

**THE CITY OF LAKE FOREST
CITY COUNCIL AGENDA**
Monday, May 1, 2017 at 6:30 pm
City Hall Council Chambers

FIRST SESSION

Honorable Mayor, Donald Schoenheider

Catherine Waldeck, Alderman First Ward	Stanford Tack, Alderman Third Ward
Prudence R. Beidler, Alderman First Ward	Jack Reisenberg, Alderman Third Ward
George Pandaleon, Alderman Second Ward	Michelle Moreno, Alderman Fourth Ward
Timothy Newman, Alderman Second Ward	Raymond Buschmann, Alderman Fourth Ward

LAKE FOREST POLICE COLOR GUARD

CALL TO ORDER AND ROLL CALL

6:30

PLEDGE OF ALLEGIANCE

REPORTS OF CITY OFFICERS

1. COMMENTS BY MAYOR

**A. American Public Works Association Award Presentation for Forest Park
-Dan Strahan, Lake County Branch APWA, Chicago Metro Chapter**

B. Resolution of Sympathy for Jane O'Neil

A copy of the Resolution can be found on **page 9**

COUNCIL ACTION: Approval of the Resolution

**C. Consideration of Acceptance of the Report and Recommendations Prepared by
Teska Associates, Inc. on the City's Plan Review, Permitting and Inspection
Processes and Acceptance of the Related Implementation Plan (Approve by
Motion)**

PRESENTED BY: Mayor Schoenheider

STAFF CONTACT: Catherine J. Czerniak, Director of Community Development

On April 17, 2017, the City Council heard a presentation from Lee Brown, of Teska Associates, Inc., on the assessment that was conducted over the last several months of the City's plan review, permitting and inspection processes. Mr. Brown responded to questions from the City Council and as a follow up to the meeting, Teska Associates, Inc. finalized the report. The final report is included in the Council packet beginning on **page 10.**

Based on the recommendations in the report, Community Development staff prepared an Implementation Plan identifying near term and longer term actions that will be taken to implement the recommendations, support continuous process improvements and enhance communication with its customers. The Implementation Plan is also included in the Council packet beginning on **page 23**. City staff will provide periodic reports to the Council on the process improvement process.

COUNCIL ACTION: Approve a motion accepting the Report and Recommendations prepared by Teska Associates, Inc. on the City's Plan Review, Permitting and Inspection Processes and accepting the Implementation Report.

2. COMMENTS BY CITY MANAGER

3. COMMENTS BY COUNCIL MEMBERS

FINANCE COMMITTEE

A. Approval of the Comprehensive Fiscal Plan for FY2018

PRESENTED BY: George Pandaleon, Finance Committee Chairman

PURPOSE AND ACTION REQUESTED: Staff requests approval of the Comprehensive Fiscal Plan for Fiscal Year 2018 (May 1, 2017 to April 30, 2018).

PROJECT REVIEW/RECOMMENDATIONS:

Reviewed	Date	Comments
City Council Finance Committee	10/17/16	Fiscal Policy
City Council Finance Committee	11/14/16	Capital Budget/Revenues
City Council	12/5/16	Adoption of Tax Levy, Fees
City Council Finance Committee	1/17/17	Capital Budget Follow-up
City Council Finance Committee	3/13/17	Operating Budget

BACKGROUND/DISCUSSION: The Finance Committee has reviewed various components of the Comprehensive Fiscal Plan for FY2018 at several public meetings over the past six months. The proposed Comprehensive Fiscal Plan is presented for final approval this evening. The document has been provided to the City Council under separate cover and will be made available on the City's web site upon approval.

The following changes have been made to the budget figures since the March 13 Finance Committee meeting:

- Compensation adjustments are now reflected within the operating department budgets with the exception of Police, pending contract approval
- The income tax revenue estimate for FY18 has been lowered to reflect ongoing shortfalls in the distributions from the State of Illinois

BUDGET/FISCAL IMPACT: The proposed expenditures for FY2018 total \$93,503,465. The proposed plan is balanced with all operating expenditures covered from current revenues and capital expenditures funded from current revenues and reserves in excess of the City Council's Fiscal Policy.

COUNCIL ACTION: Approval of the Comprehensive Fiscal Plan for Fiscal Year 2018

B. Annual Vendor Approval

PRESENTED BY: Elizabeth Holleb, Finance Director (847-810-3612)

PURPOSE AND ACTION REQUESTED: Staff requests approval of the vendors listed on page xx for FY2018.

BACKGROUND/DISCUSSION: On September 19, 2011, the City Council approved Code amendments revising the method for approving vendors. Consistent with the revised policy, payments for services provided on an unspecified ongoing basis exceeding \$20,000 annually in aggregate are to be approved by the City Council as part of the budget process. The attached list provides the vendors approved for FY2012-FY2017 as well as the recommendations submitted for City Council approval for FY2018.

The City Council will continue to approve any single purchase over \$20,000 as established by the purchasing code.

BUDGET/FISCAL IMPACT: Approval of the attached vendor list does not have an immediate fiscal impact. The amounts designated for each vendor for FY2018 have been included in the annual budget.

COUNCIL ACTION: Approval of the attached list of vendors (page 26) for Fiscal Year 2018.

C. Approval of the FY18 Personnel Policies and Practices and Pay Plan

PRESENTED BY: DeSha Kalmar, Director of Human Resources (847-810-3530)

PURPOSE AND ACTION REQUESTED: Staff requests approving the FY18 Personnel Policies and Practices and Pay Plan

BACKGROUND/DISCUSSION: Each year the City's Personnel Policies and Practices are reviewed and updated, then adopted by the City Council as part of the budget process. Noted below is a list of key changes made to the Personnel Policies dated May 1, 2017. This year's changes were very minor and any substantive changes are noted below.

Personnel	Pages
Personnel Policies and Practices 2017 (All changes noted in <i>Bold Italics</i>)	44
<ul style="list-style-type: none"> • In multiple sections added clarifying language referencing “qualifying positions” for pension purposes 	7, 12, 30
<ul style="list-style-type: none"> • 2.3.14 Longevity Pay – Increased the amount paid for 15-19 years of service from \$45 to \$50 per year (last increased 5/1/14) 	10
<ul style="list-style-type: none"> • 5.2.0 Sick Leave with Pay – Added step parents and grandchildren to the list of immediate family members, per P.A. 99-0841, Employee Sick Leave Act 	19
<ul style="list-style-type: none"> • 8.6.0 Flexible Spending – FLEX – updated language referencing the City’s Think Healthy Wellness program 	34

The FY2018 Pay Plan has been adjusted to include range adjustments of 1.0% for Steps 1-6 and 2.5% for Step 7 per City Council discussion at the March budget meeting. Some positions received a slightly larger adjustment as approved by the City Council at the budget meeting in order to maintain competitiveness.

The policies are included in your Council packet on **page 27** and the Pay Plan is in your budget packet.

COUNCIL ACTION: Approval of the FY18 Personnel Policies and Practices and FY18 Pay Plan.

PROPERTY AND PUBLIC LANDS

A. Consideration of Recommendations from the Property and Public Lands Committee and Building Review Board in Support of Various Actions Related to the McKinley Road Redevelopment Project. (Approval of a Resolution and Ordinance)

*PRESENTED BY: Alderman Reisenberg, Chairman, Property and Public Lands Committee
Staff Contact: Catherine Czerniak,
Director of Community Development (810-3504)*

PURPOSE AND ACTION REQUESTED: As a follow up to previous City Council actions in support of the McKinley Road Redevelopment Project, the Council is asked to consider the following next steps: 1) approval of a Resolution directing actions related to a Purchase, Sale and Development Agreement as recommended by the Property and Public Lands Committee and 2) approval of an Ordinance as recommended by the Building Review Board approving the architectural and site design.

BACKGROUND/DISCUSSION: The redevelopment area is located on the east side of McKinley Road, across from the train station. In January, 2017, the Council approved an overall Master Plan for the redevelopment area, a plat of consolidation, an easement for a new east/west private road and a Term Sheet in support of a land swap between the City and the developer.

Since that time, preliminary work on the site has gotten underway consistent with the approvals granted to date. The two northernmost office buildings, 721 and 725 McKinley Road, were demolished and excavation and foundation work for the first building is in progress. As development of a detailed redevelopment plan for the entire site has progressed, the concept of incorporating the northern portion of the City owned 361 E. Westminster parcel into the development area as originally envisioned was proposed by the developer. The Property and Public Lands Committee reviewed the proposal and the offer from the developer and determined that the offer comported with the City's policies and standards for disposing of surplus property and that the incorporation of the parcel into the overall development supports the goal of achieving comprehensive redevelopment of the area. The Property and Public Lands Committee unanimously recommended approval of the sale and incorporation of the additional parcel into the redevelopment plan.

Importantly, years of study of this area have concluded consistently that a transition from office use to multi-family residential use is appropriate in this area. The Comprehensive Plan supports multi-family residential use in this area, the Cultural Corridor Task Force re-affirmed support for multi-family residential, and most recently, during the community strategic planning session, the need for more diverse housing options near the Central Business District and train station was endorsed. The proposed redevelopment achieves the vision established for this area.

As noted above, a recommendation from the Building Review Board in support of the architectural design of the building and site is also presented for Council consideration. The Building Review Board considered the architectural design, exterior materials and landscape plan over the course of three meetings. Four members of the public spoke requesting information about the overall redevelopment plan and some refinement in the architectural details of the building. The Board appointed a subcommittee to review the plans when they are submitted for permit to assure that the details of the project are consistent with the public representations and discussions.

The Resolution and Ordinance are included in the Council packet beginning on **page 71**.

COUNCIL ACTION: By motion, approve a Resolution directing the execution of the Purchase, Sale and Development Agreement in substantially the form presented subject to confirmation by the City Manager and City Attorney that the necessary conditions are satisfied.

AND

If determined to be appropriate by the City Council, waive first reading and grant final approval of an Ordinance approving the petition as recommended by the Building Review Board.

4. OPPORTUNITY FOR CITIZENS TO ADDRESS THE CITY COUNCIL ON NON-AGENDA ITEMS
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5. ITEMS FOR OMNIBUS VOTE CONSIDERATION
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1. Approval of the April 17, 2017 City Council Meeting Minutes

A copy of the minutes can be found on **page 85**.

COUNCIL ACTION: Approval of the Minutes

2. Check Register for the period March 25- April 21, 2017

Fund	Invoice	Payroll	Total
General	370,942	1,087,286	1,458,228
Water & Sewer	91,724	118,403	210,127
Parks & Recreation	197,618	285,831	483,448
Capital Improvements	205,598	0	205,598
Motor Fuel Tax	0	0	0
Cemetery	4,345	17,402	21,747
Senior Resources	15,440	19,215	34,655
Deerpath Golf Course	40,932	1,910	42,843
Fleet	105,223	35,945	141,168
Debt Funds	0	0	0
Housing Trust	0	0	0
Park & Public Land	0	0	0
All other Funds	281,278	139,976	421,254
	\$1,313,100	\$1,705,968	\$3,019,068

3. Consideration to Waive Purchasing Requirement for Competitive Pricing per Administrative Directive 3-5, and Award a Three year Contract for Advertising in relation to the Lake Forest Marketing Campaign in the amount of \$49,992.00 to JWC Media.

CITY COUNCIL CONTACT: *Alderman Prue Beidler and*
STAFF CONTACT: *Susan Banks, Communications Manager (847.810.3672)*

PURPOSE AND ACTION REQUESTED: At the October 3, 2016 meeting, the City Council approved a contract to hire a marketing/advertising advisor to help develop a marketing plan for the City of Lake Forest as directed by Mayor Schoenheider. Also at that time, a film maker was hired to produce targeted films of various lengths which will serve as promotional, educational and advertising pieces. At this time, the Marketing Team is exploring print media options and recommends purchasing advertising in Sheridan Road magazine (a JWC subsidiary publication), which is distributed to every household and business in Lake Forest, Lake Bluff, Highland Park, Glencoe, Winnetka, Northfield, Wilmette, Kenilworth, Northbrook and Glenview. Sheridan Road magazine has an average readership rate of 120,000. The team recommends a series of full page, four-color ads in the magazine. Other print media being explored includes Crain's Chicago Business, Chicago magazine, and Chicago Parent as the Team targets young professionals and families.

BUDGET/FISCAL IMPACT: The cost of advertising in Sheridan Road includes a discounted rate with 8 print ads running from June 2017-June 2018 and a free editorial article in the June 2017 issue.

FY2018 Funding Source	Amount Budgeted	Amount Requested	Budgeted? Y/N
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ACCT #10111014115421	\$35,000	\$ 16,664.00	Y
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COUNCIL ACTION: Consideration to Waive Purchasing Requirement for Competitive Pricing per Administrative Directive 3-5, and Award a Three year Contract for Advertising in relation to the Lake Forest Marketing Campaign in the amount of \$49,992.00 over a period of three years (FY 2018, 2019 and 2020) to JWC Media. (Sheridan Road Magazine)

COUNCIL ACTION: Approval of the three (3) Omnibus items as presented

6. ORDINANCES

7. NEW BUSINESS

1. Consideration of the 2017-2021 City Strategic Plan

PRESENTED BY: *Octavius Hayes, Management Intern (810-3677)*

The City of Lake Forest continues to develop long-term plans and goals to ensure the City remains well-managed, while protecting and enhancing our rich heritage, architecture, residential neighborhoods, natural resources, open spaces and recreational areas. The City of Lake Forest remains committed to its four cornerstones: Family, Education, Tradition and Philanthropy. It is important to periodically identify the state of the City and ensure the City is carrying on the broader visionary concepts of our forefathers.

The City Strategic Plan beginning on **page 93** is the result of several months of voluntary community engagement with residents during 2016-17, such as; the Community Wide Survey, the "Future for All Generations" Event and Strategic Planning Retreat, which have been incorporated into the document. This report represents the direction in which the City wants to take to continue to preserve the character and values of the Lake Forest community as we move forward.

COUNCIL ACTION: Approval of 2017-2021 City Strategic Plan

8. ADDITIONAL ITEMS FOR COUNCIL DISCUSSION

1. **Presentation of Fabulous Gifts and Prizes**
-Robert Kiely, City Manager
2. **Final words for the departing Aldermen from the remaining Council Members**

3. Final comments from Alderman Waldeck, Alderman Pandaleon, Alderman Adelman and Mayor Schoenheider

9. ADJOURNMENT

Office of the City Manager

April 26, 2017

The City of Lake Forest is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities, are required to contact City Manager Robert R. Kiely, Jr., at (847) 234-2600 promptly to allow the City to make reasonable accommodations for those persons.



RESOLUTION OF SYMPATHY

WHEREAS, on behalf of The City of Lake Forest, the City Council expresses its sadness at the profound loss of Jane S. O'Neil on March 16, 2017; and

WHEREAS, Jane worked tirelessly for nearly a decade to lead efforts to restore Forest Park and raise private funds to endow Forest Park, completed in 2015; and

WHEREAS, Jane's contributions leading the Forest Park Project Board were recognized in 2014 with Forest Park being named "Development of the Year" by the Lake County Stormwater Management Commission; and

WHEREAS, Jane's work was again recognized in 2016 when Forest Park received a rehabilitation award by the Lake Forest Preservation Foundation; and

WHEREAS, Jane's service and dedication to the Forest Park Project was recognized by the Garden Club of America with a Civic Improvement Award for leadership and guidance of the project, environmental responsibility and respect for the landscape overlooking Lake Michigan; and

WHEREAS, Jane's work on the project was once again noticed by the American Public Works Association in 2017 with Forest Park being named the "Project of the Year"; and

WHEREAS, Jane was a dedicated and loyal volunteer, serving on the Elawa Farm Foundation Board, where she was instrumental in the effort to preserve and restore Elawa's historic buildings and gardens; and serving as a past president of the Lake Forest Garden Club; and

WHEREAS, Jane was a beloved wife to Thomas C. O'Neil; mother to P.J., Charlie, Riley, Tommy and Mary, grandmother of Georgia, Patrick, Will, Andrew, Huston, Helen and Jane; and

WHEREAS, Jane S. O'Neil was an enthusiastic spirit and devoted friend to all that knew her, a gracious woman who deeply loved her family and community; her contributions to Lake Forest were significant and she will truly be missed.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE FOREST, hereby expresses its deepest sympathy to her family, and that this Resolution be appropriately inscribed and conveyed to the Family of Jane S. O'Neil, with a copy to be included in the official minutes of the May 1, 2017 meeting of the Lake Forest City Council.

Donald P Schoenheider, Mayor



Memorandum

To: The Honorable Donald Schoenheider, Mayor
From: Lee Brown, FAICP – President, Teska Associates
Michael Blue, FAICP – Principal, Teska Associates
Date: April 24, 2017

RE: Plan Review and Building Permit Assessment – Final Report

An assessment of the City of Lake Forest building permit and inspection process is being conducted to understand system operations, customer use of the process, and whether adjustments to current procedures to enhance the service merit consideration. Most of the analysis has been completed. This report describes findings from the assessment and preliminary recommendations for the City to consider enhancing current systems.

Assessment Tasks

This assessment involved an in-depth review of procedures and a wide-ranging collection and consideration of stakeholder perspectives related to the Lake Forest building permit and inspection process. Both aspects proved to be useful in understanding the way permits are reviewed and issued, as well as what permit processes are seen by customers as working well or needing improvement. No one piece of data or set of discussions drove this evaluation, rather the entire process painted a picture of how plan review and permitting functions for Lake Forest. The evaluation included:

- Review of development process related ordinances, materials distributed to the public, information from the City's website, permit forms, and associated materials.
- Review of data maintained by the City regarding number of issued permits, review time, counter visits, and inspections.
- Interviews with all Community Development Department staff.
- Focus group meeting with thirty-one local realtors.
- Interviews with local stakeholders regarding the overall permitting process.
 - Past and current Building Review Board (BRB) / Historic Preservation Commission (HPC) members
 - Elected officials
 - Permit process customers
- An invitation from Mayor Schoenheider was extended to more than 150 architects, builders, contractors, tradesmen, real estate professionals and property owners who had recently completed a project in Lake Forest respond to a survey or contact us directly.
- The online survey asked questions regarding experience and satisfaction with the permitting and inspection process (50 responses received).
- A separate assessment of the permitting processes in twenty-five local and national comparable communities, with follow-up interviews.

Primary Findings

Findings of this evaluation are presented in five areas:

1. Technical Assessment
2. Perceptions About the Process
3. Public Review Before BRB and HPC
4. Survey Findings
5. Recommendations

This assessment finds that:

- Fundamental practices of good departmental operations are in place to a high degree.
- Ample and open communications between staff and applicants supports an effective permit process. Opportunities to expand this outreach exist and should be considered by the City.
- Department staff are professional and well skilled.
- Breaking out plan reviews by permit type (standard, Fast Track and Over the Counter) helps customers by matching anticipated review times to scale of work.
- Lake Forest's review of new residential development and additions is uncommon among its peers and comparable communities. It sets a very high expectation for community character and development quality, reflected in its standards and procedures.
- The Building Review Board process supports high standards for community character, but can be a source of frustration for applicants and for neighbors in the review process. Relocating BRB (and HPC) meetings to a conference room in the Municipal Services Building is strongly recommended so those meetings can be more effectively conducted in a workshop format.

Technical Assessment

Fundamental Practices: A first step in assessing building permit and inspection processes is to determine whether an organization and its systems apply sound fundamental practices. While these concepts may seem straightforward or even obvious, the fact is they are not adequately applied in every permitting system and it is necessary to confirm that they are in place. Based on review of the permit and inspection process in Lake Forest, these base systems are in place and working effectively:

- **Sound Internal Communications:** Community Development staff work closely together (both in terms of team work and proximity). Staff sharing has been established with the Fire Department, which greatly enhances internal staff coordination (especially for commercial developments) and is a benefit to customers. Interactions with City engineering and Public Works staff occur regularly.
- **Comfortable Work Environment:** The Municipal Services building affords a work environment with practical work spaces, comfortable lighting, opportunities for privacy, collective interaction, proximate filing resources, and attractive and functional spaces to meet with applicants and the community. The Department projects a friendly, calm, professional and respectful atmosphere that moderates what can otherwise be a difficult and stressful point of contact between a city and its residents. Further, each of the staff members projects a positive attitude about the Department and Lake Forest. Staff members reported a strong level of respect and support from elected and appointed leadership that is devoid of politicization of the development and permit review processes.
- **Availability of Staff to Applicants (good customer service):** Surveys and stakeholder discussions indicate that all Department staff are very much available for any question at all stages of the permitting process. Many described staff as essentially "just a phone call away". With very rare exceptions, applicants reported very timely responses to their inquiries.
- **Single Set of Plan Review Comments:** Applicants receive a unified, joint response of technical plan reviews from the various disciplines – as compiled by the City staff. This supports a smooth plan review process and greater clarity for applications.
- **Categories of Permit Types:** That the City allows for Fast Track and Over the Counter Permits serves applicants with smaller projects and keeps those applications from getting unnecessarily delayed in the process. It presents a proportional application of resources to each level of application complexity, and therefore, a consistently high level of service over the whole spectrum of permit applications.
- **Sound Record Keeping:** The Department maintains records on permits and properties and, to the benefit of the community, often has usable background (such as a plats) available for by residents. To improve records management, the City is embarking on an electronic records management program.
- **Staff Training:** Department staff have the opportunity to secure training pertinent to their work.
- **Permit Process Information:** Explanatory materials are available to customers regarding permits, procedures, and standards.
- **Use of Technology:** Permit process materials are available on the City website. The Department is working to expand its application of technology by evaluating electronic plan review submissions and is preparing to participate in a City-wide computer system update that will include new permitting software.
- **Predictable Plan Review Times:** The Department has established target turnaround times for plan reviews. Different timeframes are applicable based on permit complexity (fifteen business days for standard permits, five days for Fast Track permits, and over the counter permits that can be issued in one visit to the Department).
- **Shared Goals:** The Department publishes its Mission and Vision statements in the Budget document, clearly articulating the goals of managing growth and change, preserving the distinct character of the community, strong property values and quality of life, and the responsibility to guide applicants through the development review process necessary to achieve these goals.

Review Timing: Perhaps the most often scrutinized aspect of issuing building permits is the time required for submitted plans to be approved and permits issued. A survey of comparable communities conducted for this project indicates that targets of three to four weeks for a first response are common. Two week turnaround was noted in limited instances, as was difficulty in meeting that time frame. Those surveyed indicated various

success in meeting the turnaround target – some noting the target was “generally” met. The few that set a percentage indicated meeting their target 70 to 80 percent of the time.

As for Lake Forest, evaluation of Department customer survey responses and stakeholder discussions indicate the planned turnaround of 15 business days for standard permits and five days for Fast Track permits is generally considered appropriate, but that faster turnaround is always desirable. Data from approximately two years of permit tracking show that standard permits are issued within the 15 business day target 71 percent of the time and within 20 business days 86 percent of the time. Fast Track permits are issued within five days 88 percent of the time and within 10 days 98 percent of the time. For permits requiring engineering review, which is conducted by an outside consulting firm, it was noted that project complexity can diminish the probability of meeting the 15 day target.

The 15-day turnaround target is consistent with those of surveyed communities for standard permits. Most communities did not indicate a specifically defined Fast Track permit, but noted that smaller permits are generally reviewed faster than the target time. In addition, most communities did have a form of over the counter permit. The Fast Track category in Lake Forest is beneficial to applicants in that it provides a “right-sized” review of smaller project plans.

Communications: Stakeholders interviewed indicated that all Community Development staff are available for questions and insights throughout the process; the City gets strong marks from stakeholders for that availability. In fact, those interviewed (stakeholders and Department staff) noted that a meeting between staff and the applicant (and/or their designer or contractor) is key to a successful plan review and construction project. It informs applicants of the best way to approach possible design and code challenges, and informs the City of potentially unique plan review questions that may arise. The benefit of early and clear communications with staff, and the ready availability of CD staff, from the Director on down, were among the most positive and most commonly made observations during the assessment. This point was made most strongly by architects and others as relates to larger projects, and isn’t as relevant to smaller (fast track or over the counter) projects – although, anecdotally there were comments that even those doing smaller projects were welcome to and do meet with staff.

A challenging aspect of development review and permitting is predicting when a permit will be ready for issuance. Plans are reviewed in the order in which they are received; some can require input from multiple review points, and can be waiting on additional information from applicants or others. For this reason, it is typically impossible to give a date certain when the permit will be issued. Staff indicated that during busy times they will inform applicants that issuance may be closer to or even beyond the target date due to plan review volumes – in the interest of good communication, this is a sound practice. Nevertheless, stakeholders and survey respondents indicated a desire for more information about permit status.

Availability of Department staff for questions on permit issuance status must be seen as a double-edged sword. Taking the time to update applicants provides high quality customer service, but also takes staff from the work of reviewing and issuing permits. This is an ongoing balancing act in all permit and inspection work, but is exaggerated where staff resources are lean.

Bulk Calculation: The calculation of “bulk” was raised several times during focus group and stakeholder discussions. The standard was generally understood as the way in which lot size limits house size. However, calculating the standard was noted by some as being detailed, complex, and hard to understand and apply. In addition, the question was raised by some as to why this standard did not suffice in regulating home construction – essentially asking why the BRB process was required if a bulk standard was met. In fact, the City uses the term “bulk” in two ways: As a measure of actual building volume, and as a measure of perceived building volume. The bulk standard relates to the actual building volume, while the BRB evaluates how the building will be perceived in the context of its siting and surroundings.

Website: The City website has information related to the permit and inspection process, but requires a bit of persistent digging into the site to find the relevant information. The website is a valuable resource, but is not perceived by many users as intuitively organized. A user with a good sense of what they were looking for will do better with the site and find: permit applications, submittal checklists, and workbooks for building scale and urban design guidelines. Limited background information is provided on the overall permit process or details on process elements, such as the BRB. The requirement for BRB review of single family homes is not clearly noted, but should be, as this requirement is not common in other communities.

The website provides limited prioritization of permit related information. For example, the Building Scale Workbook and City of Lake Forest Design Guidelines are significant permit process tools in the City but are not highlighted as such. Likewise, checklists for plan submittal can be found on the site, but they are not highlighted as valuable tools to be used in the process (as they were noted to be by stakeholders and survey respondents). In short, these valuable information sources seem to be located on the website to be found once directed there by a staff member, not for someone at home, after hours, seeking to learn how the process works – or in the case of designers, contractors, and realtors, being able to show their clients how the process works.

The survey conducted for this assessment shows that seven percent of respondents considered the website a primary source of information on the process; 56 percent noted that Community Development Staff was their main information source. This is consistent with the customer service approach of staff and challenges of information retrieval from the website. While an important tool, no website will completely absorb customer service requests, especially in a service oriented community such as Lake Forest.

In comparison to other communities' building permit website pages, our experience generally and research related to this assignment shows that the information level and customer interface for Lake Forest is typical of most. However, some sites are organized such that a specific section is prominently identified for all aspects of construction. If appropriately designed, this approach can be a useful hub for permit and development related information. Even so, most sites follow the structure of permit information being found through the related departments or a "I want to..." link – which, ultimately leads users to the same information or location as the department based information.

Staffing: The assessment is not a manpower study, it does not consider the number of staff positions in comparison to other comparable communities, primarily because the duties and responsibilities assigned to the staff vary so widely between communities. The assessment focuses, instead, on the product and the perception of the process by consumers of the Department's work.

The loss of two and one-half positions within the Community Development department as a result of the past economic downturn was noted several times in stakeholder discussions. The change was described as understandable due to the drop in development activity. However, given that the economy has improved and development activity with it, there were questions from stakeholders as to whether adding back the staff member could help meet demands on the Department.

Despite the loss of positions, the staff has been able to cover the four significant areas of responsibilities they have been assigned without reducing the quality of the product or decay in the work environment. Those four responsibilities: plan review, site/building inspections, technical support for the Council and review bodies, and communications with applicants and public, have significantly inelastic elements that are tied more to the number of homes and businesses in the community and only partially tied to economic cycles. The potential technology improvements discussed elsewhere in this assessment do not substitute for staff capacity, particularly in the case of a customer-focused service environment like Lake Forest. Technology improvements are likely to benefit the quality, speed and management of project files and project reviews, but are not likely to have an impact on the need for staff resources to serve the inelastic demand for inspections, staff reports and communications with the public.

Perception About of the Process

Use and understanding of the permit and inspection process for any community is part fact, part perception. Applicants (especially residents and business owners) may only apply for permits once or twice during their time in Lake Forest. Their perception of the process will be influenced by what they hear from others. Even those familiar with the process may be influenced by one experience they had or heard stories about. These perceptions are not indicators in and of themselves of the strength or weaknesses of Lake Forest's permit process operations. Yet, they influence permit applicants and potential applicants and, hence, are considered in its assessment. The comments and responses from real estate professionals consistently reflected anecdotal evidence and perceptions built on what they had heard from colleagues or observed from attending a BRB or HPC meeting. These often negative perceptions influence potential home-buyers, and appear to be an influential voice in the community. As such, enhanced information and understanding of the review standards and review process, made available through a cooperative effort of realtors and brokers, may be a valuable investment in setting appropriate expectations.

Reliance on Staff: The overwhelming consensus of this assessment has been respect and appreciation of Community Development staff. That staff is polite and knowledgeable are among the most positive survey responses; this finding also is reflected in stakeholder interviews. But, this must be seen in a context beyond their professionalism and patience with customers. The Lake Forest permitting process can be complex (for example the bulk calculation), unusual (requiring design review of single-family homes), and lengthy (when commission or board approval is required). This construct drives customers to the support provided by those who know the system best, Department Staff. As noted earlier, this accommodates good customer service, but reduces the time available for conducting plan review and other tasks. The balance point between staff availability to customers and work load capacity will be part of the City deliberations in considering recommendations for system enhancement.

The Lake Forest Standard: The architectural integrity and strong character of Lake Forest is fundamentally recognized, appreciated, and embraced by the community. It comes from the City's history and the expectations of its residents. Preservation of that character is incorporated into the functions of BRB and HPC. Stakeholders interviewed for this assessment noted that there is value added to individual projects and the community as a whole from those review bodies. In addition, there was acknowledgment that the processes (more for BRB than HPC) can be viewed as long, intrusive, and challenging.

In part, this comes from the complexity of projects in Lake Forest, and affects both permitting and board and commission review. Residential architecture is personal, many new homes and additions are large, and unique elements are likely to be part of a project. Likewise, commercial projects are significant and designed and built to high quality standards (as seen with the hospital and office park construction). In some instances, both residential and commercial work involves historic structures. In these ways, the high standard of construction in the City becomes a factor in the amount of review time, code interpretation, and construction time experienced by applicants – making the process more complex than might be seen in other communities. Again, the process is a balancing act of how best to maintain the desired community character of Lake Forest.

Frequent Flyers: Occasionally heard through the assessment was the notion that there are preferred or even recommended architects and contractors in Lake Forest; that these professionals had a track record of success with the permit review process. While not preferred in the sense that they are recommended by the City, stakeholder interviews made clear that there are certainly designers and builders who regularly work in Lake Forest and have, over time, come to understand navigating the permit process.

However, the interviews (some with those who are well practiced in the permit process) indicated a correlation of a high degree of success and satisfaction with an approach that included early and clear communications with the City staff regarding code applications and commission expectations. Over time some professionals have come to recognize the importance of both. They communicate with staff early in the process and acknowledge board and commission roles. They come to understand the perspective of BRB and HPC and

incorporate those expectations rather than push against them. This approach can be more difficult for those less familiar with the process (particularly out of town architects and builders), but again reflects the identified benefit of early and consistent communications in the process, and potentially the benefits of clear and accessible guides and references for unfamiliar applicants.

