/or financial obligation uniformly required and shall forward the full amount to the Lodge by the fifteenth (15th) day of the month following the month in which the deductions are made. The amounts deducted shall be in accordance with the schedule to be submitted to the City by Lodge 187. Authorization for such deduction shall be irrevocable unless revoked by written notice to the City, the Council and Lodge 187.

Section 1.4 Hold Harmless

The Council shall indemnify, hold and save the City harmless from any and all responsibility, claims, suits, orders or judgments brought or issued against the City as a result of any action taken by the City under the provisions of this Article.

Article II Hours of Work

Section 2.1 Work Day

An employee's workday is the twenty-four (24) hour period beginning with the regularly assigned starting time of his work shift on the first day of the workweek. For purposes of this Section, a "workday" shall also include, in addition to the remainder of the workweek, a Saturday, a Sunday, a holiday and/or a sixth (6th) or seventh (7th) day of work in the workweek.

Section 2.2 Regular Hours

The regular hours of work each day shall be consecutive.

Section 2.3 Bi-weekly Hours

Employees who are regularly scheduled to work twelve-hour shifts on seven-day rotations shall take four (4) hours off during every eighty (80) hour pay period (commonly known as the "Bi-weekly hours"). This means that an officer may be scheduled to work one (1) eight (8) hour shift or two (2) ten (10) hour shifts during a pay period (in addition to twelve (12) hour shift(s)) in order to satisfy the eighty (80) hour schedule. The scheduling of Bi-weekly hours off of work shall be accomplished by employee request presented to the employee's supervisor for approval, which approval shall not be unreasonably withheld. If a request is denied, then the employee shall submit requests for alternative dates until a suitable date is identified and approved by the employee's supervisor. Bi-weekly hours are unearned and non-worked hours. Any employee who is required to work during his or her approved Bi-weekly hours shall be paid at a rate of one and one-half (1½) times his or her hourly rate for such hours worked in lieu of rescheduling the Bi-weekly hours.

Section 2.4 Work Shift

The work shift shall consist of eight (8) consecutive hours for employees in the classifications of detective or D.A.R.E. and twelve (12) consecutive hours for employees in the rank of patrolman and sergeant. All employees shall be scheduled to work on a regular work shift and each work shift shall have a regular starting and quitting time. Lunch or break periods shall be considered as time worked or paid for peace officers. Nothing in this Article or Agreement shall be construed as a guarantee of hours per day or days per week of employment or pay in lieu thereof, nor a limitation of hours per day or days per week which may be scheduled.

Section 2.5 Work Schedule

Work schedules showing the employees' shifts, work day and hours shall be made available to employees and/or the Union representatives by the City upon their request.

The City will give 60 days written notice of proposed changes and meet with and discuss those changes with the Union to explore alternatives before implementing any department-wide schedule change.

Section 2.6 Work Cycle

A work cycle shall be constituted of two (2) successive calendar weeks during which the employee works eighty (80) hours. The City may schedule any combination of twelve (12) and ten (10) hour days within the eighty (80) hour work cycle for those employees who are not regularly scheduled to work an eight (8) hour shift.

Section 2.7 Schedule Change

Except where circumstances require a personnel shift change which could not be reasonably foreseen, any change from a posted work schedule shall require a three (3) calendar day written notice. The City will make all reasonable attempts to schedule officers taking into consideration the safety of the officers, the need for training of the officers and the welfare of the public.

Section 2.8 Shifts

The City may schedule the Department on an eight (8), ten (10) or twelve (12) hours basis as, in its judgment, the efficiency of the Department and/or the service to the Community requires. The City will give 60 days written notice of proposed changes and meet with and discuss those changes with the Union to explore alternatives before implementing any department-wide policy on shift changes.

Article III Paid Leave

Section 3.1 Sick Pay

Section 3.1.1 Eligibility and Limits

An employee shall accumulate paid sick leave at the rate of eight (8) hours per month of active service beginning his or her first year of employment. Paid leave can be carried over from year-to year not to exceed nine hundred and sixty (960) hours.

Each employee who uses no sick days during a fiscal year will be paid a cash bonus equal to one eight-hour day at their straight time hourly rate for the fiscal year in which he or she has perfect attendance.

Section 3.1.2 Exclusions

An employee with accrued paid sick leave under the provisions of Section 3.1.1 above who is ill or injured by reason of any cause other than one covered by Workman's Compensation, self-employment or employment by any other employer and who is required to be absent from work on account of that illness or injury is entitled to receive sick pay for his regularly-scheduled hours of work for all scheduled work days missed until his paid leave is exhausted. Only

employees who are actively employed at the onset or occasion of covered illness or injury shall receive benefits under this Article.

Section 3.1.3 Medical Evidence Requirements.

Any sick pay benefits received under this Article shall be contingent upon the illness or injury being sufficiently disabling to require his absence from work. The City may require medical evidence in the form of a licensed medical physician stating that the employee is sufficiently disabled by his or her illness or injury that he or she cannot perform his or her duties. Where the City can provide employment within the physical capacity of the employee, the employee making application for, or receiving, benefits under this Article may be required to undergo a physical examination by a physician designated by the City. It is further agreed that an employee making application for, or receiving, benefits under this Article releases any physician having knowledge of his illness or injury to supply the City with such information. The City shall bear the cost of any such examination it requires an employee to take.

Section 3.1.4 Forfeiture

All accrued sick time not used as of the date of separation from the employ of the City for any reason is forfeited. Sick time benefits are not earned but are a grant. Excluded from this forfeiture are those employees who retire or resign after fifteen (15) years or more of service with the City. Upon retirement or resignation, the City will buy back accumulated sick time, up to, but not to exceed nine hundred sixty (960) hours at the then current straight-time hourly rate of pay at the rate of one (1) hour for every two (2) hours of accrued sick time.

Section 3.1.5 Family and Medical Leave

An employee who is eligible for a family and medical leave of absence pursuant to the provisions of Article IV of this Agreement shall be required to use paid time in keeping with the following:

- a. if for the employee's own health condition, in keeping with the provisions of Section 3.1.2 above;
- b. if for the health condition of a parent, spouse or child or for non-medically required time off due to a birth, adoption or foster placement, up to fifty percent (50%) of their accrued vacation and personal days as of the commencement date of the leave.

Employees who have accrued vacation and/or personal time remaining may request the use of that time for other non-compensated time or time not covered by workman's compensation or some other benefit plan for time periods away from work that are otherwise covered by the Family and Medical Leave Act ("FMLA") policy.

Section 3.2 Bereavement

When death occurs in the immediate family of any bargaining unit employee, said employee shall be granted three (3) days off without loss of pay to attend the funeral. Where the three (3)

days coincide with scheduled days off, such days will not be paid. If the employee must travel more than five hundred (500) miles to attend the funeral, he or she shall be granted five (5) days off without loss of pay. Additional time, up to three (3) days off, may be granted at the discretion of the Department Head, and will be deducted from accumulated sick leave. For the purposes of this section, "immediate family" shall include the employee's current spouse, child or stepchild, grandchild, parent or stepparent, sibling or stepsibling, mother-in-law, father-in-law, grandparent, grandparent-in-law, and step-grandparent.

Section 3.3 Personal Days

Each actively employed employee will be granted one hundred and twelve (112) hours personal time ("Personal Time"), or such amount as the rest of the City employees are granted, if greater than one hundred and twelve (112) hours per fiscal year, in the next following fiscal year subject to the following provisions. An employee who wishes to take such Personal Time may do so by requesting of his immediate supervisor and with the approval of the Deputy Chief or his designee, not less than one (1) prior shift in advance, a specific day or time for his absence, unless waived by the Chief of Police or the Deputy Chief or his designee.

Personal Time may be taken in a minimum of two (2) hour increments. The one hundred twelve (112) hours per year will be split into two (2) segments per year of fifty-six (56) hours each. An employee may not use more than fifty-six (56) hours in the first half of the fiscal year. Such unused entitlement of said fifty-six (56) hours as remains at the conclusion of the first six (6) month period will be paid to the employee at his straight time rate but will not be considered as time worked. The same conditions that apply to the first entitlement shall apply to the second. The parties recognize that these personal hours are in lieu of and in exchange for the thirteen (13) full and two (2) half (1/2) holidays which were heretofore granted by the City.

All prorated Personal Time not used as of the date of separation from the employ of the City, shall be paid to said employee at the current straight time hourly rate. Any employee who uses Personal Time in excess of the prorated accrual prior to separation from the employ of the City shall reimburse the City for the used but unaccrued Personal Time by means of pay check deduction, including, if applicable, deduction from final compensation.

Section 3.4 Limits

The total of time paid for but not worked provided in this Article or flowing from it shall not exceed seven hundred twenty (720) hours in any fiscal year. Except for time granted under Section 3.3 and Article V of this Agreement, all time off granted as paid time off is subject to this Article whether or not mentioned herein.

Article IV Leaves of Absence

Section 4.1 Eligibility Requirements

Employees shall be eligible for leaves of absence after one (1) year of service with the City. All leaves of absence granted under this Article shall be without pay of fringe benefits and shall not, in total, exceed one (1) year absence from work or the length of service of the employee,

whichever is shorter. The above provisions shall not, however, apply to a leave of absence allowed under the FMLA policy as set forth in Section 4.2 below.

Section 4.1.1 Application for Leave

Any request for a leave of absence for a reasonable purpose shall be submitted in writing to the Chief of Police or his designee. The request shall state the reason the leave of absence is being requested and the approximate length of time off the employee desires. If granted, authorization for a leave of absence shall be furnished to the employee in writing and must be approved by the Mayor or his designee. A leave of absence may be granted for any reasonable purpose. "Reasonable purpose" in each case shall be agreed upon by the Union and the City. A request for a leave of absence shall be answered as soon as is practical. In addition to accruing seniority while on any leave of absence granted under the provisions of this Agreement, an employee shall be returned to the position he or she held at the time the leave of absence was granted, provided the position still exists and the employee has the seniority to return to the position and is qualified to perform the essential functions of that position.

Section 4.2 Family and Medical Leave Act Policy

(A) Eligibility

An employee shall be eligible for Family and Medical leave when he or she:

- (1) Has been employed by the City for at least twelve (12) months prior to the request; and
- (2) Has worked at least 1,250 hours within the twelve (12) month period previous to the request.

(B) Definitions

- (1) A family and medical leave of absence is defined as an approved absence available to eligible employees for up to twelve (12) weeks of unpaid leave in a twelve (12) month period under the circumstances set forth herein.
- (2) A family and medical leave of absence is a leave for reason of one (1) of the following:
 - (a) The birth of a child to the employee;
 - (b) The placement of a child with an employee for adoption or State-approved foster care;
 - (c) The serious health condition of the employee; or
 - (d) The serious health condition of the child, parent, spouse, sibling or stepsibling of the employee.

- (3) For the purposes of this policy, “child” is defined as a biological, adopted or foster child, a step-child, a legal ward or a child over whom the employee is standing *in loco parentis* who is either under eighteen (18) years of age or a dependent adult.
- (4) “Parent” is defined as a biological, foster, or adoptive parent, a stepparent or a legal guardian, a parent-in-law, grandparent or step-grandparent.
- (5) Serious health condition” is defined as an illness, injury, impairment or physical or mental condition of the employee, or of the child, parent, spouse, sibling or step-sibling of the employee, and also involves either (1) treatment in an in-patient facility or (2) continuing treatment of supervision by a health care provider.

(C) Intermittent Leave

- (1) Leave under this section may be taken intermittently whenever medically necessary to care for a seriously ill family member, or because the employee is seriously ill and unable to work.
- (2) Use of intermittent leave under this section for birth or placement for adoption or foster care is subject to the department head’s approval.

(D) Substitution of Other Paid Leave

Except as otherwise approved by the employee’s department head, an eligible employee must use vacation, compensatory and personal time for any part or all of the twelve (12) weeks in keeping with the provisions of this Agreement.

(E) Employment Restoration

Any eligible employee who takes a leave covered by this Section will be entitled upon return from such leave to be restored to the same position of employment as held when the leave began, or to be restored to an equivalent position with equivalent employment benefits, pay and terms and conditions of employment. Exceptions to the employment restoration provisions may be made for certain “key” employees to the extent allowed by law. A doctor’s release is required where the employee is returning from a medical leave of three (3) or more days.

(F) Basic Conditions for Leave

In addition to the eligibility provisions and other terms of this Section, the following basic conditions for a family and medical leave of absence must be met:

- (1) The City will require medical certification from a health care provider to support a request for leave due to an employee's own serious health condition or due to the employee's need to care for a child, spouse or parent with a serious health condition. The medical certification must confirm the following:
 - (a) With respect to a leave requested due to the employee's own serious health condition, the medical certification must state that the employee has a serious health condition and is unable to perform the functions of his position because of said condition.
 - (b) With respect to a leave requested for the purposes of caring for a child, spouse, or parent, the medical certification must confirm the existence of a serious health condition and that the employee is needed to provide for the child, spouse, or parent possessing such serious health condition.
- (2) At the City's discretion, a second opinion may be required at the expense of the City. Moreover, upon written notification, periodic recertification of the need for the leave may also be required by the City. The City's recertification requirement shall not be abused. In the event that the second medical opinion is required by the City and the first and second medical opinions differ, the City, at its expense, may require the opinion of a third health care provider selected by the City and the employee. The opinion of the third health care provider shall be binding upon the parties.
- (3) For purposes of a leave due to the serious health condition of the employee, or due to the serious health condition of a spouse, parent or child of the employee, where medically necessary on an intermittent or reduced leave schedule (if leave is required on this basis), the City may require the employee to transfer temporarily to an alternative position that better accommodates recurring periods of absence or a part-time schedule, provided such a temporary position has equivalent pay and benefits.
- (4) Where the employee and his spouse are both employed by the City, the employee and spouse are entitled to a combined period of twelve (12) weeks of leave (rather than twelve (12) weeks each) for the birth or foster placement of a child, or to care for a sick parent.
- (5) Where a leave of absence is requested for the purposes of the birth, adoption, or foster placement of a child, such leave of absence must be taken within twelve (12) months after the birth, adoption

or foster placement. Leave may begin prior to the birth, adoption or placement, as medical or legal circumstances dictate.

(G) Notification and Reporting Requirements

Where the need for the leave may be planned in advance (such as the birth or placement of a child, or a scheduled medical treatment), the employee must provide thirty (30) days prior written notice to the City and make efforts to schedule the leave to minimize the disruption to the City's operations.

Where thirty (30) days' notice is not possible, the employee must give as much notice as is practicable of a need for leave of absence. Failure to provide timely notice may result in a delay of action on the leave request. Upon written request by the employee's department head, the employee may be required to report periodically on his leave status and of his intention to return to work.

(H) Status of Employee Benefits During Leave of Absence

An employee on an approved leave of absence pursuant to this policy will continue his coverage under the City's group health plan during the leave. Should the employee elect not to return to work from an approved leave of absence, the City may recover from that employee the cost of premiums which the City paid, if any, to maintain the employee's group health plan coverage during the period of the unpaid portion of the leave of absence, unless the failure to return to work was for reasons beyond the control of the employee. An employee on a leave of absence pursuant to this Section accrues no additional seniority or other employment benefits during the leave.

(I) Procedures for Requesting Leave

An employee requesting a family or medical leave must follow specific procedures. In addition to the requirements set forth in the other provisions of this Section, these procedures are as follows:

- (1) The employee must complete and submit a request for family and medical leave of absence form;
- (2) The employee must complete and submit an insurance premium recovery authorization form;
- (3) When the leave is requested as a result of the employee's own serious health condition, or the serious health condition of the

parent, spouse or child of the employee, the employee must submit a completed certification of physician or practitioner form.

(J) Calculation of the Twelve (12) Month Period

For purposes of this Policy, in determining the twelve (12) month period during which the twelve (12) weeks of leave may be granted, the Employer will utilize the “twelve month backward” method in calculating the extent of family and medical leave to which an employee is entitled. Under this method, when an employee makes a request for family and medical leave, the employee’s family and medical leave record for the twelve (12) months preceding the date of the intended leave is examined. In that twelve (12) month period, the employee will be entitled to take a maximum of twelve (12) weeks of family and medical leave.

Section 4.3 Military Leave

Military leave and benefits shall be granted in accordance with applicable State and Federal laws.

Section 4.4 Jury Duty

Any employee covered by this Agreement who is called for or selected to serve on a jury trial shall receive their usual rate of pay for every scheduled day or work missed because of jury duty, provided they turn the stipend received for jury duty on those days over to the City.

Leave for jury duty will not be charged against the employee’s annual vacation or sick leave, and all benefits will continue to accumulate during each day of jury duty leave.

Section 4.5 Line of Duty Injury

The City and the Council agree to comply with the terms of the Public Employee Disability Act, 5 ILCS 345/0.01, et seq., as amended from time to time.

Article V Vacations

Section 5.1 Vacation Eligibility and Pay

A full-time employee shall earn an annual paid vacation for the period specified below based upon the following service requirements, and utilizing the City’s current policy on common anniversary dates:

<u>Service as of May 1</u>	<u>Time</u>	<u>Pay</u>
1-7 years	80 hours	80 hours
8 – 11 years	120 hours	120 hours

12-17 years	160 hours	160 hours
18 years and over	200 hours	200 hours

Section 5.2 Vacation Scheduling

The selection process shall commence March 1 of each year and employees shall have until April 1 of each year to select vacation leave for the following fiscal year, if they choose, by seniority. Seniority shall be defined, for the purpose of this Section, as:

Peace Officers—the most senior peace officer working on a rotating shift, or within a peace officer assignment not working a rotating shift (i.e. detective, DARE, etc.) by seniority within that assignment.

Employees utilizing this selection process shall be governed by the following guidelines:

Officers assigned to a twelve (12) hour shift may select a minimum of two (2) consecutive workdays to a maximum of eighty (80) consecutive work hours.

Officers assigned to eight (8) hour shifts may select a minimum of three (3) consecutive workdays to a maximum of eighty (80) consecutive work hours.

Employees are restricted from making second vacation selection until all employees, either by shift or by job classification/assignment, have made their initial selection. Second and subsequent vacation selections cannot take priority over another employee’s first choice selection within, as relevant, the same rotating shift or non-rotating classification or assignment.

After April 1, employees may schedule remaining vacation for the following fiscal year in not less than two (2) hour periods. This shall be done on a “first come/first served” basis; in the event of simultaneous requests, seniority shall govern. Employees wishing to take such vacation time may do so with the approval of the employee’s supervisor.

Vacations must be taken. There will be no accumulation, carryover or buy back unless the City has failed to make vacation time available as set forth herein. Unused vacation time shall otherwise be forfeited at the end of the fiscal year.

Section 5.2.1 Carry-Over Vacation

Notwithstanding any reference to forfeiture of unused vacation time in Section 5.2 above, Employees may carry-over up to forty (40) hours of vacation time into the next fiscal year. Any Employee wishing to carry-over earned vacation time must give written notice of his or her

intent on or before March 1st and then such time will be reallocated to the next fiscal year. Any such time shall be allowed to be used subject to availability and in accordance with the rules applicable to vacation generally as set forth in this Agreement. Any hours carried-over which are not used in the following fiscal year will be forfeited without compensation.

Section 5.3 Work During Vacation Period

Vacations must be taken and cannot be accumulated from year to year. However, any employee who, by reason of an emergency requiring his services, is required to work during his or her vacation period shall be paid for regular hours at a rate of time and one-half (1½) his or her regular rate, and for overtime hours at a rate of two and one half (2½) times his or her regular rate of pay. In addition, the employee's remaining vacation (with Pay) shall be rescheduled to a future period.

Section 5.4 Vacation Loss

Any employee who resigns from the Police Department shall receive pay for all accrued and unused vacation time at the time of separation at his or her current straight-time hourly rate of pay.

Article VI Wages

Section 6.1 Wage Schedule

Employees shall be compensated in accordance with the wage schedule attached to this Agreement and marked Appendix A. That Appendix A is a part of this Agreement and subject to all of its terms and conditions as is Appendix B.

Article VII Call Time

An employee who has actually left work at the conclusion of his or her regular shift of work and who is called back to work and reports for work after being called back, shall be given a minimum of three (3) hours pay or actual time worked, whichever is greater, at the rate of one and one-half (1-1/2) times his or her regular straight time hourly rate. This rule does not apply to hours worked within three (3) hours of the employees shift start time. Off-duty court appearances shall be paid at a minimum of three (3) hours or actual time worked, whichever is greater, provided that the employee submits an overtime form signed by a court employee.

Subpoena cancellations not given with a twenty-four (24) hour notice will result in the minimum court allowance payment to the employee of two (2) hours.

Article VIII Overtime

Section 8.1 Rates of Pay

Time and one-half (1½) the employee's regular hourly rate of pay, as defined below (including longevity pay, specialty pay, and/or school bonus, where applicable), shall be paid for work

under any of the following conditions, but compensation shall not be paid twice for the same hours.

All hours worked in excess of eighty (80) hours in a two (2) calendar week work cycle. Scheduled work time for the employee during which he is absent but paid as though he had worked under the provisions of Article III, Section 3.1 and 3.3, Article V, Section 5.1 and/or Article VIII, Section 8.5 shall count as time worked.

Section 8.2 No Pyramiding

There shall be no pyramiding of premium pay under this Article or Agreement.

Section 8.3 Overtime

The City may require an employee to work overtime under the provisions of this Agreement, in keeping with City policy that is then in effect. A copy of the current policy is attached hereto.

Section 8.4 Hours of Work and Overtime

This Section shall govern the terms and conditions of employment of those employees who are scheduled to work eight (8) hours per day and forty (40) hours per week. For those employees so scheduled a (and excepting the provisions of Section 8.5 below which shall remain applicable), where the provisions of this Section conflict with the other provisions of the Agreement, this Section shall prevail. All other provisions of this Agreement remain applicable.

a. Work Day and Work Week

The normal work week shall be forty (40) hours.

The normal work day shall be eight (8) hours.

b. Overtime

Hours worked in excess of eight (8) in a day and forty (40) in a week shall be paid at the rate of one and one-half (1½) times the hourly rate of the employee, which rate shall include school bonus, longevity pay, specialty pay, where applicable. Scheduled work time for the employee during which he or she is absent but paid as though he or she had worked under the provisions of Article III, Section 3.1 and Section 3.3, Article V, Section 5.1 and/or Article VIII, Section 8.5 shall count as time worked.

Nothing in this Agreement or this Article shall constitute a guarantee of hours of work per day, days of work per week or form other guarantee of employment or pay in lieu thereof, nor shall it constitute a limit on the hours of work per day or days of work per week which the City may schedule.

Section 8.5 Compensatory Time

At an employee's option, the employee may be credited with compensatory time at the rate of one and one-half (1½) hours per one (1) hour worked in lieu of paid overtime.

The compensatory time may not accumulate in excess of one hundred thirty-six (136) hours. All compensatory time in excess of this amount will be paid as overtime. Compensatory time not used in a calendar year shall be carried over to the next calendar year. Compensatory time may be taken subject to the following limitations:

- (1) Must have prior one (1) shift request for use, unless waived by the Chief of Police, or his designee.
- (2) Must have the Chief of Police or his designee's approval.
- (3) Must take in not less than two (2) hour periods.
- (4) May only take when will not cause overtime to compensate for the absence.
- (5) Employees on compensatory time may be subject to being recalled to work if the shift is short by reason of illness or other absence of scheduled employees. However, any employee who is required to work during his scheduled and approved compensatory time off shall be paid for regular hours at the rate of time and one-half (1½) his regular rate and for overtime hours at a rate of two and one-half (2½) times his regular rate of pay. In addition the involved compensatory time shall be rescheduled to a future period of the employee's choice (subject to the other requirements of Section 8.4 (c) above) or placed back into the compensatory time bank.
- (6) All accrued compensatory time not used as of the date of separation from the City's employ shall be paid the employee at his current straight-time hourly rate of pay.

Section 8.6 Overtime Pay for Certain Special Events

Solely for Special events sponsored by for-profit entities which are paying the Loves Park Police Department for security, any employee mandated to work at such event and who has been called in on time off to perform such duty, shall be paid at two times the employee's regular hourly rate of pay (including longevity pay, specialty pay, and/or school bonus, where applicable), but compensation shall not be paid twice for the same hours. All hours worked for the Special Event shall be paid at the stated rate with no additional overtime pay due for any hours spent even if the hours worked for the special event exceed eight (8) hours on a single day or cause the employee to work more than forty (40) hours in a given week.

Article IX General Provisions

Section 9.1 Non-discrimination

The City, the Council and all employees shall continue to comply with all applicable State and Federal laws prohibiting discrimination in employment.

Section 9.1.1 Bulletin Board

The Council bulletin board, presently in place and currently used by the Union in the Police Department, may be used by the Union for the following purposes:

Recreational and social affairs of the Union;
Union meetings;
Union appointments;
Union elections;
Results of Union elections.

Section 9.1.2 Notice Approval

All other notices, bulletins or information require the written approval of the Chief of Police Department or his representative.

Section 9.1.3 Notice Responsibility

All notices posted by the Union are the responsibility of the Union and will be signed by the official responsible for its posting. All postings will bear a down-date, and the prompt removal of the notice after this date will be the responsibility of the individual who posted the notice.

Section 9.1.4 Notice Limitations

This bulletin board will not be used for disseminating any matter of a political or controversial nature.