Public Review Before BRB and HPC

The Public Forum

As with much public engagement, the forum influences the message. Planning, community development and economic development have always been an act of balancing public and private interests and property rights. Lake Forest has recognized the direct relation between the compatibility of new and expanded homes and their context on individual and collective property values and quality of life. By incorporating the public review of petitions by the BRB or HPC, the process gives a strong voice to the public interests. The BRB and HPC meetings must remain open and accessible public meetings, but the forum and format before a presiding body in the City Council Chambers, and repeatedly broadcast on cable TV and available on the City's website, heightens the "courtroom" or adversarial atmosphere, and may diminish the facility to arbitrate satisfactory resolution of issues.

Building Review Board: As noted in the City Code, the purpose of the BRB is:

The Building Review Board is responsible for evaluating and making recommendations regarding new construction, demolitions, additions and alterations to existing buildings and signage for the purpose of ensuring that the character of the community, the high standards for development, the quality of life and property values are maintained. The Building Review Board provides a forum for public input and deliberation with a focus on architectural design, building massing, landscaping and overall site design in relation to the individual site and the neighborhood as a whole. Lake Forest City Code: 150.147 (B) (2)

This description, like the introductory statement read at the start of the Board's meetings, is an apt explanation of the BRB process. It highlights the role this body serves in the City and the expectations it addresses. As noted, there is general consensus among those who participated in the process that the BRB serves its intended role and supports community expectations for development. It was also noted through the assessment process that the quality of BRB review and reviewers is improved over past practices. Some pointed to the fact that the interview and vetting process required to sit on the BRB (and other commissions) has added value to the processes. It was also noted that the review process is very much facilitated by the depth and quality of information provided by staff (and in the staff report) on each case.

There is a general sense among those interviewed that the end result of the BRB process is a better building than would have been the case without the process. Board members noted, anecdotally, of applicants expressing appreciation that the Board raised ideas that had not been otherwise considered, and which resulted in them being pleased with the ultimate result. Yet, these positive results are not reflective in the comments of other stakeholders, particularly real estate professionals and building contractors who are most sensitive to the timing of the process.

Even though the BRB and HPC, combined, review approximately two percent (2%) of all permits issued by City of Lake Forest, the BRB was the most often noted downside of the Lake Forest building permit process in this assessment. By nature of its function, this is not surprising. The process lengthens authorization time to begin construction, often requires changes to initial architectural design, and the final result of the process is unpredictable to applicants and their designers.

Given these conflicting perspectives, there is merit to further understand what may create (or add to) consternation over the BRB:

1. While it is generally understood that new construction and major additions require BRB review, it was not clear to many applicants what types of permit or construction requests require BRB considerations. Further, some interviewed indicated that they anticipated BRB was a required step, but that upon meeting with staff were able to make adjustments that eliminated the requirement. That such adjustments can be made is logical, but those interviewed could not articulate the distinction. This perceived lack of predictability of what work requires BRB approval adds to confusion about its utility.
2. Standards for BRB approval are not clear to applicants. The City Code and Residential Design Guidelines spell out desirable design elements in detail. However, they do not establish priorities or a focused and uniform set of standards upon which projects will be evaluated. The worksheet at the rear of the Guidelines provides perhaps the best focus on expectations of the designs. In general, the emphasis is on new construction being in context with the surrounding area and overall community. That said, a number of comments through this assessment note that when BRB is not working as well as possible, the review focuses too closely on small design elements or gives the sense that the Board members are redesigning the house. Further issues are that involvement of neighbors extends beyond expressing concerns over impacts on their properties to adding their design preferences to the subject property. While not the intent of the process or the members, any design review process can result in such practices.
3. The BRB step in the approval process comes prior to issuance of a building permit, but from the perspective of the applicant occurs months (perhaps a year or more) after they have begun the process of developing their new home. To come to the BRB stage after becoming vested in a design or configuration of a home can create frustration for the applicant; this points to the need for wide education about the process to residents, designers, contractors, and realtors.

Historic Preservation Commission: The role of historic preservation is, on its face, more apparent to those that go through the process. They are generally likely to know their current or future home is historic (or in a historic district) and that such a designation comes with limitations. In some cases, those who own such homes embrace the concept of living in a historic structure and the obligations it brings. This is borne out by the online survey. While the number of persons responding to the survey that had been through the HPC was relatively small, they were most likely to respond positively regarding aspects of the approval process. Two aspects of the HPC process raised questions:

1. The HPC does not review plans for historic structures outside of the City's historic districts unless the structures are designated as Local Landmarks. This was a bit of an incongruity to some, who noted that a historic structure should be reviewed by the HPC (rather than BRB).
2. There are a number of homes in the City's historic districts that are not historic or are considered "not-contributing" to the character of the district. Changes to those structures require HPC consideration, but are reviewed to the same considerations as a historic structure.

Survey Findings

Two surveys were conducted as part of this assessment to establish a broader understanding of permit review processes in other communities and how the Lake Forest process is perceived by users.

Comparable Communities: The survey of comparable communities included those that Lake Forest has previously benchmarked itself against and are of comparable size. In addition, we identified a number of Chicago area communities with similarities to Lake Forest. Survey questions were developed to allow ease of response (to encourage people to reply) and focused on basic aspects of plan review and permit issuance (this surveying and direct interviewing continues in anticipation of further information for the final report). In addition, we visited the websites of each community to evaluate the ease of finding information about their permitting processes and the completeness of that information. Preliminary findings of the survey are:

- Most responding communities offer a meeting with staff for the applicant prior to initiating the plan review, but those meetings are not mandatory.
- Time for plan review till issuance of permit varies, but most aim to complete the review within 3 to 4 weeks. For those providing detailed information, their targets for completing plan reviews were reached between 70 and 80 of the time.
- Most communities offer an over the counter permit for simple projects, but it is not clear that they provide an equivalent to the City's Fast Track permit option.
- Websites provided background and forms related to the permit process, but few provide the information in a single, specifically designated portion of the site.
- Few communities require architectural review of single family homes.

Customer Survey: A survey of Community Development customers that had been through the permitting process in the last two years was offered online. Contact was made by email with a letter of invitation from the mayor included. The survey was not intended as a definitive element of this assessment, and with a total of 50 responses cannot be considered at all statistically significant. That those involved with larger projects were more likely to respond to the survey, and results echo that perspective. However, the survey provided indication of relative differences in perspectives on the permit process. Also, the survey input informed the overall assessment and allowed more in depth discussions with stakeholders.

As part of the survey, respondents were asked the extent which they agreed with a series of statements regarding the plan review and permit process. Those responses are summarized below:

Highest Level of Agreement

- Would like to be able to check the status of permits on line
- Community Development Staff know the process
- Community Development Staff are polite
- Community Development Staff know the code
- Overall experience as positive
- Plan review response was timely
- Checklists of required Information helped

Moderate Level of Agreement

- Would like to be able to schedule inspections on line
- Would like to be able to submit plans electronically
- Community Development problem solved issues
- Getting started was straightforward
- City code regulations were understandable
- Plan review time was satisfactory

Lowest Level of Agreement

- Phone inspection schedule system was helpful
- Permit fees were reasonable

Recommendations

Based on the input of stakeholders, customers and City Staff, as well as assessment of current permit and inspection procedures, the following recommendations to enhance the plan review process are provided for consideration by the City. They are grouped into categories related to: 1) expanding on existing communication with customers, 2) use of technology, 3) the Building Review Board, and 4) Immediate and Intermediate recommendations

Facilitating Efficient Communication

The great amount and ease of access to Community Development staff available to permit applicants is a key aspect of this service in Lake Forest, and much appreciated by customers. These personal interactions facilitate the permit process and enhance the quality of service. While phone calls and counter discussions are not the most time efficient manner in which to convey information, limiting this access is not suggested here. Rather, expanding existing sources and adding outlets for commonly requested information can be used to relieve the need for some one on one contact:

Classes: Community Development staff currently provide educational sessions to contractors and others about code requirements. This outreach has value in terms of expanding customers' understanding of the process and related codes, but also makes clear that the City should be seen as a partner in design and construction work. Sessions can focus on specific aspects of the process (such as the review bodies) and can help with contractor awareness when new model codes and local amendments are adopted. In addition, sessions can be geared to specific groups like do-it-yourselfers, realtors, or those living in historic homes. Workshops such as these might also be consolidated into an event based program or series of sessions in the form of a "Citizens Community Development Academy" (as done by other City departments).

Video: Brief videos are a common tool to share information and instruction. Videos related to permit and inspection requirements could be produced and shared with the community via cable and the website. Video capture of the above described Community Development Academy classes can facilitate repeat viewing overtime for new residents and contractors.

The Dialogue: Continue to provide information to the community in The Dialogue (such as the article last year about "The Other Public Safety Department"). Future articles might highlight unique and interesting projects (such as the hospital renovation) that can help readers understand the Department's role in the City. Newsletter articles also can highlight work of the BRB, HPC, PC, and ZBA to give residents insight into the role those groups play in maintaining Lake Forest's community character.

Technology

New Resource Planning System: Lake Forest has initiated the process of acquiring a new city-wide, Electronic Data Management System, and an integrated Enterprise Resource Planning system. A module for permit and inspections will be part of that program. This presents an opportunity to expand customer service and staff management of the process. While a great number of functionalities will be considered in that evaluation, this assessment process (and our experience with other systems) highlights several items to be considered as desirable for the new system:

- **Online plan review tracking** to allow applicants to check status of their permit application in the plan review process. It may be possible to include a current average review period.
- **Inspection scheduling** available either on line or through a phone system.
- **Electronic plan submittal** should be accommodated if the City's current experiment with that functionality proves it to be useful.
- **Credit card payments** to be facilitated.
- **Mobile devices** for inspectors are already a part of the current process and should continue. Devices should provide system access comparable to when at work station and continue to include capacity for information like current City codes.
- Preparation of **plan review letters** should be facilitated by operations such as digital plan markups/notes, pull down menus for commonly used review comments and ease in compiling comments from multiple review points.
- An **internal review tracking dashboard** for staff that indicates status of all plan reviews, highlighting those that are close to review schedule targets.
- A **unified record indicator** for all properties in the City to link the permit process to other City functions and better share information – particularly if there is a circumstance that might require holding off on issuance of a permit.
- **Customizable reports** are necessary to allow staff to compile and present to the City Council locally definable information (rather than only report formats built into the system).
- A **fee estimator function** for applicants to determine permit costs prior to plan submittal.
- A **time clock hold** should be available to pause plan review time while waiting for information from an applicant. This automated function would provide an accurate accounting of whether plan reviews are conducted within the 5 or 15 day target.
- **Over the Counter permit** applications and payment should be accommodated.

Website: This tool can be expanded to provide additional background about the permit process as well as specific information. Items like simple flow charts depicting review processes (particularly as they may include commission approval) can help those new to the process know better what to expect. In addition, assistance with more complex functions can be accomplished on the web site; for example, incorporating items such as a residential bulk calculator or permit fee estimator may be of use.

In general, the website should help users understand the process. The current portion of the website that includes, "*Here are some tips to help ensure your project go smoothly*" is a fine example of straightforward, sound set of insights to be shared. Similar sections for commonly asked questions about topics can be beneficial. In particular, the website should be seen as most useful to those not familiar with procedures, such as residents with do-it-yourself projects. In that regard, highlighting Over the Counter and Fast Track permit processes is suggested.

A unified portion of the website can be dedicated to all aspects of construction, permits, inspections, and commissions. Users would reach this area from a prominent link on the website home page (and those of development related departments). This development focused section of the website could then break down into the types of projects conducted (residential or commercial) and then again into more detail based on common construction actions – renovation, new construction, site improvements etc. The overarching theme is that the site is built around the types of construction projects users undertake, rather than solely on City Departments.

A "Frequently Asked Questions" section for the website page would be useful for applicants (again, similar to the current *tips to keep a project moving* section). This website construct is common and users know to look to these sections as a good place to start. If available, similar "how to apply" or "what to expect" videos or PowerPoints could be posted here.

The Building Review Board

As noted in this report, the BRB provides valuable input to maintain the character of Lake Forest. Yet, the very nature of the Board's process makes it a lightning rod for frustration with the permit process. The bottom line is that this part of the process cannot be made completely predictable, limited to just one meeting, or be perceived as entirely objective – it is not, nor is it meant to be a black and white set of decisions. However, there are several considerations for enhancing the process:

Revise Meeting Structure: Relocating the BRB meetings from the Council Chambers to a conference room at the Municipal Services Building is most strongly recommended as a needed step to enhance the BRB meeting structure and overall process. The BRB meetings must remain open and accessible to the public, but the removal of the “court room” setting will accommodate a more workshop like atmosphere. While that is generally the tenor of the meetings, the formal setting of a televised meeting in the Council Chambers is not conducive to that objective. It may take several meetings to fine tune the exact format of the new approach, but indications from this assessment are that the change will be worthwhile. In the spirit of workshops, wider use of preapplication meetings should be considered. This would allow those with a pending application to bring conceptual plans before the BRB prior to delving into design details; potentially helping to save time and expense in the construction project.

Continue to Clarify Triggers for BRB Review: The design standards considered for permit review items are enumerated in the City Code and Residential Design Guidelines. These are evaluated by Department staff and the BRB in determining approval of submitted plans. Whether design plans for a permit request are addressed at the staff level or considered by BRB is a function of project scale and the extent to which the design adequately reflects the design standards. It is clear that new homes, demolitions, significant or highly visible additions, items that do not meet the standards and variance requests are heard by the BRB. Yet there is flexibility in this determination. The scale and visibility of a project is considered on a case by case basis, and may or may not require BRB consideration based on staff evaluation. This approach to the determination has functioned well. However, there may be value to clarifying the threshold for which of these matters elevates the review to the Board level, so that designers can have a sense of that trigger prior to consulting with staff. This might be accomplished by identifying past cases that are good examples of what did and didn't meet the threshold, and incorporate those with photos and descriptions into the Design Guidelines. In addition, the Design Guidelines could be reviewed to identify which of them are priorities when a project is considered, and highlight those for applicants.

Expand Understanding of Board's Role: Just as the opening statement at the BRB hearings is used to inform those at the meetings of the Board's role and procedures, more information about the value of the commission should reach the greater community. As noted earlier, this might take the form of articles in The Dialogue, workshops with stakeholder groups, or training sessions with designers and engineers. Given that a relatively limited number of permit applications even reach the BRB, community understanding of the Board appears to be based as much on legend as fact; leading to misunderstandings about the value and extent of the review.

Immediate and Intermediate Recommendations:

Regarding next steps, work can be considered in terms of policy questions to be considered and procedural improvements to be prioritized from the recommendations above.

Practice and Procedural Changes:

- **Relocate BRB and HPC.** A workshop format is best for these groups and the change is strongly recommended. Developing the precise format that works best may take some time.
- **Coordinate with City-wide technology updates.** The planned Electronic Data Management System and an integrated Enterprise Resource Planning system present opportunities for service enhancement.
- **Revise Website.** Development / Construction related aspects of the website should be consolidated to a single area, organized to reflect user needs (rather than department structure) and highlight most used and useful information
- **Prepare Additional Public Information.** The suggested public materials should be considered and expanded upon to reflect those outreach formats found most effective in Lake Forest

Policy Questions for City Council Consideration:

- ***The City of Lake Forest has long recognized its own uniqueness, history, and architectural heritage. These values are thoughtfully balanced with the importance of supporting public and private investment in homes and neighborhoods. The BRB, the HPC and the design review process have been the means of implementing a public policy that encourages those community objectives. Does the community still consider the design review conducted by the BRB and the HPC to be the most effective manner in which to achieve these goals?***
 - An affirmative response to this question overtly reaffirms the importance of the two bodies in regard to community history, character, property value and quality of life. Further, it can establish an even stronger expectation (both among its residents and of those outside the city) about how the architectural evaluations play a role in making living and investing in Lake Forest exceptional.
- ***Going forward, what should be the role of BRB and HPC in maintaining Lake Forest's desired community character?***
 - Should there be a change of scope for these two bodies? Should architecturally significant buildings, whether inside a "district" or not be reviewed by HPC? Should non-contributing buildings be reviewed by BRB?
 - Should City Staff have greater responsibility over design review, reducing the number or nature of items that are reviewed by BRB or HPC? Should BRB or HPC have the role of "appeals from staff determination"?

Implementation Plan

Recommendations from the Plan Review, Permitting and Inspection Assessment Accepted by the City Council May 1, 2017

Goals ▪ Key Tasks	Start Date	Duration	Status	Lead Staff/Team Members
Website - Enhance Functionality and Ease of Use for Customers	May, 2017	Implement quick fixes within 3 months. Evaluate/upgrade website on an ongoing basis.		
▪ Establish working group: ComDev staff, City Communications Manager, website consultant (MGP, AE)				
▪ Address problems identified by stakeholders				
▪ Explore other development related websites to identify best practices: accessibility, logical organization, additional content				
▪ Identify and implement "quick fixes"				
▪ Engage test groups/solicit feedback (to include frequent customers and novices)				
▪ Identify longer term improvements and opportunities that will be available as a result of future software upgrades				
▪ Establish an ongoing process to get input from users on the effectiveness of the website				

Goals <ul style="list-style-type: none"> ▪ Key Tasks 	Start Date	Duration	Status	Lead Staff/Team Members
<ul style="list-style-type: none"> ▪ Involve all Community Development staff in information sessions about the ERP Project 				
<ul style="list-style-type: none"> ▪ Participate in Steering Committee (led by Finance/IT) to provide input into the development of the RFP for the software upgrade 				
<ul style="list-style-type: none"> ▪ Identify work flow improvements/changes that will be possible with software upgrade 				
<ul style="list-style-type: none"> ▪ Identify customer service improvements that can be achieved with software upgrade (ex. electronic plan submittals, review status information) 				
Board and Commission Process Modifications	June 1, 2017 – initiate meeting procedure modifications.	9 months to complete upgrade/enhancement of informational materials and process related Code amendments		
<ul style="list-style-type: none"> ▪ Explore modifications to meeting procedures to create a more collaborative/work session environment. ▪ Communicate value of review process ▪ Improve/develop “how to” information such as flow charts, checklists, explanation of how/why various projects are reviewed 				

<ul style="list-style-type: none"> Review and update design guidelines, clarify standards and requirements Amend related Code provisions as necessary 				
Review of Permit Issuance Time Targets	July 1, 2017	60 days to complete study and implement “pilot” modifications, re-evaluate after 6 months.		
<ul style="list-style-type: none"> Consider whether seasonal changes in target times is helpful in setting realistic expectations 				
<ul style="list-style-type: none"> Consider requiring pre-application meetings for large or complex projects to reduce plan review time 				
Update, Enhance, Expand Communication/Educational Efforts	May 1, 2017	Ongoing		
<ul style="list-style-type: none"> See website improvements above 				
<ul style="list-style-type: none"> Continue to offer “how to” classes for architects and contractors on technical issues 				
<ul style="list-style-type: none"> Develop ways to reach various target groups (the do-it-yourselfer, real estate professionals, regular customers, new to town) – classes, on-line information, frequently asked question bulletins, Dialogue articles, targeted group meetings, other 				

The City of Lake Forest
FY2018 Vendor Approvals - May 1, 2017

<u>Department</u>	<u>Vendor</u>	<u>Approved FY2012</u>	<u>Approved FY2013</u>	<u>Approved FY2014</u>	<u>Approved FY2015</u>	<u>Approved FY2016</u>	<u>Approved FY2017</u>	<u>Proposed FY2018</u>	<u>Description:</u>
PW-Streets	Peter Baker & Son	30,000	55,000	55,000					Asphalt patching
City Manager	Susan Kelsey	31,800	31,800	50,000	50,000	50,000	50,000		Professional Services - economic development
Human Resources	Wright Benefit Strategies, Inc.	33,000	33,000	30,000	30,000	30,000			Professional Services - employee benefits
Human Resources	Clark Baird Smith	30,000	40,000	50,000		50,000	50,000	50,000	Professional Services - legal
Police	Smith & LaLuzerne	46,000	46,000	55,000	55,000	50,000	50,000	50,000	Professional Services - City Prosecutor
Finance-IT	ClientFirst Consulting	90,000	155,500	65,360	65,000	90,000	65,000		Professional Services - IT Consulting
Finance-IT	Katten Muchin Zavis Rosenman				25,000				Bond Counsel Services
Finance-IT	Speer Financial				25,000	25,000	35,000	35,000	Financial Advisory Services
City Manager	Municipal GIS Partners, Inc.	177,034	206,583	164,000	184,066	190,379	198,616	198,816	Professional Services - GIS Consortium
City Manager	Whipple Consulting	36,000	36,000	36,000	36,000	36,000	20,000	20,000	Professional Services - public relations
PW-Engineering	Gewalt-Hamilton Assoc			24,000	44,000	40,000	160,000	235,000	Professional Services - engineering consulting
City Manager	Filippini Law Firm					340,000	290,000	290,000	Professional Services - legal
City Manager	Lake County Press					25,000	26,000		Dialogue Publication
Community Dev.	Thompson Elevator Inspection			24,700	25,000				Professional Services - elevator inspections
PW-Engineering	T. Y. Lin International, Inc.			80,000	80,000				Professional Services - engineering consulting
Non-Department	North Shore Gas Company			40,000	45,000	45,000	45,000	45,000	Utility Services
Non-Department	ComEd			52,000	60,000	75,000	75,000	75,000	Utility Services
PW-Fleet	Bell Fuels Inc.			50,000	50,000			50,000	Fuel supplier
PW-Sanitation	Zion Landfill			300,000	300,000				Refuse disposal
Non-Department	AT&T			54,000	60,000	55,000	55,000	55,000	Utility Services
Human Resources	IL Dept of Employment Security			60,000	60,000	60,000	75,000	75,000	Unemployment insurance
Non-Department	Constellation Energy Services			423,000	450,000	425,000	380,000	380,000	Utility Services
PW-Engineering	H W Lochner Inc.			88,000	88,000				Professional Services - engineering consulting
Miscellaneous	Conserv FS			117,000	90,000				Fuel, fertilizer, herbicide, pesticide
PW-Fleet	World Fuel Services, Inc.			124,000	124,000				Fuel supplier
PW-Engineering	HDR Engineering, Inc.			550,000					Professional Services - engineering consulting
PW-Engineering	Ayres Associates, Inc.				75,433	42,883	53,737	60,000	GIS Data Provider
PW-Engineering	Baxter & Woodman				20,000				Engineering Consulting
PW-Engineering	ESRI				36,610				Software licensing
Human Resources	IRMA			1,050,000	1,300,000	1,300,000	1,200,000		Member Contribution and Deductibles
Human Resources	Morrison Associates				20,000				Employee Development/Training
Parks/Recreation	NSSRA			225,000	235,000	245,000	249,633	262,728	Special Recreation Expenses
Parks/Recreation	Richard Franklin			125,000	210,000	210,000			Independent contractor - golf instruction
PW-Fleet	Al Warren Oil Company, Inc			233,000	300,000	250,000			Fuel supplier
Finance-IT	HTE Sungard			65,000	65,000				Software maintenance/licensing - sole source
Finance-IT	Siemens/Unify Inc.			32,000	30,000				Phone system support
Community Dev.	Lynch Construction				30,000				Community entrance signs
Finance-IT	InterDev				40,000				IT Consulting Services
PW-Fleet	Gas Depot, Inc					150,000	200,000	100,000	Fuel supplier
Finance-IT	Call One						60,000		Telecommunication Services
Parks/Public Wks	Mariani Landscape						60,000		Grounds Maintenance/Snow Removal
Parks/Recreation	Friends of LF Parks and Rec							35,000	Special Event Contributions
Cemetery	William Blair & Company							40,000	Investment Advisor
Finance-IT	Chapman and Cutler							20,000	Bond Counsel Services

Submitted for City Council consideration: May 1, 2017



The City of Lake Forest

Personnel Policies and Practices May 1, 2017

**Employee Information Site:
www.citylf.org**

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**PERSONNEL POLICIES AND PRACTICES
OF
THE CITY OF LAKE FOREST**

May 1, 2017

INTRODUCTION

The policies, as presented herein, shall constitute the Official Personnel Policies and Practices of The City of Lake Forest for all regular fulltime and part-time employees of the City, except the City Manager. These policies do not apply to temporary or seasonal employees. Administrative Directives governing personnel and referred to throughout these policies are available for viewing and printing on the Employee Information Site located at www.citylf.org. They are also available for employee inspection by contacting the Human Resources Department.

EMPLOYMENT AT WILL

The intent of these policies is to give the employee a brief description and general information concerning City employment policies.

The employment relationship between the City and its employees is employment at will, which means that either the City or the employee may end the employment relationship at any time, for any reasons, without notice, warning or cause. This means that in the absence of a written employment agreement, the City and its employees shall not be bound to an employment contract or a commitment to employment for a definite period of time. Either party can terminate the employment relationship at any time and for any reason. Neither these policies, nor any other policy, procedure or practice of the City constitutes a contractual commitment between the City and its employees, and they do not prove any guarantee or assurance of continued employment or a term or condition of employment for any period of time.

The employment relationship may be governed by a number of sources, including but not limited to The City of Lake Forest Charter, the City Code, the Personnel Policies and Practices, Board of Fire and Police Commissioners Rules and Regulations, department policies and procedures, state and federal law, statutes and regulations, and available funding. All of the benefits provided to employees by these policies are subject to budgetary constraints. Further, in the event any of the provisions of these policies conflict with the terms of an applicable collective bargaining agreement, the terms of the collective bargaining agreement shall govern. The City has the right to modify or eliminate its employment policies from time to time in its sole discretion, without prior notice.

CORE VALUES

The core values of the City are important to the philosophy of the organization. These values are:

- Integrity:** Unconditional adherence to our moral and ethical values.
Respect: Being considerate and accepting of others.
Trust: Being dependable, demonstrating confidence and faith in others and being willing to let go and to empower others.
Excellence: Commitment to professional growth, teamwork, optimum community service, and doing what is right.

PURPOSE/POLICY

It is the declared policy of The City of Lake Forest that employment in the City government shall be based on merit, free from personal and political considerations, and that just and equitable incentives and conditions of employment will be maintained to promote efficiency and economy in the operation of the City government.

The City maintains that employees are its most important asset, whose health and safety are of the utmost consideration. Therefore, providing a safe work environment is a matter of continuing concern, equal in importance to all other operational considerations. (See Admin. Dir. Section 6, Employee Safety Procedures)

In addition, all employees must be allowed to work in an environment free from unlawful discrimination and harassment, including sexual harassment. The City prohibits sexual overtones and intimidation, as well as any other form of sexual or other types of harassment in the workplace. The City also prohibits anyone from taking any adverse action against an employee for making a good faith complaint of harassment. (See Admin. Dir. 2-13, Anti-Harassment)

Violence in the workplace will also not be tolerated. Weapons are prohibited on any City property or job site with the exception of sworn police officers, and all threats will be viewed with the assumption that they will be carried out. All reports of such incidents will immediately be thoroughly investigated. If found to be valid, disciplinary action will be taken, up to and including dismissal. The reporting procedure outlined in the Anti-Harassment directive noted above may also be utilized for reporting acts of violence. To the extent permitted by the Firearm Concealed Carry Act, any employee may store a firearm or ammunition concealed in a case within a locked vehicle or locked container out of plain view within the vehicle in the parking area of a City facility. Employees may not store a firearm or ammunition within a vehicle in parking areas that constitute a prohibited area.

AUTHORITY

The City Manager, by City Council directive, is responsible for the administration of the following personnel rules and regulations and is vested with full authority to establish by administrative directive terms and conditions of employment consistent with policy established by the City Council.

POLICIES AND PRACTICES ESTABLISHED

If the following Personnel Policies and Practices conflict with the Rules and Regulations of the Board of Fire and Police Commissioners of The City of Lake Forest with regard to fire and police employees, the Board's rules shall be followed. Said Rules and Regulations are hereby made a part of these Personnel Policies and Practices.

The employees who are covered by any applicable collective bargaining agreement (and any subsequent Agreements signed during the duration of these policies) shall be governed by the provisions of those agreements, to the extent that any of the Personnel Policies and Practices conflict with the agreements. In all other circumstances, including where the agreements are silent, these Personnel Policies and Practices shall govern.

1. EMPLOYMENT POLICY

1.1.0 Authority to Employ Personnel

Authority to employ individuals for all positions in the City service, except offices appointed by the Mayor (Police Chief) or by the Mayor with the advice and the consent of City Council (Fire Chief, City Engineer, City Clerk), is vested in the City Manager.

1.2.0 Employment Procedure

It is the policy of the City to employ and fill vacancies on the basis of merit and, whenever it is in the best interests of the City, to promote City employees to higher positions when vacancies occur.

The City also will make reasonable accommodations, as required by law, for qualified individuals with disabilities unless doing so would result in an undue hardship. (See Admin. Dir. 5-2, Request for Accommodation)

All persons seeking employment with the City shall first make electronic application to the Department of Human Resources on the City website. Employees who are unable to submit an application electronically will be afforded the ability to submit a paper application or offered another form of accommodation as warranted. No person will be employed and placed on the City payroll until appropriate and satisfactory background, employment, and medical examinations have been completed and information necessary for pension plan, payroll deduction and other required data are determined. (See Admin. Dir. 2-10, Medical Examination Policy)

Once hired, all employees will be given a comprehensive orientation program which addresses pay and benefit issues, City policies and procedures, safety issues, instruction in the proper use of equipment and any other factors necessary to enable the employee to perform in the job. (See Admin. Dir. 2-8, Employee Orientation)

1.3.0 Equal Opportunity Employer

The City's equal employment opportunity policy applies to all terms, conditions and privileges of employment including hiring, probation, training, placement, promotion, transfer, compensation, benefits and employee programs, discipline, termination, layoff and recall, and retirement. All employees will be judged on the basis of merit, training, experience, ability to perform the job, and compliance with applicable retirement and pension plan requirements. The City does not discriminate against a person because of race, color, sex, religion, age, disability, national origin, ancestry, creed, marital status, sexual orientation, citizenship status, military status, veteran status, genetic history, pregnancy or any other class protected by law. Every person will be given an equal opportunity for employment with the City, and the City shall comply strictly with all applicable Federal, State and local employment and labor laws, including making reasonable accommodations for qualified individuals with disabilities unless doing so would result in an undue hardship. (See Admin. Dir. 5-2, Request for Accommodation)

1.4.0 Drug-Free Workplace

The use and misuse of alcohol and drugs by The City of Lake Forest's employees is contrary to a drug-free workforce and workplace. The use of these substances increases the potential for accidents, absenteeism, substandard performance, turnover, misconduct, poor employee morale, damage to property, injury to the public and/or other employees, or degradation of trust in the City to effectively service its citizens. In addition, employees who are "drivers" as that term is defined pursuant to the Omnibus Transportation Employee Testing Act of 1992, and other employees in safety-sensitive

positions, are subject to drug and alcohol testing as set forth in federal regulations and pursuant to procedures described in two Alcohol and Drug Policies. (See Admin. Dir. 2-2, Alcohol and Drug Policy for CDL License Holders, and 2-3, Alcohol and Drug Policy)

1.5.0 Employment of Relatives

In order to avoid an actual or potential conflict of interest in employee hiring, supervision and/or allocation of duties, employment and personnel decisions shall not be made on the basis of nepotism or under circumstances which reasonably create the appearance of nepotism to the public. For purposes of this policy, the terms “immediate family” and “relatives” are a spouse, parents, parents-in-law, siblings, sisters/brothers-in-law, children. These types of relationships in the workplace are strongly discouraged, however, case-by-case consideration will be given to any current employees that would be adversely affected by a strict application of this policy.

- a. The City generally does not permit two or more relatives to work in the same department, division or section in circumstances where one relation occupies a position that supervises the other relation or has influence involving the relation’s employment, promotion, supervision, salary advancement or other personnel decisions. In the case of temporary positions, however, more than one member of a family may be employed within the same department, and in the same division or section, as long as a direct or indirect supervisory/subordinate relationship between the relatives does not exist.
- b. If employment of immediate family members exists, or is later established, or is deemed to be in the best interest of the City, and an actual or potential conflict arises, the City Manager, the Director of Human Resources and the appropriate Department Head(s) will endeavor to resolve the conflict by conciliation, transfer or other appropriate action, including termination. These situations will be resolved on a case-by-case basis. The City staff will present recommendations in each such case to the PCA for review and approval.
- c. This policy does not apply to those individuals who are uncompensated and who serve on The City Council or advisory City Boards and Commissions. This policy also does not apply to the hiring of persons whose application and appointment are under the jurisdiction of the Board of Fire and Police Commissioners of the City.

1.6.0 Secondary Employment

No regular fulltime employee of the City is permitted to engage in any outside work, business venture or other activity considered as secondary fulltime or part-time employment without the department head's knowledge and written approval. Such employment will not be acceptable under a number of conditions, including, but not limited to:

- a. Where secondary employment would extend beyond 20 hours a week, except during an employee's regular days off, holiday or vacation periods.
- b. Where the nature or place of employment might bring disfavor on the City.
- c. Where secondary employment would involve the employee's appearance in City uniform, involve use of City equipment, or in any manner be considered as a conflict of interest with the employee's municipal position.
- d. Where secondary employment would involve running personal expenses through the City’s accounts.
- e. Where it appears that secondary employment has an adverse effect on the employee's attendance, punctuality or sick leave record.
- f. Where secondary employment impairs the employee's ability to discharge the duties and responsibilities of his/her City job.

- g. Where an employee might be considered to be using his/her City position to influence, to solicit business for the outside employment, or where there is any appearance of impropriety.

Employees who engage in secondary employment shall do so only with the understanding and acceptance that their primary duty, obligation and responsibility is to The City of Lake Forest. All City employees are subject to call at any time for emergencies, special assignment, or overtime duty, and no secondary employment may infringe on this obligation.

No non-exempt employee will be allowed to work secondary employment within another department of the City. Exempt employees will be allowed to work secondary employment within another department of the City only with the approval of the Director of Human Resources and City Manager. These limitations do not apply to employees who are working in two positions for the City as of May 1, 2005.

2. OFFICIAL PAY PLAN

2.1.0 The Official Pay Plan

The salary ranges and position titles as maintained by the Department of Human Resources shall constitute the Official Pay Plan for all employees of The City of Lake Forest except the City Manager.

2.2.0 Administration of Pay Plan

The City Manager, as chief administrative officer of the City, shall be responsible to the City Council for the administration and interpretation of the Official Pay Plan and shall set salaries for all employees within the limits of the salary ranges established herein. The City Manager shall apprise the City Council from time to time regarding the appropriateness of municipal salary levels, taking into consideration cost of living, area employment conditions, level of employee performance and other appropriate factors. All salary adjustments shall be authorized by the City Manager following consideration of recommendations by department heads, who shall certify each employee's eligibility and qualifications for such salary adjustment. The City Manager shall apprise the City Council of compensation adjustments for the Executive Staff during the annual budget review process or at the time of original appointment. The City Manager is further authorized to establish and administer an employee evaluation and development program to be used to determine employee job effectiveness, performance, and individual employee development. Such a program serves as an important factor in consideration of employee salary adjustments. Additionally, the City Manager shall have the authority to establish personnel review boards to administratively review and recommend employees for probation and salary adjustments. (See Admin. Dir. 2-18, Employee Performance Compensation and Evaluation)

2.3.0 Salary Administration Procedure

The following paragraphs detail the salary administration procedures for the City.

2.3.1 Establishment of Salary Ranges and Position Titles

The Official Pay Plan for City service consists of the established annual pay ranges and the titles of regular, fulltime positions which are to be compensated within each pay range. The City Manager recommends adjustments to the salary plan from time to time, which become effective when approved by the City Council.

The Official Pay Plan establishes salary ranges which recognize that individual ability and exhibited job performance are the basic considerations in salary administration. The Plan also recognizes that it is desirable to provide the opportunity for employees to attain, within a reasonable period following employment, a salary level appropriate to their position and skills exhibited based on their performance. The various ranges are available upon request from the Director of Human Resources.

Pay Range: For the Operational, Clerical, Professional, and Supervisory Classifications, there are seven steps within each range, with Step 1 being the lowest and Step 7 the highest. Progression through each step is based solely on exhibited performance. Progression through the Managerial, Administrative and Executive Classifications is based solely on exhibited performance.

2.3.2 Applicability of Salary Ranges and Position Titles Schedule

Salary ranges represent fulltime compensation for each position title to be paid to regular, salaried employees of the City. Pension participation will be required for non-sworn employees working 1,000 hours or more in a year *in qualifying positions*.

2.3.3 Original Appointment

Employees shall normally be appointed at the minimum level of the range authorized for the position, or Step 1. However, employees may be hired at a level higher than the minimum with the expressed approval of the City Manager, who shall have authority to establish initial employment compensation at any salary level within the range authorized by the City Council for the position. Employees appointed at the initial increment for their position salary range shall be eligible for a salary increase upon satisfactory completion of a probationary period and recommendation for salary adjustment by the department head. In no case will a new employee be appointed to a step higher than Pay Step 4 unless special approval is granted by the City Manager. No employee shall be considered for regular appointment or salary increase if he/she is determined to not satisfactorily perform the assigned duties of the position.

The City Manager may authorize increases larger than one step, subject to budgetary constraints, if the performance and skills exhibited during the probationary period warrant additional compensation.

2.3.4 Probationary Period

All persons employed by the City to fill a regular position shall serve a probationary period. Except as noted below, such probationary period shall continue for six months, providing the employee's performance is satisfactory. Such period may be extended not to exceed six additional months if, in the opinion of the department head, Director of Human Resources and City Manager, an extended period is necessary to fully evaluate the employee for regular appointment. Probationary employees are not guaranteed employment through their probationary period and remain subject to termination at the will of the City.

Sworn police and building inspectors serve a minimum 18-month probationary period. Sworn firefighters serve a minimum 12-month probationary period which may be extended until paramedic licensing has been achieved. Community Services Officers and Water Plant Operators serve a minimum 12-month probationary period.

During the probationary period, the employee must exhibit an ability to learn and handle the job for which he/she was hired. No employee shall be appointed regular employee status without having first been thoroughly evaluated by his/her supervisor and having his/her performance discussed with them. A decision as to whether the employee should be appointed to regular employee status will then be made by the department head, the Director of Human Resources and the City Manager. Should satisfactory job performance not be attained by the end of the period, the probationary period may be extended for up to six months with the agreement of the department head, the Director of Human Resources and the City Manager, or the employee shall be dismissed.

Upon successful completion of the probationary period as determined by the department head, the employee will be appointed to "regular" employee status. Continued employment is dependent upon the employee's satisfactory job performance, adherence to City and departmental rules and regulations, honesty, and the City's available funding. Successful completion of the probationary period and appointment to "regular" employee status does not alter the employee's at-will employment relationship. (See Admin. Dir. 2-18, Employee Performance Compensation and Evaluation; and 2-5, Use of Personnel Action Report)

2.3.5 Administration of Plan

Any new employee or an employee who has been promoted or transferred will receive a one-step pay increase upon successful completion of the probationary period, called the initial step increase. In the case of any employee promoted or transferred to Pay Step 7, this increase shall not be granted.

After the initial pay step increase, each subsequent increase will be based on the employee's annual May 1 evaluation and will take into consideration demonstrated satisfactory job performance. The increment salary increase shall generally follow the pay steps established by the City Council for the particular salary class, except that employees may receive a larger increase upon the approval of the City Manager if performance and skills demonstrated clearly warrant such consideration. Smaller incremental salary increases may also be granted if job performance does not warrant a full step increase. In those instances, a performance improvement plan (PIP) may be developed to assist the employee in improving performance.

2.3.6 Pay Plan Adjustments

Based on economic conditions and other factors, the pay plan may be periodically adjusted by the City Council. At the time of such adjustments, all regular, fulltime employees will be eligible for salary increase consideration at the newly assigned salary rate or any portion thereof, depending on their evaluation applicable to their respective salary classification.

A department head, upon a formal evaluation of any employee and following consultation with said employee, can recommend that no increase be granted based on a failure to perform assigned duties in a satisfactory manner. If an adjustment is withheld, a performance improvement plan may be established with the employee, and the employee may be reevaluated at an established time set by the department head and the Director of Human Resources. An adjustment may be granted by the City Manager when said employee's performance has improved to a satisfactory extent, however, any missed steps or back pay increases will not be made up in order to have the employee "catch up" to where their pay would have been with satisfactory performance.

2.3.7 Promotions

Promotions in the City service shall be based upon merit and ability to fulfill the requirements of the position as described. If in the best interests of the City, vacancies in higher positions will be filled by promotion of qualified employees from subordinate jobs.

Promotional examination, education, oral interview, review of past work record and exhibited interest are factors which may be considered in determining the qualifications of an employee for promotion. All promotions are made upon department head recommendation to and approval by the City Manager, unless otherwise vested with the Mayor and/or City Council. All employees promoted or hired into a supervisory position will receive hands-on supervisory training as deemed appropriate by the department head and Department of Human Resources. Such training may include but not be limited to 10-Minute Manager segments; professional organization supervisor training programs (IPELRA) and leadership programs (Midwest Leadership Institute); leadership readings and onsite training developed and offered by the Department of Human Resources (i.e., Harassment, Alcohol and Drug Awareness; FMLA and ADA).

When an employee is transferred or promoted from one position or salary range to another, his/her salary may be adjusted by the City Manager and the employee may be placed on probation as determined by the City Manager. The salary will be at an increment within the new salary range. In the case of promotions, the City Manager may authorize a salary increase within the new salary range which reflects the increased duties and responsibilities assigned the employee. The City Manager shall recommend to the City Council promotional candidates for those positions appointed by the

Mayor and/or City Council as set forth in Article VI of the City Code (Police Chief, Fire Chief, City Engineer, City Clerk).

2.3.8 Job Transfers

Job transfers are of two types: (1) those requested by the employee, and (2) those made by the City, either temporary or permanent, where the best interest of departmental operations is served. Such changes shall occur only upon approval of the City Manager.

Any employee may be required by the City to perform in another department of the City when necessary or proper for the efficient and effective use of personnel in carrying out the business of the City.

2.3.9 Reclassification

An employee's position may be re-established by the City Manager to a higher or lower salary range to properly reflect assigned duties and responsibilities and subject to budgetary constraints. The City Manager shall have the authority to reassign and place an employee at a lower salary range.

2.3.10 Resignations, Layoffs

To resign from City service in good standing, an employee shall give his/her department head at least two week's written notice of his/her intention to resign. Under exceptional circumstances, the City Manager may waive the two-week notice requirement, thereby allowing the employee to leave in good standing.

Any City employee may be laid off without reflection on his/her standing for lack of work or funds. The City usually will attempt to give at least two weeks' notice of the effective date of a layoff to each regular employee affected. (See Admin. Dir. 2-30, Severance Pay)

2.3.11 Tree Trimmer Pay

Forestry employees who are classified as tree trimmers shall receive tree trimmer pay in the amount of \$50 per month in addition to their established monthly rate.

2.3.12 Additional Duty Pay

The City Manager shall have the authority to assign additional duty responsibilities on an as-needed basis to regular employees which will be special or collateral assignments in addition to the employee's regular position. Employees receiving additional duty pay will only receive the pay as long as the additional responsibilities are required of that employee; the pay is not guaranteed. Employees assigned an additional duty position shall be eligible, upon authorization by the City Manager, for a salary adjustment, which shall be in effect only so long as authorized by the City Manager and subject to budgeting constraints. (See Admin. Dir. 2-14, Additional Duty Pay Administration)

The standards for awarding additional duty pay shall be as follows:

- a. The additional duties must represent skills not normally associated with the position classification and its description.
- b. The individual must be performing duties not normally assigned to the position and the additional duties must represent forty percent (40%) of the individual's time.

- c. The individual must act as working leader for a crew of three (3) or more for sixty percent (60%) of the individual's time. This must include: assigning personnel; directing personnel; being held responsible for crew performance by first-line supervisor; and being assigned as acting supervisor periodically.
- d. The additional duties must represent assigned managerial responsibilities either as an “acting” or “interim” position or as an “assistant to” position.

Performance will be considered in making annual additional duty pay evaluations.

2.3.13 Additional Merit Pay

The City Manager, with the concurrence of the City Council, shall have the authority to establish an additional merit pay policy as defined in Administrative Directive 2-22.

2.3.14 Longevity Pay

In addition to regular compensation and in recognition of continued service to the City, employees are eligible for \$35 per year of service after 5 years through 9 years; \$40 per year of service beginning 10 years through 14 years; **\$50** per year of service beginning 15 years through 19 years. Employees with more than 19 years receive \$75 per year of service. Subject to budgetary constraints this sum shall be paid in a lump sum amount during December each year, and years of service shall be calculated as of December 31 of the year in which the longevity pay is being paid. It is subject to all normal withholding. Employees who leave employment prior to the issuance of the longevity checks will not receive the longevity bonus.

2.4.0 Positions

2.4.1 Department Heads and Staff Assistants

The City Manager shall, within established salary levels approved by the City Council, have full discretion and authority to periodically adjust salaries of those persons in the Executive, Managerial, and Administrative classifications of the Pay Plan. Performance of such professional personnel will be reviewed at least annually on May 1. Increases shall not extend salary levels beyond the maximum annual rates established for the positions unless it is determined that the employee deserves a merit adjustment based on exhibited performance. The City Manager shall apprise the City Council of any such salary adjustment.

2.4.2 Job Sharing

The City recognizes that allowing fulltime employees with special needs to share their regular, fulltime positions with another employee without reducing the efficiency of the position or the established hours of work for the position is often beneficial.

Any regular, fulltime employee in good standing may apply in writing to the department head for approval of a job-sharing arrangement. All requests will be forwarded to the Director of Human Resources for review and coordination. If an appropriate person solely at the City's discretion is not found to share the position within 60 days, the request will be denied.

All job-sharing arrangements shall be governed by a job sharing agreement, which is effective for a maximum period of 12 months, but can be canceled with 30-days' notice by the employee or the City. The agreement may be extended upon a written request from the employee and approval of the department head. (See Admin. Dir. 2-12, Job Sharing Program)

2.5.0 Residency Requirement/Housing Allowance Compensation

Although highly desirable, most employees are not required to maintain residency within the City limits. Fire and police sworn personnel not covered by a collective bargaining agreement must live within a 27-mile radius of the Public Safety Building. Police and Fire sworn personnel covered by a collective bargaining agreement must abide by the terms of the agreement. Employees of these two departments must have the express permission of the Chief of Police or Fire Chief and the approval of the City Manager to reside outside those limits. All other City employees, except as noted below, must live within a reasonable distance to the City that will not prevent them from fulfilling the duties and responsibilities of their position.

The City Council recognizes that it is sometimes desirable and in the best interest of the community to have certain members of the staff reside within the City. These positions may consist of the following:

City Manager
Police Chief
Fire Chief
Director of Public Works
Director of Community Development

Each position will be considered on an individual basis. The City Manager is authorized to require such residency and to provide housing assistance, with prior concurrence of the City Council, to those employees if they are required by the City Manager to establish their residency within the City. The City Manager's housing compensation will be determined solely by the City Council.

2.6.0 Emergency Response Personnel

Employees required to make emergency responses may, at the department head's discretion, be allowed to take City vehicles home at night. This exception is being made to accommodate those individuals who require immediate access to equipment and radio communications in emergency situations. (See Admin. Dir. 1-12, Assigned Vehicle Use)

2.7.0 Fringe Benefits

The City has established policies and guidelines for the proper handling and taxing of certain employee fringe benefits to ensure compliance with IRS guidelines. Included in these benefits are guidelines on uniforms, logo wear, laptop computers and other miscellaneous items that may be subject to being taxed. (See Admin. Dir. 2-15, Employee Fringe Benefits)

2.8.0 Deductions from Exempt Employee Salaries

Exempt employees are not answerable merely for the number of hours they work. They work as few or as many hours as are necessary to accomplish the tasks expected of them. For this reason, and subject to the exceptions below, City policy provides the compensation of exempt employees should not be reduced for any partial-day absence (other than intermittent or reduced schedule FMLA leave); any partial-week absence occasioned by the City or its operating requirements, including holidays and partial-week shutdowns; or because of variations in the quality or quantity of work performed. Deductions from the compensation of exempt employees are proper under the following circumstances:

- a. Partial day absences for intermittent or partial day FMLA leave;
- b. Full-day absences for personal reasons, other than sickness or disability;

- c. Full-day absences due to the employee's own sickness or injury (including work-related injuries and FMLA-related absences). Such deductions will be made in accordance with the City's paid time off plans and state worker's compensation laws and regulations;
- d. Deductions from pay for penalties imposed in good faith for infractions of safety rules of major significance;
- e. Any portion of a workweek that the exempt employee does not work at the commencement and termination of employment; and
- f. Full workweeks in which no work is performed.

The City reserves the right to require an employee to utilize paid time off benefits for partial-day absences occasioned by personal reasons or by the employee's own illness or injury. The City also reserves the right to offset from an exempt employee's compensation any amount received in a particular workweek in jury duty fees, witness fees or military pay.

Improper deductions from the salary of exempt employees are a serious violation of City policy. The City encourages any exempt employee who believes his or her salary has been improperly reduced to report the problem immediately to his or her immediate supervisor or the Director of Human Resources. The City will review the deduction to determine if it was proper. The review process may require the employee to provide information or present documents to the City. The employee will be notified of the results of the City's review. If the City determines that the deduction was improper, the employee will be reimbursed for the improper deduction as soon as practicable. Employees are assured that the City is committed to comply, and expects all supervisors and managers to comply, with this policy and to carefully avoid making improper deductions from the salary of exempt employees. Employees also are assured that no retaliatory action will be taken for reporting improper deductions. Employees who suspect retaliation should report their concerns immediately to his or her immediate supervisor, the Director of Human Resources or the City Manager.

Note: The City's attendance and disciplinary action policies are applicable to exempt employees even though an absence may not be one for which a deduction from salary may be taken.

3. HOURS OF WORK

3.1.0 Workweek Defined

The workweek commences at 12:01 a.m. on Sunday and ends at midnight on the following Saturday. Except as otherwise provided in this Part 3, the hours of work comprising fulltime City employment shall be 40 hours per week and a minimum of 1,000 hours per year *for IMRF pension purposes*. For Fire Department personnel, including Paid-on-Premise personnel, it shall be 204 hours averaged over a 27-day period; and for Police Department personnel, it shall be 171 hours averaged over a 28-day period. It is the personal responsibility of each employee to be at his/her work station and fully prepared to begin work at the time the established departmental shift/work day begins.

3.2.0 Workday Defined

The workday for each employee shall be the 24-hour period from the time that work is scheduled to begin until that time shall occur again. This definition shall be used whenever workday is referred to in these policies. A 30-minute unpaid meal break is included as part of the workday unless otherwise defined for specific positions.

3.3.0 Overtime Work

It is the policy of the City to keep work in excess of established schedules at a minimum and to permit such work only when it is necessary to meet City operating requirements. All overtime work performed by a nonexempt employee must be approved by the employee's immediate supervisor prior

to the work being performed. Unauthorized overtime work will subject the employee to discipline, including dismissal.

3.4.0 Established Hourly Rate Defined

The established hourly rate shall be at the rate specified in Section 2, Official Pay Plan, for the position salary range held by the employee at the time the overtime compensation is earned. The rates established by the Official Pay Plan shall be the official rates for all overtime compensation.

3.5.0 Compensation for Overtime Work

Employees shall be compensated for overtime work at the following rates:

- a. **Police Department** – Eligible sworn police personnel covered by the collective bargaining agreement shall be compensated as determined by their agreement. Sworn police personnel not covered in the bargaining unit shall be compensated at 1½ times their established regular rate, computed on a per-hour basis for all authorized police work in excess of the regularly scheduled 8¼-hour work day and beyond the regularly scheduled work week, and for all authorized police work when called back after normal working hours or on regularly scheduled days off, including holidays. Whenever eligible sworn police personnel not covered by the collective bargaining agreement are called back to work on a temporary basis, a minimum of two hours of overtime compensation will be paid.
- b. **Fire Department** – Eligible sworn fire personnel covered by the collective bargaining agreement shall be compensated as determined by their agreement. Sworn fire personnel not covered in the bargaining unit shall be compensated at 1½ times their established regular rate, computed on a per-hour basis for all authorized fire work in excess of the regularly scheduled 24-hour work day and beyond the regularly scheduled work week, and for all authorized fire work when called back after normal working hours or on regularly scheduled days off, including holidays. Whenever eligible sworn fire personnel not covered by the collective bargaining agreement is called back to work on a temporary basis for emergency calls, a minimum of two hours of overtime compensation will be paid.
- c. **Public Works, Parks and Forestry Personnel** – Eligible regular fulltime and part-time employees in these areas shall be compensated at 1½ times their regular rate, computed on a per-hour basis for all authorized work in excess of the normal working day and beyond the regularly scheduled work week and for all authorized work when called back after normal working hours on regularly scheduled days off, including holidays. Fulltime and part-time employees will be compensated at 1½ times their regular rate for any authorized work in excess of 40 hours in a work week. In the event that shift changes are approved which increase the regular work day but cause the work week to remain at 40 hours, overtime will not be compensated until the hours worked extend beyond 40 hours per week. Whenever an employee in these sections, who is eligible to receive overtime, is called back to work on a temporary basis from off-duty status, a minimum of two hours of overtime compensation at 1½ times the hourly rate will be paid. During snow removal emergency shift work, employees shall be paid as determined by the snow removal policy.
- d. **All Other Regular Fulltime and Part-Time Employees** – Eligible regular fulltime and part-time employees, except as noted above, shall be compensated at 1½ times their regular rate, computed on a per-hour basis for all authorized work in excess of the normal working day and beyond the regularly scheduled work week and for all authorized work when called back after normal working hours on regularly scheduled days off, including holidays. Fulltime and part-time employees will be compensated at 1½ times their regular rate for any authorized work in excess of 40 hours in a work week. In the event that shift changes are approved which increase the

regular work day but cause the work week to remain at 40 hours, overtime will not be compensated until the hours worked extend beyond 40 hours per week. Whenever an employee of this category is called back to work on a temporary basis, a minimum of one hour of overtime compensation will be paid.

e. Compensatory Time

It is the policy of The City of Lake Forest to schedule overtime work only when deemed necessary to meet City operational needs. Regular, fulltime, non-exempt employees in the following departments may elect to take compensatory time-off in lieu of overtime compensation by signing the appropriate agreement for their department or if covered by any applicable collective bargaining agreement (and any subsequent agreements signed during the duration of these policies): Community Development, CROYA, Finance, Human Resources, Office of the City Manager, Public Works, Parks and Recreation and Senior Resources. Compensatory time-off will be granted to the participating employee at a rate of 1.5 hours of compensatory time for every hour of overtime worked.

Compensatory time-off may not be taken unless the participating employee has received prior approval from his or her department head. Once a participating employee has worked overtime and received approval from his or her department head, the employee may schedule and take his or her earned compensatory time-off. A participating employee who has accrued compensatory time and has requested its use will be permitted to use that time within a reasonable period after making the request, so long as the use of that compensatory time-off does not unduly disrupt the operations of the City or the Department. Participating employees requesting compensatory time off must adhere to the same rules set forth for department vacation requests.

No participating employee shall accumulate more hours of compensatory time during a given 12-month period as set forth in the appropriate agreement he or she signed. Once a participating employee works overtime to the extent that he or she accrues the maximum compensatory time hours, the employee will be paid overtime compensation for any further overtime hours worked. Accrued hours will not be carried forth into a new 12-month period as set forth in their agreement. Employees will be issued a check for all compensatory time not used within the defined period in which it was earned equal to the number of hours accrued. The City may at any time substitute overtime cash payments in exchange for compensatory time-off hours.

The City reserves the right to modify this policy and the accrual, use, and payment of compensatory time-off at any time upon notice to affected employees, subject to applicable federal and state law.

- f. No Pyramiding – Hours worked shall not be counted twice for purposes of overtime pay (that is, no pyramiding). Vacation or personal day hours shall not be counted toward daily or weekly overtime if the employee works on his or her scheduled vacation or personal day.

3.6.0 Positions Ineligible for Overtime Compensation

The overtime compensation provisions of Section 3.5 of this Directive shall not apply to positions in the Managerial and Administrative or Executive pay plan schedules of the Official Pay Plan of The City of Lake Forest or other positions determined to be exempt by the department head, Director of Human Resources and City Manager based on the Fair Labor Standards Act and Illinois Minimum Wage Act guidelines.

3.7.0 Flex Time

Office employees may be eligible to take time off during their normal workday and make the time up at another time. This may include, but not be limited to, time off for such things as personal business, doctor/dental appointments, and school visitation. This time must be requested in writing to the department head or his/her designee at least 24 hours in advance and approval will depend on available staffing levels. The written request must include the reason for the request, the date and time needed off and when the time will be made up. No time will be granted in excess of three hours, and it must be made up within the same seven-day work period. In certain emergency situations, the department head has the discretion to waive the 24-hours advance notice requirement.

4. HOLIDAYS WITH PAY

4.1.0 Days Designated

The City of Lake Forest holidays shall be as listed below, unless changed by the City Manager. Holidays will normally be paid based on an 8-hour shift, excluding year-round special shifts such as, but not limited to, Fire and Sanitation.

1.	New Year's Day	January 1
2.	Personal Day (day of employee's choice with department head approval in lieu of Martin Luther King Day)	Earned January 1
3.	Personal Day (day of employee's choice with department head approval in lieu of Presidents' Day)	Earned February 1
4.	Personal Day (day of employee's choice with dept head approval)	Earned May 1
5.	Memorial Day	Federal Holiday
6.	Independence Day	July 4
7.	Labor Day	First Monday in September
8.	Veterans Day	November 11
9.	Thanksgiving Day	4 th Thursday in November
10.	Thanksgiving Friday	Friday after Thanksgiving
11.	Christmas Eve Day	December 24
12.	Christmas Day	December 25

Personal days must be used within the calendar year in which they are earned. Time remaining on January 1 of the following year will be deleted from the employee's accruals unless special arrangements are made in advance with the employee's department head. Should special arrangements be made, the department head will complete a personnel action form noting the exception. Police and Fire personnel must use these days within the fiscal year.

4.2.0 Holiday Falling on Weekend, Working Days

When any of the above holidays falls on a Sunday, the following Monday is considered the holiday; if any falls on Saturday, the preceding Friday is celebrated as the holiday. For employees who maintain essential City services or who work on shift assignments, or for regular employees on vacation, the policy shall be followed that when a holiday falls on one of their regular days off or during their vacation period, they receive another day off as scheduled by their department head.

For those who receive another day off in lieu of the holiday, the time must be used within the fiscal year in which it is earned. Time remaining on May 1 of the following fiscal year will be deleted from the employee's accruals unless special arrangements are made in advance with the employee's department head in consultation with the Director of Human Resources. Should special arrangements be made, the department head will complete a personnel action form noting the exception.

Whenever Christmas Eve and/or Christmas Day falls on a Saturday or Sunday, the preceding Friday and following Monday will be observed as the Christmas Eve and Christmas Day holidays unless otherwise designated by the City Manager.

4.3.0 Holiday Bonus

When a probationary or regular fulltime employee is scheduled to work a minimum eight-hour shift on a City holiday, that employee will receive a holiday bonus of \$140. Employees “swapping” days with a regularly scheduled employee will be eligible to receive this holiday bonus in lieu of the person with whom they “swapped”. For employees working shifts in 24-hour/7-days-a-week departments, the employee who works the official holiday is paid the bonus, not the employee who works the “celebrated” holiday (i.e., if July 4 falls on a Saturday and is celebrated by the City on Friday, July 3, the employee who works on July 4 receives the bonus). This bonus is subject to all normal withholding. It does not apply to employees who are called back for emergency work, but only those scheduled to work as part of their normal shift in order to maintain appropriate coverage. Employees called back for emergency situations or coverage will be covered under Section 3.5.0 of these policies. Executive Classification employees are exempt from this holiday bonus. Employees covered by a collective bargaining agreement shall be compensated as determined by their agreement.

5. LEAVE POLICY

5.1.0 Vacation Schedule

<u>Completed Years of Service</u>	<u>Hours Accrued Per Pay Period</u>	<u>Hours Accrued Per Year</u>
1 to 5	3.08	80
6	3.38	88
7	3.69	96
8	4.00	104
9	4.31	112
10	4.62	120
11	4.92	128
12	5.23	136
13	5.54	144
14	5.85	152
15-19	6.15	160
20	6.46	168
21	6.77	176
22	7.08	184
23	7.38	192
24+	7.69	200

Vacation hours accrued at the end of each pay period are available for use, dependent upon individual department policies and the department head's discretion. New employees may use the vacation benefits accrued with their department head's discretion. Employees are not allowed to use vacation time before it is earned, thus creating a negative balance.

A regular part-time employee will earn vacation and holiday time with pay equal to the percentage of time worked compared to a regular, fulltime employee.

Due to different hours of work, Fire Department personnel working shift assignments shall accrue vacation benefits at an equal, but different formula rate than other municipal employees. The annual accrual is the same.

Vacation leave should be taken on consecutive days. Eligible leave should be taken during the fiscal year earned or it is subject to forfeiture as provided below. Depending upon departmental or personal circumstances, a period of vacation leave may be restricted to two (2) weeks at any one period and, in certain cases, eligible vacation may be deferred to the following fiscal year with the approval of the City Manager. Every effort will be made to grant vacation during periods requested by employees, consistent with the operational needs of the various departments. The City reserves the right, by action of the department head and the City Manager, to approve or disapprove actions with regard to granting of vacation requests.

Holidays observed or periods of significant illness occurring during a vacation leave period are not charged against vacation leave, but are charged against applicable holiday or sick leave.

Employees are not permitted the choice of working for extra pay instead of taking their vacation. However, in special circumstances, when in the best interests of the City and upon the approval of the City Manager, the City may purchase a portion of the accrued vacation of an employee at the employee's then-established salary rate.

Employees are not permitted to accrue more vacation than they earn in one year plus 80 hours (112 hours for sworn fire personnel). Time exceeding the earned amount plus the 80 hours (112 hours for sworn fire personnel) on May 1 of the fiscal year will be deleted from the employee's accruals unless special arrangements are made in advance with the employee's department head in consultation with the Director of Human Resources. Should special arrangements be made, the department head will complete a personnel action form noting the exception.