Section 9.1.5 Americans with Disabilities Act

Notwithstanding any other provision of this Agreement, it is agreed that the City has the right to take any actions that the City determines are necessary to be in compliance with the requirements of the Americans with Disabilities Act. To the extent required by law, the City shall provide the Council with notice and opportunity to bargain on such issues. Both parties agree that they shall not unduly delay negotiations on this subject.

Section 9.2 Rules and Regulations

The City shall have the right to make such reasonable rules and regulations as are necessary for the safe and efficient operation of the Police Department and the morale of its members in the prosecution of its business.

Section 9.2.1 Notice of Rules

These rules and regulations must be posted or the employee given notice. Such notice or posting shall constitute notice to the employees of the rules. The reasonableness of any rule promulgated by the City is subject to adjudication through the grievance procedure.

Section 9.2.2 Ex Post Facto

There shall be no ex post facto implementation of rules.

Section 9.3 Bill of Rights

If interrogation of an employee can reasonably be foreseen to result in the following disciplinary actions:

- a. suspension,
- b. dismissal, and/or
- c. loss of pay,

the City shall follow the procedures set forth in 50 ILCS 725/1 through 725/7 of the Illinois Compiled Statutes except that 725/2(b) shall not apply.

Section 9.4 Clothing, Cleaning – City Furnished

If any employee is required to wear a uniform, protective clothing, or any type of protective device as a condition of employment, including body armor, such protective clothing or protective device shall be furnished to the employee by the City, but shall remain the property of the City.

The items to be provided to a peace officer as part of his necessary uniform and/or equipment shall be established by the City through Police Department policy; the Council shall be advised and consulted with respect to changes in the required uniform and/or equipment prior to implementation. The City shall, at all times, have the right to determine the style/design, manufacturer/provider and composition of the uniform and equipment. The Council reserves the right to bargain about the impact (e.g. the financial impact) of uniform or equipment changes made by the City. For actively employed peace officers whose jobs require the wearing of body armor and who choose to wear the same, the City shall replace that body armor on a schedule consistent with the manufacturer’s specifications or every five (5) years, whichever is greater.

The cost of laundering and/or dry cleaning shall be the responsibility of the employee. On the first payroll day of each calendar quarter, each active employee will receive as a laundry and cleaning allotment for that quarter, the following amounts:

Beginning:			
	May 1, 2016	May 1, 2017	May 1, 2018
	\$325.00	\$325.00	\$325.00

The minor repair and maintenance of clothing resulting from the usual wear and tear shall also be the responsibility of the employee. Upon employment, a new employee will receive a cleaning allowance on the next quarterly payment following the date of hire.

Section 9.5 Clothing Allotment – Uniformed Employee

New employees will not receive a clothing allowance for the initial twelve (12) months of employment, and the City will furnish all necessary uniforms and equipment to begin service. Once the twelve (12) month period of initial employment is up, the employee shall receive a prorated sum (computed using the period of time between the particular employee’s first anniversary date and the Next May 1). Thereafter, the employee shall receive for this purpose during each fiscal year that the employee is actively employed the following amounts:

Beginning:			
May 1, 2016	May 1, 2017	May 1, 2018	
\$800.00	\$800.00	\$800.00	

Regardless of assignment or change in assignment, an employee shall not receive more than the amount specified above for that particular fiscal year. The clothing allowances specified in this Section 9.5 shall be placed in individual clothing banks for each employee which shall be managed consistent with past practice, except with regard to the following paragraph describing the amounts which can be carried over from one fiscal year to the next.

Employees covered by Sections 9.5 and 9.6 herein are limited to how much clothing allotment can be carried over into the next fiscal year. By April 29 of each year, employees must reduce the clothing allotment dollars in their respective banks to no more than the annual dollar amounts provided for in Sections 9.5 and 9.6 for that same fiscal year. Any amounts in the individual clothing banks that are in excess of the annual fiscal year allotment listed in Sections 9.5 and 9.6 will be forfeited by the employee without any compensation. As of April 30 each year, the City will produce a list confirming the dollars that each employee has in his individual clothing bank, prior to the issuance of the new clothing allotment on May 1.

Section 9.6 Clothing Allowance – Plain Clothes

An employee assigned to plain clothes duty shall receive a clothing allowance in the following amounts:

Beginning:			
May 1, 2016	May 1, 2017	May 1, 2018	
\$1000.00	\$1000.00	\$1000.00	

These amounts shall be paid for the first year of his assignment and each year thereafter, provided, however, that this clothing allowance shall be paid only to those plain clothes employees whose duties require the wearing of clothes other than casual clothes (i.e. detectives) and all other plain clothes employees shall receive the clothing allotment specified in Section 9.5 above. Payment of this section will be on the first payroll day following May 1st. Employees transferred to plain-clothes assignment during the year will receive their remaining clothing

allowance on the next pay period following reassignment. Thereafter, employees will receive their allowance at the next May 1st following their reassignment.

Section 9.7 Recognition of City Rights

The City retains all of its rights as an Employer which it now has under law and common law unless a specific clause of this contract expressly abridges such rights.

Section 9.8 Appendices

Appendices A and B are attached to and made a part of this Agreement.

Section 9.9 Temporary Assignment Pay

Whenever any employee is assigned work normally done by those in a higher classification, the employee so assigned shall be paid at 110% of his or her straight time hourly rate for the time that the employee is assigned that classification. The City shall take steps to permanently fill the position when it becomes known that the employee who is being substituted for will not be able to return.

Section 9.10 Use of Pronouns

The use of mail gender pronouns in this Agreement shall be construed to include pronouns of both the male and female gender.

Section 9.11 Health Insurance

The health insurance program in place at the date of execution of this Agreement will be maintained through the term of this Agreement consistent with the summary of benefits for those items outlined in Exhibit A attached hereto and made a part hereof for Employees and dependents. New employees will be covered on the first day of the month next following three (3) full calendar months of employment. The City's obligation to provide this benefit is restricted to actively employed employees only. The City will make the benefit available to an inactive employee only at the employee's expense and only to the extent that it is required to do so by the State of Illinois or Federal law.

If an employee chooses to participate in the City's health insurance program, the City will pay the cost of this program for the employee's single coverage. The employee's monthly cost for family coverage shall be 10% of the difference between the adopted COBRA single rate and the adopted COBRA family rate, not to exceed \$30.00 per pay period during the term of this Agreement. The adopted COBRA rate shall mean the monthly COBRA rates as adopted by the City from time to time for single and/or family coverage. The employee shall be solely financially responsible for the amounts specified above for each group health insurance family premium before the City's obligation to pay arises.

Nothing in this section or any other provision of this Agreement shall prevent the City from unilaterally changing carriers, self-insuring the benefits or instituting cost containment, preferred providers or other programs designated to make the program more cost effective. If the City

does change the carrier, or enters into a self-insured program, it may alter the specific benefit program as long as the program does not substantially change the benefits and other employees of the City receive the same benefits.

Section 9.12 Training

Job-related training opportunities may be made available to all employees with the approval of the Chief of Police or his designee. Within an area of assignment (detective or patrol), these opportunities shall, whenever practical, be evenly distributed among the employees within that area of assignment. Employees shall be given a minimum of three (3) calendar day's notice of any and all training.

Actual time spent in training and travel time to and from training shall be considered as hours worked. The City shall not alter an officer's schedule, for training, to avoid overtime payments, unless the training is at the request of the officer. If the training is at the request of employee the employee will be paid at the straight time hourly rate or may elect to receive compensatory time in lieu of pay at the rate of one (1) hour of compensatory time for every one (1) hour in actual training.

In computing travel time, the Police Department's offices shall be used as the departure and return location unless the employee's residence is closer and the employee chooses to depart from and return to his residence.

The City shall pay time and one-half the employee's regular hourly rate for all required recertification training during the employee's non-scheduled work hours.

Section 9.13 Promotional Testing

The City, through its Civil Service Commission, shall conduct all tests, as required by the Illinois Civil Service in Cities Act, 65 ILCS 5/10-1-1 through 5/10-1-48.

Article X Strikes and Lockouts

Section 10.1 No Lockout

There shall be no lockout of employees instituted by the City during the term of this Agreement.

Section 10.2 No Strike

There shall be no strike of any kind during the term of this Agreement.

Article XI Seniority

Section 11.1 Definition

"Seniority" means an employee's length of continuous, uninterrupted service with the City since the last date of hire. For purposes of the seniority provisions of this Agreement, the seniority

lists of full-time peace officers and full-time communicators shall be maintained separate and distinct; such lists shall reflect the employees' City seniority as defined above as well as the employees' seniority date as a full-time peace officer (if that date is different from the City seniority date).

For purposes of benefit accrual (except wages and pension accrual), an employee's City seniority shall apply. For purposes of preference in the scheduling or use of accrued benefits (e.g. vacation), an employee's seniority date as a full-time peace officer (as set forth in the applicable seniority list) shall apply.

Seniority shall not include periods of part-time employment.

Section 11.2 Probation Period

Newly-hired employees or employees who transfer to a bargaining unit position as a full-time peace officer from other positions of employment within the City will be required to serve a probationary period. During this period of probation, no grievance or arbitration request may be filed by the employee or on the employee's behalf regarding discharge or other discipline. Upon successful completion of the appropriate probationary period, the employee's seniority date shall be his last date of hire as a full-time peace officer. Prior periods of part-time employment or employment in other positions with the City shall not be considered in completing the probationary period as a full-time peace officer. The above notwithstanding, a "transfer" subject to an additional probationary period shall not include transfers by sworn peace officers to other sworn positions within the bargaining unit (e.g. from patrolman to detective).

The length of such probationary period shall be as follows:

Peace Officers:

Hired through the date of Ratification: One hundred eighty (180) calendar days following the date of graduation from the police Academy, if applicable, or one hundred eighty (180) days from the first day of work for employees who have, in connection with their employment as a peace officer for the City, previously obtained a waiver from the State of Illinois Training Board.

Hired After Date of Ratification: Three hundred sixty five (365) calendar days following the date of graduation from the police Academy, if applicable, or three hundred sixty five (365) days from the first day of work for employees who have, in connection with their employment as a peace officer for the City, previously obtained a waiver from the State of Illinois Training Board.

Section 11.3 Seniority Lists

By May 1 of each year, the City shall post on the bulletin board annual seniority lists showing the continuous service of each employee. A copy of the seniority lists shall be furnished to the

local union once the lists are posted. The seniority list shall be accepted unless protested by the Council or an employee within thirty (30) days of the posting.

Section 11.4 Breaks in Continuous Service

An employee's continuous service record shall be broken and seniority lost by voluntary resignation, discharge for a just cause, lay-off for a period longer than continuous service (seniority) or twelve (12) months whichever is less, failure to return upon recall from lay-off as provided in Section 11.5 below, retirement, and failure to return to active work on the first day of scheduled work following the expiration of a leave of absence. Absence for three (3) consecutive days of duty without reporting off shall be cause for discharge.

Section 11.5 Lay-off and Recall

In the event the City lays off a peace officer subject to this Agreement, the order of lay-off and recall shall be in keeping with the provisions of 65 ILCS 5/10-2.1-18.

A laid-off employee shall retain and accumulate seniority subject to Section 11.4 above but shall receive no pay or other benefits of employment. Upon recall to work, an employee's vacation pay shall be prorated and each full calendar month on lay-off shall reduce his vacation pay by one-twelfth (1/12). The City will recall an employee by telephone, telegraph or registered letter and the employee will accept recall within seventy-two (72) hours of receipt of notice and report to work within five (5) calendar days of receipt of notice or his seniority will be lost.

Section 11.6 Retention of Seniority

A full-time peace officer who moves to a position outside the bargaining unit that is still within the jurisdiction of the Chief of Police and who later returns to a bargaining unit position shall be placed on the peace officer seniority list, as appropriate, with his seniority intact. The seniority of a peace officer who returns to a full-time peace officer position within the bargaining unit shall include prior time spent as a full-time peace officer as well as time spent in the interim in a non-bargaining unit position within the jurisdiction of the Chief of Police.

Article XII Grievance and Arbitration

Section 12.1 Preface

If any difference should arise, an earnest effort shall be made to settle it in the manner described below, provided that no grievance shall be made to settle it in the manner described below, provided that no grievance shall be processed in any step (including arbitration) if the affected employee is engaged in a strike in violation of this Agreement.

Section 12.2 Council Grievance Representation

Council grievance representation will consist of no more than two (2) members of the bargaining group and may be elected or selected at the discretion of the Council.

Section 12.3 City Grievance Representation

The City will be represented in the various steps of the grievance procedure as follows:

Step 1—Deputy Chief or his designee

Step 2—Chief of Police or his designee

Step 3—The Mayor or his designee

Section 12.4 Grievance Definition

A grievance is defined as an allegation that the City has violated a specific provision of this Agreement.

Section 12.5 Disciplinary Appeals

The parties agree that the Chief of Police (or the Chief's designee) shall have the right to impose discipline, suspend a non-probationary officer for up to thirty (30) calendar days or discharge a non-probationary officer for just cause, without filing charges with The Civil Service Commissioners of the City of Loves Park. Neither the Police Chief nor the City or their agents will file charges asking the Civil Service Commissioners of the City of Loves Park to impose discipline on any non-probationary bargaining unit employee; instead all such discipline shall be imposed by the Police Chief or his designee.

The decision of the Police Chief or the Chief's designee with respect to the suspension or dismissal action shall be deemed final, subject only to the review of said decision through the grievance and arbitration procedure. The sole recourse for appealing any such decision by the Chief of Police shall be for the employee to file a grievance as described herein. If the employee elects to file a grievance as to his or her suspension or dismissal, the grievance shall be processed in accordance with Article 12 of this Agreement, except that it shall be filed at Step 3 of the procedure. If the grievance proceeds to arbitration and the arbitrator determines that the disciplinary action was not supported by just cause the arbitrator shall have the authority to rescind or to modify the disciplinary action and order back pay, or a portion thereof. No relief shall be available from The Civil Service Commissioners of the City of Loves Park with respect to any matter which is subject to the grievance and arbitration procedure set forth in Article 12 of this Agreement. Any appeal of an arbitrator's award shall be in accordance with the provisions of the Uniform Arbitration Act as provided by Section 8 of the IPLRA.

Pursuant to Section 15 of the IPLRA and 65 ILCS § 10-2.1-17, the parties have negotiated an alternative procedure based upon the grievance and arbitration provisions of this Agreement, and the foregoing provisions with respect to the appeal and review of suspension or discharge decisions shall be in lieu of, and shall expressly supersede and preempt, any provisions that might otherwise be available under the Rules and Regulations of The Civil Service Commissioners of the City of Loves Park. The Civil Service Commissioners of the City of

Loves Park is divested of jurisdiction to hear disciplinary charges, including requests to demote bargaining unit employees.

Discipline of probationary officers, as well as any verbal warnings, written reprimands or written warnings shall not be subject to the grievance and arbitration procedure.

Section 12.6 Grievance Time Limits

No grievance shall be valid unless it is filed within five (5) business days of the time that the Union or the employee knows or should have reasonably known of the alleged contract violation.

Section 12.7 Grievance Steps

Step 1—Any employee may discuss a grievance with the Deputy Chief and if the employee desires, he or she can be represented in such a discussion by a Council representative. If the employee elects to present his own case, the Council representative will be notified and may be present to observe. The Deputy Chief will answer the grievance within three (3) business days. Any settlement shall not be inconsistent with this Agreement.

Step 2—If the employee desires that the grievance be processed further, the grievance must be reduced to writing on the grievance form attached to this Agreement labeled Exhibit 1, dated and signed by both the employee and a Council representative and be filed with the Deputy Chief for referral to the Chief of Police. The Chief of Police shall arrange for a discussion with the grievant and the Council within five (5) business days after the date of filing. The Chief of Police will answer the grievance within five (5) business days from the date he received the written grievance.

Step 3—An appeal from the Step 2 answer may be made by the grievant by filing a written appeal with the Mayor or his designated representative. The Mayor and/or his representative shall arrange a discussion of the grievance with the grievant and a representative of the Council. The Mayor and/or his representative will answer the grievance within ten (10) business days following his receipt of the grievance at Step 3. Either the Union or the City may unilaterally extend the time limits for appeal expressed in Steps 2 or 3 an additional five (5) business days.

Section 12.8 Grievance Settlement

Any grievance not appealed to the next succeeding step in writing and within five (5) business days of the City's last answer will be considered settled on the basis of the City's last answer and shall not be eligible for further appeal.

Section 12.9 Arbitration

If a dispute is not resolved through the grievance procedure as outlined in Section 12.7, a grievance as defined in Section 4 of this Article may be referred to arbitration within fifteen (15) calendar days after the third (3rd) step meeting, excepting matters involving City financial liability which shall be appealed to arbitration within ten (10) calendar days after the third (3rd)

step meeting. By mutual agreement, the Union and the City may extend the period for appeal to arbitration for up to an additional ten (10) days. Any grievance not appealed within the time limits expressed above will be settled on the basis of the City's last answer.

Section 12.10 Mutual Time Extension

The parties may by mutual agreement extend any of the time limits set forth in this Article.

Section 12.11 Issue

The parties may, at the commencement of the arbitration hearing, present their positions with respect to the issue to be decided by the Arbitrator. If the parties cannot agree on the issue, the Arbitrator may accept a party's statement of the issue or the issue may be articulated by the Arbitrator, in his discretion.

Section 12.12 Arbitrator Selection

The City will, upon receipt of a demand to arbitrate from the Council, promptly request the federal Mediation and Conciliation Service to submit a panel of seven (7) members from which the parties will alternately strike names; the last remaining individual shall be the Arbitrator. The party who strikes the first name shall be determined by a coin toss for each panel. Each party shall be entitled to strike one entire panel. The parties will share equally the fees and expenses of the Arbitrator.

Section 12.13 Decisions Finality

The decision of the arbitrator shall be final and binding on the parties.

Section 12.14 Arbitration Rules

In the conduct of any arbitration under this Article, the rules and procedures governing the conduct or arbitration proceedings of the American Arbitration Association shall control, except where specifically limited by this Article.

Section 12.15 Arbitration Limits

The Arbitrator shall have no authority to add to, subtract from, or in any way modify the terms of this Agreement or its intent.

Section 12.16 Proceedings Record

There shall be a court reporter present at the hearing of any arbitration hereunder. A record shall be provided to the Arbitrator. The cost of the record and the fees and out of pocket expenses of Arbitrator and for the court reporter shall be equally divided between the parties. Where either the City or the Union wishes a copy of the record, it will pay for its copy in addition to its share of the Arbitrator's copy.

Section 12.17 Decision Time

The Arbitrator shall render his decision in writing to the parties within thirty (30) calendar days following the close of the arbitration hearing or the date of filing briefs.

Section 12.18 Award Structure

The Arbitrator shall support his findings with a written opinion. His decision and opinion shall be based solely on and directed to the issue before him. The award shall clearly direct the parties as to what action(s) must be taken in order to comply with the award.

Article XIII Council Activities

Section 13.1 Nature of Activity

Council activity within City facilities shall be restricted to collective bargaining under this Agreement. The Council shall not engage in Council activities on City time or its property which will interfere with assignments or duties.

Section 13.2 Procedure

Members of the Grievance Committee shall ask for and obtain permission before leaving their jobs in order to conduct union business. Members of the Grievance Committee shall ask for and obtain permission from the Deputy Chief or Chief of Police of any employee with whom he wishes to carry on Council business. These requests shall not be unreasonably denied.

Section 13.3 FOP Representatives

For the purpose of administering and enforcing the provisions of this Agreement, the City agrees as follows:

Section 13.3.1 Grievance Processing

Reasonable time while on duty shall be permitted for no more than two (2) Council representatives for purpose of aiding or assisting or otherwise representing employees in the processing of grievances and such reasonable time shall be without loss of pay. Provided, however, that employees serving as Council representatives for grievance processing under the above provisions shall not be paid for time for which they are otherwise not scheduled to work.

Section 13.3.2 Delegates to FOP Conferences

Any employee(s) chosen as delegate(s) to an FOP state or national conference will, upon written application approved by the Council and submitted to the City with at least fourteen (14) days' notice, be given a leave of absence, without loss of pay by use of vacation time, personal days, or shift exchange for a period of time required to attend such convention or conference. This period of time shall not exceed one (1) week. No more than three (3) employees shall be approved for leave as provided in this Section in any calendar year, and only one employee per shift shall be allowed this time off.

Section 13.3.3 Council Negotiating Team

Up to two (2) employees designated as being on the Council negotiating team who are scheduled to work at the time, and on a day on which negotiations will occur, shall for the purpose of attending scheduled negotiations, be excused from their regular duties without loss of pay, for up to forty (40) hours maximum. This benefit may be extended by mutual agreement of the parties. If a designated Council negotiating team member is in a regular day-off status on the day of negotiations, he will not be compensated for attending this session.

Article XIV Labor-Management Meeting

Section 14.1 Labor-Management Meeting

A Labor-Management committee shall be established consisting of the Police Chief and other designated representative(s) of management, the Council Local President and other designated representative(s) of the Council. This Committee, upon not less than seven (7) days' notice, shall hold meetings at the request of either party for the purpose of maintaining communications between labor and management in order to cooperatively discuss and solve problems of mutual concern.

When one (1) party gives notice of request for a Labor-Management Committee meeting, the meeting shall be held within a reasonable period of time.

An agenda for the Labor-Management meeting will be attached to said notice.

The Labor-Management Committee will entertain no topic which is subject to a pending grievance and may not add to, subtract from, or in any way change this Agreement or its intent.

Article XV Severability

It is not the intent of either party hereto to violate any laws or rulings or regulations of any governmental authority or agency having jurisdiction of the subject matter of this Agreement, and the parties hereto agree that in the event any provision(s) of this Agreement are held as being in conflict of any such laws, rulings, or regulations, those portions should be considered to be void. Nonetheless, the remainder of this Agreement shall remain in full force and effect.

Upon the invalidation of any provisions of this Agreement under the meaning of this Section, either party may demand the parties meet to negotiate a replacement for the portion of this Agreement which has been struck down. Such meeting shall be held as soon as is reasonably possible, and the parties will diligently pursue the matter thereafter to a conclusion or until either party presents the matter to arbitration as provided in Article XII of this Agreement.

Article XVI Indemnification

Section 16.1 City Responsibility

The City will indemnify employees in accordance with the provisions of 65 ILCS 5/1-4-6.

Section 16.2 Legal Representation

Employees shall have legal representation by the City in any civil cause of action brought against an employee resulting from or arising out of the performance of official duties.

Section 16.3 Cooperation

Employees shall be required to cooperate with the City during the course of the investigation, administration or litigation of any claim arising under this Article.

Section 16.4 Applicability

The City will provide protections set forth in Section 16.1 and Section 16.2 above, only so long as the employee is acting within the scope of his employment and where the employee cooperates, as defined in Section 16.3 above, with the City in defense of the action or actions or claims. Acts of willful misconduct are not covered by this Article.

Article XVII Personnel Files

Section 17.1 Inspection of Personnel Files

The City agrees to allow an employee to examine the contents of his personnel file in accordance with the Illinois Personnel Records Review Act, 820 ILCS 40/1, et seq. upon five (5) working days' written notice to the Chief of Police. Upon written request, the City shall provide an employee with copies of the contents of his personnel file. Personnel files may not be removed from the office.

Any information of an adverse employment nature which may be unfounded, exonerated, or otherwise not sustained shall not be used against the employee in any future proceedings.

Section 17.2 Discipline Records Removal and Use with Respect to Discipline

Upon the employee's request, any record of an oral reprimand shall be removed from the employee's personnel file after a period of one (1) year.

Upon the employee's request, any record of a written reprimand shall be removed from the employee's personnel file after a period of three (3) years.

Upon the employee's request, any record of a disciplinary action greater than a written reprimand shall be removed from the employee's personnel file after a period of five (5) years from the date of the incident giving rise to the suspension, provided that no other suspension is given for any similar offense during the five (5) year period.

The City maintains the right to retain any record of a reprimand removed from an employee's personnel file in separate, confidential files outside of the Police Department; provided, however, that such records shall not be used for purposes of promotion, demotion or discipline of the employee after removal from his or her personnel file. Access to such records shall be limited to the City Clerk, legal counsel for the City and appropriate representatives of the Labor Council.

Article XVIII Reimbursement

Section 18.1 Tuition Reimbursement

The City may agree to tuition reimbursement, but it must be for an appropriate class and there must be pre-approval by the City. Tuition only reimbursement will be considered for pre-approval on a case by case basis and only for a class where a grade of “C” or better is achieved.

Section 18.2 Transportation Reimbursement

Transportation reimbursement shall be set forth in a resolution passed on an annual basis by the City Council. A copy of the current resolution is attached hereto.

Section 18.3 Lodging Reimbursement

Lodging reimbursement shall be set forth in a resolution passed on an annual basis by the City Council. A copy of the current resolution is attached hereto.

Section 18.4 Meal Reimbursement

Meal reimbursement shall be set forth in a resolution passed on an annual basis by the City Council. A copy of the current resolution is attached hereto.

Article XIX Duration and Amendment

Section 19.1 Agreement of the Parties

The parties acknowledge that during the negotiations which resulted in the Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that all of the understandings and agreements arrived at by the parties after the exercise of that right are set forth in the Agreement.

Section 19.2 Effective Dates

It is further agreed that when this contract is signed, the same shall be in effect from the 1st day of May, 2019, to the 30th day of April, 2023, and from year to year thereafter unless written notice is given by either party to the other not less than sixty (60) days prior to April 30, 2023.

Section 19.3 Amendment or New Agreement

This contract shall remain in force for the term specified above and during the period for negotiations for amendments to this Agreement or a new Agreement with the Council. It is recognized that during this period the parties may take advantage of the process of mediation, fact finding, or other sources of conciliation.

SIGNATURE PAGE FOLLOWS

For the City of Loves Park

Date

Date

Date

Date

Date

Signed:

For the Illinois F.O.P. Labor Council

Date

Date

Date

Date

Date

Date

Date

Appendix A

Employees shall be paid in accordance with the following wage scale based upon their “years of service” with the City Police Department as full time employees. “years of service,” for the purpose of implementing this wage schedule, shall be determined in accordance with the historical method of calculating the “COMMON ANNIVERSARY DATE” used by the City to determine when longevity pay has been earned. Specifically, an employee’s “COMMON ANNIVERSARY DATE” is calculated to be May 1st of the year in which the employee is hired.

Employees covered by this Agreement shall receive, in addition to the wages set forth below, longevity in accordance with the schedule set forth in Appendix B.4. The hourly rate of pay for an employee covered by this Agreement shall be determined by dividing the employee’s annual salary (including any longevity) by 2,080. Nothing in this Article, however, shall be construed as a guarantee of employment, or hours of work, or pay in lieu thereof.

Wage Schedule

Patrol Officer Annual Salary Schedule

	3%	3%	3%	3%	2.25%
	<u>5/1/2018</u>	<u>5/1/2019</u>	<u>5/1/2020</u>	<u>5/1/2021</u>	<u>5/1/2022</u>
Start	\$53,147.34	\$54,741.76	\$56,384.01	\$58,075.53	\$59,382.23
After 1 Year	\$54,823.05	\$56,467.74	\$58,161.77	\$59,906.63	\$61,254.53
After 2 Years	\$56,495.24	\$58,190.10	\$59,935.80	\$61,733.87	\$63,122.89
After 3 Years	\$58,165.10	\$59,910.05	\$61,707.35	\$63,558.58	\$64,988.64
After 4 Years	\$59,839.64	\$61,634.83	\$63,483.87	\$65,388.39	\$66,859.63
After 5 Years	\$61,515.35	\$63,360.81	\$65,261.63	\$67,219.48	\$68,731.92
After 6 Years	\$63,852.68	\$65,768.26	\$67,741.31	\$69,773.55	\$71,343.45
After 7 Years	\$66,281.35	\$68,269.79	\$70,317.88	\$72,427.42	\$74,057.04
After 8 Years	\$72,771.07	\$74,954.20	\$77,202.83	\$79,518.91	\$81,308.09
After 10 Years	\$74,373.01	\$76,604.20	\$78,902.33	\$81,269.40	\$83,097.96
After 12 Years	\$75,977.29	\$78,256.61	\$80,604.31	\$83,022.44	\$84,890.44

Sergeant Annual Salary Schedule

All Sergeants, regardless of their years of service, shall receive an annual salary equivalent to 14% above the patrol officer annual salary at the “After 12 years of service” Step; effective May 1, 2018, this equivalent shall be increased to 15%, equivalent to the following:

<u>5/1/2018</u>	<u>5/1/2019</u>	<u>5/1/2020</u>	<u>5/1/2021</u>	<u>5/1/2022</u>
\$87,373.88	\$89,995.10	\$92,694.95	\$95,475.80	\$97,624.01

Appendix B

B-1 Accredited Schooling Bonus

The City will add to wages of an employee who completes an Associate's or Bachelor's degree from an accredited college or other institution of higher learning a bonus as set forth below:

Two-Year Associate's Degree: One percent (1%) of starting patrolman's wages.

Four-Year Bachelor's Degree: Two percent (2%) of starting patrolman's wages, as applicable.

The Associate's or Bachelor's degrees must be earned through attendance at an accredited college or other institution of higher learning. The employee must supply a diploma and transcript of courses and credits from said college. Further, the employee must have maintained at least a 2.00 average on a 4.00 grade-point system. These credentials must be submitted to the Chief of Police within ninety (90) days of graduation, or upon date of hire. New employees shall receive schooling bonus prorated depending on date of hire.

B-2 Specialty Pay

For detectives, S.L.A.N.T., D.A.R.E., School Resource and K-9 officers, they shall be paid three percent (3%) of the involved employee's wage as a "bonus" to be paid quarterly that is to be prorated according to the period of time that the Patrolman works in the capacity of any of the aforementioned Specialties. The parties agree that the payment of this bonus is recognized as not changing the maximum rate of pay for the classification of Patrolman.

For employees assigned by the City to perform training as a Field Training Officer or Communications Training Officer, employees shall be paid five percent (5%) of that employee's compensation paid only for the hours worked in that capacity (i.e. to be paid only for the number of hours spent training). This bonus will be paid in addition to the involved employee's other compensation in keeping with the regular payroll periods. The payment of this bonus is recognized as not changing the maximum rate of pay for the involved classifications.

None of the specialty pay provisions outlined above are applicable to Sergeants regardless of the specialty in which they are working.

B-3 Section 125 Plan

The Employer shall review the possibility of implementing a Section 125 Plan for its employees in order to allow the employees the opportunity to make any required benefit contributions on a pre-tax basis.

B-4 Longevity Pay

Each employee shall receive on May 1 of each year longevity pay based on his years of completed service since his last date of hire as a full-time employee of the Police Department in accordance with the following schedule, and using the City's common anniversary date in

computing years in service, and based on the employee's base wage for the previous year as in current City practice:

5 years completed service	2% of base wage
10 years completed service	4% of base wage
15 years completed service	6% of base wage
20 years completed service	8% of base wage

APPENDIX C- DUES AUTHORIZATION FORM

**ILLINOIS FRATERNAL ORDER OF POLICE
LABOR COUNCIL
974 CLOCK TOWER DRIVE
SPRINGFIELD, ILLINOIS 62704**

I, _____, understand that under the U.S. Constitution I have a right not to belong to a union. By my signature I hereby waive this right and opt to join the IL FOP Labor Council.

I, _____, hereby authorize my Employer, _____, to deduct from my wages the uniform amount of monthly dues set by the Illinois Fraternal Order of Police Labor Council, for expenses connected with the cost of negotiating and maintaining the collective bargaining agreement between the parties and to remit such dues to the Illinois Fraternal Order of Police Labor Council as it may from time to time direct. In addition, I authorize my Employer to deduct from my wages any back dues owed to the Illinois Fraternal Order of Police Labor Council from the date of my employment, in such manner as it so directs.

Date: _____ Signed: _____
Address: _____
City: _____
State: _____ Zip: _____
Telephone: _____
Personal E-mail: _____

Employment Start Date: _____

Title: _____

Employer, please remit all dues deductions to:

Illinois Fraternal Order of Police Labor Council
Attn: Accounting
974 Clock Tower Drive
Springfield, Illinois 62704

(217) 698-9433

Dues remitted to the Illinois Fraternal Order of Police Labor Council are not tax deductible as charitable contributions for federal income tax purposes; however, they may be deductible on Schedule A of Form 1040 as a miscellaneous deduction. Please check with your tax preparer regarding deductibility.

GRIEVANCE (use additional sheets where necessary)

Lodge/Unit No.: _____ **Year:** _____ **Grievance No.:** _____



Date Filed: _____

Department: _____

Grievant's Name: _____

Last

First

M.I.

STEP ONE

Date of Incident or Date Knew of Facts Giving Rise to Grievance: _____

Article(s)/Sections(s) violated: _____, and all applicable Articles

Briefly state the facts: _____

Remedy Sought: _____, in part and in whole, make grievant(s) whole.

Given To: _____

Date: _____

Grievant's Signature

FOP Representative Signature

EMPLOYER'S RESPONSE

Employer Representative Signature

Position

Person to Whom Response Given

Date

STEP TWO

Reasons for Advancing Grievance: _____

Given To: _____

Date: _____

Grievant's Signature

FOP Representative Signature

EMPLOYER'S RESPONSE

Employer Representative Signature

Position

Person to Whom Response Given

Date

Lodge/Unit No.: _____ Year: _____ Grievance No.: _____

STEP THREE

Reasons for Advancing Grievance: _____

Given To: _____ Date: _____

Grievant's Signature

FOP Representative Signature

EMPLOYER'S RESPONSE

Employer Representative Signature

Position

Person to Whom Response Given

Date

STEP FOUR

Reasons for Advancing Grievance: _____

Given To: _____ Date: _____

Grievant's Signature

FOP Representative Signature

EMPLOYER'S RESPONSE

Employer Representative Signature

Position

Person to Whom Response Given

Date

REFERRAL TO ARBITRATION by Illinois FOP Labor Council

Person to Whom Referral Given _____ Date

FOP Labor Council Representative



CITY OF LOVES PARK
Overtime Scheduling Policy and Procedure

REVISED MAY, 2013

The purpose of this policy is to memorialize the routine procedure for scheduling overtime for patrol officers¹. This policy is designed to serve as a guideline for fair distribution of overtime opportunities and may be changed or revised at any time, in the discretion of the City after a Labor/Management meeting.

Overtime Scheduled Pursuant to Seniority; Advance Posting when Possible

For non-emergency overtime details, scheduling is arranged in advance on the basis of seniority. Circumstances permitting, overtime details are posted 1-2 weeks in advance. Any uniformed officer may sign up for any posted overtime detail.

Seniority List "The List"

All eligible officers are listed in order of seniority. The most senior officer appears at the top of "The List", and the rest of the officers are listed in descending order according to their seniority (greatest to least senior).

Assignment of Overtime Opportunity

The following methods are used by the supervisor or his designee in assigning overtime opportunities:

Posted Overtime

1. All eligible officers may sign up for the posted overtime. Seniority takes precedence on posted overtime. If an officer is bumped on posted overtime the senior officer that bumped a less senior officer is to contact the officer being bumped to inform him/her that they were bumped for the overtime. If the officer signed up for the posted overtime for unforeseen circumstances cannot work the posted overtime they are to make every effort to replace himself or herself with another officer and strike their name from the posted overtime as soon as possible.
2. If a posted overtime is posted less than two (2) days prior to the scheduled overtime event the Chief of Police or his designee will start at the top of "The List" and works down the list to offer the posted overtime.

Voluntary Overtime

1. For Voluntary overtime (e.g., hire-back, detail, etc.) the supervisor or his designee starts at the top of "The List" and works down the list when assigning overtime. The least senior officer(s) on "The List" may be required to work the overtime.

¹ Detective personnel are not subject to this policy.

Involuntary Overtime

1. For involuntary overtime (e.g., shift shortage, etc.), the supervisor or his designee first calls officers currently on a day off starting at the top of "The List" and works down the list to determine if the individual wants to voluntarily work the overtime.
2. If additional involuntary overtime opportunities remain following calls to officers currently on a day off, the supervisor or his designee then starts at the bottom of "The List" and works up the list when assigning involuntary overtime. It is at the discretion of the supervisor or his designee when first calling for involuntary overtime and the officer(s) declines to come in voluntarily to advise the officer(s) that he will be continuing down "The List" but to have said officer(s) wait for a return call for possible mandate to work the overtime. The supervisor or his designee will call all officer(s) back in a timely manner that they are advised to wait for a return call to advise them if they will be mandated in or not.

Specialty Overtime

1. For specialty overtime (e.g., Bike, TRT, K-9, FTO, DB, SLANT, SRO Tactical Teams, Truck Enforcement, Auto Taskforce, etc.), "The List" does not apply (for assignment purposes) and the supervisor or his designee contacts the members of the applicable specialty teams for assignment of such overtime opportunities.

Exceptions for Emergency Circumstances

For emergency overtime details, officers may be held over after completing a shift, without reference to "The List".

Remedy for Mistake in Administration

The remedy for an administrative mistake in application of this policy is consideration for the next overtime opportunity. The Chief of Police or his designee will make every effort to contact the officer(s) that were passed by mistake to offer the next overtime starting at the most senior officer and working down. Mistakes made by NON-BARGAINING UNIT MEMBERS in assignment will result in payment to the employee at his compensatory rate of one and one-half (1 ½) hours per one (1) hour of missed overtime shift.

Chief of Police

F.O.P. President

Deputy Chief

F.O.P. Vice President

F.O.P. Labor Council Field Representative
Russell R. Vogt

Exhibit A Summary of Benefits

City of Loves Park Comprehensive Group Health Plan Amended Plan Effective Date December 1, 2015		
<i>Services not available in the network will be covered at the in-network benefit level only if referred by an ECOH 3 PPO Network Provider and pre-approved by Northern Illinois Health Plan.</i>		
<u>GENERAL INFORMATION</u>	<u>IN-NETWORK BENEFITS</u> Services provided by an ECOH3 PPO Network Provider	<u>OUT-OF-NETWORK BENEFITS</u> Services provided by other than an ECOH 3 PPO Network Provider
Waiting Period/Eligibility Date	The day following 90 days employment	
Annual Per Person Maximum	Unlimited	
Calendar Year Deductible	\$250 Individual / \$500 Family	\$500 Individual / \$1000 Family
Out-of-Pocket Maximum* <i>(Including deductible, copayments, Mental Health & Substance Abuse Treatment expenses. Excluding penalties for non-compliance with cost containment measures of the Plan)</i>	\$1,500 Individual / \$3,000 Family;	\$2,750 Individual / \$5,500 Family;
PROFESSIONAL SERVICES.		
Office Visits <i>(including any related diagnostic x-ray or lab services performed on the day of the visit)</i>	100% after \$10 copayment per office visit	70% after deductible
Physician In-Hospital & Outpatient Services	90% after deductible	70% after deductible
WELLNESS AND PREVENTIVE SERVICES		
Preventive Health Services <i>Recommended Preventive Services including:</i> • Services that have in effect a rating of A or B in the current recommendation of the United States Preventive Services Task Force (USPSTF) with respect to the individual involved; • Immunizations recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention for children, adolescents and adults; • Preventive care and screenings for infants, children, and adolescents provided for in the comprehensive guidelines supported by the Health Resources and Services Administration (HRSA) • Recommendations of the USPSTF regarding breast cancer screening, mammography and prevention.	100% no deductible	70% after deductible
Women's Preventive Services <i>including Well-Women visits; screening for gestational diabetes; HPV DNA testing age 30 and above; sexually-transmitted infection counseling; HIV screening & counseling; FDA approved contraception methods & counseling; breastfeeding support, supplies & counseling; interpersonal & domestic violence screening & counseling.</i> Detection of Breast Cancer <i>Clinical Breast Exams Women age 20-39 every 3 yrs; Women age 40 & older – annually</i> Mammograms (x-ray or digital) <i>Women age 35 to 39 one baseline; Women age 40 or older – annually; Women under age 40 with a family history of breast cancer or other risk facts at age and interval considered medically necessary by the woman's health care provider</i> Comprehensive Ultrasound Screening <i>If routine mammogram reveals heterogeneous or dense breast tissue, coverage is provided for a comprehensive ultrasound screening of entire breast or breasts, when determined medically necessary by a physician.</i>	100% no deductible	70% after deductible
Dietary Consultation	100% after \$10 copayment	50% after deductible
Exercise Consultation	100% after \$10 copayment	50% after deductible
HOSPITAL AND OUTPATIENT FACILITY SERVICES		
Inpatient Hospital Expenses	90% after deductible	70% after deductible and \$250 copayment per admission
Outpatient Surgery	90% after deductible	70% after deductible
Outpatient Physical, Speech, and Occupational Therapy	90% after deductible	70% after deductible
Outpatient Laboratory Tests/Diagnostic Testing	90% after deductible	70% after deductible
EMERGENCY AND URGENT CARE SERVICES		
Emergency Room Care	100% after \$25 copayment per visit	100% after \$25 copay per visit
Urgent Care Clinic Services	100% after \$10 copayment	70% after deductible
Emergency Ambulance	100%	100% waiver of deductible and Usual & Customary provision
Supplemental Accident Benefit <i>(Initial treatment within 72 hours following accident. Follow-up care must be received within 90 days of the accident.)</i>	100%, waiver of deductible and coinsurance. \$500 maximum per accident.	

*If the Out-of-Pocket Maximum is reached in a calendar year, eligible services are covered at 100% for the remainder of the calendar year.

12-1-2014

OTHER SERVICES	IN-NETWORK BENEFITS Services provided by an ECOH 3 PPO Network Provider	OUT-OF-NETWORK BENEFITS Services provided by other than an ECOH 3 PPO Network Provider
Home Health Care (120 visits per calendar year)	90% after deductible	70% after deductible
Skilled Nursing Facilities (120 day limit per calendar year)	90% after deductible	70% after deductible
Dialysis (See definition of Appropriate Amount)	90% of appropriate amount after deductible	70% of appropriate amount after deductible
Hospice Care	90% after deductible	70% after deductible
Transplant Services	90% after deductible	50% after deductible
Oral Surgery	90% after deductible	70% after deductible
Durable Medical Equipment	90% after deductible	50% after deductible
Chiropractic Services (\$1,000 calendar year maximum)	100% after \$15 copayment	100% after \$15 copayment
AUTISM SPECTRUM DISORDERS		
Diagnosis and Treatment of Autism Spectrum Disorders for individuals under 21 years of age. (Limited to a maximum of \$36,000 for diagnosis and treatment of Autism Spectrum Disorders per person per Calendar Year or the amount determined annually by the Illinois Director of Insurance.)	90% after deductible	70% after deductible
MENTAL HEALTH & SUBSTANCE ABUSE SERVICES		
Combined In and Outpatient Lifetime Maximum \$50,000		
Mental Health Services		
• Inpatient Services (30 day annual max)	90%	50% after deductible
• Partial or Day Hospitalizations (can substitute 2 partial or day services or 1 day inpatient)	90%	50% after deductible
• Outpatient Services (20 visit annual maximum combined for individual and group sessions)	100% after \$15 copay for individual sessions & \$10 copay for group sessions	50% after deductible
Substance Abuse Services		
• Inpatient Services (30 day annual max)	90%	50% after deductible
• Partial or Day Hospitalizations (can substitute 2 partial or day services or 1 day inpatient)	90%	50% after deductible
• Outpatient Services (20 visit annual maximum combined for individual and group sessions)	100% after \$15 copay for individual sessions & \$10 copay for group sessions	50% after deductible
PRESCRIPTION SERVICES		
Prescription Drug Card (National Pharmacy Services, NPS) MANDATORY GENERIC REQUIREMENT <i>Use of Generic Medications is required. If a generic form of a medication is available, and a brand name medication is dispensed, the member will pay the cost difference between the brand name medication and the generic medication in addition to the copayment.</i>	Retail: \$10 co-pay per generic drug/refill; \$15 co-pay per brand name drug/refill (Limited to a 30 day supply) Mail Order: \$20 co-pay per generic drug/refill; \$30 co-pay per brand name drug/refill (Limited to a 90 day supply) Oral Contraceptives: 100% for generic and preferred brand names with no generic equivalent.	
<i>All benefits are limited as described in the Summary Plan Description, including the limitation that expenses for services or supplies, whether or not paid in full, are not paid in excess of the Reasonable and Customary charges for such services or expenses. This document is a summary only. Please read the complete Summary Plan Description for a complete list of covered expenses and applicable limitations and exclusions.</i>		

HOW TO ACCESS SERVICES

In-Network Benefits

- Your plan is designed so that you receive higher in-network benefits if care you receive is provided by an ECOH 3 PPO Network provider. If care is not available in the network for acute medical conditions in a timely manner, then a referral must be approved to receive in-network benefits out of plan. If you choose to use a provider that is not in the ECOH 3 PPO Network you will receive coverage at the out-of-network benefit level.

Pre-Certification through NIHP Care Management (Toll Free 1-800-723-0202)

- Required 7 days prior to scheduled hospitalization. Emergency admissions must be confirmed within forty-eight (48) hours of admission.
- Precertification is required for scheduled outpatient procedures including, MRIs, Esophagogastroduodenoscopy (EGD), Colonoscopy, Epidural Pain Injections, Physical, Speech, and Occupational Therapy.
- Other services requiring precertification include Inpatient and Outpatient Chemotherapy, Radiation and Dialysis treatment, Home Healthcare and Outpatient Surgical Procedures.
- Mental Health and Substance Abuse Treatment must be precertified prior to any inpatient admission (or within 48 hours for emergency admissions)
- If precertification is not obtained, your treatment will be reviewed when a claim is received. If it is determined to be medically necessary, benefits will be payable after a maximum penalty of \$100. The penalty may be taken from any charges relating to the treatment and is taken before subtracting any deductible and coinsurance. The penalty is not applied to the out-of-pocket limit.
- You, your Physician, or a family member may call to precertify or preauthorize a service at the number listed on your Health Plan ID card. Remember, however, it is the participant's responsibility to ensure that precertification is obtained.

Prescription Drugs

- For questions regarding prescription drug coverage, please contact National Pharmacy Services (NPS) at 1-800-546-5677.
- Mandatory Generic Requirement** -- Generic medications are required if available or member pays the cost difference between the generic medication and the brand name medication in addition to the copayment.

Questions

- If at any time you have questions about your benefits, coverage, or claims, please do not hesitate to call the Northern Illinois Health Plan Customer Service Department at (815) 599-7050 or (800) 723-0202 (toll-free). The number is on your Health Insurance ID card. You may also go to www.nihp.com and register to access your claims and benefits or contact NIHP by email.

**If the Out-of-Pocket Maximum is reached in a calendar year, eligible services are covered at 100% for the remainder of the calendar year.*

12-1-2014

CITY OF LOVES PARK

RESOLUTION NO.: _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT FOR BOND COUNSEL SERVICES BETWEEN THE CITY OF LOVES PARK, ILLINOIS, WINNEBAGO AND BOONE COUNTIES, AN ILLINOIS MUNICIPAL CORPORATION, AND SCHIFF HARDIN, LLP, AN ILLINOIS LIMITED LIABILITY PRACTICE.

WHEREAS, The City is a duly organized and existing municipality of the State of Illinois, and is now operating under and pursuant to the provisions of the Illinois Municipal Code, 65 ILCS 5/1-1-1 et seq., as amended (the “Municipal Code”), and is a “governmental unit” within the meaning of the Local Government Debt Reform Act, 30 ILCS 350/1 et seq., as amended (the “Debt Reform Act”).

WHEREAS, the City has determined it is in the best interest of the health and welfare of the citizens of Loves Park to take steps towards upgrading and improving various aspects of the City’s fire department, including purchasing new apparatus and making improvements to one or more of its fire stations; and

WHEREAS, the City has determined certain costs of fire apparatus and fire station improvements will require the issuance of debt certificates; and

WHEREAS, the City requires the assistance of a professional services firm to act as bond counsel in obtaining the debt certificate financing; and

WHEREAS, Schiff Hardin has presented a letter agreement to the City, dated April 4, 2019 to provide the requested bond counsel services; and,

WHEREAS, the City has previously used the firm of Schiff Hardin, LLP to provide bond counsel services and wishes to do so again for the purposes of issuing the debt certificates.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Loves Park, Illinois, that by the adoption of this resolution that the City hereby agrees:

1. The above recitals are hereby incorporated into this Resolution as if fully stated herein.
2. The City Council hereby authorizes the Mayor, or his designee, to execute that professional services agreement with Schiff Hardin, LLP in substantially the same form as attached hereto as Exhibit “A”.
3. This Resolution will be in full force and effect from and after its passage, approval, and publication in pamphlet form in the manner provided by law.

PASSED AND APPROVED the _____ day of _____, 2019.

Mayor Gregory R. Jury

Attest: City Clerk Robert J. Burden

Chairman Ald. J. Jacobson

Member Ald. J. Pruitt

Vice-Chairman Ald. M. Peterson

Member Ald. C. Frykman

MOTION:

SECOND:

VOTING:

EXHIBIT A

**Schiff Hardin, LLP
Letter Agreement Dated April 4, 2019**

April 4, 2019

City Council
City of Loves Park
City Hall
100 Heart Boulevard
Loves Park, Illinois 61111

***Re: City of Loves Park, Winnebago and Boone Counties, Illinois
Approximately \$2,650,000 Debt Certificates, Series 2019
to be purchased by Blackhawk Bank***

Ladies and Gentlemen:

We understand that the City of Loves Park, Illinois (“**you**” or the “**City**”) has selected Schiff Hardin LLP (“**us**” or “**the Firm**”) to act as bond counsel to the City in connection with the authorization, issuance and sale to Blackhawk Bank (the “**Bank**”) by the City of approximately \$2,650,000 of the City’s general obligation debt certificates (the “**Certificates**”). The City will issue the Certificates under Section 17(b) of the Local Government Debt Reform Act, as amended, 30 ILCS 350/1 *et seq.* (the “**Act**”).

Proceeds of the Certificates will be used to pay the costs of acquiring fire trucks and other firefighting equipment and to pay costs of issuance of the Certificates (the “**Project**”).

In connection with the proposed financing, the City will be represented by Nicolosi Galluzzo LLP, the City Attorney. The Bank may be represented by separate outside counsel.

Thank you for choosing us for this representation. I am writing this letter to confirm our role and responsibilities as bond counsel with respect to the financing and to provide you with information concerning the fees and costs for our work in this capacity.

If the terms in this letter are acceptable to the City, please so indicate by returning one of the enclosed copies of this letter signed by an appropriate authorized officer, retaining the other copy for your files, or reply to the email forwarding this letter that the client agrees to its terms. If we do not receive a signed copy of this letter or such email acceptance from you, but you continue to work with us on the matter described, the terms of this letter will govern our

lawyer-client relationship. If you have any questions about the terms or would like to discuss possible modifications, please do not hesitate to call.