Upon separation from City service, a regular employee will be paid for accrued but unused vacation leave, up to their allowable annual maximum plus 80 hours (112 hours for sworn fire personnel). If an employee separates from City service and has been given special permission to accrue more vacation in that year, as described above, the employee will be paid out for any of those accrued hours at the time of termination.

5.2.0 Sick Leave with Pay

All regular, fulltime employees accrue paid sick leave benefits at the rate of 3.69 hours per pay period to a maximum of 960 hours. An employee who utilizes sick leave for an entire pay period does not earn sick leave for that period.

Sick leave with pay is authorized only if employees notify their department head or immediate supervisor of the necessity for absence in advance of the assigned time to start work. An employee whose work requires a substitute for a particular shift assignment is required to give reasonable notification in advance of the assigned time to start. An employee using paid sick leave benefits is not authorized to work secondary employment while unable to work for the City unless authorized by the employee's department head.

Sick leave with pay may be used for:

- a. Any bona fide personal illness, injury or pregnancy.
- b. Quarantine for contagious disease.
- c. Doctor/dental appointments.
- d. Illness of immediate family member (includes parents, in-laws, ***step parents***, children, spouse, siblings, ***grandchildren*** and grandparents or at the department head's discretion)

As a condition to the granting of paid sick leave benefits, any employee may be required to file a certificate of health examination by a practicing physician approved by the City and conform to any medical advice contained therein as directed by the City Manager. A Personnel Action Report must be filed whenever an employee is out for 3 consecutive work days, and a signed medical release must be received in order for the employee to return to work. If, in the opinion of the City Manager upon recommendation of the department head and Director of Human Resources, an employee is unfit to perform essential functions of the job with or without accommodation, or if the health or safety of other employees or the public is jeopardized, such employee may be offered the opportunity to apply for eligible pension or disability benefits and may be granted a leave of absence without pay or may be separated from City service. (See Admin. Dir. 2-5, Use of Personnel Action Form)

While every effort will be made to accommodate employee requests, use of sick leave under items c and d may be denied if emergency situations exist or staffing levels require the employee's presence.

In a case of very serious or prolonged personal illness, an employee who uses all accumulated sick leave may use all accumulated vacation and holiday leave for sick leave purposes before being removed from full pay status. However, regardless of any other City policy or procedure, the time on leave for a prolonged personal illness or on light duty may not exceed six (6) months (or 30 days beyond the expiration of benefits pursuant to the Public Employee Disability Act for fulltime sworn police and fire personnel entitled to such benefits), even if the employee has not exhausted all

accumulated leave, unless an exception is made by the City Manager or otherwise required by law, such as by the leave requirements of the Family and Medical Leave Act or the accommodation requirements of the Americans with Disabilities Act. Upon exhaustion of the above benefits, the employee may have the opportunity to apply to the appropriate pension or retirement plan for eligible disability benefits or for a leave of absence as defined in Section 5.6 of this policy. (See Admin. Dir. 2-6, Limited Duty Policy)

Every year, employees who use four or fewer sick days may choose to receive a payout of some of their unused sick time, based on the following table:

# of sick days used during the year	# of days that may be paid out (at 100% of salary)	Amount of sick days employees may accrue (up to maximum of 960 hours)
0 days	5 days	Balance of their 12 days (12 – (days used) – (days paid out))
1 or 2 days	3 days	Balance of their 12 days (12 – (days used) – (days paid out))
3 or 4 days	1 day	Balance of their 12 days (12 – (days used) – (days paid out))
5 or more days	No payout	Balance of their 12 days (12 – (days used) – (days paid out))

The payout is valued at 100% of salary, and it doesn't matter how many hours the employee has saved in their sick bank, only how many sick days the employee used that year. Usage of more than four (4) hours of sick time during a scheduled shift, including partial hours, will constitute use of a sick day for purposes of this policy. For firefighters, use of a sick day refers to one 16-hour shift, but, for purposes of this policy, payouts are made based on an 8-hour day. The employee can choose to receive this payout in cash less standard withholdings, or they may have it transferred to their 457 account on a pre-tax basis.

If an employee's total sick leave accrual has reached the 960-hour maximum, the employee will not be permitted to bank any additional sick leave. However, the employee may still participate in the payout options described in this policy.

If an employee's total sick leave accrual has not reached the 960-hour maximum, and the employee elects to take an annual payout, any sick time not paid out will be placed into a separate accrual bank that may not be paid out at a later date. If the employee elects not to take an annual payout, all sick leave will be placed into a separate accrual bank that may be paid out at a later date. The two banks together cannot exceed 960 hours.

On separation in good standing, an employee having time accrued and not previously bought down will be eligible for a buyout based on the following guidelines: a minimum accrual of 480 hours and not more than 952 hours of sick leave shall receive compensation equal to 20% of all hours accrued at the employee's current straight pay rate; an employee having a minimum of 953 hours of sick leave accrued shall receive compensation equal to 40% of all hours accrued at the employee's current straight pay rate. Employees who have not accrued at least 480 hours of sick leave or who have done an annual payout will not receive any compensation for that time upon separation from employment.

Illinois Municipal Retirement Fund (IMRF) allows retiring members who joined before June 1, 2014, up to one year additional pension service credit for unpaid, unused sick leave accumulated with their last employer. One month of service is credited for every 20 days, or fraction thereof, of unpaid,

unused sick leave not to exceed 240 days (one year). Those who joined IMRF on or after June 1, 2014, cannot convert unused, unpaid sick leave to service credit.

5.2.1 Voluntary Sick Leave Donation Program

All regular full- and part-time employees with a minimum of 160 hours of sick leave on the books may be eligible to donate up to 40 hours of accumulated sick leave per occurrence (more with department head approval) to another regular full- or part-time employee who has a catastrophic illness or injury either to themselves or an immediate family member.

A catastrophic illness or injury is one that is expected to incapacitate the employee or an immediate family member for an extended period of time, provided taking extended time off work creates a financial hardship for the employee because all sick leave and other paid time off has been exhausted. Examples may include, but are not limited to, life threatening injury or illness, cancer, AIDS, heart surgery, stroke, etc. An immediate family member includes parents, in-laws, children, spouse, siblings and grandparents or at the department head's discretion.

The employee receiving donations (recipient) must have exhausted all available leave (sick, vacation, holiday, etc.) before becoming eligible to apply for this program. To apply, the employee must notify the Director of Human Resources in writing of his/her desire to have a notice posted requesting donated time. No donations will be accepted without the recipient's written request.

Employees wishing to donate time (donors) should notify the Director of Human Resources in writing, noting how much time they wish to donate and whether or not they wish to remain anonymous in their donations. They will have the time deducted from their sick leave banks and this time will not count towards any other buy-back programs. However, the donors will not be penalized in any way by having this time deducted, such as being included in any other sick leave incentive programs.

All donated time must be in increments of 8 hours and will be considered on an hour-for-hour basis, regardless of the pay level of the donor and recipient. Any unused donated time will be returned to the donors on a prorated basis.

This policy shall in no way extend the time off beyond 6 months unless an exception is made by the City Manager or otherwise required by law and will work in conjunction with all other City policies.

5.3.0 Emergency Leave

Absences because of death of a member of the immediate family (includes parents, in-laws, children, spouse, siblings and grandparents or at the department head's discretion), when the employee's presence is required away from work, can be taken as paid emergency leave. The use of leave for this purpose shall not exceed 24 hours in a calendar year, and only when specifically authorized by the employee's department head. Time in excess of 24 hours must be taken from the employee's accrued vacation time and must be approved by the department head.

Hospitalization of any member of the immediate family when it can be clearly shown that an employee's presence is required can also be used as paid emergency leave. Immediate family includes parents, in-laws, children and spouse only. The use of leave for this purpose shall not exceed 24 hours in a calendar year. Time in excess of 24 hours must be taken as sick leave and have department head approval.

In the case of leave for a hospitalization, if the leave is foreseeable based on planned medical treatment, employees are required to make a reasonable effort to schedule the treatment so as not to

disrupt unduly the operations of the department, and also required to provide 30 days advance notice, or, if the treatment is in less than 30 days, such notice as practicable.

The emergency leave consists of a total of 24 hours per year, whether used for a funeral or hospitalization, and the employee is not compensated if the leave is not used.

5.4.0 On-the-Job Injury and Disability Leave

If an employee is injured on the job, no matter how slightly, the injury must be promptly reported to the immediate supervisor and a written accident report filed. Medical and hospital expenses incurred due to bona fide work-related injuries will be paid in accordance with City policy and applicable provisions of the Illinois Worker's Compensation Act, provided proper and prompt notice of the accident has been reported by the employee to the department head. (See Admin. Dir. 6-3, Accident and Injury Investigation)

A regular fulltime employee on injury leave may be compensated up to a maximum of 30 calendar days at the salary rate he/she was making at the time of the accident, less deduction of the amount paid by the City's Worker's Compensation insurance carrier (fulltime sworn police and fire personnel entitled to benefits pursuant to the Public Employee Disability Act are covered for up to 365 calendar days). After the 30-day time period (or 365-day time period for fulltime sworn police and fire personnel who are entitled to benefits pursuant to the Public Employee Disability Act), employees may elect to use accumulated sick leave and/or vacation credits to continue receiving full pay. If so, the employee will be charged at a rate of 33-1/3% from accumulated leave. Should the employee not elect such action or should all such accumulated credits be exhausted, the employee may apply for disability under provisions of the applicable retirement or pension fund. Once the employee is no longer receiving full compensation from the City, he/she may be eligible to receive compensation payable under the Illinois Worker's Compensation Act in addition to eligible retirement or pension fund benefits. (See Admin. Dir. 2-6, Limited Duty)

This policy shall in no way extend an employee's total leave period or time performing light-duty work beyond six (6) months (or 30 days beyond the expiration of benefits pursuant to the Public Employee Disability Act for fulltime sworn police and fire personnel entitled to such benefits) unless an exception is made by the City Manager or otherwise required by law. This policy will be applied in conjunction with all other City policies. (See Admin. Dir. 2-6, Limited Duty Policy)

All vacation, sick leave and holiday leave earned while on injury leave shall accrue at the employee's regular rate.

5.5.0 Military Service, Training

The City will follow all applicable Federal, State and local laws regarding employees who are required to fulfill a military commitment.

5.6.0 Family Military Leave Act

Any employee who has been working for at least 12 months, who has worked at least 1,250 hours in those months, and who is the parent or spouse of a person called to state or United States military service lasting longer than 30 days is entitled to unpaid family military leave of up to 30 days while the deployment order is in effect. If leave will consist of five or more consecutive work days, at least 14 days' notice is required. Employees taking leave for less than five consecutive work days must give as much advanced notice as is practicable. Employees requesting leave must consult with their supervisor to schedule the leave so it does not unduly disrupt the operations of the City. An employee may not take family military leave unless the employee has used all accumulated vacation leave and

holiday leave. The City may require certification from the proper military authority to verify the employee's eligibility for the family military leave requested.

5.7.0 Leave of Absence

The City Manager, in his/her discretion, may grant a leave of absence with or without pay to any regular employee a period as the City Manager may determine, not exceeding twelve (12) consecutive months. All requests for such leave must be submitted in writing by the employee via his/her department head to the City Manager. Such leave will be granted only when it will not adversely affect departmental operations and is not detrimental to the best interests of the City.

Upon expiration of the approved period of absence, the employee may be reinstated in the position held at the time leave was granted. An employee who fails to return to full duty at the expiration of the leave shall be deemed to have resigned and will be separated with cause.

During the leave of absence, the employee will not be eligible for City benefits. Should the employee wish to remain covered by the City's insurance during the leave of absence, COBRA laws will apply unless the leave is a paid leave, in which case the insurance will be paid in the same manner as if the employee were actively working.

5.8.0 Absence Without Leave

Absence of an employee from duty, including any absence for a single day or part of a day, that is not specifically authorized shall be without pay and serve as a basis for disciplinary action. An employee who absents himself/herself from the job for three consecutive days without authorized leave shall be deemed to have resigned and will be separated with cause.

5.9.0 Family and Medical Leave (FMLA Leave)

Employee Eligibility, Leave Entitlement, and Job Restoration

Employees who have been employed by the City for at least 12 months and who have worked at least 1,250 hours during the prior 12 months may take up to 12 weeks of unpaid leave per 12-month period in accordance with the Family and Medical Leave Act of 1993 ("FMLA"). The 12-month period shall be measured forward from the date an employee first uses any family and medical leave. ("FMLA leave").

FMLA leave is available for the following reasons:

- For incapacity due to pregnancy, prenatal medical care or child birth;
- To care for the employee's child after birth, or placement for adoption or foster care;
- To care for the employee's spouse (including a same-sex spouse), son or daughter (leave rights are extended to those who assume the role of caring for a child regardless of the legal or biological relationship if the requisite family relationship exists), or parent, who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform the employee's job.
- Military family leave for a qualifying exigency.
- Military Family leave to act for caregiver purposes.

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than

three (3) consecutive calendar days combined with at least two (2) visits to a health care provider or one (1) visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment. In most cases, serious health conditions do not include short-term conditions, such as the cold, flu, earache, upset stomach, or a migraine.

In the case of FMLA leave for serious health conditions, the leave may be taken intermittently or on a reduced-hours basis if such leave is medically necessary. If the need for intermittent or reduced-hours leave is foreseeable based on planned medical treatment, the employee generally must schedule the treatment in a manner that does not unduly disrupt the City's operations. Also, if intermittent or reduced-hours leave is required, the City may temporarily transfer the employee to another position with equivalent pay and benefits that better accommodates such leave.

In the case of an FMLA leave for the birth or placement of a child, intermittent or reduced-hours leave cannot be taken without the approval of the Department Head and Director of Human Resources. If both spouses are employed by the City, the combined FMLA leave for the birth or placement of a child, or to care for a parent who has a serious health condition, shall not exceed 12 weeks.

Employees who return to work from an FMLA leave within their maximum 12 weeks per 12-month period will be reinstated to their former position or to an equivalent position with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed by the City during the FMLA leave period. Therefore, if changes in the City's business occur during an employee's FMLA leave and the employee would have been terminated, laid off or reassigned had he/she been on active status, the employee is not guaranteed reinstatement.

If an employee does not return to work following the conclusion of FMLA leave, the employee will be considered to have voluntarily resigned, unless the employee requests and is granted a personal leave of absence or remains off work on an approved leave. In either case, the City cannot guarantee the availability of a position when the period of leave exceeds the job-protected leave period provided by the FMLA. In addition, certain key employees may be denied restoration to their prior or an equivalent position.

Military Family Leave: Qualifying Exigency

Eligible employees make take up to 12 weeks leave for a "qualifying exigency" arising out of the foreign deployment of the employee's spouse, son, daughter, or parent who is a member of the Armed Forces (including the National Guard and Reserves) and who is on covered active duty or has been notified of an impending call or order to covered active duty. Qualifying exigencies include (i) addressing any issues that arise from the short-notice deployment (deployment within 7 or fewer days of notice); (ii) Attending military events and related activities, such as official ceremonies, programs, events and informational briefings, or family support or assistance programs sponsored by the military, military service organizations, or the American Red Cross that are related to the member's deployment; (iii) certain childcare and related activities (e.g., arranging for alternative childcare, providing childcare on a non-routine, urgent, immediate need basis, enrolling in or transferring a child to a new school or day care facility); (iv) care of the military member's parent who is incapable of self-care; (v) making or updating financial and legal arrangements; (vi) attending counseling for the employee, the military member, or the child of the military member; (vii) certain post-deployment activities within 90 days of the end of the military member's covered active duty; and (viii) taking up to 15 calendar days of leave to spend time with a military member who is on short-term, temporary Rest and Recuperation leave during deployment.

Military Family Leave: Caregiver

Eligible employees may also take up to 26 weeks of leave to care for a covered service member or a covered veteran during a single 12-month period. A covered service member is a current member of the Armed Forces, including a member of the National Guard or Reserves, who is receiving medical treatment, recuperation, or therapy, or is in outpatient status, or is on the temporary disability retired list for a serious injury or illness. A serious injury or illness is one that is incurred by a servicemember in the line of duty on active duty that may cause the servicemember to be medically unfit to perform the duties of his or her office, grade, rank, or rating. A serious injury or illness also includes injuries or illnesses that existed before the servicemember's active duty and that were aggravated by service in the line of duty on active duty.

A covered veteran is a veteran who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness and meets each of the following criterion:

- was a member of the Armed Forces (including a member of the National Guard or Reserves);
- was discharged or released under conditions other than dishonorable; and
- was discharged within the five-year period before the eligible employee first takes FMLA military caregiver leave to care for him or her.

Note: With respect to military family caregiver leave, an eligible employee is limited to a combined total of 26 weeks of leave for any FMLA-qualifying reasons during the single 12-month period. Up to 12 of the 26 weeks may be for an FMLA-qualifying reason other than military family caregiver leave.

Notice And Certification

Requests for FMLA leave should be submitted in writing to the employee's Department Head. The Department Head should immediately forward the request to the Director of Human Resources. Employees must provide 30 days' advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days' notice is not possible, the employee must provide notice as soon as practicable and generally must comply with the City's normal call-in procedures for reporting absences. Leave to accommodate planned medical treatment should, when possible, be scheduled to avoid disruption of City operations. Employees taking intermittent leave must comply with the City's normal call-in procedures unless their condition precludes them from doing so. Employees must provide sufficient information for the City to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. If an employee seeks leave for a reason for which he or she has previously been granted FMLA leave within the past 12 months, the employee must specify the reason for which FMLA leave was previously taken.

After receiving a request for FMLA leave, the City will inform the employee whether he or she is eligible under the FMLA. If the employee is eligible, the City will inform the employee about any additional information the employee must provide to qualify for FMLA leave as well as the employee's rights and responsibilities concerning FMLA leave. If the employee is not eligible for FMLA leave, the City will inform the employee why he/she is not eligible.

Employees requesting FMLA leave may be required to submit a certification from their health care provider establishing the existence of a serious health condition, the need for the leave and its probable duration. The medical certification form may be obtained from the Director of Human Resources' office. When required, such certification must be submitted as soon as practicable, but, in no event, later than 15 calendar days after the request. If the City concludes that an employee's medical certification is insufficient, it will notify the employee in writing of the additional information that is necessary to complete the certification. The employee then has seven (7) calendar days to provide the requested

information. The City reserves the right to require a second and/or third medical opinion by a health care provider of its choice.

The City will then inform the employee whether leave will be designated as FMLA-protected and, if known, the amount of leave that will be granted. The City will also notify the employee if it determines that the leave is not FMLA-protected.

Employees on FMLA leave must periodically notify the Director of Human Resources of their status and intention to return to work, and may be required to submit periodic medical recertifications. Employees who are expecting to return to work early from FMLA leave must inform the Director of Human Resources as soon as practicable. In addition, in order to return to work after an FMLA leave due to the employee's own serious health condition, the employee must submit a certification from his/her health care provider that the employee is able to resume work and perform the essential functions of the employee's job, i.e., fit for duty. An employee will not be returned to work until the employee has submitted this documentation.

Failure to meet the notice and certification requirements may result in denial of a request for leave; counting the employee's days off against his or her attendance record; disciplinary action, up to and including termination; or denial of reinstatement following the leave.

Prohibition On Working

As with other forms of leave, except where express authorization is given, employees on FMLA leave are prohibited from performing any work, paid or unpaid, for any other person or entity, including the employee's own business. Violations of this prohibition may result in FMLA leave being revoked and the employee's prior days off being counted against his or her attendance record; disciplinary action, up to and including termination; or denial of reinstatement following the leave.

Health Insurance And Other Benefits

During an FMLA leave, the City will continue to pay its portion of the group health insurance premiums, and the employee must continue to pay his/her share of the premiums (including the employee's share of any premium increases). The employee's failure to pay his/her share of the premiums will result in loss of coverage. If the employee does not return to work after the leave expires, the employee must reimburse the City for all premiums the City paid during the leave, unless the employee does not return because of the continuation, recurrence or onset of a serious health condition, or other circumstances beyond the employee's control.

Employees will not lose any employment benefits earned and accumulated before their FMLA leave begins. However, employees on illness and disability leaves, including leaves for their own serious health condition, must use all accumulated sick leave and then all accumulated vacation and holiday leave. Employees on leave for the birth or placement of a child must use all accumulated vacation and holiday leave. An employee on leave for the birth or placement of a child may not use accrued sick leave. Use of accumulated leave for an extended period for any reasons covered under this policy will be considered as part of the 12 (or 26) weeks of FMLA leave. Upon exhaustion of FMLA leave, the employee may request an unpaid leave of absence as defined in Section 5.6 of these policies. Employees will continue to earn additional paid vacation days and sick days during their FMLA leave only for so long as they remain in a paid status under the terms of this policy.

Enforcement

An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer.

FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

This policy is intended to comply with the Family and Medical Leave Act of 1993, as amended, and its regulations. The City will be guided by the specific provisions of the FMLA and related regulations issued by the U.S. Department of Labor when interpreting and applying this policy in individual cases.

5.10.0 Victim's Economic Security and Safety Leave

Eligibility and Leave Entitlement

Pursuant to the Victims' Economic Security and Safety Act ("VESSA"), employees who are victims of domestic or sexual violence, or have a family or household member who is a victim of domestic or sexual violence, are permitted to take up to twelve (12) weeks of unpaid leave during any twelve (12)-month period to:

- a. Seek medical attention for, or to recover from, physical or psychological injuries caused by domestic or sexual violence to the employee or a family or household member;
- b. Obtain services from a victim services organization for the employee or a family or household member;
- c. Obtain psychological or other counseling for the employee or a family or household member;
- d. Participate in safety planning, relocating, or taking other actions to increase the safety of the employee or a family or household member; or
- e. Seek legal assistance or remedies to ensure the health and safety of the employee or a family or household member.

Notice and Certification

Employees must give their immediate supervisor or department head at least 48 hours advance notice of their intention to take leave unless such notice is not practicable.

The City may require certification to verify that the employee or the employee's family or household member is a victim of domestic or sexual violence or to verify that leave is for one of the five purposes listed under "Eligibility and Leave Entitlement."

Health Insurance and Other Benefits

During the leave, the City will continue an employee's health care coverage on the same basis as prior to the leave. The City may recover the premium it paid for maintaining coverage if:

- a. The employee fails to return from leave after the period of leave to which the employee is entitled has expired; or
- b. The employee fails to return from leave for any reason other than the continuation, recurrence, or onset of domestic or sexual violence that entitles the employee to leave under VESSA, or other circumstances beyond the employee's control. The City may require the employee to submit a certification that he or she is unable to return to work. All information provided to the City will be kept confidential unless disclosure is requested or consented to in writing by the employee or otherwise required by applicable federal or state law.

Employees will not lose any employment benefits earned and accumulated before their VESSA leave begins. Employees may elect to use their earned and accumulated paid vacation days and sick days in conjunction with their VESSA leave and should notify their immediate supervisor if they choose to do so. Employees will continue to earn additional paid vacation days and sick days during their VESSA leave only for so long as they remain in a paid status under the terms of this policy.

Reinstatement

The City will restore an employee to his or her former position or to an equivalent position with equivalent pay, benefits, and other employment terms, provided the employee returns to work at the end of his or her scheduled leave.

The City fully supports the concept of VESSA leave. Accordingly, the City will not interfere with or restrain any employee in the exercise of VESSA leave rights, nor will it retaliate or discriminate against anyone who seeks to enforce these rights.

5.11.0 Pregnancy Accommodation

Pursuant to the Pregnancy Accommodation Amendment to the Illinois Human Rights Act, effective January 1, 2015, the City will accommodate pregnant employees. Under the Act, pregnancy is defined as “pregnancy, childbirth, and conditions related to pregnancy and childbirth”. It is a civil rights violation with respect to pregnancy, childbirth, and related conditions:

- a. not to make reasonable accommodations, if so requested, unless it can be demonstrated that the accommodation would impose an undue hardship on the ordinary operations of the City;
- b. to deny employment opportunities or benefits to or take adverse action against an otherwise qualified job applicant or employee;
- c. to require a job applicant or employee to accept an accommodation that the applicant or employee chooses not to accept; or
- d. to require an employee to take leave under any leave law or policy of the City if another reasonable accommodation can be provided.

Employees who would like to make a request for accommodation under this policy should contact the Human Resources Department. The City may request an employee to provide certain information from her health care provider regarding the request for accommodation. Upon presentation of medical documentation supporting the need for a workplace accommodation, the City will consider accommodation of pregnancy to the extent such accommodation does not pose an undue hardship on the ordinary operation of the business of the City.

5.12.0 Miscellaneous Leave Policies

Department heads have authority to approve vacation, jury duty (when the employee receives an official summons), on-the-job injury leave, emergency and sick leave with pay. Such leaves of absences may be requested by the employee, approved by the department head and reported to the Human Resources Department. Leaves of absence for other purposes, with or without pay, may be authorized by the City Manager.

A regular employee selected for **jury duty** may be granted a leave of absence and receive his/her regular salary. Any jury pay or fees shall be signed over to the City.

In cases where an employee attends **court sessions as a defendant**, subpoenaed witness or plaintiff in conjunction with that employee’s employment, the employee may be paid for the period of absence.

An employee receiving full pay shall sign over to the City any payments received for court appearances.

Blood Component Therapy donors must register their participation in the program with their supervisors. They may be excused with pay to participate in this program provided there is an immediate need by the blood bank.

The City complies with the **Illinois School Visitation Rights Act** by allowing employees to take up to eight hours of unpaid leave per school year, with no more than four hours being taken in one day. An employee requesting leave under this Act must provide a written request for the leave at least seven days in advance, except in the case of emergencies. This leave is intended to be used as a last resort by employees who have no other paid (vacation or personal) leave available and who have made every attempt to schedule the visit during non-working hours. The employee must provide his/her supervisor with documentation of the visit as provided by the school administrator within 2 working days of the school visitation. If notice is not provided within the required time frame, the employee is subject to the City's standard disciplinary procedures for unexcused absences. This is unpaid leave, however, the City will make every effort to accommodate an employee who wishes to make up the time, provided it is not disruptive to normal City operations.

Voting Leave – The City encourages employees who desire to do so to exercise their right to vote before or after working hours. Employees who are registered to vote and who are not otherwise able to vote outside working hours are eligible to receive up to two (2) hours off with pay in order to vote in a general or special election, or an election where propositions are submitted to a popular vote. All requests for such time off must be submitted to an employee's immediate supervisor or department head two (2) days prior to the election day and the City may specify the hours during which employees may absent themselves from work in order to vote.

6. RETIREMENT AND DEFERRED COMPENSATION

6.1.0 Retirement, Pension Plans

Regular fulltime *and* regular part-time employees *in qualifying positions* working over 1,000 hours in a year shall be covered by retirement or pension plans in accordance with statutory requirements. The authorized retirement and pension plans for City employees shall be the Illinois Municipal Retirement Fund. *For sworn Police and Fire personnel, the authorized plans are* the Police Pension Fund and the Firefighters' Pension Fund.

Plan members who first participated in the plans on or after January 1, 2011 will be considered Tier 2 members and their benefits will be defined by this tier of their appropriate pension fund.

6.2.0 Deferred Compensation Plan

Employees may participate in a deferred compensation plan as authorized by the City Council. Employees must execute Joinder Agreements with the applicable organization, and the agreements must be approved by the City Manager.

Employees have the option of utilizing the City contribution to the Flexible Spending Account as a contribution to their deferred compensation account as described under Section 8.6 of these policies.

6.3.0 Out-of-State Service Credit

Employees participating in the Illinois Municipal Retirement Fund may be eligible to be credited with additional time on their pensions if they have participated in a public employee pension system in another state prior to joining the City. Applications will be considered by the City Council if the employee is in good standing and has been with the City for a minimum of two years but not more than three years. Requests received after the three-year timeframe will not be considered.

Consideration will be on a case-by-case basis, and approval will be based on various factors including budgetary constraints. The employee is responsible for initiating the application process through the Human Resources Department. All applicable IMRF rules apply.

6.4.0 Retiree Health Savings Plan

All regular fulltime and regular part-time employees will be required to participate in a Retiree Health Savings Plan (RHS) as authorized by the City Council by having 1% of their salary placed into an RHS account. Before-tax contributions will be placed into the individual accounts at the beginning of each quarter, with payroll deductions occurring on a per-pay-period basis. This section shall not apply to collective bargaining agreements.

7. DISCIPLINE, GRIEVANCES AND FEEDBACK

7.1.0 Procedure in Handling Disciplinary Action, Grievances

The City Manager, as the chief administrative officer of the city, is responsible to the Mayor and City Council for the administration of all affairs, departments and offices of the City. As directed by the City Manager, department and division heads are responsible for the maintenance of a high standard of efficiency on the part of assigned employees, and for enforcement of good discipline, safety and proper personal conduct. They are authorized to use appropriate disciplinary measures as approved by the City Manager. Such action may consist of a warning or the recommendation for demotions, suspensions without pay or dismissal, even for a first offense, as defined below:

Warning — written reprimand.

Demotion — Reduction in salary or assignment to a position of less responsibility or both.

Suspension Without Pay — Temporary separation from the City service without pay for disciplinary purposes where the cause is not considered sufficiently grave to require dismissal.

Dismissal — Permanent separation from the City service for such causes including, but not limited to, serious misconduct (on or off duty); insubordination; unsatisfactory job performance; dishonesty; violation of the City's alcohol and drug-free workplace policies; carelessness, negligence or violence toward City property, fellow employees or the public; endangering other employees and/or the public through careless, negligent or substandard job performance; unauthorized or excessive absences; habitual tardiness; or personal acceptance and appropriation of any fee, reward, gift, tip or other remuneration received solely for the performance of official duties or in connection with his/her municipal employment.

The City generally endorses the practice of corrective counseling. However, the level of discipline to be applied in a specific circumstance will be determined solely by the City and discipline shall not be issued in any particular order or manner. The City may consider the seriousness of the offense, the repetitive nature of the action, and the employee's prior work and disciplinary record when handing out discipline.

The disciplinary procedures set forth in this policy do not apply to police and fire personnel who are subject to the disciplinary rules set forth in the Illinois Municipal Code and in applicable collective bargaining agreements. (See Admin. Dir. 2-19, Disciplinary Procedures)

7.2.0 Appeals from Disciplinary Action

Upon notification by the department head, an employee receiving disciplinary action of a suspension or dismissal has the right to a hearing before the City Manager. The employee must file a written request within 48 hours of notification of the disciplinary action which states the basis of the appeal and the remedy that is being requested. The decisions of the City Manager made in accordance with approved policy shall be final. This does not apply to employees covered by the Board of Fire and Police Commissioners. (See Admin. Dir. 2-19, Disciplinary Procedures)

7.3.0 Insurance Ramifications

Any employee suspended for more than 30 days may maintain their City-provided insurance at their own expense. An employee who is dismissed may or may not be eligible for continuation of medical and dental coverage at their expense. Federal COBRA guidelines will apply.

7.4.0 Employee Feedback

To create an organization-wide environment for the expression of ideas, concerns and opinions of all employees, a communication system has been established to supplement the organization's formal chain-of-command. This feedback process has been undertaken to involve employees in the decision-making process, to create teamwork, to develop effective communications and cooperation throughout the organization and to build employee commitment to organizational goals. (See Admin. Dir. 2-11, Organizational Feedback/Information Sharing)

7.5.0 Ethics Hotline

The City has created an Ethics Hotline to provide an anonymous reporting system to bring concerns to the attention of City administration. The Hotline can be accessed in one of two ways:

Telephone (866-529-2445) or

The Internet (www.citylf.org and click on the Ethics Hotline logo)

Accountability in government, financial responsibility and delivery of quality services are key components to preserving the public's trust. All employees share the responsibility to ensure that the City demonstrates this accountability, as well as the proper stewardship of the financial resources and property entrusted to us. The City is committed to creating a working environment in which ethical behavior is central. The obligation to report the misuse of funds, misconduct or violations of City policy resides with all employees. Use the ethics hotline system to express concerns, raise complaints and ask questions. Employees may voice their concerns, complaints and questions anonymously, although doing so may make it difficult for the City to properly investigate if insufficient information is provided.