Scope of Services

As bond counsel, we are engaged to render an objective legal opinion with respect to the authorization and issuance of state, state agency or local government bonds. Typically, bond counsel's legal opinion addresses the validity of the bonds and the tax treatment of interest on the bonds. Our ability to render our opinion as bond counsel depends upon the completion of proceedings relating to the bonds and related documentation to our satisfaction.

Our opinion as bond counsel as to the Certificates will represent our professional legal judgment based upon our review of the law and of the facts that we deem relevant to render such opinion, as certified to us. Our opinion is not a guarantee of a result if the validity or tax-exempt status of interest on the Certificates is challenged. In delivering our opinion, we will rely upon statements of fact and expectations and certifications about the proceedings authorizing the Certificates, the nature and use of the Project financed by the Certificates, the use of proceeds of the Certificates, various other tax-related matters, and the structure of the financing and upon representations made by the City and other transaction participants, including without limitation the Bank, without undertaking to verify this information by independent investigation, and we will assume that the City will continue to comply with its covenants with respect to the Certificates and with all laws and regulations applicable from time to time to the Certificates. We will make such inquiry and investigation of the facts as may be necessary in our judgment to deliver our opinion. Although we will not rely on unreasonable factual assumptions or unreasonable representations, among the facts that we will be relying on, without independent investigation, will be facts provided by the City and by the Bank. The City and the Bank, as applicable, will assume full responsibility for the accuracy and completeness of these facts.

In rendering our bond counsel opinion, we will rely upon an opinion of the City Attorney as to certain procedural matters and the absence of certain litigation. Our responsibilities as bond counsel do not include reviewing the financial condition of the City or the adequacy of the security provided to the Bank, and we will express no opinion relating to these matters.

Our services as bond counsel for this financing will include the following: (i) advising the City concerning the requirements of and the appropriate procedures to be followed under applicable Illinois law and federal tax law applicable to the valid issuance and tax-exempt status of the interest on the Certificates, including particularly the Act, (ii) preparing and supervising the adoption of the proceedings of the City Council of the City incident to the authorization and issuance of the Certificates, (iii) reviewing the facts, provided to us by the City and the Bank, necessary as a basis for our opinion that interest on the Certificates is excludable from the gross income of their owner for federal income tax purposes, (iv) preparing appropriate

closing documents, (v) organizing the closing of the financing, and (vi) rendering an approving opinion with respect to the validity of the Certificates and the exemption of the interest on the Certificates from federal income taxes.

We do not undertake (unless we are separately engaged to do so) to provide continuing advice to the City or the Bank after the Closing (defined below) concerning (i) any actions (including without limitation the computation and payment of arbitrage rebate amounts) with respect to the Certificates which may be necessary to assure that interest paid on the Certificates will continue to be excluded from gross income for federal income tax purposes to the same extent as at the time of the Closing, (ii) compliance with applicable continuing disclosure requirements or other applicable requirements, if any, of federal or state securities laws, (iii) audits or other inquiries or investigations by the Internal Revenue Service, the Securities and Exchange Commission, or other governmental or regulatory bodies, (iv) requests for tax rulings from the Internal Revenue Service, (v) legislative amendments, (vi) test cases or other litigation or proceedings before administrative agencies, or (vii) changes which may occur in applicable law or regulations that could affect the City's rights and liabilities.

As bond counsel, we will neither assume nor undertake responsibility for the preparation or review of an official statement or any other disclosure document with respect to the Certificates, nor will we be responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document. In addition, as bond counsel, we will be neutral and independent in the determination of the structure of the financing. Our responsibility with respect to the structure of the financing will be limited to documenting whatever determinations the City and the Bank, with the advice of their respective attorneys, may make.

Our engagement is for a specific matter. After completion of the engagement, changes may occur in applicable laws or regulations that could have an impact upon the City's future rights and liabilities. Unless the City specifically asks us to provide additional services concerning such future occurrences and we agree to do so, we have no obligation to advise the City with respect to future legal developments.

Not a Financial Advisor

We are not a financial advisor or a financial expert. We have been engaged by the City to provide advice and services of a traditional legal nature and have not been engaged to provide and will not provide advice that is primarily financial in nature. Any financial advice provided by us to the City will be related and incidental to the advice and services of a traditional legal nature we provide.

Schiff Hardin LLP is not a registered municipal advisor under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). As its attorneys, we owe the City the duties an attorney owes its client. In view of the nature of our representation, we do not owe the City the separate duties that would be owed by a municipal advisor under Section 15B of the Exchange Act.

Term and Termination of Engagement

Our approving opinion will be executed and delivered in writing on the date the Certificates are exchanged for their purchase price (the “**Closing**”) and will be based on facts known by or certified to us and law existing as of that date. Upon the delivery of our opinion, our responsibilities as bond counsel will be concluded with respect to this transaction and our client relationship with our client, the City, will terminate in the ordinary course, except for organizing and distributing the closing transcripts and (if requested) preparing and distributing bound volumes of the proceedings (at the expense of the persons making the request), unless you ask us to perform additional services and we agree to do so. However, either of us may terminate this engagement earlier for any reason by written notice subject, on our part, to applicable rules of professional conduct including our obligation to take such steps as may be reasonably practicable to protect the City’s interests in the matter for which we are engaged. In addition, if we perform no services with respect to this engagement for a period of six consecutive months, we may treat the engagement as concluded without further notice to you, subject to our obligations under applicable rules of professional conduct.

Following termination of our representation, if you wish to have property or documents delivered to you, please let us know. We will transfer to you materials in our files including the City’s documents and property, but excluding Firm administrative records, time and expense reports, personnel and staffing materials, credit and accounting records, and our lawyers’ internal work product such as drafts, certificates, internal memoranda, and legal and factual research, including investigative reports, prepared by or for the internal use of our lawyers. We will maintain our files in accordance with the terms of our records retention program, which provides for the destruction of files at the end of designated periods of time, typically after ten years. After that, we may destroy those records without further notice to you.

Communication and Related Obligations

We agree that we will keep the City informed about material developments with respect to this engagement, respond promptly to any inquiries, and consult with you about the means by which your objectives are to be pursued. Any discussion with the City and its representatives, attorneys or financial advisor of possible outcomes or results is intended to illustrate various alternatives available to the City and does not constitute a guarantee of any particular outcome or result. To enable us to represent the City effectively, you agree to

cooperate fully with us in all matters relating to the engagement, and to disclose to us fully and accurately all information that may be relevant to the matter or that we may otherwise request.

The City Is Our Client

In performing the services for which we have been engaged, as described in this letter, the City is our client. Blackhawk Bank and the subsequent owners of the Certificates (if any) are not our clients in this transaction or after the Closing and we do not represent them. Nevertheless, our bond counsel opinion will be addressed to the Bank in addition to the City and the Bank and its successors in interest as owners of the Certificates will be entitled to rely on our opinion. Our representation of the City will not affect our responsibility to render an objective legal opinion.

Conflicts of Interest; Advance Waiver

Schiff Hardin is a large firm with many areas of practice, many clients, and offices in a number of cities across the country. Therefore, it is possible that, while we are representing the City in this transaction, certain types of conflicts may arise in matters unrelated to the present engagement for which we request your consent and waiver now. First, other present or future clients, including clients who rely upon us for general representation, may ask the Firm to represent them in transactions or litigation adverse to the City. Such representations of other clients might also include our Firm issuing subpoenas or discovery requests to the City or its employees who are not parties to a litigation matter that our Firm is handling on behalf of other clients. Second, it is possible that parties that become adverse in the future to the City in the matter covered by this engagement letter or in any future matters the Firm agrees to undertake for the City, and/or an affiliate of any such party, may seek representation by the Firm for matters that are unrelated to the Firm's representation of the City and do not involve the City.

In these situations, the rules of professional conduct require the City's consent before we could represent such a party. These rules require that consent because representing another party directly adverse to a client is contrary to a lawyer's duty of loyalty to the client. Also, a lawyer who represents a client's adversary while concurrently representing that client could temper zealous representation of the client or fail to protect confidential information in order to benefit the client's adversary. We believe that the commitments described below provide sufficient protection against these theoretical risks. But, of course, the City must make that decision itself, with the aid of independent counsel if desired.

There are important limitations on the consent and waiver we are requesting. We would decline the other representation if we believed there was an actual risk of misuse of the City's confidential information. We carefully protect our clients' nonpublic proprietary and other confidential information, and we would not represent another party in a matter that would involve disclosure of such information or use of such information to our client's material

disadvantage. We would also decline the other representation if we believed that it would adversely affect our representation of or relationship with the City in any material respect. Finally, we would not represent a party adverse to the City in a matter substantially related to a matter in which we have represented the City without the City's further specific consent.

Subject to the limitations just described, however, the City consents and agrees, by signing this letter, that in other circumstances Schiff may represent other clients in *unrelated* matters, including litigation, adverse to the City and/or its affiliates, and Schiff may represent the Bank and/or its affiliates, in unrelated matters that do not involve the City, and the City waives any claim of conflict of interest arising from such concurrent representations. Please consult with your regular counsel or other counsel, besides Schiff Hardin, with respect to the advance consent and waiver we are requesting for the unrelated representation of other clients, if you wish to do so.

Firm Privilege

Our lawyers sometimes have questions about legal and ethical matters relating to representation of our clients. When such questions arise, we encourage the lawyers to consult the Firm's internal General Counsel, and sometimes outside counsel retained by the Firm. We believe such consultation benefits both our clients and our Firm. For this consultation to be most effective, our lawyers must be completely open and candid in their communications with the Firm's counsel. It is therefore important for these communications to be privileged and confidential and unavailable to third parties, including the client whose representation may be the subject of the communications. To avoid any question in this regard, the City consents and agrees, by signing this letter, that our lawyers involved in the representation may consult with the Firm's internal General Counsel or its outside counsel in connection with the representation, and that any such communications, even while we continue to represent the City, will be treated as confidential in this way and subject to the Firm's attorney-client privilege. Please consult with the City's regular counsel or other independent counsel, besides the Firm, if you have questions concerning these matters.

Compensation

We estimate that our fee for a financing of the size and character proposed will be in the range from \$12,000 to \$14,000. The City will be responsible for paying our fees and expenses and is executing this letter, among other reasons, in order to acknowledge that responsibility.

If the size, nature or structure of the financing change, our fee may also change. In addition, if we encounter presently unforeseen complexities requiring substantial additional work on our part beyond the scope of the work contemplated in this letter (for example, conducting a general due diligence investigation, drafting a disclosure document, or undertaking

litigation or private letter ruling requests), we will expect to charge separately for such work on a basis satisfactory to both you and us. We will, of course, discuss with you the need to undertake such additional work and the appropriate basis for payment for it before undertaking it. In addition to our fee, we will bill you for all of our out-of-pocket expenses, such as travel (if travel is required), photocopying, air express and other delivery services, telefax charges and telephone calls. We estimate that such expenses will be approximately \$300, not including the costs of any bound volumes of proceedings.

If, for any reason other than our arbitrary refusal to render an approving opinion, the financing is not consummated or is completed without the rendering of our opinion as bond counsel, we will expect to be compensated at our normal hourly rates (currently \$630 per hour for the attorney likely to be working on this matter) for our time actually spent, plus our out-of-pocket expenses, the aggregate not to exceed the aggregate of the amounts set forth in the preceding paragraphs. Our fee is normally paid at the Closing out of bond proceeds, and we customarily do not submit a statement until the Closing unless there is a substantial delay in completing the financing.

References on Website and Similar Materials

We take pride in the fact that you have expressed confidence in us by engaging us, and would like to be able to inform others that we represent you. By signing this letter, you agree that we may disclose the fact that we represent or have represented you on our website, in response to requests for proposals, in capability statements and in similar materials, including in our disclosure the general type of work we have done for the City. We would not disclose any other non-public information about the specific matter or matters we have handled for you without your further specific permission.

Miscellaneous

We understand that our principal contacts with the City will be Gino Galluzzo, the City Attorney, and that we may conduct discussions with and accept direction from him on behalf of the City.

Paul C. Marengo will be principally in charge of our services, assisted by other lawyers and staff as appropriate. If you wish, we will discuss with you any substantial changes in staffing that may become necessary or that you may desire.

We look forward to working with you. Paul Marengo may be reached at (312) 258-5678. If at any time you are unable to reach Mr. Marengo and need immediate help, please feel free to contact Bruce Weisenthal at (312) 258-5560, who will assist you.

Very truly yours,



Paul C. Marengo

PCM/jk

cc: Kathleen Matthewson
Gino Galluzzo, City Attorney
(via email)

Accepted and Approved:

Date: April ___, 2019

CITY OF LOVES PARK, ILLINOIS

By: _____

Its: _____

April 4, 2019

City Council
City of Loves Park
City Hall
100 Heart Boulevard
Loves Park, Illinois 61111

***Re: City of Loves Park, Winnebago and Boone Counties, Illinois
Approximately \$2,650,000 Debt Certificates, Series 2019
to be purchased by Blackhawk Bank***

Ladies and Gentlemen:

We understand that the City of Loves Park, Illinois (“**you**” or the “**City**”) has selected Schiff Hardin LLP (“**us**” or “**the Firm**”) to act as bond counsel to the City in connection with the authorization, issuance and sale to Blackhawk Bank (the “**Bank**”) by the City of approximately \$2,650,000 of the City’s general obligation debt certificates (the “**Certificates**”). The City will issue the Certificates under Section 17(b) of the Local Government Debt Reform Act, as amended, 30 ILCS 350/1 *et seq.* (the “**Act**”).

Proceeds of the Certificates will be used to pay the costs of acquiring fire trucks and other firefighting equipment and to pay costs of issuance of the Certificates (the “**Project**”).

In connection with the proposed financing, the City will be represented by Nicolosi Galluzzo LLP, the City Attorney. The Bank may be represented by separate outside counsel.

Thank you for choosing us for this representation. I am writing this letter to confirm our role and responsibilities as bond counsel with respect to the financing and to provide you with information concerning the fees and costs for our work in this capacity.

If the terms in this letter are acceptable to the City, please so indicate by returning one of the enclosed copies of this letter signed by an appropriate authorized officer, retaining the other copy for your files, or reply to the email forwarding this letter that the client agrees to its terms. If we do not receive a signed copy of this letter or such email acceptance from you, but you continue to work with us on the matter described, the terms of this letter will govern our

lawyer-client relationship. If you have any questions about the terms or would like to discuss possible modifications, please do not hesitate to call.

Scope of Services

As bond counsel, we are engaged to render an objective legal opinion with respect to the authorization and issuance of state, state agency or local government bonds. Typically, bond counsel's legal opinion addresses the validity of the bonds and the tax treatment of interest on the bonds. Our ability to render our opinion as bond counsel depends upon the completion of proceedings relating to the bonds and related documentation to our satisfaction.

Our opinion as bond counsel as to the Certificates will represent our professional legal judgment based upon our review of the law and of the facts that we deem relevant to render such opinion, as certified to us. Our opinion is not a guarantee of a result if the validity or tax-exempt status of interest on the Certificates is challenged. In delivering our opinion, we will rely upon statements of fact and expectations and certifications about the proceedings authorizing the Certificates, the nature and use of the Project financed by the Certificates, the use of proceeds of the Certificates, various other tax-related matters, and the structure of the financing and upon representations made by the City and other transaction participants, including without limitation the Bank, without undertaking to verify this information by independent investigation, and we will assume that the City will continue to comply with its covenants with respect to the Certificates and with all laws and regulations applicable from time to time to the Certificates. We will make such inquiry and investigation of the facts as may be necessary in our judgment to deliver our opinion. Although we will not rely on unreasonable factual assumptions or unreasonable representations, among the facts that we will be relying on, without independent investigation, will be facts provided by the City and by the Bank. The City and the Bank, as applicable, will assume full responsibility for the accuracy and completeness of these facts.

In rendering our bond counsel opinion, we will rely upon an opinion of the City Attorney as to certain procedural matters and the absence of certain litigation. Our responsibilities as bond counsel do not include reviewing the financial condition of the City or the adequacy of the security provided to the Bank, and we will express no opinion relating to these matters.

Our services as bond counsel for this financing will include the following: (i) advising the City concerning the requirements of and the appropriate procedures to be followed under applicable Illinois law and federal tax law applicable to the valid issuance and tax-exempt status of the interest on the Certificates, including particularly the Act, (ii) preparing and supervising the adoption of the proceedings of the City Council of the City incident to the authorization and issuance of the Certificates, (iii) reviewing the facts, provided to us by the City and the Bank, necessary as a basis for our opinion that interest on the Certificates is excludable from the gross income of their owner for federal income tax purposes, (iv) preparing appropriate

closing documents, (v) organizing the closing of the financing, and (vi) rendering an approving opinion with respect to the validity of the Certificates and the exemption of the interest on the Certificates from federal income taxes.

We do not undertake (unless we are separately engaged to do so) to provide continuing advice to the City or the Bank after the Closing (defined below) concerning (i) any actions (including without limitation the computation and payment of arbitrage rebate amounts) with respect to the Certificates which may be necessary to assure that interest paid on the Certificates will continue to be excluded from gross income for federal income tax purposes to the same extent as at the time of the Closing, (ii) compliance with applicable continuing disclosure requirements or other applicable requirements, if any, of federal or state securities laws, (iii) audits or other inquiries or investigations by the Internal Revenue Service, the Securities and Exchange Commission, or other governmental or regulatory bodies, (iv) requests for tax rulings from the Internal Revenue Service, (v) legislative amendments, (vi) test cases or other litigation or proceedings before administrative agencies, or (vii) changes which may occur in applicable law or regulations that could affect the City's rights and liabilities.

As bond counsel, we will neither assume nor undertake responsibility for the preparation or review of an official statement or any other disclosure document with respect to the Certificates, nor will we be responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document. In addition, as bond counsel, we will be neutral and independent in the determination of the structure of the financing. Our responsibility with respect to the structure of the financing will be limited to documenting whatever determinations the City and the Bank, with the advice of their respective attorneys, may make.

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Schiff Hardin LLP is not a registered municipal advisor under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). As its attorneys, we owe the City the duties an attorney owes its client. In view of the nature of our representation, we do not owe the City the separate duties that would be owed by a municipal advisor under Section 15B of the Exchange Act.

Term and Termination of Engagement

Our approving opinion will be executed and delivered in writing on the date the Certificates are exchanged for their purchase price (the “**Closing**”) and will be based on facts known by or certified to us and law existing as of that date. Upon the delivery of our opinion, our responsibilities as bond counsel will be concluded with respect to this transaction and our client relationship with our client, the City, will terminate in the ordinary course, except for organizing and distributing the closing transcripts and (if requested) preparing and distributing bound volumes of the proceedings (at the expense of the persons making the request), unless you ask us to perform additional services and we agree to do so. However, either of us may terminate this engagement earlier for any reason by written notice subject, on our part, to applicable rules of professional conduct including our obligation to take such steps as may be reasonably practicable to protect the City’s interests in the matter for which we are engaged. In addition, if we perform no services with respect to this engagement for a period of six consecutive months, we may treat the engagement as concluded without further notice to you, subject to our obligations under applicable rules of professional conduct.

Following termination of our representation, if you wish to have property or documents delivered to you, please let us know. We will transfer to you materials in our files including the City’s documents and property, but excluding Firm administrative records, time and expense reports, personnel and staffing materials, credit and accounting records, and our lawyers’ internal work product such as drafts, certificates, internal memoranda, and legal and factual research, including investigative reports, prepared by or for the internal use of our lawyers. We will maintain our files in accordance with the terms of our records retention program, which provides for the destruction of files at the end of designated periods of time, typically after ten years. After that, we may destroy those records without further notice to you.

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cooperate fully with us in all matters relating to the engagement, and to disclose to us fully and accurately all information that may be relevant to the matter or that we may otherwise request.

The City Is Our Client

In performing the services for which we have been engaged, as described in this letter, the City is our client. Blackhawk Bank and the subsequent owners of the Certificates (if any) are not our clients in this transaction or after the Closing and we do not represent them. Nevertheless, our bond counsel opinion will be addressed to the Bank in addition to the City and the Bank and its successors in interest as owners of the Certificates will be entitled to rely on our opinion. Our representation of the City will not affect our responsibility to render an objective legal opinion.

Conflicts of Interest; Advance Waiver

Schiff Hardin is a large firm with many areas of practice, many clients, and offices in a number of cities across the country. Therefore, it is possible that, while we are representing the City in this transaction, certain types of conflicts may arise in matters unrelated to the present engagement for which we request your consent and waiver now. First, other present or future clients, including clients who rely upon us for general representation, may ask the Firm to represent them in transactions or litigation adverse to the City. Such representations of other clients might also include our Firm issuing subpoenas or discovery requests to the City or its employees who are not parties to a litigation matter that our Firm is handling on behalf of other clients. Second, it is possible that parties that become adverse in the future to the City in the matter covered by this engagement letter or in any future matters the Firm agrees to undertake for the City, and/or an affiliate of any such party, may seek representation by the Firm for matters that are unrelated to the Firm's representation of the City and do not involve the City.

In these situations, the rules of professional conduct require the City's consent before we could represent such a party. These rules require that consent because representing another party directly adverse to a client is contrary to a lawyer's duty of loyalty to the client. Also, a lawyer who represents a client's adversary while concurrently representing that client could temper zealous representation of the client or fail to protect confidential information in order to benefit the client's adversary. We believe that the commitments described below provide sufficient protection against these theoretical risks. But, of course, the City must make that decision itself, with the aid of independent counsel if desired.

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disadvantage. We would also decline the other representation if we believed that it would adversely affect our representation of or relationship with the City in any material respect. Finally, we would not represent a party adverse to the City in a matter substantially related to a matter in which we have represented the City without the City's further specific consent.

Subject to the limitations just described, however, the City consents and agrees, by signing this letter, that in other circumstances Schiff may represent other clients in *unrelated* matters, including litigation, adverse to the City and/or its affiliates, and Schiff may represent the Bank and/or its affiliates, in unrelated matters that do not involve the City, and the City waives any claim of conflict of interest arising from such concurrent representations. Please consult with your regular counsel or other counsel, besides Schiff Hardin, with respect to the advance consent and waiver we are requesting for the unrelated representation of other clients, if you wish to do so.

Firm Privilege

Our lawyers sometimes have questions about legal and ethical matters relating to representation of our clients. When such questions arise, we encourage the lawyers to consult the Firm's internal General Counsel, and sometimes outside counsel retained by the Firm. We believe such consultation benefits both our clients and our Firm. For this consultation to be most effective, our lawyers must be completely open and candid in their communications with the Firm's counsel. It is therefore important for these communications to be privileged and confidential and unavailable to third parties, including the client whose representation may be the subject of the communications. To avoid any question in this regard, the City consents and agrees, by signing this letter, that our lawyers involved in the representation may consult with the Firm's internal General Counsel or its outside counsel in connection with the representation, and that any such communications, even while we continue to represent the City, will be treated as confidential in this way and subject to the Firm's attorney-client privilege. Please consult with the City's regular counsel or other independent counsel, besides the Firm, if you have questions concerning these matters.

Compensation

We estimate that our fee for a financing of the size and character proposed will be in the range from \$12,000 to \$14,000. The City will be responsible for paying our fees and expenses and is executing this letter, among other reasons, in order to acknowledge that responsibility.

If the size, nature or structure of the financing change, our fee may also change. In addition, if we encounter presently unforeseen complexities requiring substantial additional work on our part beyond the scope of the work contemplated in this letter (for example, conducting a general due diligence investigation, drafting a disclosure document, or undertaking

litigation or private letter ruling requests), we will expect to charge separately for such work on a basis satisfactory to both you and us. We will, of course, discuss with you the need to undertake such additional work and the appropriate basis for payment for it before undertaking it. In addition to our fee, we will bill you for all of our out-of-pocket expenses, such as travel (if travel is required), photocopying, air express and other delivery services, telefax charges and telephone calls. We estimate that such expenses will be approximately \$300, not including the costs of any bound volumes of proceedings.

If, for any reason other than our arbitrary refusal to render an approving opinion, the financing is not consummated or is completed without the rendering of our opinion as bond counsel, we will expect to be compensated at our normal hourly rates (currently \$630 per hour for the attorney likely to be working on this matter) for our time actually spent, plus our out-of-pocket expenses, the aggregate not to exceed the aggregate of the amounts set forth in the preceding paragraphs. Our fee is normally paid at the Closing out of bond proceeds, and we customarily do not submit a statement until the Closing unless there is a substantial delay in completing the financing.

References on Website and Similar Materials

We take pride in the fact that you have expressed confidence in us by engaging us, and would like to be able to inform others that we represent you. By signing this letter, you agree that we may disclose the fact that we represent or have represented you on our website, in response to requests for proposals, in capability statements and in similar materials, including in our disclosure the general type of work we have done for the City. We would not disclose any other non-public information about the specific matter or matters we have handled for you without your further specific permission.

Miscellaneous

We understand that our principal contacts with the City will be Gino Galluzzo, the City Attorney, and that we may conduct discussions with and accept direction from him on behalf of the City.

Paul C. Marengo will be principally in charge of our services, assisted by other lawyers and staff as appropriate. If you wish, we will discuss with you any substantial changes in staffing that may become necessary or that you may desire.