8. INSURANCE AND HEALTH BENEFITS

All of the benefits provided by the City are subject to the terms of the relevant insurance policies. The City has the right to change benefits and policies from time to time. In an effort to create informed, responsible consumers of the insurance benefits, the City may work with an Employee Benefit Committee to further this cause.

8.1.0 Authorization for Payment of Health Insurance Premium

Upon written application, group medical insurance coverage is available to all regular employees. The Basic Plan is designated as the City's basic health plan.

The City will pay a portion of the cost of the health insurance plan for individual employee coverage. If desired, employees may extend coverage to their families; the City will pay a portion of the cost of the total health insurance plan for dependent coverage on a monthly basis as approved by the City Council.

Application for these benefits must be made within thirty (30) days from the date of employment or during an annual open enrollment period.

8.2.0 Authorization for Payment of Dental Insurance Premium

Upon written application, group dental insurance coverage is available to all regular employees.

Application for these benefits must be made within thirty (30) days from the date of employment or during an annual open enrollment period.

The City will pay all or a portion of the cost of the total dental insurance plan for individual employee coverage. If desired, employees may extend coverage to their families by paying the dental insurance plan dependent coverage portion.

8.3.0 Authorization for Payment of Life Insurance Premium

Upon written application, group life insurance with accidental death and dismemberment coverage may be available to all regular employees with additional voluntary coverage available for employee purchase.

8.4.0 Health and Dental Insurance Program for Retired Employees

Employees who retire may continue their health and dental insurance at their expense. This benefit will be administered in a manner as set forth in Administrative Directive 2-20, Continued Benefits for Retired Personnel.

8.5.0 Employee Assistance Program

The City has made arrangements with Family Services of Lake County whereby employees and/or their family members can receive counseling. A family member is defined as a spouse, child or parents. The first 12 sessions will be paid for entirely by the City. The City will pay 75% of the next 12 sessions. Thereafter, should counseling continue past 24 sessions, the City will pay 50%. The employee will be charged for the portion of the fee the City does not pay (i.e., 25% and 50%) on the basis of ability to pay. When a period of time has elapsed between counseling sessions, Family Services of Lake County will make the determination on whether or not it is a new event or a continuation of a previous event for billing purposes.

Other types of programs may also be available. To find out about any additional programs, the Director of Human Resources should be contacted. (See Admin. Dir. 2-3, Alcohol and Drugs; Admin. Dir. 2-2, Alcohol and Drug Policy for CDL Holders)

8.6.0 Flexible Spending - FLEX

All fulltime and regular part-time employees are allowed to participate in the FLEX PLAN. The Internal Revenue Code Section 125 permits employees to take advantage of current tax laws, while providing some flexibility in benefit selections.

The City will provide ***between \$150-\$200 under the Think Healthy Wellness Program*** per flex plan year for each regular employee to be used for unreimbursed medical expenses only. Regular part-time employees will receive a pro-rated amount to be used for unreimbursed medical expenses. ***Employees must qualify to earn these Think Healthy contributions annually.*** Employees will be allowed to make ***additional*** contributions to cover reimbursement (before-tax dollars) in the following areas:

- Medical insurance premium
- Dental insurance premium
- IMRF Voluntary Life insurance premium
- Certain AFLAC premiums
- Vision care (examination, prescription glasses)
- Hearing care (examination and aid)
- Prescription drugs
- Day care services (\$5,000 annual maximum)
- Medical and dental care deductibles
- Unreimbursed medical and dental expenses

Should an employee choose, the ***Think Healthy*** City contribution may be placed in a deferred compensation program. Employees must insure they do not exceed the maximum allowable contribution amount by use of the ***Think Healthy dollars*** in this manner.

Whichever option chosen, employees will have to ***participate in the Think Healthy program*** in order to receive the ***City's*** contribution by ***choosing*** from a list of healthy options ***and program offerings during the year.*** This will be explained each year prior to the time to sign up for the flex plan.

The flex plan runs from January 1 through December 31 of each year. Every eligible employee, whether they receive the City contribution or not, will be asked to make an election to participate in this program in ***November through an online enrollment process.*** Those choosing to participate will have their elected amount withheld through payroll deductions based on 26 pay periods.

All funds contributed to the flex account must be used within the year in which they are pledged. Employees have 90 days following the end of the plan year to submit charges to the flex account, however, the charges must have been incurred during the plan year and must be received by the plan administrator with appropriate documentation before the end of this 90-day period. ***Between \$50 and \$500 of unused funds may be rolled into the following year. Other*** unused funds are not reimbursable to the employee, but will be used for employee benefits or functions, ***including the Think Healthy Program.***

8.7.0 Continuation of Benefits

The right to COBRA Continuation Coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA). COBRA Continuation Coverage can become available to employees when an employee would otherwise would lose group health coverage. It also can become available to other members of the employee's family who are covered under the Plan when they otherwise would lose their group health coverage. The entire cost (plus a reasonable administration fee) must be paid by the person. Coverage will end in certain instances, including if the employee or dependents fail to make timely payment of premiums. Employees covered by the City's insurance have a right to choose this continuation coverage if they lose their group health coverage because of a reduction in hours of employment or the termination of employment for reasons other than gross misconduct.

A covered spouse has the right to choose continuation coverage if he/she loses group health coverage for any of the following reasons:

- a. Employee's death.
- b. Employee's hours of employment are reduced;
- c. Employee's employment ends for any reason other than his or her gross misconduct;
- d. Employee becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- e. Employee and spouse become divorced or legally separated.

In the case of the dependent child of an employee, he/she has the right to continuation coverage if group health coverage is lost for any of the following reasons:

- a. The parent-Covered Employee dies;
- b. The parent-Covered Employee's hours of employment are reduced;
- c. The parent-Covered Employee's employment ends for any reason other than his or her gross misconduct;
- d. The parent-Covered Employee becomes entitled to Medicare benefits (Part A, Part B, or both);
- e. The parents become divorced or legally separated; or
- f. The child stops being eligible for coverage under the plan as a "dependent child."

Under the law, employees or a covered dependent has the responsibility to notify the Human Resources Department in the event of divorce, legal separation, or a child losing dependent status within 60 days of any of the above-named actions or the day coverage would end under the plan because of the action, whichever is later. They will then be advised of their or their dependent's responsibilities relative to continuation of coverage. Under the law, the employee and/or dependent has at least 60 days from the date of employer notification or the date they would have lost coverage because of the event to let Human Resources know that they want continuation coverage.

Any children born or adopted during COBRA coverage are qualified beneficiaries and, as such, have the same rights as employees. Consequently, COBRA participants may change their coverage status upon the birth or adoption of a child.

If continuation of coverage is not chosen, the group health insurance coverage will terminate. If they choose continuation coverage, the City is required to give coverage which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated employees or family members. The law requires that employees be afforded the opportunity to maintain continuation coverage for 36 months unless group health coverage is lost because of a termination of employment or reduction in hours. In that case, the required continuation coverage period is 18 months. However, the law also provides that continuation coverage may be cut short for any of the following reasons:

- a. The Employer no longer provides group health coverage to any of its employees.
- b. The premium for continuation coverage is not paid.
- c. They become covered under another group health plan as an employee or otherwise.
- d. They become eligible for Medicare Part A or Part B, whichever comes first.

Persons with COBRA continuation health coverage as a result of termination of employment (or reduction in hours) and who are disabled under the Social Security Act at the time of the qualifying event can extend the continuation period from 18 months to 29 months. To be eligible for this extension, the qualified beneficiary must notify the Human Resources Department before the end of the initial 18 months of COBRA coverage and within 60 days of receiving notice from Social Security. In the event certification of disability under the Social Security Administration takes place for any qualified beneficiary at the time or within 60 days of the time COBRA coverage begins, coverage may be continued for 29 months. If the individual entitled to the disability extension has non-disabled family members who are entitled to COBRA continuation coverage, the non-disabled family members are also entitled to the 29-month extended period of coverage. The maximum premium for the additional 11 months of coverage is 150% of the cost of coverage rather than the 102% rate set for the initial 18 months.

8.8.0 HIPAA Privacy Rule

The City complies with the HIPAA Privacy Rules in dealing with your personal health information (PHI). (See Admin. Dir. Section 7)

9. MISCELLANEOUS REGULATIONS

9.1.0 Physical Fitness

It shall be the responsibility of each employee to maintain the standards of physical fitness required for performing his/her job. Whenever a department head determines that the mental or physical condition of an employee is endangering the safety of fellow workers or causing the employee's inability to perform essential job functions, the employee may be requested to submit to a medical examination by a City-approved physician, without expense to the employee, for the purpose of determining the employee's fitness for duty (including whether the employee's physical or mental condition poses a threat to the employee or others).

If the employee is found not to be fit for duty, it shall be the duty of the employee, when recommendations are made by the examining physician, to follow all directives and recommendations concerning his/her physical condition or be subject to disciplinary action, including dismissal.

Where appropriate, the City will work with an employee who is a qualified individual with a disability to provide his/her with a reasonable accommodation to allow him/her to perform his/her essential job functions, provided the accommodation does not pose an undue hardship on the City.

Certain positions will be required to take regular physical exams based on OSHA standards. These will be paid for by the City. (See Admin. Dir. 2-10, Medical Examination Policy)

9.2.0 Personal Use of City Property

The use of any City property for personal use is prohibited. However, the facilities at the Municipal Services Garage may be used by regular City employees outside normal work hours. Special guidelines apply. (See Admin. Dir. 6-7, Use of Fleet Maintenance Garage)

9.3.0 Political Activity

While on duty by the City, all employees shall refrain from soliciting or receiving any subscription, contribution, or political service from any person for any political purpose pertaining to the government of the City. Further, they shall not work at the polls (politically) or circulate petitions or campaign literature for elective City officials while at work or on duty. Individuals employed by the City in any capacity will not be considered for appointment to any City board or commission, except as directed by State Statute (i.e., Police and Fire Pension Boards). The Mayor, with the approval of the City Council, may waive this restriction if it is determined to be in the best interest of the City.

However, nothing in this section shall be construed to prevent employees from becoming or continuing to be members of any lawful political organization, from attending lawful political meetings, from expressing their views on political matters, or from voting with complete freedom in any election.

9.4.0 Public Information

Information concerning the business and financial operations of the City is either routinely published or available to outside interests through the Freedom of Information Act. Many times, however, employees come in contact with unique information of a confidential nature. Information concerning individual residents, or other employees is considered confidential and documents should not be allowed to remain in plain view or issues discussed with anyone who does not have a need to know. Any inquiries by the media or press should be referred to the City Manager or the appropriate department staff in order to assure the correct spokesperson and correct factual information is

released. It shall be the responsibility of the City Manager or his designate to verify and/or disseminate all information released in the name of the City.

All have a responsibility to safeguard the confidentiality of individual residents and fellow employees.

9.5.0 On-the-Job Safety

As a regular part of City employment, each employee is expected to conduct himself/herself and handle equipment in such a manner as to avoid accidents. Employees are responsible for observing all safety rules and using available safety devices and are responsible to report unsafe conditions or equipment to their supervisor or department head. (See Admin. Dir. Section 6, Employee Safety Procedures)

The Illinois Mandatory Seat Belt Law mandates the use of safety belts for both the drivers and front seat passengers of public and private vehicles. The provisions of this law will apply as an official policy to all City vehicles being driven on public roadways to, from or between job sites, and also during extended periods of driving. Certain necessary exemptions are allowed under the law, including those permitted for vehicles where the driver or passengers frequently stop and leave the vehicle, provided the speed of the vehicle between stops does not exceed 15 miles per hour. The following vehicles will therefore be exempted from the routine use of safety belts:

- Public Works scooters
- Vehicles used for mowing and litter pick up
- Vehicles used for catch basin cleaning and reading water meters
- Parking enforcement

These exemptions do not apply when these vehicles are being driven on public roadways to, from or between job sites, and during extended periods of non-stop driving. The exemption only applies for the periods when these vehicles will be frequently stopping or involved in non-roadway driving situations.

To promote personal and vehicular safety, departmental safety committees shall be established to investigate accidents and unsafe conditions. The committees will review details encompassing each accident and unsafe condition, as requested, and will submit its findings with recommendations to the department head, who will determine final disposition of each case. Disciplinary action up to and including termination may be taken against employee(s) if employee negligence is proven to be a factor contributing to the accident or the cause of an unsafe condition.

9.6.0 Public Relations

All City employees shall be responsible for providing municipal services to the public in a courteous, polite manner free from discrimination because of race, color, sex, religion, age, disability, national origin, ancestry, creed, marital status, sexual orientation, citizenship status, veteran status, military status, genetic history or any other class protected by law.

9.7.0 Gifts and Gratuities

City services are not to be extended by employees in exchange for special awards, gifts or other remuneration from outside individuals or organizations. When an employee receives any offering as a result of their status as a City employee, such receipt must be reported in writing at once to their department head and retention of the gift will be conditioned on the department head's approval based on department policy and in accordance with State and local laws then in effect.

9.8.0 Patents

Any City employee inventing or designing a product for the City while in its employ shall enter into all necessary and proper agreements to assign all that right and property interest in and to such design and/or patent to The City of Lake Forest without compensation.

9.9.0 City-Owned Recreational Facilities

Upon showing either an employee I.D. card or proof of retirement from City service, a regular fulltime or regular part-time employee or retired employee and his/her dependents, if non-residents, may utilize the following at resident rates:

- Golf Course (memberships will be sold at the resident senior rate; special off-hour day rates also may apply)
- Boat Ramp
- Beach*
- Library
- Recreation Center

*Current regular fulltime or regular part-time employees, retirees or spouse of a deceased retiree will be eligible to receive one beach pass or City vehicle sticker, if a resident, at no cost each year.

9.10.0 Purchase of City Cemetery Lots

Any fulltime or regular part-time employee of The City of Lake Forest is eligible to purchase Lake Forest Cemetery lots at the resident rate. (Authorized by the Lake Forest Cemetery Commission on December 6, 1983.)

9.11.0 Smoking Ban

To set forth policies governing City employee compliance with the Lake Forest Smoking Ban Ordinance, the following restrictions will be in place for employees:

- All buildings are smoke free, including the use of electronic cigarettes (e-cigarettes);
- No one is allowed to smoke within 25 feet of an entrance to any City building;
- Smoking is not allowed in any City vehicle;
- Smoking is not allowed in City parks;
- Smoking is not allowed at the train platforms;
- Smoking is not allowed in Market Square, including sidewalks in the Square;
- Smoking is not allowed at the Beach;
- Golfers are allowed to smoke at the Deerpath Golf Course, however, they must be 75-feet away from the clubhouse; and
- Smoking is allowed in parking lots as long as it is not within 25 feet of an entrance to any City building.

(See Admin. Dir. 2-28, Lake Forest Smoking Ban Ordinance Compliance)

9.12.0 Education/Training Reimbursement

Recognizing the correlation between formal education and training achievement and the level of employee performance, an education/training reimbursement policy has been adopted based on availability of funds to provide reimbursement for costs incurred while participating in certain education and training activities. In order to receive reimbursement through this program, application

forms must be submitted during budget preparation to the employee's department head, who will then submit them to the Director of Human Resources if it is determined that the course meets the criteria for reimbursement. (See Admin. Dir. 2-9, Education/Training Reimbursement)

9.13.0 Employee Use of Computers and Electronic Communications Systems

The Computers and Electronic Communications Systems (email, Internet, personal computers, smart phones and tablets) is a valuable tool owned and maintained by the City. Use of the systems is afforded to employees for the purpose of improving their ability to perform the duties of their jobs. All users must abide by the terms and conditions of the policy. (See Admin. Dir. 2-4, Electronic Communications Systems Policy)

9.14.0 Restrictions on Duty-Issue Firearms Possession

In order to comply with the requirements of a Federal law signed into law on September 30, 1996, which enacted a prohibition on the possession by or transfer or sale of firearms to individuals convicted of misdemeanor domestic violence crimes, the City must obtain information regarding convictions for such offenses from those employees to whom the City provides a duty-issue firearm or firearms. (See Admin. Dir. 2-23, Restrictions on Duty-Issue Firearms Possession)

9.15.0 Cell Phone Usage (City-owned and Personal)

The City has established guidelines for the safe usage of City-owned and personal cell phones and to ensure compliance with IRS guidelines. Cell phone equipment owned or issued by the City is to be used primarily to facilitate the conduct of official City business.

Employees assigned City cell phones must select one of two options regarding personal use of the cell phones and sign an acknowledgement regarding their choice:

- Employees must sign an agreement that they will not use the City cell phone for personal calls except in emergency situations or as noted below; or
- Employees may have their personal cell phone lines added to the phones issued by the City and use those lines for personal calls with the provider billing the employee separately

Employees are not allowed to use City cell phones for personal calls unless they have chosen the appropriate option noted above or unless they meet the following criteria:

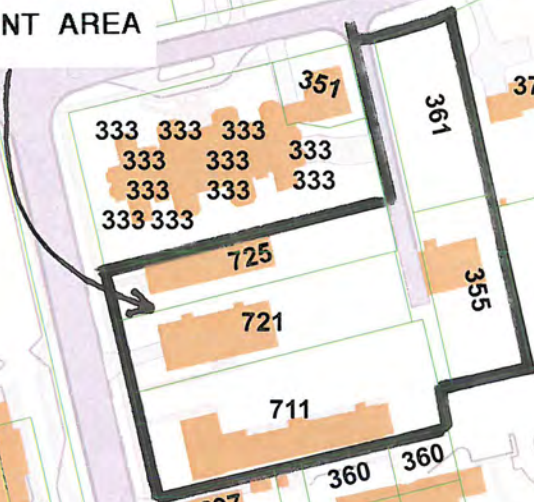
- It reasonably could not have been made at another time. Examples of circumstances that may be authorized use during regular work hours are:
 - Calls to home or doctor if employee is injured or becomes sick at work.
 - Calls to notify an employee's family or other appropriate parties of a schedule change caused by official business or transportation schedule changes or delays.
 - Calls when an employee is required to work overtime without advance notice. The call may be to advise family or other appropriate parties of the schedule change and to make alternate transportation arrangement or child care/dependent care arrangements.
- The call does not adversely affect the performance of duties by the employee and is of reasonable duration.

Once a cell phone (City-owned or personal) is in use by a City employee certain "rules of the road" must be followed to ensure the safety of the employee using the cell phone and anyone that employee may come in contact with. The use of any wireless device while driving is prohibited. This includes all cell phone, direct connect and two-way radio communication (with the exception of public safety radios). Employees must use hands-free options in accordance with state law when the use of a cell phone is required, refrain from discussion of complicated or emotional discussions and keep their

eyes on the road. Special care should be taken in situations where there is traffic, inclement weather or the employee is driving in an unfamiliar area. Employees whose job responsibilities include regular or occasional driving and who use a cellular communication device, whether City-owned or personal, are expected to refrain from using their phone while driving. Safety must come before all other concerns. Regardless of the circumstances, including slow or stopped traffic, employees are strongly encouraged to pull off to the side of the road and safely stop the vehicle before placing or accepting a call. (See Admin. Dir. 2-16, Cell Phone Usage)

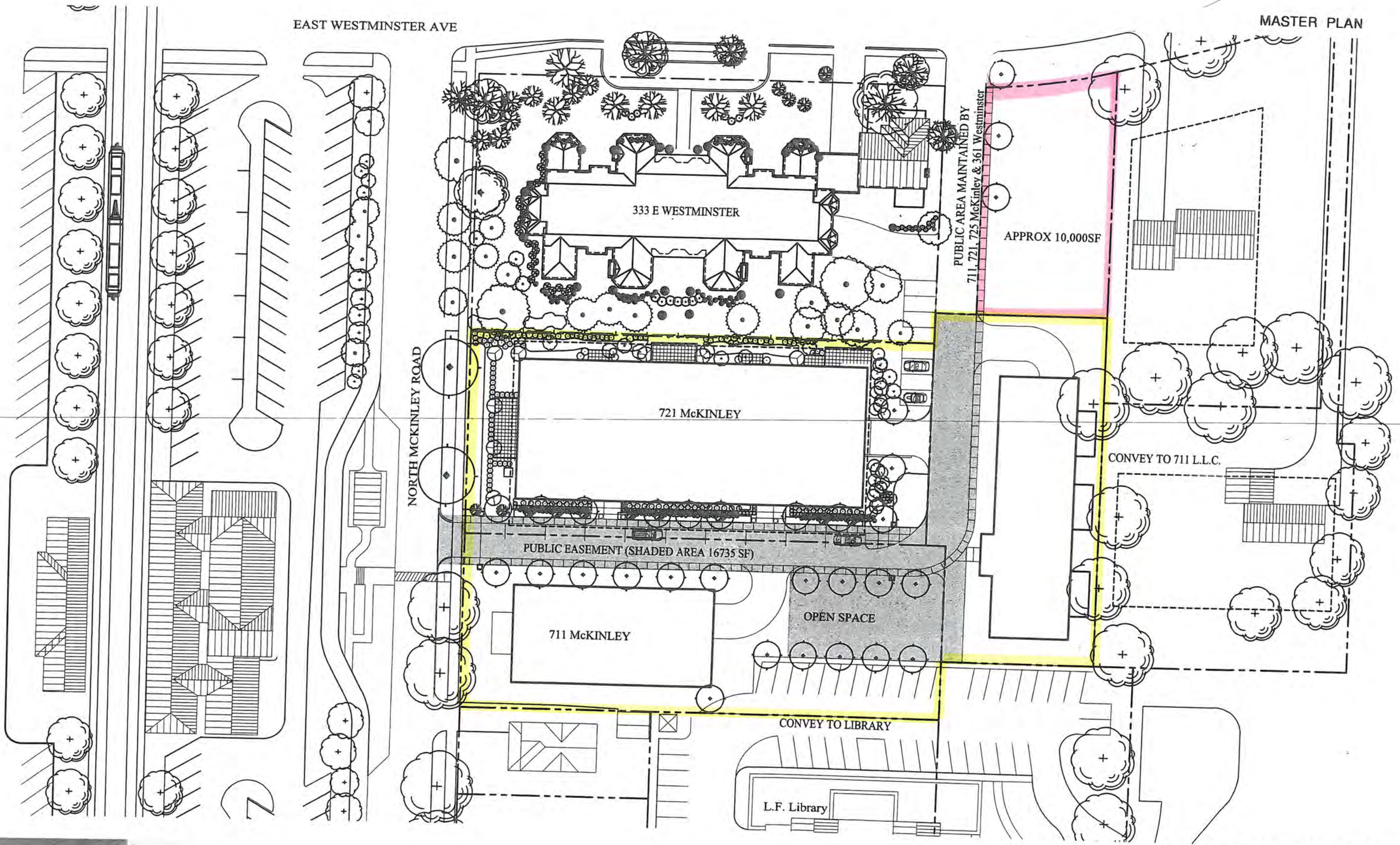
9.16.0 Use of Personally-Owned Devices

The City permits authorized employees to use their personally owned devices in conjunction with the performance of their job duties, subject to the policies set forth in the City's Administrative Directive for the Use of Personal Mobile Devices for City Business. (See Admin. Dir. 2-4a, Use of Personal Mobile Devices for City Business)



EAST WESTMINSTER AVE

MASTER PLAN



Witmer & Associates
Architecture and Interior Design
witmerandassoc.com

AREA OF APPROVED MASTER PLAN

PARCEL PROPOSED FOR SALE AND INCORPORATION INTO PLAN



721 N McKINLEY ROAD
Master Redevelopment Plan
Public Easement

January 5, 2017

SCALE 1" = 50'

THE CITY OF LAKE FOREST
RESOLUTION No. 2017-_____

RESOLUTION APPROVING PURCHASE, SALE, AND DEVELOPMENT AGREEMENT
(361 E. Westminster Road. Lake Forest IL)

WHEREAS, The City of Lake Forest (the "**City**") has received an application for land use approvals from the owners of the properties commonly known as 711, 721, and 725 McKinley Road (collectively, the "**McKinley Parcels**"); and

WHEREAS, the McKinley Parcels are currently located in the O-1 District under the City's Zoning Code; and

WHEREAS, the City owns an alley (the "**Alley**") and certain real property commonly known as 361 E. Westminster Road [P.I.N. 12-33-109-025] (the "**City Property**"), which Alley and City Property lie east of and are adjacent to the McKinley Parcels; and

WHEREAS, the 711 Parcel, the City Property, and the Alley also lie immediately north and adjacent to the site of the Lake Forest Library (the "**Library Parcel**"), and a portion of the City Property has historically been used for overflow parking for library patrons (the "**Excess Library Parking**"); and

WHEREAS, pursuant to its home rule and other powers, the City has determined that the City Property is no longer necessary or useful to the City for its governmental purposes; and

WHEREAS, the City Council of the City has determined that the coordinated redevelopment of the City Property in connection with the adjoining McKinley Parcels would be in the best interests of the City and its residents; and

WHEREAS, the owners of the McKinley Parcels propose to purchase the City Property and thereafter to redevelop the McKinley Parcels along with the Alley and the City Property in accordance with the concepts in a master plan for redevelopment previously approved by the City Council (the "**Master Plan**"); and

WHEREAS, the City Council has determined that it is in the best interests of the City and its resident to convey the City Property and provide for the redevelopment of the McKinley Parcels, the City Property, and the Alley in general conformity with the Master Plan and providing Excess Library Parking for the Library Parcel, all pursuant to the terms set forth in the "Purchase, Sale, and Development Agreement" attached hereto as Exhibit 1 (the "**Agreement**");

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LAKE FOREST, COUNTY OF LAKE, STATE OF ILLINOIS, as follows:

Section 1. Recitals. The foregoing recitals are incorporated in, and made a part of, this Resolution by this reference as findings of the City Council of The City of Lake Forest.

Section 2. Approval of the Agreement; Authorizations.

a. The City Council hereby approves the Agreement in substantially the form attached hereto as Exhibit 1; provided, however, that the City Manager (in consultation with the City Attorney) is authorized to approve modifications to the Agreement that do not materially affect the terms set forth in the Agreement.

b. The Mayor and City Clerk are hereby authorized and directed to execute and attest the Agreement on behalf of the City, but the Mayor and City Clerk shall not execute or attest the Agreement unless: (i) the City Manager confirms in writing that such Agreement is the approved form in accordance with Section 2.a of this Resolution; and (ii) the City has received duplicate executed originals of the Agreement from the owners of the McKinley Parcels.

c. Following the execution of the Agreement, the City Manager and the Manager's designees are authorized and directed to do all things necessary and appropriate in accordance with, and for the purpose of implementing, the Agreement.

Section 3. Confidentiality of the Agreement. Consistent with Section 7® of the Freedom of Information Act, 5 ILCS 140/7(r), the Agreement shall not be released to members of the public until after the closing of the City Property and the completion of other conveyances called for in the Agreement.

Section 4. Effective Date. This Resolution shall be in full force and effect upon the passage and approval.

PASSED THIS ____ day of _____, 2017.

AYES:

NAYS:

ABSENT:

APPROVED THIS ____ day of _____, 2017.

Mayor

ATTEST:

City Clerk

EXHIBIT A

Purchase, Sale, and Development Agreement

UNDER SEPARATE COVER

THE CITY OF LAKE FOREST

ORDINANCE NO. 2017- ____

AN ORDINANCE APPROVING ARCHITECTURAL AND SITE DESIGN FOR THE
PROPERTY LOCATED AT 721 – 725 N. MCKINLEY ROAD

WHEREAS, 721McKinley Road LLC (Todd Altounian and Jim Altounian) and 725 McKinley Road LLC (Todd Altounian, Peter Witmer and Jerry Jacks) ("**Owners**") are the owners of that certain real property commonly known as 721 – 725 N. McKinley Road, Lake Forest, Illinois and legally described in Exhibit A, attached hereto ("**Property**"); and

WHEREAS, the Property is located in the 0-1, Office District; and

WHEREAS, the Owners desire to construct a multi-family condominium building including site improvements and landscaping to the property ("**Improvements**") as depicted on the site plan and architectural drawings that are attached hereto as Group Exhibit B ("**Plans**"); and

WHEREAS, the Owners submitted an application ("**Application**") to permit the construction of the Improvements and were required to present the Plans to the Building Review Board ("**BRB**") for its evaluation and recommendation; and

WHEREAS, pursuant to notice duly published, the BRB reviewed and evaluated the Plans at a public hearings held on October 5, 2016, November 3, 2016 and December 7, 2016; and

WHEREAS, the BRB, having fully heard and having considered the evidence and testimony by all those attending the public hearing who wished to testify, made the following findings:

1. the Property is located within the O-I Office District under the City Code,
2. Owner proposes to construct the Improvements as depicted on the Plans,
3. the evidence presented indicates that the construction of the Improvements, if undertaken in conformity with the recommended conditions and the Plans, will meet the design standards and requirements of Section 150.147 of the City Code,

and recommended that the City Council approve the Application and the Plans, subject to the terms and conditions hereinafter set forth; and

WHEREAS, the Mayor and City Council, having considered Owners' Application to construct the Improvements on the Property, and the findings and recommendations of the BRB, have determined that it is in the best interests of the City and its residents to grant approval to the Application, subject to the terms and conditions hereinafter set forth;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LAKE FOREST, COUNTY OF LAKE, STATE OF ILLINOIS, as follows:

SECTION ONE: Recitals. The foregoing recitals are hereby incorporated into and made a part of this Ordinance as if fully set forth.

SECTION TWO: Approval of Application. Pursuant to Section 150.147 of the City Code and the City's home rule authority and other statutory powers, and subject to the limitations therein and the conditions set forth in Section Three of this Ordinance, the City Council does hereby grant approval of the

Application to allow the construction of the Improvements on the Property, as more fully depicted on the Plans.

SECTION THREE: Conditions on Approval. The approval granted pursuant to Section Two of this Ordinance shall be, and is hereby, conditioned upon and limited by the following conditions, the violation of any of which shall, in the discretion of the Mayor and City Council, render void the approvals granted by this Ordinance:

- A. No Authorization of Work. This Ordinance does not authorize commencement of any work on the Property. Except as otherwise specifically provided in writing in advance by the City, no work of any kind shall be commenced on the Property pursuant to the approvals granted in this Ordinance except only after all permits, approvals, and other authorizations for such work have been properly applied for, paid for, and granted in accordance with applicable law.
- B. Requirement for Logistics Plan. No above-grade construction pursuant to the Plans may be commenced unless and until Applicant has submitted, and the City Manager (in consultation with the Director of Community Development) has approved, a "Logistics Plan" setting forth the schedule, sequencing, and procedures for implementing the construction of the Improvements. The Logistics Plan shall identify, among other matters, where construction staging activities will occur and the timing for preparation for the staging area (which area shall not include McKinley Road). The City acknowledges that it is willing to grant Applicant a license upon the so-called 361 E. Westminster property for such staging activities, provided that Applicant makes available temporary parking for at least four cars adjacent to the Lake Forest Library, either on the 361 E. Westminster property or upon other property under the control of Applicant.
- C. Compliance with Laws. Chapters 150, regarding buildings and construction, 156, regarding subdivisions, and 159, regarding zoning, of the City Code, and all other

applicable ordinances and regulations of the City shall continue to apply to the Property, and the development and use of the Property shall be in compliance with all laws and regulations of all other federal, state, and local governments and agencies having jurisdiction.

- D. Compliance with the Plans. The Improvements must be developed on the Property in substantial compliance with the Plans.
- E. Fees and Costs. The Owners shall be responsible for paying all applicable fees relating to the granting of the approvals set forth herein in accordance with the City Code. In addition, the Owners shall reimburse the City for all of its costs (including without limitation engineering, planning, and legal expenses) incurred in connection with the review, consideration, approval, implementation, or successful enforcement of this Ordinance. Any amount not paid within 30 days after delivery of a demand in writing for such payment shall, along with interest and the costs of collection, become a lien upon the Property, and the City shall have the right to foreclose such lien in the name of the City as in the case of foreclosure of liens against real estate.
- F. Other conditions. The improvements shall be substantially in conformance with the Board's deliberations as reflected on Exhibit C, Notice of Action, attached hereto.

SECTION FOUR: Effective Date. This Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form in the manner provided by law; provided, however, that this Ordinance shall, in the discretion of the City Council, be of no force or effect if Owners have not (i) executed and (ii) thereafter filed with the City Clerk, within 60 days following the passage of this Ordinance, the unconditional agreement and consent, in the form attached hereto as Exhibit D and by this reference made a part hereof, to

accept and abide by each and all of the terms, conditions, and limitations set forth herein.

PASSED THIS __ DAY OF _____, 2017.

AYES: ()

NAYS: ()

ABSENT: ()

ABSTAIN: ()

PASSED THIS __ DAY OF _____, 2017.

Mayor

ATTEST:

City Clerk

GROUP EXHIBIT B

The Plans

TO BRB APPROVAL ORDINANCE

- T/ PARAPET
139'-1"
- T/ ROOF PAVERS
136'-0"
- T/ THIRD FLOOR
123'-0"
- T/ SECOND FLOOR
111'-6"
- T/ FIRST FLOOR
100'-0"
- T/ BASEMENT FLOOR
90'-6"



SOUTH ELEVATION

- T/ PARAPET
139'-1"
- T/ ROOF PAVERS
136'-0"
- T/ THIRD FLOOR
123'-0"
- T/ SECOND FLOOR
111'-6"
- T/ FIRST FLOOR
100'-0"
- T/ BASEMENT FLOOR
90'-6"



WEST ELEVATION



Witmer & Associates
Architecture and Interior Design
witmerandassoc.com

721 N McKinley Rd
82
ELEVATIONS

November 23, 2016 SCALE 1/16" = 1'-0"

GROUP EXHIBIT B

RENDERED ELEVATIONS - WITH LANDSCAPING

The Plans

TO BRB APPROVAL ORDINANCE



SOUTH ELEVATION



WEST ELEVATION

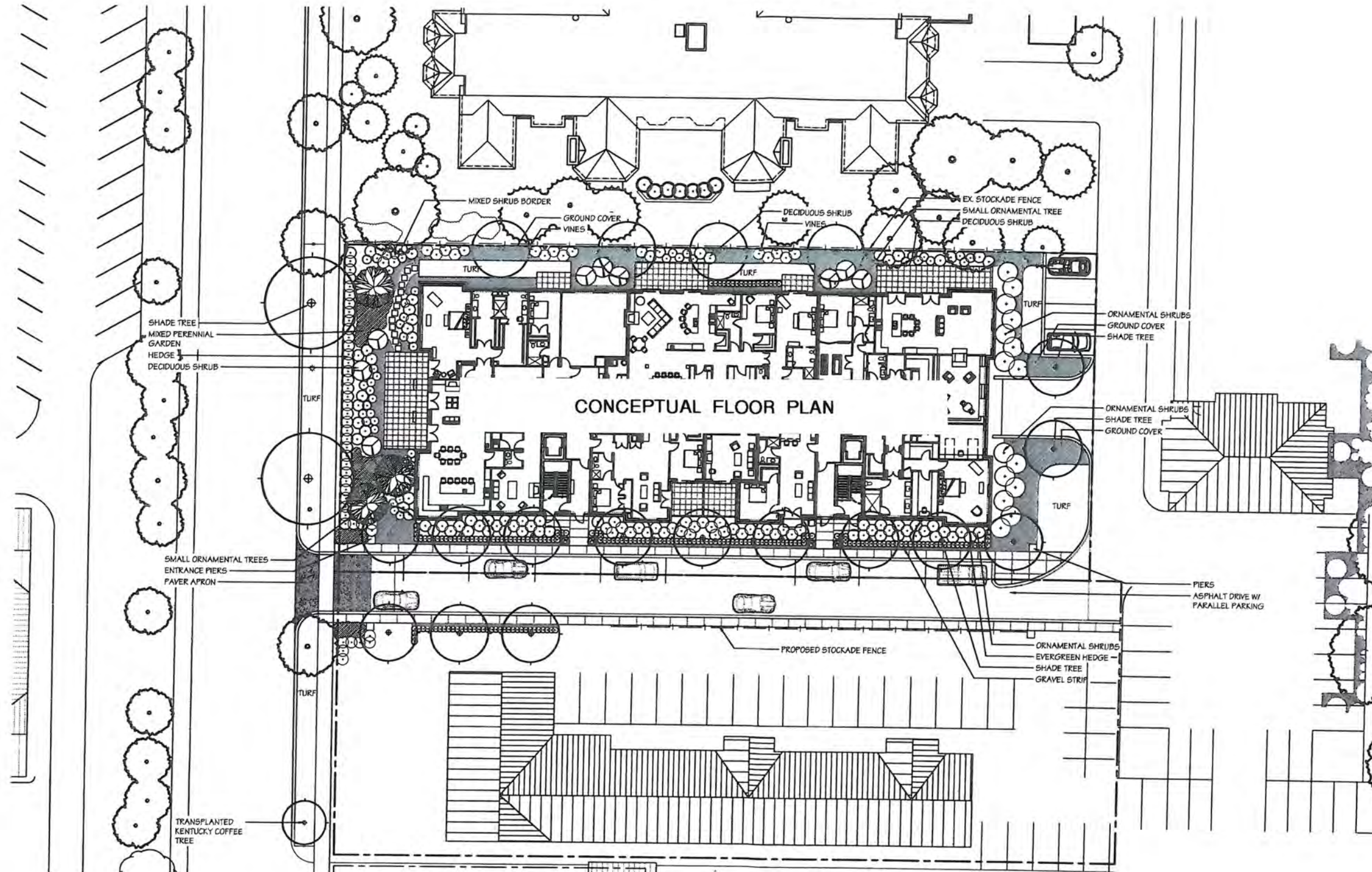


Witmer & Associates
Architecture and Interior Design
witmerandassoc.com

721 N McKinley Rd
ELEVATIONS
November 23, 2016 SCALE 1/16" = 1'-0"

TO BRB APPROVAL ORDINANCE

10/17/2016 J:\Images\20161721 McKinley 180372-Concept\721 Base 2016_10_14.dwg

mariani
landscape

721 N McKinley
Road
Lake Forest, IL

Date:	Description:	By:
07/08/2016	Pre Landscape Plan	ML

Sheet Title:

Preliminary
Landscape Plan
Phase I

Sheet No: **L0.1**

Project No: 721 McKinley 16037



<p style="text-align: center;">The City of Lake Forest <u>CITY COUNCIL</u> <i>Proceedings of the Monday, April 17, 2017</i> City Council Meeting - City Council Chambers, immediately following Finance Committee meeting</p>
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CALL TO ORDER AND ROLL CALL: Honorable Mayor Schoenheider called the meeting to order at 7:27pm, and City Clerk Margaret Boyer called the roll of Council members.

Present: Honorable Mayor Schoenheider, Alderman Waldeck, Alderman Beidler, Alderman Pandaleon, Alderman Newman, Alderman Tack, Alderman Reisenberg, Alderman Moreno and Alderman Buschmann.

Absent: None.

Also present were: Robert Kiely Jr., City Manager; Catherine Czerniak, Director of Community Development, Elizabeth Holleb, Director of Finance; Victor Filippini, City Attorney; Susan Banks, Communications Manager; Michael Thomas, Director of Public Works; Karl Walldorf, Chief of Police; Pete Siebert, Fire Chief; Mike Strong, Assistant to the City Manager along with other members of City Staff.

There were approximately 30 persons present in the Council Chamber.

CALL TO ORDER AND ROLL CALL 7:37 pm

PLEDGE OF ALLEGIANCE was recited by all those present in the Chamber.

REPORTS OF CITY OFFICERS

COMMENTS BY MAYOR

A. Swear in Fire Chief Pete Siebert

Mayor Schoenheider gave an overview of Fire Chief Siebert's career and recent actions supporting his promotion. He then swore him in.

B. Presentation of the Preliminary Report on the Assessment of City's Plan Review, Permitting and Inspection Processes

Mayor Schoenheider reported that over the City is continually evaluating its commitment to delivering high quality, customer friendly services in a cost efficient manner. Starting with the Community Development Department (based on the number of residents that are served through the department), the City hired an independent consultant to conduct an assessment of the City's building plan review, permitting and inspection services. Mayor Schoenheider then introduced Lee Brown, President, Teska Associates and Michael Blue, Principal, Teska Associates.

Mr. Brown gave a summary of their processes that included a focus on how the City can continue to deliver the highest possible level of service. He reported that The City's processes are not broken, and that the Community Development Department provides skilled professional services. He stated that in all studies there are always opportunities for improvement and suggested that technology would be an asset to the community and Staff. Additionally, Lake Forest's thorough review of new residential development and additions is uncommon among its peers and comparable communities. The process sets a very high expectations for the community character and development quality, reflected in its standards and procedures.

Mr. Brown stated the Building Review Board process supports high standards for community character, but may be a source of frustration for applicants and for neighbors in the review process. Possibly changing BRB and HPC into workshop formats is recommended. Mr. Brown noted that less than 2% of all the permits come from the Building Review Board and Historic Preservation Commission. Mr. Brown noted that while contrary to fact, the perception of the City's processes is influenced by what is heard from others. He also recommended an update to software and the City's website pages.

The City Council had discussion that included: having information available in multiple formats, confirmed the community's need for both BRB and HPC, the resident's role and their appreciation of the Staff in Community Development for providing high quality service to the community.

Mayor Schoenheider thanked Mr. Brown and all the Staff involved and reported that the final report, will be presented to the Council for acceptance at its May 1, 2017 meeting.

COMMENTS BY CITY MANAGER

City Manager Robert Kiely reported that the City and the Preservation Foundation will be sponsoring a talk on "the Power of Uniqueness" at the Lake Forest College Lily Reid Chapel on Wednesday, April 19 at 7pm.

Mr. Kiely then introduced Vince Pellegrino, Senior Vice President with the Western Golf Association. Mr. Pellegrino thanked the City for hosting the BMW Championship again this year. He showed a video clip and highlighted what is new to the tournament and what residents can expect during the BMW week.

A. Community Spot Light

**Presentation on 2017 BMW Golf Championship, September 12-17, 2017
-Vince Pellegrino, Senior Vice President, Tournaments, Western Golf
Association**

The City Council had discussion on the Evans Scholarship fund raising, philanthropy and the positive impact that the tournament has on the City.

**1. Approval of a Resolution of Support regarding Conway Farms Golf Club Hosting
the 2017 BMW Championship Golf Tournament**

COUNCIL ACTION: Approve the Resolution

Alderman Reisenberg made a motion to approve the Resolution, seconded by Alderman Newman. Motion carried unanimously by voice vote.

Mayor Schoenheider echoed the comments of the Council and presented Mr. Pellegrino with the Resolution, photos were taken.

COMMENTS BY COUNCIL MEMBERS

FINANCE COMMITTEE

1. Presentation regarding Moody's Issuer Comment dated March 17, 2017

Alderman George Pandaleon, Finance Committee Chairman, introduced Elizabeth Holleb, Finance Director. Ms. Holleb gave a summary of the Moody's Issuer Comment that the City of Lake Forest received on March 17, 2017. Annual comment on Lake Forest included its Aaa Rating – with a No Outlook issued, Moody's Credit Overview: Very healthy financial position, Superior socioeconomic profile, Ample tax base, Somewhat elevated pension liability and extremely small debt burden.

The City Council had discussion on the Analytics and the opportunity to benchmark the City against other communities, and how the rating is a positive factor in the Marketing campaign.

2. Distinguished Budget Presentation Award

Alderman George Pandaleon, Finance Committee Chairman, reported that for the first time, The City of Lake Forest has been awarded the Government Finance Officers Association **Distinguished Budget Presentation Award** for the fiscal year beginning May 1, 2016. The Distinguished Budget Presentation Award is the highest form of recognition in governmental budgeting, and its attainment is a significant accomplishment by a government and its management.

In a GFOA news release, Stephen Gauthier states that “In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity’s budget serves as a policy document, a financial plan, an operations guide and a communications device.”

For budgets beginning in 2015, only 1,565 units of government received the award nationally.

The GFOA is a nonprofit professional association serving nearly 19,000 elected and appointed government finance professionals in the United States and Canada.

Chairman Pandaleon also stated that in addition to the Budget Award, a **Certificate of Recognition for Budget Presentation** is presented by the GFOA to the individual designated as instrumental in their government unit’s achievement of the award. Chairman Pandaleon present the award to Elizabeth Holleb, Director of Finance and IT, for her efforts in coordinating the preparation of the annual budget and for leading the efforts in making the required changes to the City’s budget document to meet the stringent requirements of the GFOA budget awards program.

Ms. Holleb stated that this was three years in the making and she was thankful to the City Council, City Manager, Executive Staff and the Finance Department Staff for their unending support. Mayor Schoenheider stated that it has been a joy to work with Ms. Holleb, that her skills, leadership and team spirit are highly recognized by the City Council.

3. Consideration of an Ordinance making a Supplemental Appropriation for the Fiscal Year Beginning May 1, 2016 and Ending April 30, 2017 (First Reading, and if Desired by the City Council, Final Approval)

Elizabeth Holleb, Finance Director reported that in November 2016, the City Council approved a recommendation to use proceeds from the sale of the Laurel Avenue property to redeem outstanding 2008 General Obligation Bonds. The advance redemption of the bonds saved \$1.357 million in future interest costs and allowed the City to replace the existing debt service levy with a capital improvements levy to supplement annual funding for the five year Capital Improvements Program.

As this transaction was not anticipated in the budget, a supplemental appropriation is required in both the Capital Improvements Fund, for the transfer of the land sale proceeds to the 2008 GO Bonds Debt Service Fund, and in the 2008 GO Bonds Debt Service Fund, for the advance redemption of the principal maturities dated December 2017 and later. The supplemental appropriation required to meet legal compliance.

Mayor Schoenheider asked if there was anyone from the public who wanted to comment. Seeing none, he asked for a motion.

COUNCIL ACTION: If determined to be appropriate by the City Council, waive first reading and grant final approval of the Ordinance (page 55) making a supplemental appropriation for the fiscal year beginning May 1, 2016 and ending April 30, 2017 for the advance redemption of the 2008 GO Bonds approved in November 2016.

Alderman Pandaleon made a motion to waive first reading and grant final approval of the Ordinance (page 55) making a supplemental appropriation for the fiscal year beginning May 1, 2016 and ending April 30, 2017 for the advance redemption of the 2008 GO Bonds approved in November 2016, seconded by Alderman Beidler. The following voted "Aye": Aldermen Waldeck, Beidler, Pandaleon, Newman, Tack, Reisenberg, Moreno and Buschmann. The following voted "Nay": None. 8- Ayes, 0 Nays, motion carried.

PUBLIC WORKS COMMITTEE

1. Award of Bid for the Water Treatment Plant Construction Project and Approval of a Construction Engineering Services Agreement

Public Works Committee Chairman Catherine Waldeck reported that the Public Works Committee is recommending that the City Council award a bid for the Water Treatment Plant's construction project to JJ Henderson & Son, Inc. Chairman Waldeck stated that at the April 3, 2017 Public Works Committee Meeting, the Committee reviewed, approved, and recommended award of bid to install a new membrane filtration system and other treatment improvements to meet the operational needs of the Water Treatment Plant. In addition, the Public Works Committee also recommended City Council approve the agreement for construction engineering services to Strand Associates, Inc.

Chairman Waldeck reported that after many meetings and special workshops, the City Council decided to proceed with the design and installation of a new membrane filtration system with a 14 million-gallon-per-day capacity. And that the Water Treatment Plant project will be accomplished over a two year period with the majority of the work being completed in the first year. Year one construction begins this summer and will end in late April of 2018.

The City Council had discussion on sole vendors. Mayor Schoenheider asked if there was anyone from the public who would like to comment. Seeing none he asked for a motion.

COUNCIL ACTION: The Public Works Committee recommends approval of the following project items:

- **Award a bid for the Water Treatment Plant Construction Project to JJ Henderson & Son, Inc. in the amount of \$8,818,000; and**
- **Based upon the exception noted in Section 8.5 D1of the City's Purchasing Directive, approve an agreement with Strand Associates for construction engineering services in the amount of \$570,000; and**
- **Approve a 5% project contingency for any unforeseen construction or construction engineering issues with either JJ Henderson & Son, Inc. and/or Strand Associates in the amount of \$441,000.**

Alderman Waldeck made a motion to award a bid for the Water Treatment Plant Construction Project to JJ Henderson & Son, Inc. in the amount of \$8,818,000; and based upon the exception noted in Section 8.5 D1of the City's Purchasing Directive, approve an agreement with Strand Associates for construction engineering services in the amount of \$570,000; and approve a 5% project contingency for any unforeseen construction or construction engineering issues with either JJ Henderson & Son, Inc. and/or Strand Associates in the amount of \$441,000, seconded by Alderman Reisenberg. The following voted "Aye":

Aldermen Waldeck, Beidler, Pandaleon, Newman, Tack, Reisenberg, Moreno and Buschmann. The following voted "Nay": None. 8- Ayes, 0 Nays, motion carried.

2. Action Relating to a Special Service Area Proposed for the Installation of Sanitary Sewer in the Winwood Drive Neighborhood.

Catherine Waldeck, Public Works Committee Chairman introduced the item with a brief summary of actions taken so far by the City and the Neighbors regarding the proposed Special Service Area No. 41 for the installation of sanitary sewer in the Winwood Drive neighborhood. Alderman Waldeck stated that City Council Action is requested on a preferred option, which includes 1) Approval of a Resolution establishing a public hearing date and directing staff to notice the hearing accordingly **or** 2) If determined appropriate by City Council, waiving first reading, and approval of an Ordinance rescinding Ordinance 2016-77 ("SSA Proposing Ordinance") thereby terminating the Proposed SSA.

The City Council had discussion that included an additional option to continue talks with the neighbors, the caution in setting presidents, initiation of this and future projects requiring an SSA, financing, litigation, the petition process and if this is the right time for action. After a lengthy discussion, the City Attorney summarized both options.

City Attorney Victor Filippini reported under Option A the City Council would have to allow appropriate time for noticing and scheduling of the Public Hearing in accordance with the Special Service Area Tax Law, 35 ILCS 200/27-5 et seq. ("SSA Tax Law"). Therefore, a timeline of required events would need to be scheduled. While this option extends deliberation and ultimate consideration by City Council, it would allow for the formal SSA process to be completed, including the requirement of an objection to be filed with the City Clerk. If a legally sufficient objection is filed, the City Council will have no authority to consider an establishing ordinance. Additionally, under the Special Service Area Tax Law, if a valid objection is filed. "The subject matter of the petition shall not be proposed relative to any signatories of the petition within the 2 years."

Although the effect of this language has not been specifically addressed in any Illinois appellate decision, it would not be inconceivable that another special service area for sanitary sewer service would have to be deferred at least two years with respect to any properties whose owner had signed a valid objection petition to the establishment of SSA No. 41. If no legally sufficient objection is filed, the City would have the right to establish the proposed SSA, but only in accordance with the parameters set forth in the SSA Proposing Ordinance. However, the City Council would have the right not to establish a special service area if it did not desire to proceed based on the parameters set forth in the SSA Proposing Ordinance 2016-77.

Mr. Filippini additionally reported that Option B would preserve the right for the City Council to pursue a future SSA that is in substantial form as the SSA Proposing Ordinance without the restriction of a two-year mandatory waiting period as defined in the SSA Tax Law. However, it would terminate the Proposed SSA from continuing on at this point, and would not require any follow up action, including scheduling of public hearing, or requirement to submit any formal objection by property owners and electors within the proposed SSA area.

COUNCIL ACTION: If determined appropriate by the City Council, consideration of one of the following:

Mayor Schoenheider asked for a motion on option A.

A. Approval of a Resolution Scheduling a Public Hearing to Consider the Proposed Special Service Area No. 41 for the Installation of Sanitary Sewer in the Winwood Drive Neighborhood.

Alderman Pandaleon made a motion for Approval of a Resolution Scheduling a Public Hearing to Consider the Proposed Special Service Area No. 41 for the Installation of Sanitary Sewer in the Winwood Drive Neighborhood, seconded by Alderman Newman. The following voted "Aye": Aldermen Waldeck and Tack. The following voted "Nay": Alderman Beidler Pandaleon, Newman, Reisenberg, Moreno and Buschmann. 2-Ayes, 6 Nays, motion failed.

OR

Mayor Schoenheider asked for a motion on option B.

B. Consideration of an Ordinance Rescinding Ordinance No. 2016-77 and Terminating Further Consideration of Establishing a Special Service Area Number 41 for the Winwood Drive Area Sanitary Improvement Project (First reading and if Desired by the City Council, Final Approval).

Alderman Newman made a motion for Consideration of an Ordinance Rescinding Ordinance No. 2016-77 and Terminating Further Consideration of Establishing a Special Service Area Number 41 for the Winwood Drive Area Sanitary Improvement Project (First reading and if Desired by the City Council, Final Approval), seconded by Alderman Moreno. The following voted "Aye": Aldermen Beidler, Pandaleon, Newman, Reisenberg, Moreno and Buschmann. The following voted "Nay": Alderman Waldeck. The following Abstained: Alderman Tack. 6- Ayes, 1 Nay, 1 Abstention. Motion carried.

OPPORTUNITY FOR CITIZENS TO ADDRESS THE CITY COUNCIL ON NON-AGENDA ITEMS

ITEMS FOR OMNIBUS VOTE CONSIDERATION

1. Approval of the April 3, 2017 City Council Meeting Minutes
2. Approval of a Resolution of Sympathy for Eugene Lonergan
3. Approval to Renew Agreement for Financial and Land Parcel Management System Software Maintenance and Licensing for FY2018
4. Approval of a Resolution Reallocating 2017 Volume Cap to the Village of Buffalo Grove, Illinois
5. Award of a Contract for Professional Services Consultation on the Purchase of a New Enterprise Resource Planning System
6. Authorization to Issue Reimbursement for City Work Costs Related to Clean-up of the City's Former Municipal Services Site.
7. Consideration of an Ordinance Approving a Recommendation from the Building Review Board. (First Reading and if Desired by the City Council, Final Approval)
8. Consideration of an Ordinance Approving a Recommendation from the Zoning Board of Appeals. (First Reading, and if Desired by the City Council, Final Approval)
9. Award of the Everett Park Path Replacement portion of the Everett Park Path Replacement & District 67 Cherokee School Driveways Resurfacing

10. **Approval of Contract for Installation of Brick Patio and Purchase of Required Material for the Deerpath Golf Course Patio Installation Project**
11. **Award of Bid for the North Western Avenue Streetscape Project**
12. **Consideration of a Shared Services Agreement with Lake County as a Pilot Program.
(Approval by Motion)**
13. **Award of Contract for the Lake Forest share of the 2017 Joint Sewer Lining Project Contract.**
14. **Request for City Council Approval of a Landfill Disposal Fee Agreement**
15. **Award of Bid for the Ponds Subdivision Outlet Repair Project**
16. **Consideration to enter into a professional services contract with FGM Architects to produce plans and construction documents for the Public Safety Building (PSB) Renovation Project included in the City's FY2018 Capital Improvement Budget.**
17. **Award of Bid for a Police Department Police Vehicle.**
18. **Award of the Lake Forest share of the joint 2017 Annual Street Resurfacing & Asphalt Patching Program contract.**

COUNCIL ACTION: Approval of the eighteen (18) Omnibus items as presented

Mayor Schoenheider asked members of the Council if they would like to remove any item or take it separately. Alderman Buschmann recused himself from the vote on item # 3, noting a conflict of interest, item #12 was also discussed. Mayor Schoenheider asked for a motion to approve the eighteen Omnibus items as presented, noting Alderman Buschmann's recusal.

Alderman Beidler made a motion to approve the Eighteen Omnibus items as presented, seconded by Alderman Reisenberg. The following voted "Aye": Aldermen Waldeck, Beidler, Pandaleon, Newman, Tack, Reisenberg, Moreno and Buschmann. The following voted "Nay": None. 8- Ayes, 0 Nays, motion carried.

Information such as Purpose and Action Requested, Background/ Discussion, Budget/ Fiscal Impact, Recommended Action and a Staff Contact as it relates to the Omnibus items can be found on the agenda.

ORDINANCES AFFECTING CODE AMENDMENTS

1. **Approval of an Ordinance amending City Code Section 39.166 allowing for consideration of hardships related to Real Estate Transfer Tax Refunds (Waive First Reading and Grant Final Approval) and Motion Granting Approval of Appeal for Irene Potts in the Amount of \$1,600**

Elizabeth Holleb, Finance Director reported that this item is a follow-up from the Monday, April 3 City Council meeting. Which will allow for consideration of hardships related to the requirements established in City Code Section 39.164 for refunds of the Real Estate Transfer Tax.

City Attorney, Victor Filippini stated that the Council considered a request from Ms. Laura Sorenson, on behalf of her parents, to waive the one-year requirement of City Code section 39.164 between a purchase and sale of properties within Lake Forest to qualify for a refund of real estate transfer tax. After discussion,

the City Council requested that an amendment to the City Code allowing for consideration of hardships related to the refund of real estate transfer taxes under City Code section 39.164.

Mr. Filippini reported it was noted that City Code section 39.166 entitled "Appeals" provides that any person subject to the real estate transfer tax, or any application for exemption or refund of the tax, may first appeal to the City Manager and then to the Personnel, Compensation and Administration (PCA) Committee of the City Council. Determinations of the PCA Committee are final. The Proposed Ordinance offers an amendment to Section 39.166 that allows for the PCA Committee to consider appeals for refunds upon showing a hardship such as an act of god or medical necessity.

The City Council had additional discussion about the previous amendment to this section of the code, which allowed for the one year requirement to be changed to a two year requirement.

Mayor Schoenheider asked if there was anyone from the public who wanted to comment. Seeing none, he asked for a motion.

COUNCIL ACTION: If determined to be appropriate by the City Council, waive first reading of an Ordinance amending City Code Section 39.166 allowing for consideration of hardships related to Real Estate Transfer Tax Refunds and grant final approval; approve motion granting approval of appeal for Irene Potts in the Amount of \$1,600.

Alderman Beidler made a motion to a waive first reading of an Ordinance amending City Code Section 39.166 allowing for consideration of hardships related to Real Estate Transfer Tax Refunds and grant final approval; approve motion granting approval of appeal for Irene Potts in the Amount of \$1,600, seconded by Alderman Reisenberg. The following voted "Aye": Aldermen Waldeck, Beidler, Pandaleon, Newman, Tack, Reisenberg, Moreno and Buschmann. The following voted "Nay": None. 8- Ayes, 0 Nays, motion carried.

NEW BUSINESS

ADDITIONAL ITEMS FOR COUNCIL DISCUSSION
--

ADJOURNMENT

There being no further business. Alderman Tack made a motion to adjourn, seconded by Alderman Newman. Motion carried unanimously by voice vote at 9:35 p.m.

Respectfully Submitted
Margaret Boyer

A video of the City Council meeting is available for viewing at the Lake Forest Library and on file in the Clerk's office at City Hall. You can also view it on the website by visiting www.cityoflakeforest.com. Click on I Want To, then click on View, then choose Archived Meetings Videos.



STRATEGIC PLAN

2017-2021





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LAKE FOREST, ILLINOIS

Located 30 miles north of Chicago with an area of approximately 17 square miles, Lake Forest is home to 19,375 people according to the 2010 Census. The City of Lake Forest was incorporated as a city under a special charter granted by the Illinois State Legislature in 1861, that permits Lake Forest to be administered effectively and economically within a minimum number of separate government bodies. The City Council is the legislative and policy-making body and includes the Mayor and two Aldermen from each of the City's four wards. Lake Forest government operates under the Council/Manager system, where the City Manager is responsible for the day-to-day operation of the City. Appointed by the Mayor and City Council, the City Manager carries out the policies set by the elected officials and is responsible for the efficient, economical operation of City services and facilities. With its natural beauty every season, Lake Forest is a remarkable community because of the individuals who call it home. Lake Forest values its rich heritage, offers high-quality educational opportunities, and preserves its historic structures and natural open spaces.

A Message from Mayor Schoenheider

The City has grown and flourished during the past 157 years largely due to the involvement of its residents. Today, Lake Forest remains a highly desirable community in which to live, with its unique character, rich history and commitment to its four cornerstones of Family, Education, Tradition and Philanthropy. The enduring efforts of countless volunteers, officials and City staff continue to include thoughtful, proactive planning.

To remain true to this heritage, it is important to periodically identify the state of the City and to carry on the broader visionary concepts of our forefathers. The Strategic Plan which follows is the result of several months of voluntary community engagement with residents during 2016-17. It is our hope that this report will present an accurate plan for the future that will preserve the character and values of the Lake Forest culture as we venture ahead.