We look forward to working with you. Paul Marengo may be reached at (312) 258-5678. If at any time you are unable to reach Mr. Marengo and need immediate help, please feel free to contact Bruce Weisenthal at (312) 258-5560, who will assist you.

Very truly yours,



Paul C. Marengo

PCM/jk

cc: Kathleen Matthewson
Gino Galluzzo, City Attorney
(via email)

Accepted and Approved:

Date: April ___, 2019

CITY OF LOVES PARK, ILLINOIS

By: _____

Its: _____

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE RETENTION OF A MUNICIPAL ADVISOR IN ASSOCIATION WITH THE ISSUANCE OF CERTAIN DEBT CERTIFICATES

WHEREAS, the City has determined that it is in the best interests of the health, safety and welfare of the community to provide for enhanced fire and EMS protection for the City; and

WHEREAS, the City has further determined that it is necessary to procure new equipment and to make upgrades to fire station facilities to support the enhanced services of the Loves Park Fire Department; and

WHEREAS, the City has determined to issue debt certificates to finance these upgrades to facilities and equipment.

WHEREAS, the City desires to engage a Municipal Advisor in connection with the issuance of the Debt Certificates.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and the City Council of the City of Loves Park, County of Winnebago and County of Boone, Illinois, that by the adoption of this resolution, that the Mayor and the City Council hereby agree as follows:

1. The above recitals are hereby incorporated into this Resolution as if fully stated herein.
2. The Firm of Speer Financial, Inc. will be engaged as the City's Municipal Advisor on the terms set forth in the letter attached hereto which are hereby approved.
3. Should any provision of this Resolution be declared invalid by a court of competent jurisdiction, the invalidity of such provision shall not affect any of the other provisions of this Resolution.

4. This Resolution shall be in full force and effect from and after its passage and approval.

AYES:

NAYS:

ABSENT:

PASSED AND APPROVED the _____ day of _____, 2019.

APPROVED:

Mayor Greg Jury

ATTEST:

City Clerk Robert Burden

PUBLISHED:

KEVIN
McCANNA
Chairman

DANIEL
FORBES
President

DAVID
PHILLIPS
Executive VP

RAPHALIATA
McKENZIE
Senior VP

MAGGIE
BURGER
Senior VP

ANTHONY
MICELI
Senior VP

LARRY
BURGER
Vice President

MARK
JERETINA
Vice President

March 6, 2019

Mr. John Danielson
Treasurer
City of Loves Park
100 Heart Boulevard
Loves Park, IL 61111

Re: City of Loves Park, Illinois
Issuance of Debt Certificates, Series 2019 to finance certain capital improvements within the City

Dear John:

Speer Financial, Inc. (“Speer”) is pleased to provide this Engagement Letter to the City of Loves Park, Illinois (the “Client”) for our services as Municipal Advisor in connection with the issuance of the securities referenced above (the “Certificates”). The purpose of the issuance of the Certificates, briefly stated, is to provide for certain capital improvements within the City (the “Project”).

Speer is providing this Engagement Letter to you to memorialize the terms of our engagement (the “Engagement”) as your Municipal Advisor with respect to the Project. This Engagement Letter is required under current Federal securities law and serves to provide certain additional information to the Client, such as disclosures of services, fees, terms and termination, conflict of interest and any material disciplinary actions. The Client and Speer have previously entered into a Contract entitled Financial Service Agreement and dated October 26, 2015 (the “Existing Contract”). The purpose of this engagement Letter is to supplement and not amend any of the terms of the Existing Contract.

Services. Speer agrees to provide to the Client the municipal advisory services (the “Services”) set forth in the attached **Exhibit A**. Certain limitations to Speer’s Services are set forth in the attached **Exhibit B**. The Client, as an issuer of municipal securities, is also subject to certain other terms as it relates to the issuance of securities and Speer’s Engagement. These terms are detailed in the attached **Exhibit C**.

Authorization. It is Speer’s understanding that the **Treasurer and Deputy Treasurer** of the Client (the “Client Contacts”) are authorized to receive this Engagement Letter and discuss with Speer the terms and disclosures of this Engagement Letter. Speer may also rely on the authority of such Client Contacts when receiving direction from such Client Contacts in the course of Speer providing its Services.

Term and Termination. Speer’s Engagement shall remain in effect until terminated by the Client or Speer upon at least thirty (30) days written notice to the other party. If the Client terminates the Engagement prior to the issuance of the Bond, Speer expects to negotiate with the Client a mutually agreeable compensation for the Services provided by Speer prior to such termination.

Compensation. Speer's compensation for Services on the Certificates is set forth below.

As compensation for Speer's provision of the Services, Speer shall receive a fee based upon the par amount of the Certificates issued, calculated as follows:

Municipal Advisory Services:	\$4,500 plus 1/4 of 1% of the municipal securities issued in excess of \$500,000.
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This fee is the same regardless of the method of sale of the Certificates and is contingent on the sale of the Certificates.

This fee does not include the payment of Speer's out-of-pocket costs as further described in **Exhibit B**. See the attached **Exhibit D** for a description of the conflicts of interest in connection with each form of compensation.

Representations of Client. The factual representations contained in the documents which are prepared by Speer in the course of its Engagement, and the factual representations which may also be contained in any other documents that are furnished to Speer by the Client, are essential for and provide the basis for Speer's municipal advice. Accordingly, it is important for the Client to read and understand the documents Speer provides to the Client because the Client will be confirming the truth, accuracy and completeness of matters contained in those documents. Speer's Engagement does not include the verification of the truth or accuracy of such factual representations, as further described in the attached **Exhibit C**.

Required Disclosures. Speer is registered with the U.S. Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB"). MSRB Rule G-42 requires that Speer provide the Client with disclosures of material conflicts of interest and information regarding certain legal events and disciplinary history. MSRB Rule G-10 requires that Speer provide certain disclosures related to the MSRB's webpage and the availability of a municipal advisory client brochure. Such disclosures are provided in the attached **Exhibit D**. Should the Client have any questions or concerns with these disclosures, the Client should promptly contact Speer.

Risk Disclosure. Each form of financing has particular financial characteristics and inherent risks. Provided in the attached **Exhibit E** is a general description of the most commonly used security structures of fixed rate municipal bonds in Illinois as well disclosures on the risks of each structure known to Speer at this time. Should the Client have any questions or concerns with this disclosure, the Client should promptly contact Speer.

We sincerely appreciate this opportunity to be of service, and look forward to working with you.

Sincerely,

SPEER FINANCIAL, INC.

By: 

Its: Vice President

Telephone: 312-529-5887

Email: mjeretina@speerfinancial.com

EXHIBIT A

SPEER FINANCIAL, INC. MUNICIPAL ADVISOR SERVICES FOR THE CITY OF LOVES PARK

Financial Planning Services

1. *Orientation*: Reviewing the Client's current financial position, statutory authority, and financing capabilities, including whether a refunding or defeasance of any outstanding debt is appropriate.
2. *Coordination*: Coordinating financial planning and issuance details with the Client's staff, bond counsel, paying agents, rating agencies and other transaction participants.
3. *Consultation*: Consulting with the elected and key appointed officials and staff regarding the various phases of the development and implementation of a financing plan.
4. *Public Relations*: Responding to inquiries from the general public or news media relating to municipal issuance related matters.
5. *Planning*: Developing a debt financing plan that includes all or some of the following:
 - a. Maturity Schedules - Alternative maturity schedules relating to the financing. These schedules may "wrap" around existing debt to provide stable tax rates, level debt service payments, or meet other policy or cash flow requirements as may be requested by the Client.
 - b. Market Receptivity - An evaluation of potential market receptivity for each debt issuance and recommend the most suitable sale option.
 - c. Tax Law - Consultation with bond counsel as to the ramifications of Federal tax law on the financing plan.
 - d. Credit Rating and/or Insurance - A costs and benefits analysis regarding whether to obtain any available credit enhancements and/or a credit ratings.
 - e. Competitive and Negotiated Sale of Debt Securities - An analysis and corresponding recommendation regarding the method of sale to be used in connection with the financing plan.
 - f. Financing Timeline - A tentative financing timeline to guide officials regarding the timing of various aspects of the financing plan.

Competitive Sale Services

1. *Authorizing Resolutions/Ordinances* - Assist the Client's attorney and/or bond counsel with regard to the financial provisions to be included within the Client's authorizing resolutions/ordinances relative to the securities issuance.

2. *Credit Rating and/or Insurance* - When applying for a credit rating and/or bond insurance, Speer will submit the necessary data and documents to the selected rating agency(ies) and/or insurance company(ies).
3. *Disclosure Document, Notice of Sale and Bid Form:*
 - a. Preparation of Documents - Prepare a preliminary Official Statement, Term Sheet, Statement of Facts or Limited Offering Memorandum (each a “Disclosure Document”), Notice of Sale and Bid Form. Following the award of the securities, Speer shall prepare the final Disclosure Document corresponding to the Project. The Disclosure Document will describe the securities being issued and will contain detailed information provided by the Client and bond counsel.
 - b. Notice of Sale Publication - Notify certain prospective purchasers of the sale and prepare, as necessary, a Notice of Sale.
 - c. Encouragement to Bidders - Circulate the preliminary Disclosure Document to certain potential purchasers, including as appropriate, investment institutions, banks and underwriters, to solicit bids from such firms for the Client’s securities. Provide copies of the preliminary Disclosure Document and Official Bid Forms, as applicable, for each sale to the Client for distribution to local banks and elected officials.
 - d. Bid Opening, Analysis and Recommendations - Conduct each sale, examine the bids submitted for completeness and compliance with the applicable bidding requirements, evaluate the bids for accuracy, and recommend a proposed course of action relative thereto.
4. *Preparation, Registration and Delivery of Securities* - Conduct all necessary undertakings in order to complete the financing, including monitoring the preparation, registration and delivery of the securities being issued.
5. *Debt Service Schedule* - Provide the Client with a final debt service schedule and other financial materials pertinent to the securities sale.

Negotiated Sale Services

1. *Authorizing Resolutions/Ordinances* - Assist the Client’s attorney and/or bond counsel with regard to the financial provisions to be included within the Client’s authorizing resolutions/ordinances relative to the securities issuance.
2. *Credit Rating and/or Insurance* - When applying for a credit rating and/or bond insurance Speer will submit the necessary data and documents to the selected credit rating agency(ies) and/or insurance company(ies).
3. *Disclosure Document and Proposals:*
 - a. Preparation of Documents - Prepare or assist in the preparation of a preliminary Disclosure Document, Request for Proposals (RFP) or Request for Qualifications (RFQ) if requested by the Client, and, following the award of the securities, the final Disclosure Document.

- b. Proposal Analysis and Recommendations - Review and examine any proposals submitted for completeness and compliance with the applicable RFP/RFQ requirements, evaluate the proposals for accuracy, and recommend a proposed course of action relative to the proposals received.
4. *Negotiation of Terms* - Negotiate with the selected underwriter(s)/purchaser(s) relative to interest rates, terms and conditions of the securities issuance.
5. *Preparation, Registration and Delivery of Securities* - Conduct all necessary undertakings in order to complete the financing, including, monitoring the preparation, registration and delivery of the securities being issued.
6. *Debt Service Schedule* - Provide the Client with a final debt service schedule and other financial materials pertinent to the securities sale.

Private Placement Services

1. *Authorizing Resolutions/Ordinances* - Assist the Client's attorney and/or bond counsel with regard to the financial provisions to be included within the Client's authorizing resolutions/ordinances relative to the securities issuance.
2. *Disclosure Document and Proposals:*
 - c. Preparation of Documents - Prepare or assist in the preparation of a preliminary Disclosure Document, Request for Proposals (RFP) or Request for Qualifications (RFQ) if requested by the Client, and, following the award of the securities, the final Disclosure Document.
 - d. Proposal Analysis and Recommendations - Review and examine any proposals submitted for completeness and compliance with the applicable RFP/RFQ requirements, evaluate the proposals for accuracy, and recommend a proposed course of action relative to the proposals received.
3. *Advise on Financing Terms* - Advise the client on the terms of the financing including the interest rate offered and the covenants required by the intended purchaser.
4. *Preparation, Registration and Delivery of Securities* - Conduct all necessary undertakings in order to complete the financing, including, monitoring the preparation, registration and delivery of the securities being issued.
5. *Debt Service Schedule* - Provide the Client with a final debt service schedule and other financial materials pertinent to the securities sale.

With respect to all private placement Services, Speer will always serve as municipal advisor to the Client and as such will not specifically identify investors/purchasers in a securities offering or negotiate specific terms with the investor/purchaser of the Client's securities. Speer will not negotiate terms to directly place an issuance of securities with an investor. Any investors contacted or solicited will be identified by the Client and contacted on behalf of the Client.

EXHIBIT B

LIMITATIONS TO SPEER'S MUNICIPAL ADVISOR SERVICES

Speer's duties as Municipal Advisor are limited to the Services detailed in **Exhibit A**. Among other things, Speer's Engagement does not include:

1. Giving any advice, opinion or representation as to the fiscal prudence or policy priority of issuing the securities or any other aspect of the securities transaction, including, without limitation, the undertaking of any project to be financed with the proceeds of the securities, as those are the Client's policy decisions.
2. Giving any opinion or advice on the legality of the securities or the tax status of the securities.
3. Preparing any of the following: requests for tax rulings from the Internal Revenue Service, blue sky or investment surveys with respect to the securities, state legislative amendments, or pursuing test cases or other litigation.
4. Undertaking rebate calculations for the securities or anything related to monitoring investments of securities proceeds or expenditure of securities proceeds, as that is a specialty service provided by others when appropriate.
5. Participating in the underwriting of the debt, as prohibited by Federal securities law.
6. Monitoring the actual use of proceeds, the timely expenditure of proceeds and the project completion status.
7. Verifying the accuracy of audited and unaudited financial statements.
8. Giving advice on the investment of securities proceeds.
9. Monitoring ongoing obligations and covenants entered into by the Client with respect to the securities, as these tasks are performed by the Client.
10. The Services do not include the payment by Speer of its "out of pocket" expenses, including but not limited to, the utilization of a bidding platform (*SpeerAuction* or *SpeerBids*), verification services as requested by the Client, mailing, overnight and messenger delivery and printing and copying costs.
11. Filing material events notices or otherwise assisting the Client with its continuing disclosure obligations, as such assistance is to be provided under a separate written agreement. Nothing in this Engagement Letter obligates Speer to provide, or the Client to pay for, any such continuing disclosure services.

EXHIBIT C

OTHER TERMS OF THE SPEER ENGAGEMENT

Please note the following with respect to the Client's role in connection with each issuance of securities.

1. It is important for the Client to read and understand the documents Speer provides to the Client because the Client will be confirming the truth, accuracy and completeness of matters contained in those documents at the issuance of the securities. If the documents contain incorrect or incomplete factual statements, the Client must call those to Speer's attention. Speer will not perform an independent investigation or verification to determine the accuracy, completeness or sufficiency of any such document or render any advice, view or comfort that the Disclosure Document or other disclosure document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. Any information in such documents does not constitute a review, audit or certified forecast of future events and any such financial information may not conform to accounting principles applicable to compilations of financial information. Any untruth, inaccuracy or incompleteness may have adverse consequences affecting either the tax exemption of interest paid on the securities or the adequacy of disclosures made in the Disclosure Document under State and Federal securities laws, with resulting potential liability for the Client. During the course of its Engagement, Speer will assume and rely on the Client to provide Speer with complete and timely information on all developments pertaining to any aspect of the securities and their security. Speer understands that the Client will cooperate with Speer in this regard.
2. To the extent that during the course of Speer's advising the Client a relevant matter comes to Speer's attention which appears to be contrary to what is contained in the transaction documents including any representations in the transaction documents or in the Disclosure Document, Speer may ask the Client about such apparent divergence of the facts; but to the extent that the facts and representations stated in the documents Speer provides to the Client, and are not corrected by the Client, Speer is then relying upon the Client's signed certifications for their truth, accuracy and completeness.
3. Issuing the securities as "securities" under State and Federal securities laws and on a tax-exempt basis is a serious undertaking. As the issuer of the securities, the Client is obligated under that State and Federal securities laws and the Federal tax laws to disclose all material facts. The Client has a duty to exercise "due diligence" in determining the accuracy and completeness of the information used in the Disclosure Document and the information upon which legal opinions related to the securities are based. The Client's lawyers, accountants and advisors can assist the Client in fulfilling these duties, but the Client in its corporate capacity, including the Client's knowledge, has the collective knowledge of the facts pertinent to the transaction and the ultimate responsibility for the presentation and disclosure of the relevant information.
4. Requirements of issuing debt include that the Client is current in its annual continuing disclosure obligations, including material events notices, and current in its arbitrage rebate obligations. These requirements are the obligation of the Client and not of Speer or bond counsel.

EXHIBIT D

REQUIRED DISCLOSURES

1. DISCLOSURE OF CONFLICTS OF INTEREST

A. Various Forms of Compensation

The Municipal Securities Rulemaking Board (MSRB) requires us, as your municipal advisor, to provide written disclosure to you about the actual or potential conflicts of interest presented by various forms of compensation. We must provide this disclosure unless you have required that a particular form of compensation be used. You should select a form of compensation that best meets your needs and the agreed upon scope of services.

The forms of compensation for municipal advisors vary according to the nature of the engagement and requirements of the Client, among other factors. Various forms of compensation present actual or potential conflicts of interest because they may create an incentive for an advisor to recommend one course of action over another if it is more beneficial to the advisor to do so. This document discusses various forms of compensation and the timing of payments to the advisor.

Fixed fee. Under a fixed fee form of compensation, the municipal advisor is paid a fixed amount established at the outset of the transaction. The amount is usually based upon an analysis by the Client and the advisor of, among other things, the expected duration and complexity of the transaction and the agreed-upon scope of work that the advisor will perform. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the advisor may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. There may be additional conflicts of interest if the municipal advisor's fee is contingent upon the successful completion of a financing, as described below.

Hourly fee. Under an hourly fee form of compensation, the municipal advisor is paid an amount equal to the number of hours worked by the advisor times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the Client and the advisor do not agree on a reasonable maximum amount at the outset of the engagement, because the advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked. In some cases, an hourly fee may be applied against a retainer (*e.g.*, a retainer payable monthly), in which case it is payable whether or not a financing closes. Alternatively, it may be contingent upon the successful completion of a financing, in which case there may be additional conflicts of interest, as described below.

Fee contingent upon the completion of a financing or other transaction. Under a contingent fee form of compensation, payment of an advisor's fee is dependent upon the successful completion of a financing or other transaction. Although this form of compensation may be customary for the Client, it presents a conflict because the advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the Client. For example, when facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Fee paid under a retainer agreement. Under a retainer agreement, fees are paid to a municipal advisor periodically (*e.g.*, monthly) and are not contingent upon the completion of a financing or other transaction. Fees paid under a retainer agreement may be calculated on a fixed fee basis (*e.g.*, a fixed fee per month regardless of the number of hours worked) or an hourly basis (*e.g.*, a minimum monthly payment, with additional amounts payable if a certain number of hours worked is exceeded). A retainer agreement does not present the conflicts associated with a contingent fee arrangement (described above).

Fee based upon principal or notional amount and term of transaction. Under this form of compensation, the municipal advisor's fee is based upon a percentage of the principal amount of an issue of securities (*e.g.*, bonds) or, in the case of a derivative, the present value of or notional amount and term of the derivative. This form of compensation presents a conflict of interest because the advisor may have an incentive to advise the Client to increase the size of the securities issue or modify the derivative for the purpose of increasing the advisor's compensation.

B. Other Material Conflicts of Interest

The MSRB requires us, as your municipal advisor, to provide written disclosure to you about material conflicts of interest. The following represent Speer material conflicts of interest known to Speer as of the date of this Engagement Letter.

As of the date of this Engagement, Speer is unaware of any material conflicts of interest.

2. DISCLOSURE OF LEGAL EVENTS AND DISCIPLINARY ACTION

The MSRB requires us, as your municipal advisor, to provide written disclosure to you of any legal or disciplinary events material to your evaluation of Speer or the integrity of Speer's management or advisory personnel.

Material Legal or Disciplinary Event. There are no legal or disciplinary events that are material to the Client's evaluation of Speer or the integrity of Speer's management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I filed with the SEC.

How to Access Form MA and Form MA-I Filings. Speer's most recent form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at:

<http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001606944>

Most Recent Change in Legal or Disciplinary Event Disclosure. Speer has not made any material legal or disciplinary event disclosures on Form MA or any Form MA-I filed with the SEC.

3. FUTURE DISCLOSURES

As required by MSRB Rule G-42, the Required Disclosures found in this Exhibit D may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of Speer. Speer will provide the Client with any such supplemental or amended information as it becomes available through the term of the Municipal Advisory Relationship.

4. G-10 DISCLOSURE

The Municipal Securities Rulemaking Board's (MSRB) webpage address is: www.msrb.org

Posted on the MSRB's webpage is a municipal advisory client brochure that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority.

EXHIBIT E

FINANCIAL CHARACTERISTICS AND RISKS OF MUNICIPAL BONDS IN ILLINOIS

The following is a general description of the financial characteristics, security structures and risks of municipal fixed rate bonds ("Municipal Bonds") issued in Illinois. The risks being disclosed in this Exhibit E are those that are known to Speer at this time and should be considered by the Client prior to deciding whether to issue Municipal Bonds. If you have any questions or concerns about any disclosure made, please notify Speer immediately.

Financial Characteristics

Maturity and Interest. Municipal Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies and authorities. Maturity dates for Municipal Bonds are fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. The final maturity date typically will range between 10 and 30 years from the date of issuance. Interest on the Municipal Bonds typically is paid semiannually at a stated fixed rate or rates for each maturity date.

Redemption. Municipal Bonds may be subject to optional redemption, which allows you, at your option, to redeem some or all of the bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Municipal Bonds will be subject to optional redemption only after the passage of a specified period of time, often approximately ten years from the date of issuance, and upon payment of the redemption price set forth in the bonds, which may include a redemption premium. You will be required to send out a notice of optional redemption to the holders of the bonds, usually not less than 30 days prior to the redemption date. Municipal Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires you to redeem specified principal amounts of the bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the bonds to be redeemed.

Security

Payment of principal of and interest on a municipal security, including Municipal Bonds, may be backed by various types of pledges and forms of security, some of which are described below. The description below regarding "Security" is only a brief summary of certain possible security provisions for the bonds and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the bonds.

General Obligation Bonds. "General obligation bonds" are debt securities to which your full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. All taxable property in the taxing body is subject to the levy of taxes to pay the same without limitation as to rate or amount. The term "limited" tax is used when a limit exists as to the amount of the tax (see below). General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest or

principal, the holders of general obligation bonds have certain rights under state law to compel you to impose a tax levy.

Limited Bonds. Taxing bodies, subject to the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Extension Limitation Law*"), can issue limited bonds. Limited bonds are issued in lieu of general obligation bonds that otherwise have been authorized by applicable law. They are payable from a separate property tax levy that is unlimited as to rate, but the amount of taxes that will be extended to pay the bonds is limited by the Extension Limitation Law. Limited bonds are payable from your debt service extension base (*the "Base"*), which is an amount equal to that portion of the extension for the applicable levy year for the payment of non-referendum bonds (other than alternate bonds or refunding bonds issued to refund bonds initially issued pursuant to referendum), increased each year, beginning with the 2009 levy year, by the lesser of 5% or the percentage in the Consumer Price Index for All Urban Consumers (as defined in the Extension Limitation Law) during the 12-month calendar year preceding the levy year. The Limitation Law further provides that the annual amount of taxes to be extended to pay the limited bonds and all other limited bonds heretofore and hereafter issued by you shall not exceed the Base less the amount extended to pay certain other non-referendum bonds heretofore and hereafter issued by you and bonds issued to refund such bonds.

Limited bonds constitute a debt. In the event of default in required payments of interest or principal, the holders of limited bonds have certain rights under state law to compel you to impose a tax levy (limited as set forth in the previous paragraph).

Alternate Bonds. Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*"), permits you to issue alternate or "double-barrelled" bonds. Alternate bonds are general obligation bonds payable from enterprise revenues or from a revenue source, or both, with your general obligation acting as backup security for the bonds. Once issued, and until paid or defeased, alternate bonds are a general obligation, for the payment of which you pledge your full faith and credit. Such bonds are payable from the levy of ad valorem property taxes upon all taxable property in your taxing body without limitation as to rate or amount. The intent of the Debt Reform Act is for the enterprise revenues or the revenue source to be sufficient to pay the debt service on the alternate bonds so that taxes need not be levied, or, if levied, need not be extended, for such payment.

The Debt Reform Act prescribes several conditions that must be met before alternate bonds may be issued. First, alternate bonds must be issued for a lawful corporate purpose. If issued in lieu of revenue bonds (as described below), then the revenue bonds must have been authorized under applicable law (including satisfying any backdoor referendum requirements) and the alternate bonds must be issued for the purpose for which the revenue bonds were authorized. If issued payable from a revenue source limited in its purposes or applications, then the alternate bonds must be issued only for such limited purposes or applications.

Second, alternate bonds are subject to a backdoor referendum. The issuance of alternate bonds must be submitted to referendum if, within 30 days after publication of the authorizing ordinance and notice of intent to issue the alternate bonds, a petition is filed. The petition must be signed by the greater of (i) 7.5% of your registered voters or (ii) the lesser of 200 of the registered voters or 15% of the registered voters, asking that the issuance of the alternate bonds be submitted to referendum. Backdoor referendum proceedings for revenue bonds and for alternate bonds to be issued in lieu of revenue bonds may be conducted at the same time.