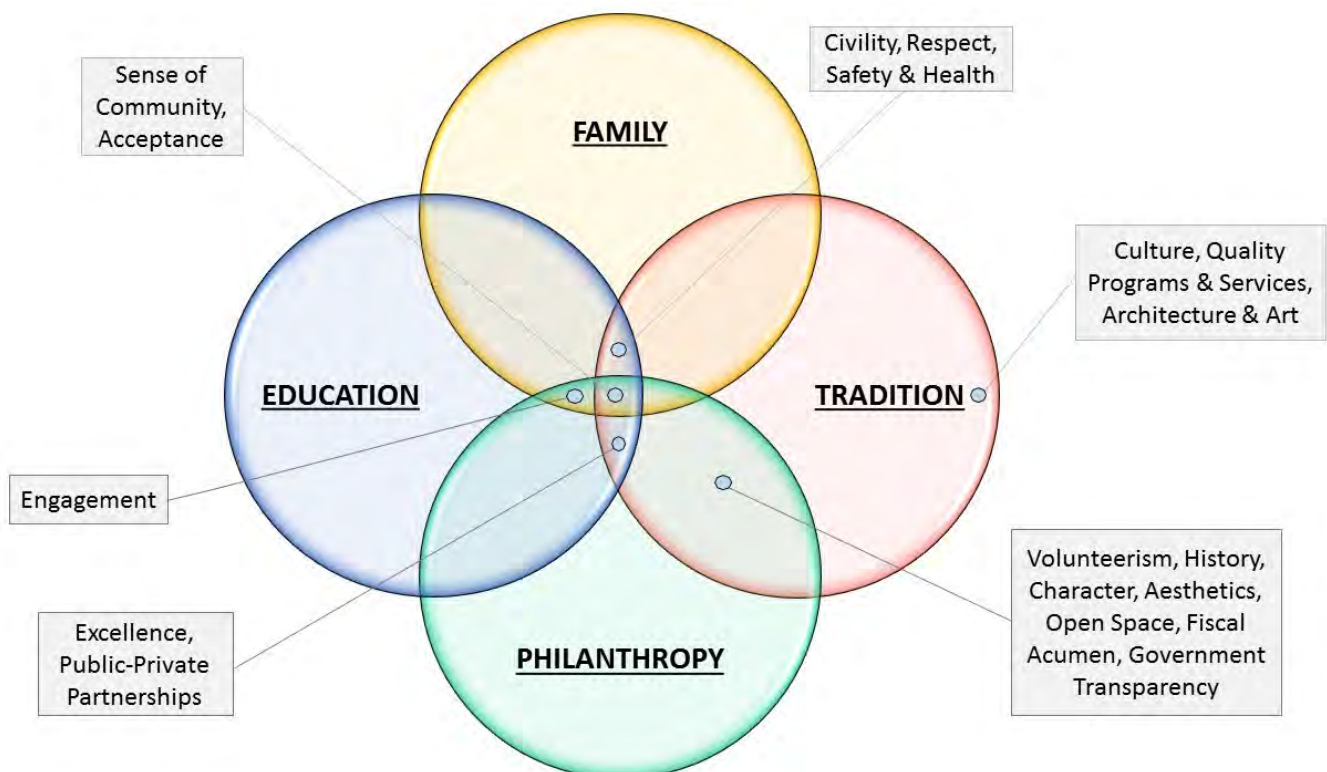
MISSION STATEMENT, CORE VALUES, AND GUIDING PRINCIPLES

MISSION STATEMENT

"Be the best-managed, fiscally-responsible and appealing community and promote a community spirit of trust, respect and citizen involvement."

CORE VALUES: LAKE FOREST'S FOUR CORNERSTONES

FAMILY, EDUCATION, TRADITION & PHILANTHROPY



VISION FOR THE CITY OF LAKE FOREST

The City will preserve its character and quality of life and be responsive to the changing needs of the residents in a fiscally responsible manner.

The City will be an outstanding example of a well-managed, planned community which protects and enhances its rich heritage, architecturally significant buildings, residential neighborhoods, natural resources, open spaces and recreational areas. The City will continue in its efforts to be a community of cultural diversity, and maintain a variety of residential facilities, including single and multi-family housing. The City will foster well-planned business districts, encompassing a variety of retail shops, restaurants and other service establishments.

A strong commitment will be made to public health and safety, the maintenance of our infrastructure, and the conservation of our open spaces and natural resources. Community, educational and recreational services will be distinguished by a strong commitment to quality, efficiency and outstanding public facilities, supported by one of the North Shore's most reasonable property tax rates.

The City will be known for its community responsiveness, commitment to public health and safety, sensitivity to quality of life and conservation, fiscal responsibility, and promotion of cooperation and respect among residents, businesses and government.

MAKING THE VISION A REALITY

The vision for Lake Forest contains six thematic areas, key indicators, and action items that the City is focused on achieving. To further understand and achieve the vision, each of these six themes are explained in this document. Although these themes are described separately, it is important to note they are connected and impact one another.

Accompanying each theme are three sections:

1. The first section describes the desired state and what the theme means to the community.
2. The second section describes the opportunities and obstacles to achieving the desired state.
3. The third section contains the identified objectives and strategies, which are incorporated in the plan in order to successfully achieve the long term goals and overall vision for the City of Lake Forest.



ENGAGING THE COMMUNITY IN THE STRATEGIC PLANNING PROCESS

The City of Lake Forest's first Strategic Plan was developed in the early 1990s and the community principles it included still resonate today. This plan was updated most recently in 2005 and again in 2011 to reflect changes and new realities in the community, while respecting the City's long-held principles. The 2017 – 2021 Strategic Plan is built upon the founding principles and core values of the City of Lake Forest, as well as those in the previous strategic plans. The Plan includes specific strategies, with identifiable objectives and goals that should be employed to achieve the City Vision.

Setting the Context

The Strategic Plan offers the City direction, while honing in on issues that are critically important to preserving and enhancing the quality of life in Lake Forest. Similarly, the Plan sets priorities and determines the proper course for progress. Each objective, in turn, is defined by strategic initiatives that state a specific desired outcome. While the vision, mission and goals of the Strategic Plan are intended to be overriding beacons in the Plan, the strategies expressed through the identified objectives and initiatives are intended to serve as guidance over the next five year period.

Community Wide Survey Report

The strategic planning effort of 2016-2017 begins by looking back. In fall 2016, the City Council authorized a contract with National Research Center, Inc. (NRC) to administer a community survey to all residents of Lake Forest to provide the opportunity to rate quality of life in the city, uses of city amenities, opinions on policy issues facing the city and assessments of City service delivery. The survey was administered to all 7,458 households; of which 2,133 responded to the mailed questionnaire, giving a total response rate of 30%.

Among the highlights of the survey results, include:

- More than **7 in 10** indicated that maintaining Lake Forest as a triple-a (Aaa) bond rated community was essential over the next five years.
- Less than **4 in 10** awarded high marks to the shopping opportunities provided by the City of Lake Forest and about one-quarter reported that shopping variety was excellent or good (both ratings decreased since 2011).
- When asked about City budget priorities, about **6 in 10** indicated that environmental sustainability is essential or very important for the future of Lake Forest.
- About **8 in 10** stated that management of traffic flow and transportation related infrastructure is very important over the near term.
- When asked what factors influenced residents' decisions to live in Lake Forest, about **7 in 10** indicated that the safety of the community played a role in their decision to live in the community.
- When asked to rate how important addressing the variety of housing options, sizes and price points (for young families and other family types) over the next five years, almost **6 in 10** indicated this issue is very important or essential.

Community Wide Forum Event and Strategic Planning Retreat

While collecting this data was important to helping establish planning goals and opportunities for the plan, the City also hosted a Community Engagement Forum in January 2017, and attempted to look forward by hosting a one-of-a-kind "Future for All Generations" event in early February 2017, aimed at understanding how to make the City sustainable for future generations. This unique event offered a moderated community discussion that answered three basic questions: what do community members feel are the most important values of the City, what obstacles confront the long-term sustainability of the City, and what can residents do to help ensure the long-term sustainability of Lake Forest.

The reality is there is a significant generational shift that the City, as well as other municipalities will need to deal with over the next 5, 10, and 15 years. Fewer young people may choose to make their homes in Lake Forest because they may find it unaffordable or that the community doesn't offer the lifestyle they are seeking. The majority of participants in the community wide forum event agreed that this problem makes diverse, accessible and balanced housing stock a priority for the City. Diverse housing should be integrated into the community to preserve the City's most valued qualities. Much like other residential communities along the North Shore, focus on housing and businesses that appeal to young people and diverse populations will be important to ensuring the sustainability of the local economy.

The strategic planning process took full advantage of the City's active and engaged citizenry, by purposefully inviting individuals and community stakeholders from diverse backgrounds. During the Strategic Planning Retreat in late February 2017, participants relied on the Community-Wide report and forum events to discuss the current and future states of the community, and develop the strategic direction of the City.

Incorporating Community Involvement and Input

To provide greater access to the Strategic Planning discussion, the City will be offering the public an opportunity to engage in this conversation through reviews of the Plan and discussions during City Council meetings. The City of Lake Forest took steps to invite a broad array of community members (including residents, college students, elected/appointed City officials, City staff, and recognized subject matter experts to civic, business and community leaders) who were offered an opportunity to engage in these fora. The goal statements, objectives and initiatives included in the strategic plan result from that collective input.

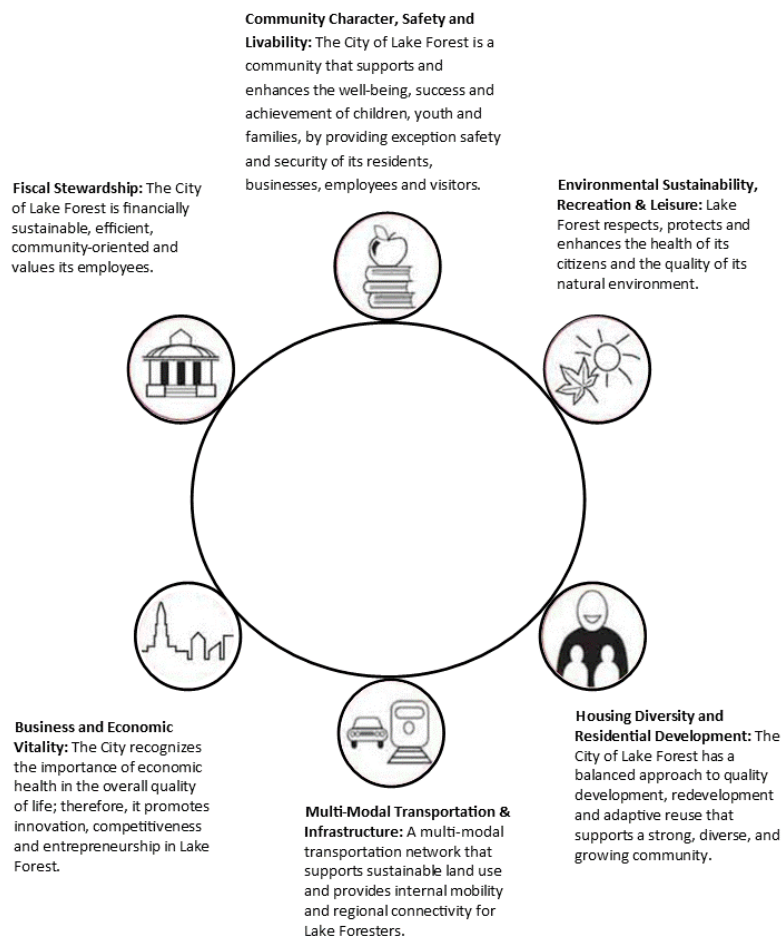
2017 Strategic Planning Process





STRATEGIC PLANNING GOALS AND PRIORITIES

There are six goals included in the City's Strategic Plan. Each goal is intended to support the larger vision for the City and to point the way of progress towards that vision. The goals of the City are functional; acknowledging both our responsibilities and our challenges. The goals for Lake Forest are frequently interrelated, and success achieved in any one goal area is likely to correspond positively in another goal area.





FISCAL STEWARDSHIP

Desired State: The City must conscientiously pursue diverse, sustainable, and dependable revenue sources to fund desired City services and to fortify public assets and systems. Maintaining the City's Aaa bond rating will require sound financial planning and persistent cost control. The City desires to meet the critical financial needs of the community by maintaining a balanced budget through responsible management of the City's financial obligations and diligent use of revenues without placing undue burden upon City residents.

Outcomes, Opportunities, Obstacles: As a predominately built-out residential community, Lake Forest must balance its pursuit of non-property tax revenue sources with maintaining an attractive quality of life. The City's long tradition of sound financial management has laid a stable foundation to ensure that the City continues to provide its residents with high quality services at a great value.

Admittedly, having sustainable revenue is not always a variable that can be controlled at the local level. Many obstacles will present themselves along the pathway to achieving the City's desired fiscal state, including economic uncertainty, volatile global markets, regional competition, and State and Federal fiscal mismanagement. While remaining cognizant of the challenges and obstacles is necessary, the community must remain fiscally conservative and innovative in its delivery of quality services within prescribed financial restraints.

1 Implement an operating budget and capital improvement strategy that is balanced over the long term.

- ⇒ Continue to develop long-term financial forecasts mechanisms that allow the City to annually identify future revenue and expenditure trends in efforts to prepare plans that address anticipated problems in a timely fashion.
- ⇒ Identify internal/external challenges that may impact the City's ability to remain flexible in the management of financial resources.
- ⇒ Evaluate and prioritize City services; then identify opportunities for alternative service delivery.
- ⇒ Improve the effectiveness and efficiency of City programs and activities in achieving results that are valued by the public.
- ⇒ Develop and implement an effective economic development strategy to create jobs, enhance economic diversification, and promote income growth.



FISCAL STEWARDSHIP (CONTINUED)

2 *Continue to pursue alternative sources of revenue, while thoughtfully reducing expenditures through public and private partnerships and special service agreements.*

- ⇒ Create consortiums and shared service agreement opportunities with neighboring municipalities to reduce expenditures.
- ⇒ Further steward relationships between the City and community stakeholders to identify potential public/private partnerships.
- ⇒ Create opportunity for residents to make “legacy contributions” - donations for specific directed purposes or for the General Fund.
- ⇒ Explore opportunities to increase volunteer efforts to reduce City operational costs.

3 *Ensure the public is well informed and understands the financial condition of the City and the efforts made previously to continue to keep the budget in balance.*

- ⇒ Publicize the Comprehensive Fiscal Plan, cost-saving initiatives and staff reductions that had been implemented.
- ⇒ Utilizing multiple modes of media and communication to inform the community (i.e. printed information; information repositories, kiosks, hotlines; websites and social media; press, media and other technological advances).
- ⇒ Publicize updates to budgets at regular intervals.

4 *Continue to actively encourage and support economic development.*

- ⇒ Develop and implement business incentive programs to further support economic vitality.
- ⇒ Examine regulations, fee structure and time required to open new business or make modifications.
- ⇒ Identify opportunities to leverage large number of employees working in the City of Lake Forest (i.e. Conway Park, Lake Forest College, Lake Forest Hospital, and other Corporate Businesses)



BUSINESS AND ECONOMIC VITALITY

Desired State: While predominantly a residential community, The City of Lake Forest desires to enhance its business community so that it remains economically viable, enticing to visit and meets the needs of the community and visitors. It is important to the City that core values are adhered to assuring that Lake Forest remains a desirable place to live, one that is welcoming to younger families, professionals as well as long-time residents; embracing diverse and changing local and state demographics. Maintaining the vitality of our business districts by retaining existing businesses, while attracting new businesses that will cultivate a uniquely, friendly atmosphere and contribute to the growth of the tax base.

The City will use economic development tools to engage property owners in the business districts and will leverage local assets – historic, cultural, and architectural as well as community pride. The City will work closely with local businesses, the Chamber of Commerce, business owners, organizations and commercial property owners to help achieve this.

Outcomes, Opportunities and Obstacles: The City should continue the efforts to enhance the unique, friendly and interesting business districts. Adding new family-friendly businesses, more young adult-friendly restaurants, specialty stores that will continue to make the business districts attractive places to shop and eat, and continue to build a sense of community. At the core of the business districts is the need for more local and diverse housing options to create additional foot traffic and the interest in creating a more urban character in the business districts. Historically, the City's business districts included apartments. Bringing those denser housing developments back to the core area will support more vibrant business districts and sense of community. Additionally, the development of an internal City transportation system to connect patrons to the business districts would be beneficial.

Maintaining the special character of Lake Forest is critical to the community's uniqueness, but the City should also examine how other unique assets can be promoted to increase the economic vitality through thoughtful changes and adaptations. For example, the hospital expansion, the beachfront, the local cultural arts community, public transportation, workforce development, and the historical character of Lake Forest can all play a role in contributing to enhanced activity in the business district. Emerging obstacles include technological advancements and the ease of internet commerce.



BUSINESS AND ECONOMIC VITALITY (CONTINUED)

1 *Enhance the vitality and economic success of the City's Business Districts and Lakefront while maintaining and strengthening the City's commitment to historic and natural preservation and neighborhood quality of life.*

- ⇒ Establish a greater appeal of Business Districts/Lakefront to residents and visitors by extending operation hours to encourage evening patronage.
- ⇒ Support more music festivals, community events, other entertainment and dining options at the Lakefront/Beach.
- ⇒ Support more diverse intergenerational businesses; specifically in, retail, entertainment, and food service industries in all Business Districts.
- ⇒ Improve access, circulation and parking, making it easier and more pleasant for visitors and residents to travel by all modes of transportation to the Business Districts/Lakefront area.

2 *Support occupancy of tenant spaces in the business districts through business recruitment, retention and expansion, without compromising the historic and natural preservation and neighborhood quality of life.*

- ⇒ Support recruitment, retention and expansion (when desirable) by proactively identifying and implementing actions the City can take to improve competitiveness with surrounding communities and online commerce.
- ⇒ Target entrepreneurs, contractors and employers who complement the City's long-term economic vision to balance the residential and commercial tax base.
- ⇒ Implement an expansion strategy focused on high priority corporations with the best potential for growth.



BUSINESS AND ECONOMIC VITALITY (CONTINUED)

3 *Engage in proactive economic development to attract and retain key businesses within the commercial corridors to achieve a thriving business community.*

- ⇒ Enhance retention through strategic stewardship of the relationship with employers and businesses owners to foster a sense of pride in being a part of the community.
- ⇒ Communicate successes by identifying opportunities to celebrate businesses who are involved in the community (i.e. City Award Program, etc.).
- ⇒ Improve the City's readiness for quality economic growth by seeking efficiencies through the incorporation of technologies in the development review and permit process to increase clarity, transparency, and accessibility.
- ⇒ Review existing codes to ensure that existing regulations and permit processes add value to the economic sustainability and quality of life of the City.
- ⇒ Facilitate workshops for "Starting and Maintaining a Business in Lake Forest" for new and existing businesses.



ENVIRONMENTAL SUSTAINABILITY, RECREATION AND LEISURE

Desired State: Lake Forest has a long tradition of upholding its 1861 founding motto: “Naturae et Scientiae Amor,” or “Love of Nature and Science.” Over the past 156 years, as the City grew through modest increases in population and development or expansion of residential and commercial properties, constant internal and external pressures have been imposed on the environment. We must continue to strive for a balanced approach to policies, activities, and operations that are environmentally-responsible, sustainable, efficient and fiscally-minded for future generations.

Outcomes, Opportunities, Obstacles: Recognizing that one of the reasons our forefathers travelled here was to realize a healthier and cleaner living environment, we must protect Lake Forest’s unique local ecosystem, and nurture pride in our conservation ethic for generations to come. Preserving the City’s natural assets will enhance property values and ensure that the community remains highly-desirable place to live, work and play.

The community shall continue to collaborate with educational institutions, property owners, neighbors, land management associations, and environmentally related community clubs to engage the community in environmental stewardship, recreation and leisure, by taking a leadership role in modeling best community practices in environmental sustainability. The City must continue to guard against pressures by developers and others looking to place short-term profits or returns over long-term community benefits. Recognizing cost considerations may hamper efforts to undertake the appropriate conservation based development projects versus the cheapest or most expedient methods.

1

Protect, maintain and improve the environmental vitality and sustainability of Lake Forest’s physical and natural assets.

- ⇒ Develop a series of environmental benchmarks, indicators and performance measurements for the City and community.
- ⇒ Improve air quality in the City by implementing air quality standards and a plan to support the achievement of greenhouse gas emission reductions.
- ⇒ Protect waterways and ravines by maintaining and improving storm water and sanitary sewer infrastructure and stream system health.
- ⇒ Encourage recycling and energy efficiency programs to reduce/minimize the City’s contribution to the regions carbon footprint and landfill deposits.



ENVIRONMENTAL SUSTAINABILITY, RECREATION AND LEISURE

(CONTINUED)

2 *Encourage access to native open spaces through the promotion of health, education and sustainable ecological policies.*

- ⇒ Identify public and private partnership opportunities to promote education and sustainable ecology.
- ⇒ Expand access to health foods by implementing a community gardening initiative, increasing attendance at farmer's market events, and providing farming/nutrition based educational opportunities.
- ⇒ Increase access to open spaces through walking/bike trail connections throughout the City.

3 *Identify natural assets in Lake Forest to that should be the focus of investment and expansion.*

- ⇒ Identify opportunities to extend programming at the Lakefront during off-season and off-peak hours.
- ⇒ Explore programming opportunities at Elawa Farm during off-peak hours.
- ⇒ Identify special events to celebrate natural assets, increase activity and community gatherings.



MULTI-MODAL TRANSPORTATION AND INFRASTRUCTURE

Desired State: Lake Forest has a comprehensive system of major streets and transportation options which connects areas within and beyond the City limits. It is desirous to maintain this system while preserving the character of The City of Lake Forest. An integrated, citywide, regional and multimodal transportation system that is safe, functional, and provides mobility opportunities will foster greater economic development, that minimize and relieve future congestion, and benefit all residents.

In 2022, The City of Lake Forest will be regionally linked and easy to navigate regardless of resources or ability. The City will create effective local, regional, and mass transportation options for motorists, pedestrians, and bicyclists alike. This will be achieved through the pursuit and advancement of transportation options, expansion of “inter-connectedness” of non-vehicular pathways, and enhancement of regional transportation and existing roadway infrastructure.

Outcome, Opportunities, Obstacles: As a land-locked, predominantly built-out community, the opportunities to connect on a regional scale are challenging. However, providing transportation alternatives that interconnect with neighboring communities and improving mobility within the community will accommodate and encourage the use of multi-modal transportation and bicycle use.

Pursuit of these activities will open the door to community partnerships and new service opportunities that cannot only improve quality of life for residents, but also enhance business perceptions of the City by improving traffic efficiencies for employees. Perhaps the greatest challenge that the City may face in pursuit of this strategic goal is identifying the appropriate resources to make the improvements desired.

1 Continue to promote strong interconnections and coordination between transportation and land development projects.

- ⇒ Explore opportunities to enhance community development projects (i.e. Residential and Non-Residential) that achieve greater “urban-suburban” feel through connections to multi-modal transportation routes.
- ⇒ Seek public infrastructure projects that promote greater mobility and enhance safety.
- ⇒ Identify opportunities to enhance the Lakefront area as an additional gateway into the community.



MULTI-MODAL TRANSPORTATION AND INFRASTRUCTURE (CONTINUED)

2 *Promote safety and expansion of inter-connectedness of non-vehicular roadways on local and regional level.*

- ⇒ Identify opportunities to expand and connect non-vehicular pathways.
- ⇒ Investigate non-vehicular pathway safety improvements (i.e. streetlights, under/overpasses, safety markers for trails, etc.).
- ⇒ Enhance the pedestrian/bike trail and sidewalk inspection and maintenance program.
- ⇒ Seek partnership opportunities with the Lake County Forest Preserve to ensure best practices are met in design, construction method and materials.

3 *Pursue and advance public transportation service opportunities for residents, organizations, businesses and institutions.*

- ⇒ Collaborate with PACE, State, and County to identify and promote public transit opportunities to community stakeholders.
- ⇒ Advocate initiatives that seek to improve and expand commuter rail services (e.g. Metra, Amtrak, etc.) in Lake Forest, in particular, express trains to Chicago.
- ⇒ Identify and leverage partnerships or grants to support public transportation services and capital projects.
- ⇒ Implement a bicycle sharing program that links commuter rail facilities to commercial corridors, parks and recreation locations, and institutions.



COMMUNITY CHARACTER, HEALTH AND SAFETY

Desired State: We must strive to maintain the high quality of service delivery without losing the “personal touch” to which residents are accustomed and which helps to define our community’s character. Additionally, these services should continue to satisfy community priorities, which include safety, health and community enrichment. These characteristics will help attract a diverse population including younger residents, professionals and entrepreneurs to Lake Forest and will help strengthen the community’s character, vitality and vibrancy.

Looking forward, the community’s character, health and safety should continue to be built upon the preservation of the “best of the past” while planning for the future, maintaining a distinctive and uniquely attractive place to live, work, learn and engage with others. Key elements of the community’s character that should be strengthened include, but are not limited to: natural open spaces, the beach, diverse recreational and educational opportunities, cultural arts, established community institutions, tree-lined streets, diverse neighborhoods and historic architecture. By ensuring the community streets, business districts, and neighborhoods are safe, walkable and sustainable, Lake Forest can maintain the vibrancy of the community while enhancing the “character and livability” of the community.

Lake Forest will be welcoming to all, while continuing to promote community engagement. The City will provide opportunities and accommodations that support a diverse and healthy population which nurtures young adults, families, and older generations. A sense of optimism, confidence and pride will help guide every facet of the community.

Outcomes, Opportunities, Obstacles: Opportunities that are available to Lake Forest are due to the quality of life, the City’s stable financial position and overall reputation of the community, which is grounded in the community’s core values. Challenges include changing commercial climate, shopping preferences, and housing demands and pressure, to be open to new ideas as a more diverse population moves into the City. The City of lake Forest is challenged because of the longer commute to Chicago than from other North Shore towns so we must showcase other aspects that make Lake Forest desirable.

In addition, resistance to change and fears of negative impacts on the quality of life or property values can present obstacles. Evaluating proposed changes in a balanced manner will allow the City to manage change and encourage positive growth while at the same time, support the character of the community. Balancing competing interests, values and traditions, while maintaining a healthy sense of community, is challenging, but provides healthy dialogue as core values and long-term goals are assessed on a continuing basis. As Lake Forest looks toward the future, identifying opportunities and obstacles, while working through them will be pertinent to achieving the desired state. The City of Lake Forest has had a long tradition of successfully maintaining this balance since 1861.



COMMUNITY CHARACTER, HEALTH AND SAFETY (CONTINUED)

1 *Maintain and continue to promote public relation opportunities to enhance the safety and security of our residents, businesses, employees and visitors.*

- ⇒ Publicize objective and accurate information/statistics to increase community awareness, guide public safety and community expectations.
- ⇒ Expand public outreach and engagement with civic and business groups and broaden the responsibility for Lake Forest's community safety.
- ⇒ Ensure that full range of communications methods and tools are being utilized to increase public awareness and enhance avenues for community outreach.

2 *Continue to engage the community in respectful discussion, debate and decisions about the Future of the Community.*

- ⇒ Continue to explore changing technologies on an ongoing basis to enhance communications with residents.
- ⇒ Continue to provide new opportunities to gather public input and encourage participation in community discussions.
- ⇒ Educate the community on the public process and the goal of achieving an end result that focuses on the overall good of the community, while balancing various competing interests.
- ⇒ Continue to host public engagement sessions, meetings and briefings

3 *Deliver effective and efficient public safety services. Partnerships among various community agencies and groups will continue to cooperate in community efforts to prevent harm to life, property and the environment.*

- ⇒ Continue to support collaboration between law enforcement and the community to increase awareness of how to discourage crime and undesirable activity.
- ⇒ Expand fire and injury prevention activities (i.e. implementation of Police & Fire Academy for elementary, middle and high school students).
- ⇒ Continue to collaborate with the Education Community, C.R.O.Y.A., Library, Gorton Community Center, L.E.A.D. & SpeakUP! Prevention Coalition to implement City-wide preventive substance abuse initiatives.



COMMUNITY CHARACTER, HEALTH AND SAFETY

(CONTINUED)

- ⇒ Establish a system that tracks key indicators identified by the community and health professionals for promoting and maintaining public and personal health.

4 *Effectively align the City, school and community services in order to support the success and well-being of children, youth, and families.*

- ⇒ Develop and implement a comprehensive (0-22 year old) police department youth master plan that is aligned with the school systems' strategic plans.
- ⇒ Improve the coordination and alignment of existing youth mentoring programs and expand mentoring capacity City-wide.
- ⇒ Increase recreational activity/options for children and youth after school, in the evenings and during the weekend.



HOUSING DIVERSITY AND RESIDENTIAL DEVELOPMENT

Desired State: As noted earlier in this Strategic Plan, Lake Forest is and always has been first and foremost, a residential community. Unlike a “bedroom” community, Lake Forest is more than just a place to come home to after work in the evening. Instead, it is a place to live fully; a place to work, volunteer, learn, shop, recreate, worship, create life-long friendships, raise families. It is a place to call home.

Historically, Lake Forest has always been a collection of neighborhoods; some with grand historic homes, others with small cottage-type homes from the early 1900s, conventional subdivisions comprised of acre and a half lots developed in the 1980s and 90s, and planned preservation subdivisions with clustered lots and preserved open space. Multi-family residential opportunities are limited in the community. However, recently approved developments are under construction, which will offer both ownership and rental multi-family housing options to current residents looking for a new home to match their current life style, those interested in moving back to the community and to newcomers who want to be part of this special community.

The residential character of the community is defined by the tree-lined streets, high quality architecture, timeless design, durable construction and well landscaped and well cared for properties. As noted above, variation in housing products, unit sizes, price points and neighborhoods together offer something for everyone. Retaining the distinct character, sense of place and quality of life will assure the long term viability of the community. Those who live in Lake Forest, work, shop, or visit here, know they are somewhere special.

Outcomes, Opportunities, Obstacles: Some of the aspects that make Lake Forest unique also present challenges. Successful adaptive reuse of historic structures and properties is part of the City’s history. Continued openness to adaptive reuses will be essential to provide economically viable opportunities that will preserve and protect unique properties long into the future. There is a long tradition in the community of single family homes co-existing with institutional uses, multi-family developments and commercial uses. The community’s willingness to embrace new, and sometimes, unconventional ideas has often set Lake Forest apart as a leader in many areas.

Home sale activity and the price points of sales in comparison with activity in other communities are often cited as an indication of the vitality of the community. In some ways, Lake Forest cannot compete with other communities; Lake Forest is farther away from Chicago than communities to the south. Focusing on and promoting the unique living environment that Lake Forest offers will assure that the community will weather changing economic climates as it has many times in the past.



HOUSING DIVERSITY AND RESIDENTIAL DEVELOPMENT

(CONTINUED)

1 *Maintain a diverse housing stock and encourage responsible community growth.*

- ⇒ Inventory existing housing types and lot sizes for the purpose of identifying gaps in available products or alternatively, an overabundance of particular housing products or lot sizes.
- ⇒ Review and update the Comprehensive Plan as it relates to housing to provide a framework for future development decisions.

2 *Continue the tradition of thoughtful long term planning; preserve the character of the community and quality of life.*

- ⇒ Consider opportunities to streamline review processes while at the same time assuring quality development.
- ⇒ Avoid following “trends of the day”. Consider the impact of decisions carefully weighing short term benefits and long term impacts.
- ⇒ Once the Laurel and Western Avenues, and the McKinley Road Redevelopment projects are completed, take time to evaluate the absorption of the new rental and for sale products and the alignment, or lack thereof, of the unit sizes and price points with the market interests. Care should be taken to not overbuild any particular product type.

3 *Continue to build partnerships to provide accessible housing.*

- ⇒ Raise awareness about successes to date resulting from the City’s partnership with Community Partners for Affordable Housing.
- ⇒ The Housing Trust Fund Board should explore partnerships with the College, the hospital, public and private schools and corporations in an effort to together, pursue initiatives that will make housing accessible to employees who work in the community.
- ⇒ Consider the development of campus-related housing that could offer a unique housing type mixing young and old.
- ⇒ Continue to pursue initiatives that disperse housing types throughout the community rather than concentrating a particular type of housing at a single location.



HOUSING DIVERSITY AND RESIDENTIAL DEVELOPMENT (CONTINUED)

4 *Encourage adaptive reuse of historically significant single family residences, out buildings and estate properties.*

- ⇒ Consider Code amendments to provide a streamlined process for review of proposed adaptive reuses of historic homes, buildings and large properties under certain conditions or limitations including, but not limited to: condominiums, inns, bed and breakfasts, office use, spas and rental units.