Notwithstanding the previous paragraph, in governmental units with fewer than 500,000 inhabitants that propose to issue alternate bonds payable solely from enterprise revenues, except for alternate bonds that finance or refinance projects concerning public utilities, public streets and roads or public safety facilities and related infrastructure and equipment, if no petition is filed within 45 days of publication of the authorizing ordinance and notice, the alternate bonds may be issued. For purposes of this paragraph, the required number of petitioners for a governmental unit with more than 4,000 registered voters is the lesser of (i) 5% of the registered voters or (ii) 5,000 registered voters and the required number of petitioners for a governmental unit with 4,000 or fewer registered voters is the lesser of (i) 15% of the registered voters or (ii) 200 registered voters.

Third, you must demonstrate that the enterprise revenues are, or that the revenue source is, sufficient to meet the requirements of the Debt Reform Act. If enterprise revenues are pledged as security for the alternate bonds, you must demonstrate that such revenues are sufficient in each year to pay all of the following:

- (a) costs of operation and maintenance of the utility or enterprise, excluding depreciation;
- (b) debt service on all outstanding revenue bonds payable from such enterprise revenues;
- (c) all amounts required to meet any fund or account requirements with respect to such outstanding revenue bonds;
- (d) other contractual or tort liability obligations, if any, payable from such enterprise revenues; and
- (e) in each year, an amount not less than 1.25 times debt service on all:
 - (i) outstanding alternate bonds payable from such enterprise revenues; and
 - (ii) the alternate bonds proposed to be issued.

If one or more revenue sources are pledged as security for the alternate bonds, you must demonstrate that such revenue sources are sufficient in each year to provide not less than 1.25 times (1.10 times if the revenue source is a government revenue source) debt service on all outstanding alternate bonds payable from such revenue source and on the alternate bonds proposed to be issued. You need not meet the test described in this paragraph for the amount of debt service set aside at closing from bond proceeds or other moneys.

The determination of the sufficiency of enterprise revenues or revenue source or sources, as applicable, must be supported by reference to the most recent audit of the governmental unit, which must be for a fiscal year ending on a date that is not more than 18 months prior to the date of issuance of the alternate bonds. If such audit does not adequately show such enterprise revenues or revenue source, as applicable, or if such enterprise revenues or revenue source, as applicable, are shown to be insufficient, then the determination of sufficiency must be supported by the report of an independent accountant or feasibility analyst, the latter having a national reputation for expertise in such matters, who is not otherwise involved in the project being financed or refinanced with the proceeds of the alternate bonds, demonstrating the sufficiency of such revenues and explaining, if appropriate, by what means the revenues will be greater than as shown in the audit.

Alternate bonds may be issued to refund alternate bonds without meeting any of the conditions set forth above if the term of the refunding bonds is not longer than the term of the refunded bonds and that the debt service payable in any year on the refunding bonds does not exceed the debt service payable in such year on the refunded bonds.

Alternate bonds are not regarded or included in any computation of indebtedness for the purpose of any statutory provision or limitation unless taxes, other than a designated revenue source, are extended to pay the bonds. In the event taxes are extended, the amount of alternate bonds then outstanding counts against your debt limit until your audit shows that the alternate bonds have been paid from the pledged enterprise revenues or revenue source for a complete fiscal year.

In the event of default in required payments of interest or principal, the holders of alternate bonds have certain rights under state law to compel you to increase the pledged revenues or have the tax levy extended for such payment.

Debt Certificates. You may issue "debt certificates" to evidence your payment obligation under an installment contract or lease. Your governing body may provide for the treasurer, comptroller, finance officer or other officer of the governing body charged with financial administration to act as counterparty to the installment contract or lease, as nominee- seller or lessor. The installment contract or lease is then executed by your authorized officer and is filed with and executed by the nominee-seller or lessor. As contracts for the acquisition and construction of the project to be financed are executed (the "Work Contracts"), the governing body orders those Work Contracts to be filed with the nominee-seller or lessor. The nominee- seller or lessor identifies the Work Contracts to the particular installment contract or lease. Such identification permits the payment of the Work Contracts from the proceeds of the debt certificates.

Debt certificates are paid from your lawfully available funds. You are expected to agree to annually budget/appropriate amounts to pay the principal of and interest on the debt certificates. There is no separate levy available for the purpose of making such payments.

Debt certificates constitute a debt. In the event of default in required payments of interest or principal, the holders of the debt certificates cannot compel you to impose a tax levy, but you have promised the holders of the debt certificates that you will pay the debt certificates and they can proceed to file suit to enforce such promise.

Special Service Area Bonds. When special services are provided to a particular contiguous area within a municipality, in addition to the services generally provided throughout the municipality, a municipality may create a special service area. The cost of the special services may be paid from taxes levied upon the taxable real property within the area, and such taxes may be levied in the special service area at a rate or amount sufficient to produce revenues required to provide the special services.

Prior to the first levy of taxes in the special service area and prior to or within 60 days after the adoption of the ordinance proposing the establishment of the special service area, you are required to hold a public hearing and to publish and mail notice of such hearing. At the public hearing, any interested person may file written objections or give oral statements with respect to the establishment of the special service area and the levy of taxes therein. As a result of the hearing, you may delete areas from the special service area as long as the remaining area is contiguous. After the hearing, an

ordinance establishing the special service area must be timely filed with the county recorder and the county clerk.

Bonds secured by the full faith and credit of the special service area territory may be issued for the purpose of providing special services. Such bonds are paid from the levy of taxes unlimited as to rate or amount against the taxable real property in the special service area. The county clerk will annually extend taxes against all of the taxable real property in the area in amounts sufficient to pay the principal and interest on the bonds. Such bonds are exempt from the Extension Limitation Law of the State of Illinois, as amended.

Prior to the issuance of special service area bonds, you must give published and mailed notice and hold a hearing at which any interested person may file written objections, or be heard orally, with respect to the issuance of the bonds. The questions of the creation of the special service area, the levy of a tax on such area and the issuance of special service area bonds may all be considered at the same hearing.

The creation of the special service area, the levy of a tax within the area and the issuance of bonds for the provision of special services to the area are subject to a petition process. If, within 60 days after the public hearing, a petition signed by not less than 51% of the electors residing within the special service area and 51% of the owners of record of land located within the special service area is filed with the municipal clerk objecting to the creation of the special service area, the levy of a tax or the issuance of bonds, then the area may not be created, the tax may not be levied and the bonds may not be issued. If such a petition is filed, the subject matter of the petition may not be proposed relative to any of the signatories within the next two years.

Special service area bonds do not constitute an indebtedness of the municipality, and no exercise of your taxing power may be compelled on behalf of the special service area bondholders other than the ad valorem property taxes to be extended on the taxable real property in the special service area.

Revenue Bonds. "Revenue bonds" are debt securities that are payable only from a specific source or sources of revenues. Revenue bonds are not a pledge of your full faith and credit and you are obligated to pay principal and interest on your revenue bonds only from the revenue source(s) specifically pledged to the bonds. Revenue bonds do not permit the bondholders to compel you to impose a tax levy for payment of debt service. Pledged revenues may be derived from operation of the financed project or system, grants or excise or other specified taxes. Generally, subject to state law or local charter requirements, you are not required to obtain voter approval prior to issuance of revenue bonds. Revenue bonds may, however, be subject to a backdoor referendum. If the specified source(s) of revenue become inadequate, a default in payment of principal or interest may occur. Various types of pledges of revenue may be used to secure interest and principal payments on revenue bonds. The nature of these pledges may differ widely based on state law, the type of issuer, the type of revenue stream and other factors.

Some revenue bonds, referred to as conduit revenue bonds, may be issued by a governmental issuer acting as conduit for the benefit of a private sector entity or a 501(c)(3) organization (the obligor). Conduit revenue bonds commonly are issued for not-for-profit hospitals, educational institutions, single and multi-family housing, airports, industrial or economic development projects, and student loan programs, among other obligors. Principal and interest on conduit revenue bonds normally are paid exclusively from revenues pledged by the obligor.

Unless otherwise specified under the terms of the bonds, you are not required to make payments of principal or interest if the obligor defaults.

Tax Increment Financing. Tax increment financing provides a means for municipalities, after the approval of a "redevelopment plan and project," to redevelop blighted, conservation or industrial park conservation areas. The Tax Increment Allocation Redevelopment Act of the State of Illinois, as amended, allows incremental property taxes to be used to pay certain redevelopment project costs and to pay debt service with respect to tax increment bonds issued to pay redevelopment project costs. The municipality is authorized to issue tax increment bonds payable from, and secured by, incremental property tax revenues expected to be generated in the redevelopment project area. Incremental property tax revenues are derived from the increase in the current equalized assessed valuation of the real property within the redevelopment project area over and above the certified initial equalized assessed valuation for such redevelopment project area.

Before adopting the necessary ordinances to designate a redevelopment project area, a municipality must hold a public hearing and convene a joint review board to consider the proposal. At the public hearing, any interested person or taxing district may file written objections and may give oral statements with respect to the proposed financing. After the municipality has considered all comments made by the public and the joint review board, it may adopt the necessary ordinances to designate a redevelopment project area.

Tax increment bonds may be secured by the full faith and credit of the municipality. The issuance of general obligation tax increment bonds is subject to a "backdoor," rather than a direct, referendum. Once a municipality has authorized the issuance of tax increment obligations secured by its full faith and credit, the ordinance authorizing the issuance must be published in a newspaper of general circulation in the municipality. In response, voters may petition to request that the question of issuing obligations using the full faith and credit of the municipality as security to pay for redevelopment project costs be submitted to the electors of the municipality. If, within 30 days after the publication, 10% of the registered voters of the municipality sign such a petition, the question of whether to issue tax increment bonds secured by the municipality's full faith and credit must be approved by the voters pursuant to referendum. Such bonds are not exempt from the Extension Limitation Law unless first approved at referendum.

Tax increment revenues may also be treated as a "revenue source" and be pledged to the payment of alternate bonds under Section 15 of the Debt Reform Act.

Risk Considerations

Certain risks may arise in connection with your issuance of Municipal Bonds, including some or all of the following (generally, the obligor, rather than you, will bear these risks for conduit revenue bonds):

Issuer Default Risk. You may be in default if the funds pledged to secure your bonds are not sufficient to pay debt service on the bonds when due. The consequences of a default may be serious for you and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds, the trustee and any credit support provider may be able to exercise a range of available remedies against you. For example, if the bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. If the bonds are revenue bonds or alternate

bonds, you may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

This description is only a brief summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

Redemption Risk. Your ability to redeem the bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. In the event that interest rates decline, you may be unable to take advantage of the lower interest rates to reduce debt service.

Refinancing Risk. If your financing plan contemplates refinancing some or all of the bonds at maturity (for example, if you have term maturities or if you choose a shorter final maturity than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you from refinancing those bonds when required. Further, limitations in the federal tax rules on advance refunding of bonds (an advance refunding of bonds occurs when tax-exempt bonds are refunded more than 90 days prior to the date on which those bonds may be retired) may restrict your ability to refund the bonds to take advantage of lower interest rates.

Reinvestment Risk. You may have proceeds of the bonds to invest prior to the time that you are able to spend those proceeds for the authorized purpose. Depending on market conditions, you may not be able to invest those proceeds at or near the rate of interest that you are paying on the bonds, which is referred to as "negative arbitrage."

Tax Compliance Risk. The issuance of tax-exempt bonds is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of the tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on the bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you or your bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If the bonds are declared taxable, or if you are subject to audit, the market price of your bonds may be adversely affected. Further, your ability to issue other tax-exempt bonds also may be limited.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing the bonds.

CITY OF LOVES PARK, ILLINOIS

ORDINANCE NO. 2019-[_____]

ORDINANCE OF THE CITY OF LOVES PARK, WINNEBAGO AND BOONE COUNTIES, ILLINOIS, AUTHORIZING AND PROVIDING FOR (A) THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE CONTRACT FOR THE PURPOSE OF PAYING ALL OR A PORTION OF THE COSTS OF ACQUIRING, CONSTRUCTING, INSTALLING AND EQUIPPING IMPROVEMENTS NEEDED FOR THE PREVENTION AND EXTINGUISHMENT OF FIRES INCLUDING, WITHOUT LIMITATION, AN ADDITION TO FIRE STATION # 2, TWO PIERCE FIRE ENGINES AND VARIOUS ITEMS OF EQUIPMENT FOR THOSE FIRE ENGINES AND, INCIDENTAL TO THOSE PROJECT COSTS, TO PAY BOND DISCOUNT, INTEREST, BOND RESERVE REQUIREMENTS (IF ANY) AND LEGAL, OTHER FINANCING AND RELATED ADMINISTRATIVE FEES AND COSTS, AND (B) THE ISSUANCE, SALE AND DELIVERY OF \$2,585,000 DEBT CERTIFICATES, SERIES 2019, OF THE CITY EVIDENCING THE RIGHTS TO PAYMENT UNDER THE INSTALLMENT PURCHASE CONTRACT, APPROVING THE FORM AND TERMS OF THE INSTALLMENT PURCHASE CONTRACT, PRESCRIBING THE FORM AND TERMS OF THE DEBT CERTIFICATES, PROVIDING FOR THE SECURITY FOR AND SOURCES OF PAYMENT OF THE INSTALLMENT CONTRACT AND THE DEBT CERTIFICATES, AND CONCERNING RELATED MATTERS.

Adopted by
the City Council
of the
City of Loves Park, Winnebago and Boone Counties, Illinois

on April 29, 2019

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ORDINANCE NO. 2019-[_____]

ORDINANCE OF THE CITY OF LOVES PARK, WINNEBAGO AND BOONE COUNTIES, ILLINOIS, AUTHORIZING AND PROVIDING FOR (A) THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE CONTRACT FOR THE PURPOSE OF PAYING ALL OR A PORTION OF THE COSTS OF ACQUIRING, CONSTRUCTING, INSTALLING AND EQUIPPING IMPROVEMENTS NEEDED FOR THE PREVENTION AND EXTINGUISHMENT OF FIRES INCLUDING, WITHOUT LIMITATION, AN ADDITION TO FIRE STATION # 2, TWO PIERCE FIRE ENGINES AND VARIOUS ITEMS OF EQUIPMENT FOR THOSE FIRE ENGINES AND, INCIDENTAL TO THOSE PROJECT COSTS, TO PAY BOND DISCOUNT, INTEREST, BOND RESERVE REQUIREMENTS (IF ANY) AND LEGAL, OTHER FINANCING AND RELATED ADMINISTRATIVE FEES AND COSTS, AND (B) THE ISSUANCE, SALE AND DELIVERY OF \$2,585,000 DEBT CERTIFICATES, SERIES 2019, OF THE CITY EVIDENCING THE RIGHTS TO PAYMENT UNDER THE INSTALLMENT PURCHASE CONTRACT, APPROVING THE FORM AND TERMS OF THE INSTALLMENT PURCHASE CONTRACT, PRESCRIBING THE FORM AND TERMS OF THE DEBT CERTIFICATES, PROVIDING FOR THE SECURITY FOR AND SOURCES OF PAYMENT OF THE INSTALLMENT CONTRACT AND THE DEBT CERTIFICATES, AND CONCERNING RELATED MATTERS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOVES PARK, WINNEBAGO AND BOONE COUNTIES, ILLINOIS, AS FOLLOWS:

Section 1. Findings and Determinations. It is found and declared by the City Council (the “**Corporate Authorities**”) of the City of Loves Park, Winnebago and Boone Counties, Illinois (the “**City**”), as follows:

(a) The City is a duly organized and existing municipality of the State of Illinois, and is now operating under and pursuant to the provisions of the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq.*, as amended (the “**Municipal Code**”), and is a “governmental unit” within the meaning of the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.*, as amended (the “**Debt Reform Act**”).

(b) Section 11-6-1 of the Municipal Code (65 ILCS 5/11-6-1) provides that the corporate authorities of each municipality may provide and operate fire stations and all material and equipment that is needed for the prevention and extinguishment of fires.

(c) The Corporate Authorities have determined that it is advisable, necessary and in the best interests of the City in order to promote and protect the public health, welfare, safety and convenience of the residents of the City, and a proper public purpose, for the City to acquire, construct, install and equip improvements needed for the prevention and extinguishment of fires including, without limitation, an addition to Fire Station # 2, two Pierce fire engines and various items of equipment for those fire engines and incidental to those project costs to pay bond discount, interest, bond reserve requirements (if any) and legal, other financing and related administrative fees and costs (collectively, the “**Project**”), all in accordance with estimates of costs which have been provided to the Corporate Authorities.

(d) The estimated costs of the Project, including all costs described above, are not less than an amount equal to the sum of \$2,585,000 plus estimated investment earnings on the borrowing provided for in this Ordinance during the time prior to the expenditure of such sum. The Corporate Authorities have determined that there are not sufficient funds on hand and legally available to pay the costs of the Project and that the moneys necessary to pay the costs of the Project shall be raised from an issue of obligations of the City.

(e) Section 11-61-3 of the Municipal Code provides that the corporate authorities of a municipality having a population less than 1,000,000 inhabitants may purchase or lease either real estate or personal property for public purposes through contracts that provide for consideration for such purchase or lease to be paid through installments to be made at stated intervals during a certain period of time of not more than twenty (20) years, with interest on the unpaid balance to be within the limits set out in that Section.

(f) Section 17(b) of the Debt Reform Act provides that the governing body of a governmental unit may purchase or lease either real estate or personal property through agreements that provide that the consideration for such purchase or lease may be paid through installments to be made at stated intervals for a period of no more than twenty (20) years or another period of time authorized by law, whichever is greater. Under that subsection, the governing body may provide for the treasurer, comptroller, finance officer, or other officer of the governing body charged with financial administration to act as counter-party to any such lease or agreement (“**installment contract**”), as nominee lessor or seller. From time to time, as the governing body executes contracts (“**acquisition contracts**”) for the purpose of acquiring and constructing the services or real or personal property that is a part of the subject of the installment contract, including financial, legal, architectural or engineering services related to the installment contract, the governing body is to order each acquisition contract filed with the nominee officer, who is to identify the acquisition contract to the installment contract; that identification permits the payment of the acquisition contract from the proceeds of the installment contract or from the proceeds of any certificates issued as provided below.

(g) Section 17(b) of the Debt Reform Act also provides that a governmental unit may issue certificates evidencing the indebtedness incurred under the installment contract.

(h) Section 17(b) of the Debt Reform Act further provides that when the installment contract is executed by the officer of the governmental unit authorized by the governing body to bind the governmental unit by executing the installment contract, and is filed with and executed by the nominee lessor or seller, the governmental unit is authorized to issue the certificates. The certificates are valid whether or not an appropriation with respect to them is included in any annual or supplemental budget adopted by the governmental unit.

(i) It is necessary and in the best interests of the City to borrow the sum of \$2,585,000 in order to finance the costs of the Project. Accordingly, the City shall (i) enter into an installment purchase contract (the “**Installment Contract**”) with John Danielson, the City Treasurer (the “**City Treasurer**”), as nominee seller in the aggregate principal amount of \$2,585,000 for the purpose of paying a portion of the costs of acquiring, constructing, installing and equipping the Project, and (ii) issue, sell and deliver Debt Certificates, Series 2019, in the

original aggregate principal amount of \$2,585,000 (the “**Certificates**”) evidencing the indebtedness of the City incurred under the Installment Contract, in the form and having the terms provided in this Ordinance, under the authority of the Municipal Code and the Debt Reform Act.

(j) Section 8-5-1 of the Municipal Code provides generally that, except as otherwise provided in Division 5 of Article 8 of the Municipal Code, no non-home rule municipality having a population less than 500,000 may incur any indebtedness which, when added to all existing indebtedness of the municipality, exceeds in aggregate amount an amount equal to 8.625% of the assessed valuation of all taxable property located within the municipality, as ascertained by the most recent assessment for state and county purposes as equalized by the Department of Revenue. The City has a population of 23,996 as shown on the 2010 federal census. The City is not a home rule unit of local government.

(k) The aggregate assessed valuation of all taxable property in the City located in Winnebago County as assessed by Winnebago County and equalized by the Department of Revenue for the year 2017, being the most recent assessment now available, is \$318,141,819. The aggregate assessed valuation of all taxable property in the City located in Boone County as assessed by Boone County and equalized by the Department of Revenue for the year 2017, being the most recent assessment now available, is \$41,212,274. Accordingly, the aggregate assessed valuation of all taxable property in the City for the year 2017 as assessed and equalized is \$359,354,093.

(l) The City has issued and there are now outstanding (i) General Obligation Debt Certificates, Series 2008 (the “**Series 2008 Debt Certificates**”), now outstanding in the aggregate principal amount of \$395,105.85, (ii) General Obligation Debt Certificates, Series 2012 (the “**Series 2012 Debt Certificates**”), now outstanding in the aggregate principal amount of \$280,546.58, (iii) General Obligation Debt Certificates, Series 2015 (the “**Series 2015 Debt Certificates**”), now outstanding in the aggregate principal amount of \$7,355,000.00, and (iv) General Obligation Refunding Alternate Bonds (Motor Fuel Tax Alternate Revenue Source) Series 2017 (the “**Series 2017 Bonds**”), now outstanding in the aggregate principal amount of \$3,945,000.

(m) The Series 2017 Bonds are alternate bonds issued under Section 15 of the Debt Reform Act. None of the conditions set forth in Section 15 of the Debt Reform Act, the existence of which would require the outstanding principal amount of the Series 2017 Bonds to be included in the computation of indebtedness of the City, exists or has occurred. Accordingly, as provided in Section 15 of the Debt Reform Act, the Series 2017 Bonds need not be regarded as or included in any computation of indebtedness of the City for purposes of any statutory provision or limitation. The amount of all existing bonded indebtedness of the City is therefore \$0.00, the aggregate principal amount all outstanding general obligation debt certificates of the City is \$8,030,652.43, the aggregate principal amount all outstanding notes or capital leases is \$375,548.01, and there is no other outstanding non-bond indebtedness of the City, including contracts, leases, installment contracts, and judgments. The City has outstanding \$326,985.73 of special service area bonds which are not counted as indebtedness for purposes of the statutory limitation on indebtedness described in subsection (j).

(n) Blackhawk Bank, Beloit, Wisconsin (the “**Purchaser**”), has submitted an offer to purchase the Certificates, maturing, bearing interest and having the other terms set forth in this Ordinance, at a price equal to \$2,585,000 without accrued interest. The Corporate Authorities have reviewed the offer and its terms and find that it is in the best interests of the City to accept such offer and to sell the Certificates to the Purchaser.

(o) No member of the Corporate Authorities, no officer of the City, and no managerial or supervisory employee of the City is now or was at any time on or subsequent to June 1, 2019, either an officer, director, employee or otherwise interested, either directly or indirectly, in his own name or in the name of any other person, association, trust or corporation in (i) the Purchaser, or any parent or subsidiary corporation of the Purchaser or any partnership that controls or is controlled by the Purchaser, (ii) the loan evidenced by the Installment Contract and the Certificates, or (iii) the Project or the contract or contracts for the acquisition, construction and installation of the Project.

Section 2. Definitions; Rules of Interpretation.

(a) Certain capitalized terms used in this Ordinance are defined in the preambles and in the body of this Ordinance. The following capitalized terms shall have the following meanings when used in this Ordinance, unless the context or use indicates otherwise:

“**Acquisition Contract**” has the meaning provided in Section 16(a).

“**Authenticating Agent**” means the Certificate Registrar appointed in Section 9, acting in the capacity of Authenticating Agent under this Ordinance, or any successors to it appointed pursuant to Section 19.

“**Certificate Fund**” means the “Debt Certificates, Series 2019, Debt Service Fund” created in Section 17(a).

“**Certificate Holder**” means the registered owner or registered owners of the Certificates from time to time as shown on the Certificate Register.

“**Certificate of Authentication**” has the meaning provided in Section 8(b).

“**Certificate Register**” has the meaning provided in Section 11.

“**Certificate Registrar**” means the Certificate Registrar appointed in Section 9, or any successors to it appointed pursuant to Section 19.

“**Certificates**” has the meaning provided in Section 1(i).

“**City**” has the meaning provided in Section 1.

“**City Clerk**” means the City Clerk of the City.

“**City Treasurer**” has the meaning provided in Section 1(i).

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Corporate Authorities**” has the meaning provided in Section 1.

“**Counties**” means The County of Winnebago and The County of Boone, Illinois.

“**Debt Reform Act**” has the meaning provided in Section 1(a).

“**Fiscal Year**” means the twelve month period beginning on May 1 of any calendar year and ending on April 30 of the following calendar year.

“**Identification Action**” has the meaning provided in Section 16(b).

“**Installment Contract**” has the meaning provided in Section 1(i).

“**Municipal Code**” has the meaning provided in Section 1(a).

“**Ordinance**” means this Ordinance No. 2019-[_____] adopted by the Corporate Authorities on April 29, 2019, as from time to time amended with the advance written consent of the Certificate Holder in accordance with Section 18.

“**Paying Agent**” means the Certificate Registrar appointed in Section 9, acting in the capacity of Paying Agent under this Ordinance, or any successors to it appointed pursuant to Section 19.

“**Project**” has the meaning provided in Section 1(c).

“**Project Fund**” means the “Debt Certificates, Series 2019, Project Fund” established in Section 15(b).

“**Purchaser**” has the meaning provided in Section 1(n).

“**Record Date**” has the meaning provided in Section 10.

“**Tax-Exempt**” means, with respect to the Certificates or other obligations of the City, the status of interest paid and received thereon as not includible in the gross income of their owners 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 and in computing the “branch profits tax” imposed on certain foreign corporations.

(b) The words “hereof,” “herein,” “hereunder” and other words of similar import refer to this Ordinance as a whole.

(c) The headings of this Ordinance are for convenience of reference only and shall not define or limit the provisions of this Ordinance.

(d) Unless otherwise specified, references to Sections and other subdivisions of this Ordinance are to the designated Sections and other subdivisions of this Ordinance as amended from time to time.

(e) References to the masculine shall include the feminine and neuter genders and *vice versa* and references to the singular shall include the plural and *vice versa*, unless the context or use indicates otherwise.

Section 3. Authorization of the Borrowing, the Installment Contract and the Certificates.

(a) The sum of \$2,585,000 shall be borrowed by the City to finance the costs of the Project, including to pay costs of the City in connection with the Installment Contract and the costs of issuance of the Certificates authorized by this Ordinance.

(b) In order to effect the acquisition, construction, installation and equipping of the Project, the City shall enter into the Installment Contract with the City Treasurer, as nominee seller of the various components of the Project, with consideration to be paid through installments over an eleven (11) year term. The Mayor and the City Treasurer are authorized and directed to execute, and the City Clerk is authorized to attest and deliver on behalf of City the Installment Contract, which shall be in substantially the form attached to this Ordinance as *Exhibit A*. The Installment Contract as executed and delivered may contain such insubstantial changes from the form attached to this Ordinance as *Exhibit A* as shall be approved by the Mayor, and his signature shall constitute conclusive evidence of his approval and the approval of the Corporate Authorities of such changes. The City Treasurer is authorized and directed to execute the Installment Contract as nominee seller. Immediately after it has been fully executed by both parties, fully executed counterparts of the Installment Contract shall be filed with the City Clerk and the City Treasurer and such filing shall constitute full authority for the City to issue the Certificates.

(c) To evidence the indebtedness incurred under the Installment Contract, the City shall issue, sell and deliver the Certificates as provided in this Ordinance. The City may incur the indebtedness represented by the Installment Contract and evidenced by the Certificates without referendum as authorized by Section 11-61-3 of the Municipal Code and Section 17(b) of the Debt Reform Act.

Section 4. Sources of Payment of the Installment Contract; Nature of City's Obligations Under the Installment Contract; Covenant to Appropriate.

(a) The obligations of the City to make payments under the Installment Contract shall constitute a general obligation of the City payable from the general corporate funds of the City and any other funds legally available for the purpose.

(b) The City covenants to include such amounts in its budget and appropriations for each Fiscal Year as are necessary to make payments under the Installment Contract and the Certificates when due.

Section 5. Denominations, Numbers, Designation and Date of the Certificates. The Certificates shall be issued only in fully registered form without coupons in the denominations of \$100,000 and integral multiples of \$5,000 in excess of that amount. The Certificates shall be designated “Debt Certificates, Series 2019”. The Certificates shall be issued in the aggregate principal amount of \$2,585,000 and shall be numbered R-1 through R-11, inclusive. The Certificates shall be dated the date they are issued.

Section 6. Terms of the Certificates.

(a) The Certificates shall bear interest from their date until paid at the respective interest rates per year shown in the table in subsection (b) below. Interest on the Certificates shall be payable semi-annually on June 15 and December 15, with the first interest payment date being December 15, 2019. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

(b) The Certificates shall mature on December 15 of each of the years 2019 through 2029, inclusive, in the respective amounts shown in the table below:

Maturing (December 15)	Amount Maturing (\$)	Interest Rate (%)
2019	235,000	2.52
2020	205,000	2.53
2021	215,000	2.59
2022	220,000	2.61
2023	225,000	2.69
2024	230,000	2.81
2025	235,000	2.93
2026	245,000	3.05
2027	250,000	3.18
2028	260,000	3.31
2029	265,000	3.45

Section 7. Not Subject to Redemption. The Certificates are not subject to redemption prior to maturity.

Section 8. Execution and Authentication of the Certificates.

(a) The Certificates shall be executed by the manual or facsimile signature of the Mayor and the manual or facsimile signature of the City Clerk and shall have the corporate seal of the City affixed to or impressed on them (or a facsimile of that seal printed on them). The Mayor and the City Clerk (if they have not already done so) are authorized, if necessary, to file with the Illinois Secretary of State their manual signatures certified by them pursuant to the Uniform Facsimile Signatures of Public Officials Act, as amended, which shall authorize the use of their facsimile signatures to execute the Certificates should that be necessary. The Certificates so executed shall be as effective as if manually executed. In case any officer of the City whose signature or a facsimile of whose signature shall appear on the Certificates shall cease to be such

officer before authentication and delivery of the Certificates, that signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until authentication and delivery.

(b) The Certificates shall not be valid for any purpose unless and until a Certificate of Authentication on the Certificates substantially in the form set forth in the form of Certificate attached to this Ordinance as **Exhibit B** and incorporated in Section 13 of this Ordinance (“**Certificate of Authentication**”) shall have been duly executed by an authorized officer of the Authenticating Agent appointed below. That Certificate of Authentication upon the Certificates, when so executed, shall be conclusive evidence that the Certificates have been authenticated and delivered under this Ordinance.

Section 9. Appointment of Paying Agent, Authenticating Agent and Certificate Registrar. Blackhawk Bank, Beloit, Wisconsin, is appointed as Paying Agent, Certificate Registrar and Authenticating Agent under this Ordinance.

Section 10. Payment of Principal and Interest. Principal of and interest on the Certificates shall be payable in lawful money of the United States of America at the principal office of the Paying Agent. The principal of the Certificates shall be payable at maturity upon presentment of the matured Certificates at the principal office of the Paying Agent. Installments of interest due prior to final maturity shall be payable on each payment date by check or draft of the Paying Agent mailed to the person or persons in whose name the Certificates are registered on the books of the Certificate Registrar at the close of business on the fifteenth day prior to the date on which the installment is due (the “**Record Date**”). The City shall deposit with the Paying Agent, at least five (5) days prior to each date on which any payment of principal of or interest on the Certificates is due, an amount in immediately available funds equal to the payment due on such due date.

Section 11. Registration, Transfer and Exchange of the Certificates. The Certificates shall be negotiable, subject to the following provisions for registration and registration of transfer. The City shall maintain or cause to be maintained books for the registration of the Certificates at the principal office of the Certificate Registrar (“**Certificate Register**”). The Certificates shall be registered on those books. Transfer of the Certificates shall be registered on those books only upon surrender of the Certificates to the Certificate Registrar by the Certificate Holder or his or her attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Certificate Registrar duly executed by the Certificate Holder or his or her duly authorized attorney. Upon surrender of a Certificate for registration of transfer, the City shall execute and the Authenticating Agent shall authenticate and deliver, in the name of the transferee, a new Certificate of the same aggregate principal amount and other terms as the Certificate surrendered.

In all cases in which the privilege of transferring Certificates is exercised, the City shall execute, the Authenticating Agent shall authenticate, and the Certificate Registrar shall deliver, replacement Certificates in accordance with the provisions of this Ordinance. Any Certificate surrendered in any transfer shall be canceled immediately by the Certificate Registrar. The City is authorized to prepare or cause to be prepared, and if it does so, the Certificate Registrar

(or such other agent as the Corporate Authorities may from time to time designate) shall maintain custody of multiple blank Certificates executed on behalf of the City as provided in Section 8(a) for use in connection with the transfer and exchange of the Certificates.

For every registration of transfer of a Certificate, the City or the Certificate Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge, other than one imposed by the City, required to be paid with respect to that exchange or transfer, and payment of that charge by the person requesting exchange or registration of transfer shall be a condition precedent to that exchange or registration of transfer. No other charge may be made by the City or the Certificate Registrar as a condition precedent to exchange or registration of transfer of the Certificate.

The Certificate Registrar shall not be required to exchange or register the transfer of a Certificate during the period from the close of business on the fifteenth (15th) day preceding a payment date on the Certificate to the opening of business on such payment date.

Section 12. Persons Treated as Owners of the Certificates. The City, the Paying Agent and the Certificate Registrar may treat the applicable Certificate Holder as the absolute owner of its Certificates, whether or not those Certificates are overdue, for the purpose of receiving payment of the principal of or interest on the Certificates and for all other purposes, and neither the City, the Certificate Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of the principal of and interest on a Certificate shall be made only to the applicable Certificate Holder, and all such payments shall be valid and effective to satisfy the obligation of the City on the Certificate to the extent of the amount paid.

Section 13. Form of the Certificates. The Certificates shall be in substantially the form set forth in *Exhibit B* to this Ordinance, which Exhibit is incorporated by reference in this Section 13 and shall for all purposes be a part of this Ordinance.

Section 14. Sale of the Certificates; Ratification of Certain Actions; Authentication and Delivery of the Certificates.

(a) The offer of the Purchaser to purchase the Certificates at the price of \$2,585,000, without accrued interest, is accepted.

(b) All actions of the City and its officers, agents, financial advisors and employees relating to the offering, issuance and sale of the Certificates, including the solicitation of offers for the purchase of the Certificates, are ratified, confirmed and approved. The proper officers of the City are authorized to accept the Purchaser's offer to purchase the Certificates.

(c) The Certificates shall be executed as provided in this Ordinance and shall then be delivered to the City Treasurer. The City Treasurer is authorized and directed to deliver the Certificates to the Authenticating Agent and the Authenticating Agent is authorized and directed to authenticate the Certificates and deliver them to the Purchaser upon receipt by the City of the purchase price specified in this Section 14.

Section 15. Application of Certificate Proceeds. The proceeds derived from the sale of the Certificates shall be applied as follows:

(a) There is established a “Debt Certificates, Series 2019, Project Fund” (the “**Project Fund**”). The proceeds of sale of the Certificates shall be deposited by the City Treasurer into the Project Fund. Subject to Section 16, moneys in the Project Fund shall be withdrawn from time to time as needed for the payment of costs and expenses of issuing the Certificates and the costs of the Project and paying the fees and expenses incidental thereto, and such moneys are appropriated for that purpose.

Subject to the provisions of Section 16, moneys on deposit in the Project Fund shall be disbursed by the City from time to time upon submission to the City Treasurer of a copy of an order signed by an officer of the City stating specifically the purpose for which the order is issued and indicating that the payment for which the order is issued has been approved by the City Council.

Within sixty (60) days after depletion of the Project Fund or payment of all costs of the Project, as referred to in this Ordinance and as approved in this Ordinance by the Corporate Authorities, the City Treasurer shall certify to the Corporate Authorities the fact of such depletion or the City officer in responsible charge of the Project shall certify to the Corporate Authorities the fact that the Project has been acquired, constructed, installed and equipped, as applicable, and upon approval of such certification by the Corporate Authorities, funds (if any) remaining in the Project Fund shall be credited by the City Treasurer to the Certificate Fund and the Project Fund shall be closed.

Funds on deposit in the Project Fund may be invested by the City Treasurer in the same manner as provided in Section 17 of this Ordinance for moneys in the Certificate Fund. All investment earnings in the Project Fund shall be credited to the Project Fund.

(b) All amounts received upon the sale of the Certificates, together with all interest and other investment earnings on those amounts, are appropriated and set aside for the purposes for which the Installment Contract is being entered into and the Certificates are being issued as set forth in this Ordinance.

Section 16. Acquisition Contracts.

(a) Contracts for the acquisition and equipping of the Project, or any component part of the Project (“**Acquisition Contracts**”), shall be entered into in strict compliance with applicable Illinois law and the rules and procedures of the City pertaining to contracts for public works and related contracts for services.

(b) The Corporate Authorities shall adopt a resolution or ordinance (each an “**Identification Action**”) identifying all or any part of an Acquisition Contract to the Installment Contract as required by Section 17(b) of the Debt Reform Act. The City Clerk is authorized and directed to file a certified copy of this Ordinance, a certified copy of each Identification Action and a copy of the related Acquisition Contract or Acquisition Contracts with the City Treasurer in his or her capacity as nominee seller under the Installment Contract. The adoption of an

Identification Action and the filing of it and the related Acquisition Contract or Acquisition Contracts with the City Treasurer are conditions to the disbursement of moneys on deposit in the Project Fund to pay amounts due under the Acquisition Contract.

(c) This Ordinance shall constitute an Identification Action with respect to all expenses of authorizing the Installment Contract and expenses of issuance of the Certificates, and the City Treasurer is authorized and directed to (i) apply the proceeds of the sale of the Certificates directly to pay expenses of authorizing the Installment Contract and expenses of issuance of the Certificates at the time the Certificates are issued and to disburse moneys on deposit in the Cost of Issuance Fund, and (ii) pay expenses of authorizing the Installment Contract and expenses of issuance of the Certificates without further action by the Corporate Authorities or other officers of the City.

Section 17. Certificate Fund.

(a) There is created a special fund of the City, which fund shall be held separate and apart from all other funds and accounts of the City and shall be known as the “Debt Certificates, Series 2019, Debt Service Fund” (the “**Certificate Fund**”). The Certificate Fund shall be a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the City by this Ordinance. All of the moneys from time to time on deposit in the Certificate Fund are pledged to secure the payment of maturing principal of and interest on the Certificates when due. Such pledge is irrevocable until the obligations of the City are discharged under this Ordinance.

(b) Funds of the City that are lawfully available for this purpose shall be deposited into the Certificate Fund and used to pay the maturing principal of and interest on the Certificates when due. Investment earnings on moneys on deposit in the Certificate Fund shall be retained in the Certificate Fund and used to pay the maturing principal of and interest on the Certificates on the next interest payment date after their receipt.

(c) Moneys on deposit in the Certificate Fund may be invested from time to time pursuant to any authorization granted to municipalities by Illinois statute or court decision. Any such investments may be sold from time to time by the City as moneys are needed for the purposes for which the Certificate Fund has been created. In addition, the City Treasurer shall sell such investments when necessary to remedy any deficiency in the Certificate Fund.

Section 18. This Ordinance Constitutes a Contract. Upon the issuance of the Certificates, the provisions of this Ordinance shall constitute a contract between the City and the Certificate Holder, and no changes, additions or alterations of any kind shall be made to this Ordinance, except as expressly provided in this Ordinance. This Ordinance may be amended, changed or altered by action of the City Council only with the advance written consent of the Certificate Holder to such amendment, change or alteration.

Section 19. Certificate Registrar Covenants. If requested by the Certificate Registrar, the Mayor and the City Clerk are authorized to execute the Certificate Registrar’s standard form of agreement between the City and the Certificate Registrar with respect to the

obligations and duties of the Certificate Registrar, Paying Agent and Authenticating Agent under this Ordinance. Subject to modification by the express terms of any such agreement, such duties shall include the following:

- (a) to act as Certificate Registrar, Authenticating Agent, Paying Agent and/or transfer agent as provided in this Ordinance;
- (b) to maintain a list of Certificate Holders as set forth in this Ordinance and to furnish such list to the City upon request, but otherwise to keep such list confidential to the extent permitted by law;
- (c) to cancel and/or destroy Certificates that have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (d) to furnish the City at least annually a certificate with respect to any Certificates canceled and/or destroyed; and
- (e) to furnish the City with respect to the Certificates at least annually an audit confirmation of principal of the Certificates paid, principal of the Certificates remaining outstanding and payments made with respect to interest on the Certificates.

The City Clerk is directed to file a certified copy of this Ordinance with the Certificate Registrar.

The City covenants with respect to the Certificate Registrar, and the Certificate Registrar further covenants and agrees, as follows:

(1) The City shall at all times retain a Certificate Registrar with respect to the Certificates; it will maintain at the designated office(s) of such Certificate Registrar a place or places where the Certificates may be presented for payment, registration, transfer or exchange; and it will require that the Certificate Registrar properly maintain the Certificate Register and perform the other duties and obligations imposed upon it by this Ordinance in a manner consistent with the standards, customs and practices of the municipal securities industry.

(2) The Certificate Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance by executing the Certificate of Authentication on the Certificates, and by such execution the Certificate Registrar shall be deemed to have certified to the City that it has all requisite power to accept and has accepted such duties and obligations with respect to the Certificates so authenticated. Any Certificate Registrar shall be the agent of the City and shall not be liable in connection with the performance of its duties except for its own negligence, gross negligence or willful wrongdoing. Any Certificate Registrar shall, however, be responsible for any representation in its certificate of authentication on the Certificates.

(3) The City may remove the Certificate Registrar at any time. If, at any time, the Certificate Registrar shall resign, shall be removed, shall become incapable of

acting, or shall be adjudicated a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Certificate Registrar or of its property shall be appointed, or if any public officer shall take charge or control of the Certificate Registrar or of its property or affairs, the City covenants and agrees that it will thereupon appoint a successor Certificate Registrar. The City shall give notice by certified mail of any such appointment made by it to the Certificate Holder within twenty (20) days after such appointment. Any successor Certificate Registrar appointed under the provisions of this Section 19 shall be a bank, trust company, or national banking association maintaining a corporate trust office in the State of Illinois and having capital and surplus and undivided profits in excess of \$25,000,000.

Section 20. General Covenants. The City covenants with the Certificate Holder that, so long as any principal of the Certificates remains outstanding:

(a) it will punctually pay or cause to be paid from the Certificate Fund the principal of and interest to become due in respect to the Certificates in strict conformity with the terms of the Certificates and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Certificates and this Ordinance;

(b) it will pay and discharge, or cause to be paid and discharged, from the Certificate Fund any and all lawful claims that, if unpaid, might become a lien or charge upon the Certificate Fund or any funds in the hands of the Paying Agent, or that might impair the security of the Certificates, provided that nothing in this subsection contained shall require the City to make any such payment so long as the City in good faith contests the validity of such claims;

(c) it will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Project and to the Certificate Fund, and which shall be subject at all times during business hours to inspection and copying by the Certificate Holder or its representative duly authorized in writing;

(d) it will preserve and protect the security of the Certificates and the rights of the Certificate Holder, and will warrant and defend the rights of the Certificate Holder against all claims and demands of all persons, so that from and after the sale and delivery of the Certificates by the City, the Certificates shall be incontestable by the City;

(e) it 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 this Ordinance, and for the better assuring and confirming unto the Certificate Holders the rights and benefits provided in this Ordinance; and

(f) once the Certificates are issued, the Installment Contract shall be and forever remain until paid or defeased the general obligation of the City.

Section 21. Certificates Are Not Private Activity Bonds. The Certificates are not “private activity bonds” as defined in Section 141(a) of the Code. In support of such conclusion, the City certifies, represents and covenants as follows:

(a) Except for “incidental uses,” not more than five percent of the proceeds of the Certificates will be used, directly or indirectly, in any activity carried on by a Nongovernmental Person that is not functionally related to the City’s use of such proceeds as part of the Project, or that is disproportionate to (greater than) the use of such Proceeds by the City as part of the Project. The term “**Nongovernmental Person**” means a person other than a state or local government unit.

(b) None of the proceeds of the Certificates is to be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(c) The Project will be available for use by the general public. No user of the Project other than the City will use it on any basis other than the same basis as the general public; and no person other than the City will be a user of the Project as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service or incentive payment contract or output contract, or (iii) any other similar arrangement, whether written or oral, that confers special legal entitlements or special economic benefits.

Section 22. General Arbitrage Covenants. The City represents and certifies as follows with respect to the Certificates:

(a) The City has not been notified of any disqualification or proposed disqualification of it by the Commissioner of the Internal Revenue Service as a bond issuer that may certify bond issues under former Treasury Regulations Section 1.103-13(a)(2)(ii) (1979).

(b) Moneys on deposit in any fund or account in connection with the Certificates, whether or not such moneys were derived from the proceeds of the sale of the Certificates or from any other source, will not be used in a manner that will cause the Certificates to be “arbitrage bonds” within the meaning of Section 148 of the Code and any lawful regulations promulgated thereunder, as the same presently exist or may from time to time be amended, supplemented or revised.

(c) Proceeds of the Certificates will not be used, directly or indirectly, to reimburse the City for expenditures made prior to the date of issuance and delivery of the Certificates, except architectural or engineering or similar costs incurred prior to commencement of the Project, or expenditures for which an intent to reimburse has been properly declared under Treasury Regulations Section 1.150-2. This Ordinance is in itself a declaration of official intent under Treasury Regulations Section 1.150-2 as to all costs of the Project paid not more than sixty (60) days prior to or on or after the date of this Ordinance and prior to issuance of the Certificates.

Section 23. Arbitrage Rebate. The City recognizes that the provisions of Section 148 of the Code require a rebate of “excess arbitrage profits” to the United States of America in certain circumstances. The City covenants to make such rebate payments in accordance with the Code, if required. Investment earnings on the proceeds of sale of the Certificates in the Project Fund are appropriated to the purpose of paying such rebate to the extent necessary.

Section 24. Registered Form. The City recognizes that Section 149 of the Code requires the Certificates to be issued and to remain in fully registered form in order for the interest on them to be and remain exempt from federal income taxes. In this connection, the City agrees that it will not take any action to permit the Certificates to be issued in, or converted into, bearer or coupon form.

Section 25. Additional Tax Covenants. The City covenants with the Certificate Holder that it (i) will take all actions which are necessary to be taken (and avoid any actions which it is necessary to avoid being taken) so that interest on the Certificates will not be or become included in gross income for federal income tax purposes under existing law including, without limitation, the Code; (ii) will take all actions reasonably within its power to take which are necessary to be taken (and avoid taking any actions which are reasonably within its power to avoid taking and which it is necessary to avoid) so that interest on the Certificates will not be or become included in gross income for federal income tax purposes under the federal income tax laws as in effect from time to time; and (iii) will take no action in the investment of the proceeds of the Certificates, the Project Fund, the Certificate Fund, or any other fund of the City that would result in making interest on the Certificates subject to federal income taxes by causing the Certificates to be “arbitrage bonds” within the meaning of Section 148 of the Code. In furtherance of the foregoing provisions, but without limiting their generality, the City agrees:

- (a) through its officers, to make such further specific covenants, certifications and representations as shall be truthful, and assurances as may be necessary or advisable;
- (b) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by counsel approving the Certificates;
- (c) to consult with such counsel and to comply with such advice as may be given;
- (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 its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the City in such compliance.

Section 26. Opinion of Counsel Exception. The City reserves the right to use or invest proceeds of the Certificates or moneys on deposit in the funds and accounts created by this Ordinance in any manner, notwithstanding the covenants in this Ordinance, *provided*, it shall first have received an opinion from an attorney or a firm of attorneys of nationally recognized standing as municipal bond counsel to the effect that use or investment of such moneys as contemplated is lawful and will not result in loss of Tax-Exempt status of interest on the Certificates.

Section 27. Designation of the Certificates. The City represents that the reasonably anticipated amount of Tax-Exempt obligations (other than “private activity bonds”, as defined in Section 141 of the Code, that are not “qualified 501(c)(3) bonds” as defined in Section 145 of the Code) that will be issued by the City and all subordinate entities of the City during calendar year 2019 will not exceed \$10,000,000. The City intends that the Certificates qualify as “qualified tax-exempt obligations” under Section 265(b)(3)(B) of the Code and designates the Certificates for such purpose. The City and all subordinate entities of the City, if any, have not issued and designated any other obligations for such purposes during calendar year 2019. The Certificates are not “private activity bonds” as defined in Section 141(a) of the Code.

Section 28. Additional Authority. The Mayor, the City Clerk, the City Treasurer, and the other officers and employees of the City are authorized to execute and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this Ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intents and purposes of this Ordinance, including without limitation to make any representations and certifications they deem proper pertaining to the use of the proceeds of the Certificates and moneys in the Project Fund and the Certificate Fund in order to establish that the Certificates do not constitute “arbitrage bonds” as defined in Section 22(b) above.

Section 29. Conflicting Ordinances, Etc. All ordinances, resolutions and orders or parts of ordinances, resolutions and orders in conflict with this Ordinance are repealed to the extent of such conflict.

Section 30. Severability. If any Section, subsection, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such Section, subsection, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

Section 31. Effective Date. This Ordinance shall be in full force and effect immediately after its adoption as provided by law, including particularly Section 10 of the Debt Reform Act.

PASSED by the City Council of the City of Loves Park, Winnebago and Boone Counties, Illinois, on April 29, 2019.

Voting Aye (list names):

Voting Nay (list names):

Absent (list names):

APPROVED AND SIGNED by the Mayor on April 29, 2019.

Mayor
City of Loves Park,
Winnebago and Boone Counties, Illinois

[SEAL]

ATTEST:

City Clerk
City of Loves Park,
Winnebago and Boone Counties, Illinois

EXHIBIT A

[Attach Form of Installment Purchase Contract]

EXHIBIT B

[Form of Certificate]

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTIES OF WINNEBAGO AND BOONE

CITY OF LOVES PARK

DEBT CERTIFICATES,
SERIES 2019

CERTIFICATE NO. R-[] PRINCIPAL AMOUNT: \$[]].00
DATE OF CERTIFICATE: May [], 2019 INTEREST RATE: []%
REGISTERED OWNER: [] MATURITY DATE: December 15, 20[]

The City of Loves Park, Winnebago and Boone Counties, Illinois (the “City”), for value received, promises to pay to the Registered Owner specified above or that person’s registered assigns, the Principal Amount of this Certificate specified above in the manner described below and to pay to the Registered Owner of this Certificate interest on that sum semi-annually in the manner described below at the Interest Rate per year specified above from the Date of Certificate specified above to the date of payment of this Certificate. Interest on this Certificate shall be payable on each payment date by check or draft of Blackhawk Bank, Beloit, Wisconsin (the “**Paying Agent**”), mailed to the person in whose name this Certificate is registered at the close of business on the fifteenth day preceding the interest payment date. Payment of principal due on the Maturity Date of this Certificate shall be paid only upon presentation of this Certificate to the Paying Agent. The principal of and interest on this Certificate are payable in lawful money of the United States of America. No interest shall accrue on this Certificate after its Maturity Date unless this Certificate shall have been presented for payment at maturity and shall not then have been paid.

Interest on this Certificate shall be payable semi-annually on June 15 and December 15 beginning on December 15, 2019. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The issue of certificates (the “**Certificates**”) of which this Certificate is one is being issued in the aggregate principal amount of \$2,585,000 in order to pay a portion of the costs of acquiring, constructing, installing and equipping improvements needed for the prevention and extinguishment of fires including, without limitation, an addition to Fire Station # 2, two Pierce fire engines and various items of equipment for those fire engines and, incidental to those project

costs, to pay bond discount, interest, bond reserve requirements (if any) and legal, other financing and related administrative fees and costs (together, the “**Project**”), as described in the ordinance of the City adopted on April 29, 2019 (the “**Ordinance**”), authorizing the issuance of the Certificates. This Certificate was issued in accordance with the Illinois Constitution, the Local Government Debt Reform Act of the State of Illinois, 30 ILCS 350/1 *et seq.*, as amended (the “**Debt Reform Act**”) and the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq.*, as amended, and pursuant to the Ordinance. This Certificate has been issued by the City upon full payment for it as provided in the Ordinance. This Certificate evidences the obligations of the City to make payments under an Installment Purchase Contract, dated as of June __, 2019 (the “**Installment Contract**”), between the City and a nominee seller of the Project to the City as authorized by Section 17(b) of the Debt Reform Act. The obligation of the City to make payments under the Installment Contract constitutes a general obligation of the City payable from the general corporate funds of the City and any other funds legally available for the purpose. In the Ordinance, the City has covenanted to include such amounts in its budget and appropriations for each fiscal year as are necessary to make payments under the Installment Contract and this Certificate when due. *There is no statutory authority for (i) the levy of a separate ad valorem tax in addition to other ad valorem taxes of the City or (ii) the levy of a special ad valorem tax unlimited as to rate or amount to pay any amounts due under the Installment Contract and this Certificate.*

The issuance of this Certificate does not cause the indebtedness of the City to exceed any limitation under the laws of the State of Illinois.

This Certificate is not subject to redemption prior to maturity.

This Certificate is negotiable, subject to the following provisions for registration of transfer. The City maintains books for the registration of transfer of this Certificate at the principal office of Blackhawk Bank, Beloit, Wisconsin, the Certificate Registrar and Authenticating Agent appointed in the Ordinance (the “**Certificate Registrar**” and “**Authenticating Agent**”). This Certificate is registered on those books and transfer of this Certificate may be registered on those books only upon surrender of this Certificate to the Certificate Registrar by the registered owner or his or her attorney duly authorized in writing together with a written instrument of transfer satisfactory to the Certificate Registrar duly executed by the registered owner or his or her duly authorized attorney. Upon surrender of this Certificate for registration of transfer, a new Certificate in the same aggregate outstanding principal amount will be issued to the transferee as provided in the Ordinance.

For every registration of transfer of this Certificate, the City or the Certificate Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge, other than one imposed by the City, required to be paid with respect to that exchange or transfer, and payment of that charge by the person requesting exchange or registration of transfer shall be a condition precedent to that exchange or registration of transfer. No other charge may be made by the City or the Certificate Registrar as a condition precedent to exchange or registration of transfer of this Certificate.

The Certificate Registrar shall not be required to exchange or register the transfer of this Certificate during the period from the close of business on the fifteenth (15th) day preceding a payment date on this Certificate to the opening of business on such payment date.

The City, the Paying Agent and the Certificate Registrar may treat the registered owner of this Certificate as its absolute owner, whether or not this Certificate is overdue, for the purpose of receiving payment of the principal of or interest on this Certificate and for all other purposes, and neither the City, the Certificate Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of the principal of and interest on this Certificate shall be made only to its registered owner, and all such payments shall be valid and effective to satisfy the obligation of the City on this Certificate to the extent of the amount paid.

All conditions that by law must have existed or must have been fulfilled in the issuance of the Certificates existed and were fulfilled in compliance with law. The issuance of the Certificates by the City will not cause the City to exceed or violate any applicable limitation or condition respecting the issuance of debt obligations imposed by the laws of Illinois or by any ordinance or resolution of the City. The Certificates are issued for purposes for which the City is authorized by law to issue its debt obligations.

This Certificate shall not be valid for any purpose unless and until the certificate of authentication on this Certificate shall have been duly executed by the Authenticating Agent.

IN WITNESS WHEREOF, the City of Loves Park, Winnebago and Boone Counties, Illinois, by its City Council, has caused this Certificate to be executed by the manual or facsimile signature of its Mayor and the manual or facsimile signature of its City Clerk and has caused its corporate seal to be affixed to or impressed on this Certificate (or a facsimile of its seal to be printed on this Certificate), all as of the Date of Certificate specified above.

**CITY OF LOVES PARK,
WINNEBAGO AND BOONE COUNTIES, ILLINOIS**

By: _____
Mayor

[SEAL]

ATTEST:

City Clerk

[FORM OF CERTIFICATE OF AUTHENTICATION]

This Certificate is one of the debt certificates described in the Ordinance authorizing the issuance of the \$2,585,000 Debt Certificates, Series 2019, of the City of Loves Park, Winnebago and Boone Counties, Illinois.

BLACKHAWK BANK,
as Authenticating Agent

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on this Certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust)
(Minor)

under Uniform Gifts to Minors Act _____
(State)

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as
tenants in common

Additional abbreviations may also be used though not in the above list.

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

(Name and Address of Assignee)

the within Certificate and does irrevocably constitute and appoint _____ attorney to transfer the said Certificate 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 Certificate in every particular, without alteration or enlargement or any change whatever.

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in approved Signature Guarantee Medallion Program).

STATE OF ILLINOIS)
) SS
COUNTY OF WINNEBAGO)

CERTIFICATION OF ORDINANCE

I, the undersigned, certify that I am the duly qualified and acting City Clerk of the City of Loves Park, Winnebago and Boone Counties, Illinois (the “City”), and that as such official I am the keeper of the records and files of the City and of the City Council (the “Corporate Authorities”).

I further certify that the foregoing is a full, true and complete copy of Ordinance No. 2019-[_____] of the City (the “Ordinance”) entitled:

ORDINANCE OF THE CITY OF LOVES PARK, WINNEBAGO AND BOONE COUNTIES, ILLINOIS, AUTHORIZING AND PROVIDING FOR (A) THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE CONTRACT FOR THE PURPOSE OF PAYING ALL OR A PORTION OF THE COSTS OF ACQUIRING, CONSTRUCTING, INSTALLING AND EQUIPPING IMPROVEMENTS NEEDED FOR THE PREVENTION AND EXTINGUISHMENT OF FIRES INCLUDING, WITHOUT LIMITATION, AN ADDITION TO FIRE STATION # 2, TWO PIERCE FIRE ENGINES AND VARIOUS ITEMS OF EQUIPMENT FOR THOSE FIRE ENGINES AND, INCIDENTAL TO THOSE PROJECT COSTS, TO PAY BOND DISCOUNT, INTEREST, BOND RESERVE REQUIREMENTS (IF ANY) AND LEGAL, OTHER FINANCING AND RELATED ADMINISTRATIVE FEES AND COSTS, AND (B) THE ISSUANCE, SALE AND DELIVERY OF \$2,585,000 DEBT CERTIFICATES, SERIES 2019, OF THE CITY EVIDENCING THE RIGHTS TO PAYMENT UNDER THE INSTALLMENT PURCHASE CONTRACT, APPROVING THE FORM AND TERMS OF THE INSTALLMENT PURCHASE CONTRACT, PRESCRIBING THE FORM AND TERMS OF THE DEBT CERTIFICATES, PROVIDING FOR THE SECURITY FOR AND SOURCES OF PAYMENT OF THE INSTALLMENT CONTRACT AND THE DEBT CERTIFICATES, AND CONCERNING RELATED MATTERS.

which was duly adopted by the Corporate Authorities at the regular meeting of the Corporate Authorities held on April 29, 2019 at which a quorum was present and acting throughout. The Ordinance has not been amended or repealed and remains in full force and effect.

I further certify that (a) the deliberations of the Corporate Authorities on the adoption of the Ordinance were conducted openly, (b) the vote on the adoption of the Ordinance was taken openly, (c) the meeting was held at a specified time and place convenient to the public, (d) notice of the meeting was duly given to all of the news media requesting such notice, (e) the meeting was called and held in strict compliance with the provisions of the Illinois Open Meetings Act, as amended (the “Act”), the Illinois Municipal Code, as amended (the “Illinois Municipal Code”) and the Municipal Code of Machesney Park (the “Municipal Code”), (f) the agenda of the meeting was posted in a public place at the City Hall and at the place of the meeting at least forty-eight (48) hours prior to the convening of the meeting, and (g) in the adoption of the

Ordinance the Corporate Authorities have complied with all of the provisions of the Act, the Illinois Municipal Code and the Municipal Code and with all of the procedural rules of the Corporate Authorities.

IN WITNESS WHEREOF, I hereunto affix my official signature and the official seal of said City as of this ____ day of May, 2019.

City Clerk,
City of Loves Park,
Winnebago and Boone Counties, Illinois

[SEAL]

INSTALLMENT PURCHASE CONTRACT

This INSTALLMENT PURCHASE CONTRACT (the “**Contract**”), made as of May [], 2019, between the CITY OF LOVES PARK, WINNEBAGO AND BOONE COUNTIES, ILLINOIS, a municipality of the State of Illinois (the “**City**”), as purchaser, and JOHN DANIELSON, the City Treasurer of the City, as nominee seller (the “**Seller**”),

WITNESSETH:

WHEREAS, the City is a municipality duly created, organized and validly existing under the 1970 Illinois Constitution and the laws of the State of Illinois, including particularly the Illinois Municipal Code, 65 ILCS 5/1-1-1, *et seq.*, as amended (the “**Municipal Code**”), and is a “governmental unit” within the meaning of the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.*, as amended (the “**Debt Reform Act**”); and

WHEREAS, Section 11-6-1 of the Municipal Code (65 ILCS 5/11-6-1) provides that the corporate authorities of each municipality may provide and operate fire stations and all material and equipment that is needed for the prevention and extinguishment of fires; and

WHEREAS, the City Council (the “**Corporate Authorities**”) of the City has determined that it is necessary and in the public interest, and a proper public purpose, for the City to acquire, construct, install and equip improvements needed for the prevention and extinguishment of fires including, without limitation, an addition to Fire Station # 2, two Pierce fire engines and various items of equipment for those fire engines and incidental to those project costs to pay bond discount, interest, bond reserve requirements (if any) and legal, other financing and related administrative fees and costs (collectively, the “**Project**”); and

WHEREAS, the estimated costs of the Project, including all costs described above, are not less than an amount equal to \$2,585,000 plus estimated investment earnings on the borrowing provided for in the Certificate Ordinance (defined below) during the time prior to the expenditure of such sum; and

WHEREAS, the City does not have sufficient funds on hand or available from other sources with which to pay the costs of the Project; and

WHEREAS, Section 11-61-3 of the Municipal Code provides that the corporate authorities of a municipality having a population less than 1,000,000 inhabitants may purchase or lease either real estate or personal property for public purposes through contracts providing for consideration for such purchase or lease to be paid through installments to be made at stated intervals during a certain period of time of not more than twenty (20) years, with interest on the unpaid balance to be within the limits set out in that section; and

WHEREAS, Section 17(b) of the Debt Reform Act provides that the governing body of a governmental unit may purchase or lease either real estate or personal property through

agreements that provide that the consideration for such purchase or lease may be paid through installments to be made at stated intervals for a period of no more than twenty (20) years or another period of time authorized by law, whichever is greater. Under Section 17(b), the governing body may provide for the treasurer, comptroller, finance officer, or other officer of the governing body charged with financial administration to act as counter-party to any such lease or agreement (“**installment contract**”), as nominee lessor or seller. From time to time, as the governing body executes contracts (“**acquisition contracts**”) for the purpose of acquiring and constructing the services or real or personal property that is a part of the subject of the installment contract, including financial, legal, architectural or engineering services related to the installment contract, the governing body is to order each acquisition contract filed with the nominee officer, who is to identify the acquisition contract to the installment contract; that identification permits the payment of the acquisition contract from the proceeds of the installment contract or from the proceeds of any certificates issued as provided below; and

WHEREAS, Section 17(b) of the Debt Reform Act also provides that a governmental unit may issue certificates evidencing the indebtedness incurred under the installment contract and that such indebtedness, when aggregated with the existing indebtedness of the City, may not exceed the debt limits provided by applicable law; and

WHEREAS, Section 17(b) of the Debt Reform Act further provides that when the installment contract is executed by the officer of the governmental unit authorized by the governing body to bind the governmental unit by executing the installment contract, and is filed with and executed by the nominee lessor or seller, the governmental unit is authorized to issue the certificates, and the certificates are valid whether or not an appropriation with respect to them is included in any annual or supplemental budget adopted by the governmental unit; and

WHEREAS, the Corporate Authorities have determined to utilize the authority conferred by the sections of the Municipal Code and the Debt Reform Act summarized above and to (i) enter into this Contract with the City Treasurer as nominee seller in the aggregate principal amount of \$2,585,000 for the purpose of paying a portion of the costs of acquiring, constructing, installing and equipping the Project, and (ii) issue, sell and deliver certificates in the aggregate principal amount of \$2,585,000 (the “**Certificates**”) evidencing the indebtedness of the City incurred under this Contract, pursuant to an ordinance duly adopted by the Corporate Authorities on April 29, 2019 (the “**Certificate Ordinance**”); and

WHEREAS, in connection with acquiring, constructing, installing and equipping the Project, it is the intention of the City and the Seller that (a) the Seller assign all of its rights under this Contract (the “**Assignment**”) to the purchasers and holders from time to time of the Certificates in order to secure and provide for the timely payment of debt service on the Certificates, (b) the unpaid principal balance outstanding under this Contract shall be repaid at the same times and in the same amounts as the outstanding principal amount of the Certificates, shall bear interest at the same rate or rates as the Certificates payable on the same dates as the Certificates, and shall in all other respects have the same payment terms as the Certificates, and (c) the City will make all payments due under this Contract to the Paying Agent for the Certificates under the Certificate Ordinance; and

WHEREAS, the unpaid principal balance under this Contract will bear interest at the rates per year provided for in *Exhibit A*, which rates are less than the limit provided in Section 11-61-3 of the Municipal Code;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Contract, the purchase of the Certificates by their initial purchaser, and other valuable consideration, the receipt of which is acknowledged, and intending to be legally bound, the City and the Seller agree as follows:

1. Acquisition and Sale. The Seller agrees, solely in his capacity as nominee seller under Section 17(b) of the Debt Reform Act, to acquire the Project on behalf of the City and to sell it to the City. The City agrees to purchase the Project from the Seller. The purchase price shall be equal to the sum of (i) \$2,585,000 and (ii) investment earnings on the borrowing provided for in the Certificate Ordinance during the time prior to the expenditure of the proceeds of sale of the Certificates.

2. Payment Terms. The unpaid principal balance outstanding under this Contract shall bear interest at the interest rates per year provided in *Exhibit A*, shall be payable to the Paying Agent appointed for the Certificates in the Certificate Ordinance in the same medium of payment as the Certificates, and shall in all other respects have the same payment terms as the Certificates. The principal balance outstanding under this Contract shall be payable on December 15 of each of the years 2019 through 2029, inclusive, in the respective amounts provided in *Exhibit A*. Interest on the unpaid principal balance outstanding under this Contract shall be payable on June 15 and December 15 of each year with the first interest payment date being December 15, 2019. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

3. Prepayment Not Permitted. The unpaid principal balance outstanding under this Contract may not be prepaid prior to the maturity of the Certificates.

4. Nature of Obligations; Appropriation. The obligation of the City to make payments of amounts due under this Contract shall constitute a general obligation of the City payable from the general corporate funds of the City and any other funds legally available for the purpose. The obligation of the City to make payments of amounts due under this Contract at the times and in the amounts specified in Section 2 shall be limited to those amounts duly budgeted for and appropriated in the continuation ordinances, budget ordinances and appropriation ordinances of the City. In the Certificate Ordinance, the City covenanted to include such amounts in its budget and appropriations for each fiscal year as are necessary to make payments under this Contract and the Certificate Ordinance when due.

5. Assignment. All rights of the Seller under this Contract are assigned to the Certificate Holder (as defined in the Certificate Ordinance) (the “**Assignment**”). The Assignment is made in consideration of the purchase of the Certificates by their initial purchaser. Both the Seller and the City acknowledge and agree to the Assignment.

The rights and obligations of the City under this Contract may not be further assigned.

The Assignment by the Seller to the Certificate Holder of the Seller's rights under this Contract is without recourse to the Seller. The Assignment is only for the purpose of financing the purchase by the City of the Project, and the City shall look only to the vendors and contractors that are parties to the acquisition contracts for the acquisition, construction, installation and equipping of the Project (the "**Acquisition Contracts**") which have been or will be let by the City, and not to the Seller or the Certificate Holder in any matters relating to the Project, warranty matters and other non-payment aspects of the purchase of the Project. The Certificate Holder shall not, under the Assignment or otherwise, be liable to the City under, or have any interest in, matters relating to the acquisition, construction, installation and equipping of the Project or the warranty provisions or other non-payment provisions of the Acquisition Contracts.

6. Identification of Acquisition Contracts to this Contract. From time to time, as the Corporate Authorities execute Acquisition Contracts for the purpose of acquiring portions of the Project, including contracts for financial, legal, architectural or engineering services related to the Project, the Corporate Authorities shall order each Acquisition Contract to be filed with the Seller, who shall identify the Acquisition Contract to this Contract. That identification shall permit the payment of the Acquisition Contract from the proceeds of the Certificates.

7. Title to Project. Title to each component part of the Project shall vest in the City immediately upon the delivery of such component part, without at any time vesting in the Seller or the Certificate Holder.

8. Obligations of City Are Unconditional. The obligations of the City to make the payments required by this Contract at the times and in the amounts provided in this Contract and in the Certificate Ordinance are unconditional, notwithstanding the occurrence of any of the following: (i) all or any part of the Project is damaged or destroyed, in whole or in part, by fire or other casualty; (ii) all or any part of the Project is not acquired, constructed, installed and equipped as contemplated by this Contract and the Certificate Ordinance; (iii) title to, or temporary or permanent use of, all or any part of the Project is taken under the exercise of the power of eminent domain by any governmental unit or by any person, firm, corporation or other entity acting under governmental authority; (iv) title to all or any part of the Project is lost due to a defect in title; or (v) all or any part of the Project proves to be defective or unusable for its intended purpose.

9. Representations and Warranties of the City. The City represents, warrants, certifies and recites that:

- (a) The City is a municipality of the State of Illinois, duly created, organized, and validly existing under the 1970 Illinois Constitution and the laws of the State of Illinois. The City is a "governmental unit" within the meaning of the Debt Reform Act.
- (b) The incumbent members of the Corporate Authorities and officers of the City are duly elected or appointed, qualified and acting and are now in lawful incumbency of their respective offices.

- (c) The City has full power and authority under Illinois law to acquire the Project, to adopt the Certificate Ordinance, to enter into this Contract, and to authorize and consent to the Assignment.
- (d) The Certificate Ordinance has been duly adopted by the Corporate Authorities, has not been amended or repealed, and is in full force and effect.
- (e) This Contract has been duly authorized, executed and delivered by the City and constitutes a valid and binding general obligation of the City, enforceable in accordance with its terms.
- (f) The obligations of the City to make payments under this Contract constitute a general obligation of the City payable from the general corporate funds of the City and any other funds legally available for the purpose. The City covenants to include such amounts in its budget and appropriations for each fiscal year as are necessary to make payments under this Contract and the Certificates when due. *The City and the Seller recognize that there is no statutory authority for (i) the levy of a separate ad valorem tax in addition to other ad valorem taxes of the City or (ii) the levy of a special ad valorem tax unlimited as to rate or amount to pay any amounts due under this Contract.*
- (g) The City has complied or will comply, as applicable, with all applicable procedural requirements of Illinois law and its own ordinances, resolutions and procedural rules in acquiring, constructing, installing and equipping the Project, letting the Acquisition Contracts and authorizing, executing and delivering this Contract including, without limitation, all laws and other authorities relating to procurement and the giving of notice for and the holding of open meetings.
- (h) There is no controversy, litigation or proceeding pending or, to the knowledge of the officers of the City, threatened: (i) questioning, affecting or relating to the corporate existence, powers or boundaries of the City or the title of any of its present or past officers or members of the Corporate Authorities to their respective positions; (ii) seeking to restrain or enjoin the acquisition of the Project or the authorization, execution or delivery of this Contract; or (iii) in any way contesting or affecting (a) the proceedings under which the Project is being acquired and this Contract is being executed and delivered, including the Certificate Ordinance; (b) the power or authority of the City or the Corporate Authorities to acquire, construct, install and equip the Project, to authorize, execute and deliver this Contract, or to adopt or perform its obligations under the Certificate Ordinance; or (c) the validity of any provisions of this Contract or any of the transactions contemplated by this Contract.

- (i) The acquisition of the Project, entering into this Contract and the transactions contemplated by this Contract will not result in any material breach or material violation of any contract or agreement to which the City is a party, or any breach or violation of any court or administrative order binding upon the City.
- (j) No consents or approvals of any governmental body not already obtained are necessary in connection with the acquisition, construction, installation and equipping by the City of the Project, the adoption by the Corporate Authorities of the Certificate Ordinance, or the authorization, execution and delivery of this Contract.
- (k) No member of the Corporate Authorities and no officer or managerial or supervisory employee of the City is now, or was at any time on or after June 1, 2018, either an officer, director, employee, a stockholder of, or otherwise holder of an ownership or controlling interest in Blackhawk Bank, the purchaser of the Certificates, or any of the Acquisition Contracts presently identified.
- (l) Except for the Assignment, the City has not pledged or otherwise hypothecated its interests in this Contract.

10. Survival of Representations and Warranties. All representations and warranties of the City shall survive the consummation of the transactions contemplated in this Contract and shall inure to the benefit of the Certificate Holder.

11. Notices. All notices or other communications under this Contract shall be sufficiently given when (a) delivered personally or (b) mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the City: City of Loves Park
 Loves Park City Hall
 100 Heart Boulevard
 Loves Park, Illinois 61111
 ATTN: City Clerk

If to the Seller: City Treasurer
 Loves Park City Hall
 100 Heart Boulevard
 Loves Park, Illinois 61111

The City and the Seller may, by written notice given as provided in this Section, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Notices delivered personally shall be deemed given when delivered. Notices given by mail shall be deemed given three (3) business days after mailing.

12. Term of this Contract. This Contract shall remain in full force and effect from its date to and including such time as all payments due under this Contract shall have been fully paid.

13. Severability. If any provision of this Contract shall be held or deemed to be, or in fact shall be, illegal, inoperative, invalid, or unenforceable, the same shall not invalidate or render unenforceable any other provision of this Contract.

14. Amendments. This Contract may not be amended, changed, modified, altered or terminated prior to the expiration of its term.

15. Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

16. Applicable Law. This Contract shall be governed by and construed in accordance with the internal laws of the State of Illinois (without regard to conflict of laws principals of Illinois law).

[Signature Page Follows]

IN WITNESS WHEREOF, the City and the Seller have caused this Contract to be executed as of the date first written above.

**CITY OF LOVES PARK
WINNEBAGO AND BOONE COUNTIES,
ILLINOIS**

[SEAL]

By: _____
Mayor

Attest: _____
City Clerk

CITY TREASURER, not individually but as
nominee Seller as provided herein

City Treasurer

Maturity Schedule

Maturing (December 15)	Amount Maturing (\$)	Interest Rate (%)
2019	235,000	2.52
2020	205,000	2.53
2021	215,000	2.59
2022	220,000	2.61
2023	225,000	2.69
2024	230,000	2.81
2025	235,000	2.93
2026	245,000	3.05
2027	250,000	3.18
2028	260,000	3.31
2029	265,000	3.45

STATE OF ILLINOIS)
) SS
COUNTY OF WINNEBAGO)

CERTIFICATE OF FILING

We certify that we are the duly qualified and acting City Clerk and City Treasurer of the City of Loves Park, Winnebago and Boone Counties, Illinois (the “**City**”). As such officers, we further certify that on May __, 2019, fully executed copies of the Installment Purchase Contract, dated as of May __, 2019 (the “**Installment Contract**”), between the City and the City Treasurer, as nominee seller, were filed in our respective offices as provided in Section 3 of Ordinance No. 2019-[____] adopted by the City Council of the City on April 29, 2019.

IN WITNESS WHEREOF, we have affixed our official signatures and the seal of the City, this [__] day of May, 2019.

City Clerk

City Treasurer

[SEAL]