THANK YOU

STRATEGIC PLANNING PARTICIPANTS

Michael Adelman
Susan Banks
Paul Best
Biddy Boyer
Ray Buschmann
Paula Clair
Cathy Czerniak
Megan Dahlinger
Phil Doetsch
Chris Ellertson
Deb Fischer
Phil Gaytor
Bruce Grieve
Paul Hamann
Octavius Hayes
Elizabeth Holleb
Barry Hollingsworth
Dan Jasica
DeSha Kalmar
Susan Kelsey
Marcy Kerr
Robert Kiely
Aiden Kinsella
Charles Kohlmeyer
Catherine Lemmer
Patrick Looby
Reese Marcusson
Pat McDonough

Michelle Moreno
James "Jed" Morris
Todd Nahigian
Tim Newman
Ted Notz
Jim Opsitnik
George Pandaleon
Louis Pickus
Melanie Rummel
Caitlin Saville-Collins
Don Schoenheider
John Sentell
Pete Siebert
Mike Simeck
Mike Strong
John Strudwick
Sally Swarthout
Stanford Tack
Mike Thomas
Allison Waggoner
Catherine Waldeck
Karl Walldorf
Richard Walther
Bob Whelan
Anne Whipple
Catherine Yehle

**THE CITY OF LAKE FOREST
CITY COUNCIL AGENDA**

Monday, May 1, 2017, Immediately following the First Session
City Hall Council Chambers

CALL FOR ORGANIZATION OF THE 2017-2018 CITY COUNCIL

FORMER MAYOR HOWARD KERR ADMINISTERS THE OATH OF OFFICE TO:

Mayor-Elect—Robert T.E. Lansing

CITY CLERK MARGARET BOYER ADMINISTERS THE OATH OF OFFICE TO:

First Ward Alderman-Elect - - James. E. Morris
Second Ward Alderman-Elect - - Melanie Rummel
Third Ward Alderman-Elect - - Jack Reisenberg
Fourth Ward Alderman-Elect - - Raymond Buschmann

CALL TO ORDER AND ROLL CALL

Honorable Mayor, Robert Lansing

Prudence R. Beidler, Alderman First Ward	Stanford Tack, Alderman Third Ward
James E. Morris, Alderman First Ward	Jack Reisenberg, Alderman Third Ward
Timothy Newman, Alderman Second Ward	Michelle Moreno, Alderman Fourth Ward
Melanie Rummel, Alderman Second Ward	Raymond Buschmann, Alderman Fourth Ward

ELECTION AND APPOINTMENT OF CITY OFFICERS

1. ELECTION BY THE CITY COUNCIL AND APPOINTMENTS BY THE MAYOR AS REQUIRED BY CHARTER AND CITY CODE

City Treasurer	Elizabeth A. Holleb
City Supervisor	Robert R. Kiely, Jr.
City Marshal & Collector	Karl Walldorf
City Attorney	Victor Filippini
City Clerk	Margaret Boyer
City Surveyor and Engineer	Gewalt Hamilton Associates

COUNCIL ACTION: Approve the Mayors Appointments

REPORTS OF CITY OFFICERS

1. COMMENTS BY MAYOR

A. RESOLUTION OF APPRECIATION FOR WARD 1 ALDERMAN CATHERINE WALDECK

A copy of the Resolution can be found on page 10

COUNCIL ACTION: Approve the Resolution

B. RESOLUTION OF APPRECIATION FOR WARD 2 ALDERMAN GEORGE PANDALEON

A copy of the Resolution can be found on page 11

COUNCIL ACTION: Approve the Resolution

C. RESOLUTION OF APPRECIATION FOR WARD 4 ALDERMAN MICHAEL ADELMAN

A copy of the Resolution can be found on page 12

COUNCIL ACTION: Approve the Resolution

D. RESOLUTION OF APPRECIATION FOR MAYOR DONALD P. SCHOENHEIDER

A copy of the Resolution can be found on page 13

COUNCIL ACTION: Approve the Resolution

E. 2017-2018 Board and Commission Appointments/Reappointments

BUILDING REVIEW BOARD

NAME OF MEMBER	APPOINT/REAPPOINT	WARD
James Diamond	Reappoint	3
Robert Reda	Reappoint	1
Ross Friedman	Reappoint	4
Ted Notz	Reappoint as Chair	2

BOARD OF POLICE AND FIRE COMMISSIONERS

NAME OF MEMBER	APPOINT/REAPPOINT	WARD
Matt Davis	Reappoint	n/a
Greg Nikitas	Reappoint	n/a
Steve Kernahan	Reappoint	n/a

BOARD OF TRUSTEES POLICE PENSION FUND

NAME OF MEMBER	APPOINT/REAPPOINT	WARD
Jay Trees	Reappoint	n/a
Colleen Chandler	Reappoint	2

CEMETERY COMMISSION

NAME OF MEMBER	APPOINT/REAPPOINT	WARD
Patrick Looby	Reappoint	4
Dennis O'Brien	Reappoint as Chair	1
David Hooke	Reappoint	3

CROYA

NAME OF MEMBER	APPOINT/REAPPOINT	WARD
Jennifer Durberg	Reappoint	2
Jennifer Riley	Reappoint	3

ELAWA FARM FOUNDATION

NAME OF MEMBER	APPOINT/REAPPOINT	WARD
Carolyn Merfeld	Appoint	3
Megan Morris	Appoint	4
Nick Peters	Appoint	3

GORTON COMMUNITY CENTER

NAME OF MEMBER	APPOINT/REAPPOINT	WARD
Sally Downey	Reappoint	1
Stephen Goldman	Reappoint	3

HISTORIC PRESERVATION COMMISSION

NAME OF MEMBER	APPOINT/REAPPOINT	WARD
Janet Gibson	Appoint	3
Carol Gayle	Reappoint	1
Robert Alfe	Reappoint	4

LEGAL COMMITTEE

NAME OF MEMBER	APPOINT/REAPPOINT	WARD
Jason Maxwell	Reappoint	4
Ken Weinberger	Reappoint	2

LIBRARY BOARD

NAME OF MEMBER	APPOINT/REAPPOINT	WARD
Andrea Lemke	Appoint	1
Ron Levitsky	Reappoint	4
Todd Puch	Reappoint	3

PARKS & RECREATION BOARD

NAME OF MEMBER	APPOINT/REAPPOINT	WARD
Melanie Walsh	Appoint	1
Charles Kohlmeyer	Reappoint as Chair	4
Shannon Maguire	Reappoint	3

PLAN COMMISSION

NAME OF MEMBER	APPOINT/REAPPOINT	WARD
Louis Pickus	Appoint (liaison to ZBA)	2
Michael Freeman	Reappoint	4
Rosemary Kehr	Reappoint	2
Guy Berg	Reappoint	2

SENIOR RESOURCE COMMISSION

NAME OF MEMBER	APPOINT/REAPPOINT	WARD
Steve Potsic	Reappoint as Chair	LB
Thomas Sullivan	Reappoint	2
MaryJo Davis	Reappoint	LB

ZONING BOARD OF APPEALS

NAME OF MEMBER	APPOINT/REAPPOINT	WARD
Lisa Nehring	Appoint	3
Richard Plonsker	Reappoint	2

A copy of Volunteer Profile sheets for new appointments begins on **page 14**.

COUNCIL ACTION: Approve the Mayors Appointments and Reappointments

F. Approval of a Resolution of Appreciation for Retiring Members of Boards and Commissions as follows:

BOARD, COMMISSION OR COMMITTEE	NAME OF MEMBER(S)
BUILDING REVIEW BOARD	Michael Bleck
CROYA	Alan Hender, Rebecca Quackenbush

GORTON	John Looby
HISTORIC PRESERVATION COMMISSION	Susan Athenson
LIBRARY	Lynn Casper
PLAN COMMISSION/ZBA	Lloyd Culbertson
ELAWA	Samuel Henry, Patricia Moore

A copy of the resolution can be found on **page 29**.

COUNCIL ACTION: Approve the Resolution

G. Approval of Liaison position to Lake Forest Open Lands.

Background information can be found on **page 30**.

COUNCIL ACTION: Approve the Liaison position

H. Announcement of City Council Committee Appointments.

A copy of the appointments can be found on **page 32**.

2. COMMENTS BY CITY MANAGER

3. COMMENTS BY COUNCIL MEMBERS

4. OPPORTUNITY FOR CITIZENS TO ADDRESS THE CITY COUNCIL ON NON-AGENDA ITEMS

5. ITEMS FOR OMNIBUS VOTE CONSIDERATION

- 1. Approval of the Regularly Scheduled Meetings of the Lake Forest City Council for the year 2018**

A copy of the schedule can be found beginning on **page 33**.

COUNCIL ACTION: Approve the Schedule

- 2. Authorization for the City Manager to enter into an Agreement with William A. Schelhas in an Amount not to exceed \$45,750 for Professional Services Related to the Operation of the City's Public, Educational and Government Access Cable Services**

STAFF CONTACT: *Mike Strong, Assistant to the City Manager (810-3680)*

PURPOSE AND ACTION REQUESTED: City staff is requesting that the City Council authorize the City Manager to enter into an agreement with William A. Schelhas ("Contractor") in an amount not to exceed \$49,750 to provide public, educational and governmental ("PEG") cable access television support services. This agreement serves to fill the two (2) full time position vacancies as a result of the restructuring of the Lake Forest Television ("LFTV") Division. The restructuring of LFTV, and process for replacing the full time positions was discussed with the City Council at their March 13, 2017, budget meeting.

BACKGROUND/DISCUSSION: Pursuant to its existing franchise agreement approved in November 2008 with Comcast of Illinois, the City is provided two (2) non-commercial PEG cable television broadcast channels for public use to showcase live meetings, public-affairs shows, lifestyle or community features, and local organization and institution programming. The City employs two (2) full-time personnel to operate and manage these channels, programming and content, and facilitate the recording and broadcasting of City Board and Commission meetings. The total estimated costs for cable services in FY2017 are \$235,188.

In light of the growing capital and operational expenses associated with providing these services, in 2013 the City began conversations with six (6) surrounding communities to explore the possibility of working collaboratively to uncover potential cost savings, improve service quality, and grow PEG cable operations within a more regionalized context. This type of analysis is not an uncommon practice for The City to undertake, as many services are periodically monitored, reviewed, and evaluated for alternative service delivery potential (e.g. privatization, outsourcing, and shared service).

This particular shared service study, has taken a great deal of time – mostly attributable to the complexity of each entity owning different equipment, employing staff in various models (i.e. full-time, part-time, contractual), and performing a range of functions. As the remaining communities continued conversations into 2016, it was found that a shared service model or consortium served by a central community "hub" would not be a viable option, as it would require significant capital investment to increase channel capacity at the site, new fiber cabling to re-route broadcast transmission lines from each community, and new personnel to manage a more combined, complex meeting and program schedule.

In fall 2016, the City ultimately determined it was appropriate to discontinue its focus on a regionalized shared service model, and explore ways it could contain equipment and operational expenses internally. Toward this end, City staff is recommending a restructuring of LFTV by eliminating two full-time positions, and engaging an independent contractor to fill the vacancies. This recommendation is being made on the basis of value, cost, and proposed service modifications.

First, we have concerns about the current cable environment and how drastically communications have changed since PEG programming and Cable Access Studios were originally launched through cable franchise agreements. This concern is supported by results from the recent Community-wide Survey. Since 2011, the percentage of individuals who occasionally or frequently viewed LFTV (Channels 17 or 19) as a minor or major source of information, dropped from 47% to 27%. Additionally, 72% of respondents in 2016 indicated it was not a source of information at all; an increase of nearly 20% from 2011 (53%) [This ranked it as the lowest rated news source by importance in 2016].

Second, the financial analysis and survey conducted as part of the shared service exploration indicates that The City of Lake Forest is spending approximately \$225,000 annually on cable services which ranks the highest among the potential consortium communities. The average annual expense from 2016 among the six communities was \$33,058. The cost variance is due primarily to the fact that The City of Lake Forest is the only community with dedicated full-time personnel to these services. Most communities pay a flat contractual rate for each meeting that is broadcast and hourly rates for PEG channel support and programming. Additionally, their costs are further constrained as a result of producing and broadcasting two to three times less meetings on average per year than The City of Lake Forest.

Lastly, recent recommendations to reduce special outside programming and eliminate live broadcasting of various Boards and Commission meetings will result in a reduction of work hour demand for LFTV. As proposed and beginning June 1, 2017, the Building Review Board, Historic Preservation Commission, Zoning Board of Appeals and the Parks & Recreation Board meetings will adopt a new format and no longer be produced or broadcast. Except for issues with wide community interest. Additionally, outside programming support for various community organizations, including taping and recording special events, public service announcements, and programs will no longer be facilitated or subsidized by The City of Lake Forest.

Moving toward a contractual arrangement for the broadcast and production of City Council and Plan Commission meetings and support to outside groups, not only presents a more cost-effective approach, but ensures time is spent more efficiently to support core PEG functions for The City of Lake Forest.

BUDGET/FISCAL IMPACT: The cost of the current fulltime positions for LFTV is \$211,449 for total compensation, with a total estimated budget of \$225,648. The estimated cost of the contractual employee, based on a conservative estimate of hours needed for the upcoming year, is \$45,750, resulting in a savings of \$179,898.

Beginning on **page 34** of your packet is a copy of the Agreement with the Contractor. Additionally, a news release has been included on **page 39** announcing format changes to the Board and Commission meetings and resulting restructuring of LFTV.

COUNCIL ACTION: Authorization for the City Manager to Enter Into an Agreement, in Substantial Conformance with the Attached, Between The City of Lake Forest and William A. Schelhas in an Amount Not to Exceed \$45,750 for the Purpose of Operating the City's Cable Services.

COUNCIL ACTION: Approval of the two (2) Omnibus items as presented

6. ORDINANCES

7. NEW BUSINESS

- 1. Consideration of an Ordinance Authorizing the Issuance of General Obligation Bonds, Series 2017 (First Reading)**

PRESENTED BY: Elizabeth Holleb, Finance Director (847-810-3612)

PURPOSE AND ACTION REQUESTED: Staff requests approving the first reading of an ordinance authorizing issuance of 2017 general obligation bonds.

BACKGROUND/DISCUSSION: In order to fund planned improvements to the City's Water Treatment Plant, the Five Year Capital Improvement Program anticipates the issuance of general obligation bonds in Fiscal Year 2018 of \$9.3 million in net proceeds. Including issuance costs, it is currently projected that the issue will be \$9.45 million.

Attached is the draft official statement (**page 40**) which has been submitted to Moody's Investors Service with a request for a rating. A rating review is scheduled to be conducted by Moody's with Finance Director Elizabeth Holleb on April 27.

PROJECT REVIEW/RECOMMENDATIONS:

Reviewed	Date	Comments
Finance Committee	4/17/17	Reviewed draft bond ordinance.
Finance Committee	11/14/16	Discussion of various financing options for Water Treatment Plant project.
Finance Committee	1/19/16	
City Council Workshop	7/27/15	
Finance Committee	3/9/15	
Public Works Committee	2/11/15	
Public Works Committee	12/10/14	

BUDGET/FISCAL IMPACT: The interest rate on the bond issue will be determined at the online bid auction scheduled for May 15. Debt service on the bond issue is scheduled through December 2037 and will be paid from revenues generated by the water utility. The bonds will be callable in whole or in part on or after December 15, 2025.

COUNCIL ACTION: Approval of first reading of the bond ordinance (page 90). An online bid will occur on Monday, May 15. At the May 15 City Council meeting, a final bond ordinance reflecting results of the bid auction will be presented for City Council consideration for second reading and granting of final approval.

8. ADDITIONAL ITEMS FOR COUNCIL DISCUSSION

9. ADJOURNMENT

Office of the City Manager

April 27, 2017

The City of Lake Forest is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities, are required to contact City Manager Robert R. Kiely, Jr., at (847) 234-2600 promptly to allow the City to make reasonable accommodations for those persons.





RESOLUTION OF APPRECIATION

for

CATHERINE A. WALDECK

FIRST WARD ALDERMAN

May 2011 to May 2017

WHEREAS, during her term of office, she served as a member of the City Council and Finance Committee, was Chairman of the Public Works Committee, served on the Founder's Council of the City of Lake Forest and Lake Forest College, was liaison to Legal Services and Parks & Recreation; and

WHEREAS, she was a member of the Plan Commission for two years, reviewing residents' proposals for new construction and demolitions of existing structures; and

WHEREAS, she served on the boards of "A Safe Place" and as a member of Northwestern Medicine Lake Forest Hospital's Women's Auxiliary Board and on the Parent Board of the Lake Forest Dance Academy; and

WHEREAS, she has devoted much valuable time and personal attention to the work of these committees, most recently with important projects before the Public Works Committee and the Lake Forest Water Treatment Plant, and the duties of the City Council and, on behalf of the citizens of Lake Forest, continually met her responsibilities with purpose and dedication; and

WHEREAS, the citizens of Lake Forest recognize and are deeply appreciative of the valuable time and service contributed to the preservation and improvement of the quality of life in our community;

*NOW, THEREFORE, BE IT RESOLVED that the City Council of The City of Lake Forest, Illinois, hereby expresses the profound gratitude of the citizens of Lake Forest to **Catherine A. Waldeck** for the loyal and faithful public service she has given by means of this resolution, which shall be spread upon the permanent records of the City Council.*

*Adopted by the City Council of
The City of Lake Forest this
First Day of May, 2017.*

Mayor



RESOLUTION OF APPRECIATION

for

GEORGE A. PANDALEON

SECOND WARD ALDERMAN

May 2011 to May 2017

WHEREAS, during his term of office, he served as a member of the City Council and Finance Committee, served as Chairman of the Finance Committee; served on the Property and Public Lands Committee, the Personnel, Compensation & Administration Committee, was liaison to Audit and Elawa Ad Hoc Committees;

WHEREAS, he worked for six months to re-energize Gorton Community Center as its Interim Chairman of the Board and oversaw its reorganization and financial sustainability structure; he was Chairman of the Plan Commission, instrumental in securing the Laurel and Western Avenue Redevelopment project, and Chairman of the Zoning Board of Appeals for two years, reviewing new construction, demolitions of existing structures, requests for variances from the zoning code as well as hearing requests for special use permits; and

WHEREAS, he has devoted much valuable time and personal attention to the work of these committees and the duties of the City Council and, on behalf of the citizens of Lake Forest, continually met his responsibilities with purpose and dedication; and

WHEREAS, the citizens of Lake Forest recognize and are deeply appreciative of the valuable time and service contributed to the preservation and improvement of the quality of life in our community;

*NOW, THEREFORE, BE IT RESOLVED that the City Council of The City of Lake Forest, Illinois, hereby expresses the profound gratitude of the citizens of Lake Forest to **George A. Pandaleon** for the loyal and faithful public service he has given by means of this resolution, which shall be spread upon the permanent records of the City Council.*

*Adopted by the City Council of
The City of Lake Forest this
First Day of May, 2017.*

Mayor



RESOLUTION OF APPRECIATION

for

MICHAEL R. ADELMAN

FOURTH WARD ALDERMAN

May 2011 to May 2017

WHEREAS, during his term of office, he served as a member of the City Council and Finance Committee, served on the Property and Public Lands Committee, was liaison to Business & Commerce, Parks & Recreation, Legal Services, served on the Lake Forest-Lake Bluff Parks & Recreation Task Force and the Ad Hoc Golf Advisory Committee; and

WHEREAS, he was a member of the Plan Commission, bringing his expertise to discussions in securing the Laurel and Western Avenue Redevelopment project, and Zoning Board of Appeals for two years, reviewing residents' proposals for new construction and demolitions of existing structures and requests for variances from the zoning code as well as hearing requests for special use permits; and

WHEREAS, he has devoted much valuable time and personal attention to the work of these committees and the duties of the City Council and, on behalf of the citizens of Lake Forest, continually met his responsibilities with purpose and dedication; and

WHEREAS, the citizens of Lake Forest recognize and are deeply appreciative of the valuable time and service contributed to the preservation and improvement of the quality of life in our community;

*NOW, THEREFORE, BE IT RESOLVED that the City Council of The City of Lake Forest, Illinois, hereby expresses the profound gratitude of the citizens of Lake Forest to **Michael R. Adelman** for the loyal and faithful public service he has given by means of this resolution, which shall be spread upon the permanent records of the City Council.*

*Adopted by the City Council of
The City of Lake Forest this
First Day of May, 2017.*

Mayor



RESOLUTION OF APPRECIATION

WHEREAS, **DONALD P. SCHOENHEIDER** has served The City of Lake Forest as Mayor from January, 2013 to May, 2017; and

WHEREAS, prior to being elected as Mayor, he served as Third Ward Alderman from 2010 to 2013, and for five years on the Building Review Board, with one year as Chairman; and

WHEREAS, during his term of office he served as Chairman of the Personnel, Compensation and Administration Committee, a member of the City Council Finance Committee; as liaison to all committees, including the Transportation Safety Enhancement Committee; and

WHEREAS, he has administered the office of Mayor with the courage, foresight, dignity and leadership essential to the best interests of the entire Lake Forest community, giving unsparingly of his time and effort; and

WHEREAS, during his tenure, significant strides were made in enhancing community engagement in civic issues, promoting the four cornerstones of the Lake Forest Community: Family, Education, Tradition and Philanthropy, and developing a Sustainability Plan. He has provided the necessary leadership and guidance to the City Council during numerous complex deliberations, some of which included working with state and federal legislation on Police and Fire Pensions, as well as to improve train safety; and

WHEREAS, he has provided the necessary leadership and guidance to the City Council during major community events, including hosting three BMW Golf Championships, initiating a marketing campaign for Lake Forest and seeing the restoration of Forest Park, Market Square, Gorton Community Center, Ragdale, the East Side Train Station; and

WHEREAS, during his tenure, the City has undertaken significant capital improvements for the betterment of the community, including the construction of the new world-class Northwestern Medicine Lake Forest Hospital, a new residential development on Laurel Avenue and necessary upgrades at the Water Plant; and

WHEREAS, during his tenure, the City has remained financially stable and maintained its Aaa bond rating and prudent debt capacity, allowing it to provide high quality, responsive services to all Lake Forest citizens; and

WHEREAS, he has continually displayed responsibility and purpose during his service as Mayor;

NOW, THEREFORE, BE IT RESOLVED that the City Council of The City of Lake Forest, Illinois, hereby expresses the gratitude of the citizens of Lake Forest to **DONALD P. SCHOENHEIDER** for the loyal and faithful service he has given by means of this resolution, which shall be spread upon the permanent records of the City Council this first day of May, 2017.

Mayor

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Contact Info

- First Name: **Carolyn**
- Last Name: **Merfeld**
- E-mail: **carolyn.muszynski@carnegiemgmt.com**
- Title: **Principal**
- Organization:
- Address: **900 S. Southmeadow Lane**
- Address Line 2:
- City: **Lake Forest**
- State: **IL**
- Zip: **60045**
- Mobile Phone:
- Home Phone:
- Notes:

Resident Data/Stats

- Ward: **Ward 3**
- Precinct:
- US Citizen: **Yes**
- Registered Voter: **Yes**
- Lake Forest Resident since(YYYY): **2008**
- Business Name:
- Type of Business:
- Business Phone: **(847) 235-2235**
- Position:
- Date of Birth (Optional):
- Education: **BS Economics, University of Western Ontario, London Ontario Canada**
- Spouse's Name: **Michael**
- Children's Birth Years: **10,13**

Interest in Community Positions

- Committee Representing Our Young Adults (CROYA): **I Am Currently Applying For This Position**

- Elawa Farm Commission: **I Am Currently Applying For This Position**
- Gorton Community Center Board of Directors: **I Have Held This Office In The Past**
- Historic Preservation Commission: **I Am Currently Applying For This Position**
- Library Board: **I Am Currently Applying For This Position**
- Park & Recreation Board: **I Am Currently Applying For This Position**
- Other Positions:

Other Considerations

- Please list any regular commitments or travel that would interfere with your attendance at scheduled meetings:

I work full time but my schedule can be flexible if given notice of meetings etc...

- Please list any current or previous community service activities, interests, directorships, etc. – public or private. For each activity please indicate years served and positions held:

Board of Directors International Association of Corporate and Professional Recruiters (10 years)
Member Games and Athletics Committee University Club of Chicago (3 years)
Member Reciprocal Privileges Committee University Club of Chicago (5 Years)
St Mary's Church Guild and Maria Goretti Circle (3 years)
Lupus Research Alliance Fund Raising Committee (5 years)
Ravinia Volunteer (5 years)

- Please list other activities, specialized skills, knowledge, or professional experience that would contribute to your effectiveness in the position(s) for which you are applying or expressing possible future interest:

My professional background is as an executive recruiter. My areas of focus are professional services organizations and middle market private equity or venture backed companies that focus on technology, management consulting, manufacturing, legal services or healthcare IT. Although I have been self employed for close to 20 years, early in my career I helped found a boutique executive search firm that was acquired by AT Kearney. This background has afforded me the opportunity to continuously learn and assess both organization and people.

- References (Optional):
Please state briefly why you are volunteering to serve The City of Lake Forest:

I feel that we have a very strong sense of community in Lake Forest and people need to give back to ensure

that our community endures for the future generations. [Back](#)

*Please list any interests or activities that could lead to, or BE
PERCEIVED as, a conflict of interest if you become a candidate or
appointee.:*

- Other Positions:

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Contact Info

- First Name: **Megan**
- Last Name: **Morris**
- E-mail: **bobmegnyc@me.com**
- Title: **Homemaker**
- Organization:
- Address: **2010 Knollwood Road**
- Address Line 2:
- City: **Lake Forest**
- State: **IL**
- Zip: **60045**
- Mobile Phone:
- Home Phone:
- Notes:

Resident Data/Stats

- Ward: **Ward 3**
 - Precinct:
 - US Citizen: **Yes**
 - Registered Voter: **Yes**
 - Lake Forest Resident since(YYYY):**2004**
 - Business Name:
 - Type of Business:
 - Business Phone:
 - Position:
 - Date of Birth (Optional):
 - Education:
- BS of Marketing and Business Administration from the University of Arizona**
Management Training Program, Marshall Fields
VP of Retail, TSE, 1992-1998
- Spouse's Name: **Bob**
 - Children's Birth Years: **1997, 1999, 2002**

Interest in Community Positions

- Elawa Farm Commission: **I Am Currently Applying For This Position**

Other Considerations

- Please list any regular commitments or travel that would interfere with your attendance at scheduled meetings:

For the preliminary outline for the position it does not appear that I would have conflicts.

- Please list any current or previous community service activities, interests, directorships, etc. — public or private. For each activity please indicate years served and positions held:

Currently President of the Woodlands Academy Parent Association
Woodlands Academy Parent Association 2012-current
Spirit of 67 Executive Board 2008-2013
District 67 APT Executive Board 2010-2013
Volunteer positions at St. Patrick Church, Lake Forest
Girl Scout Leader

- Please list other activities, specialized skills, knowledge, or professional experience that would contribute to your effectiveness in the position(s) for which you are applying or expressing possible future interest:

I've been highly active in our community volunteering, participating and building relationships. I am a marketer by trade and personal function. I'm quick to identify synergies between, people, businesses and/or reach out efforts. I have a personal affection for Elawa and the Open Lands. During my 12 years living in LF, I have had close access to Elawa and the trails surrounding the farm. Our family has used that area for our running and consider it an extension of our yard. It's been a privilege to watch the transformation of Elawa over the past decade, and it would be a privilege to be involved with it's next phase of growth.

- References (Optional):

Mike Simeck, Dist 67/115
Anne Whipple, Dist 67/115
Brenda Dick, Gorton (formerly)
Vinni Blacalana, School of St. Mary's
Rene DeVore, DPM
Meg Steele, Woodlands Academy

- Please state briefly why you are volunteering to serve The City of Lake Forest:

The excellence of our community is built on volunteers who value the land, the people and the general beauty of our town. We need to stay involved and continue to ignite a passion amongst our fellow Lake Foresters to be locally active. I believe I can help stir that passion.

- Please list any interests or activities that could lead to, or BE PERCEIVED as, a conflict of interest if you become a candidate or appointee.:

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Contact Info

- First Name: **Nicholas**
- Last Name: **Peters**
- E-mail: **nicholas.a.peters73@gmail.com**
- Title: **Managing Director and Chief Financial Officer**
- Organization:
- Address: **1079 Jensen Drive**
- Address Line 2:
- City: **Lake Forest**
- State: **Illinois**
- Zip: **60045**
- Mobile Phone:
- Home Phone:
- Notes:

- Audit Committee: **Consider Me For this Position in the Future**
- Board of Fire & Police Commissioners: **No Interest At This Time**
- Elawa Farm Commission: **I Am Currently Applying For This Position**
- Fireman's Pension Fund - Board of Trustees: **Consider Me For this Position in the Future**
- Police Pension Fund - Board of Trustees: **Consider Me For this Position in the Future**
- Other Positions:

Other Considerations

- Please list any regular commitments or travel that would interfere with your attendance at scheduled meetings:
-

I am on several corporate boards where the schedule is already set for 2017; this would not be an issue post-2017

- Please list any current or previous community service activities, interests, directorships, etc. — public or private. For each activity
- please indicate years served and positions held:

Board of Directors - CPI Card Group (NASDAQ - PMTS); 2006 - current; Chairman of the Audit Committee (2010 - 2016); Nomination and Governance Committee (2015 - Current)
Board of Directors - Questco (2016 - Current); Chairman of the Board of Directors; Chairman of the Audit Committee
Board of Directors - Certified Recycling (2015 - Current); Chairman of the Board of Directors
Board of Directors - BFG Supply Company (2010 - Current); Chairman of the Board of Directors; Chairman of the Audit Committee
Board of Directors - MedTorque, Inc.; Audit Committee
Previously Board Appointments: Keyes Packaging Group (2005 - 2011) and Comweb Group (2006 - 2008)
Parallel49 Equity - Investment Committee

- Please list other activities, specialized skills, knowledge, or professional experience that would contribute to your effectiveness in the position(s) for which you are applying or expressing possible future interest:
-

BFG Supply (see above) is the largest Midwest distributor of supplies to greenhouses and nurseries.

I am also a new resident to Middlefork Farms and my son is very involved in the programs at Elawa and Wildlife Discovery Center.

Parallel49 Equity is a private equity firm that manages \$1 billion of capital for institutional investors. We have acquired and built over 70 companies during our 20 year history. I would seek to bring this background to contribute to the growth and development of Elawa.

Resident Data/Stats

- Ward: **Ward 3**
- Precinct:
- US Citizen: **Yes**
- Registered Voter: **Yes**
- Lake Forest Resident since(YYYY): **2003**
- Business Name:
- Type of Business:
- Business Phone: **(847) 295-4239**
- Position:
- Date of Birth (Optional):
- Education:

University of Dayton (Undergraduate; Business; Accounting Major)
Certified Public Accountant (Active)
American Institute of Certified Public Accountants
Stanford University Directors College (Course work for public company directors)

- Spouse's Name: **Julie Peters**
- Children's Birth Years: **2007 and 2010**

Interest in Community Positions

- *References (Optional):*

Please state briefly why you are volunteering to serve The City of

- *Lake Forest:*

To support the continued growth and development of Elawa Farm

Please list any interests or activities that could lead to, or BE PERCEIVED as, a conflict of interest if you become a candidate or

- *appointee.:*

Elawa is not a customer of BFG Supply (see above), but could be in the future.

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Contact Info

- First Name: **Janet**
- Last Name: **Gibson**
- E-mail: **jangibson@comcast.net**
- Title: **Director of Communications**
- Organization:
- Address: **59 East Franklin Place**
- Address Line 2:
- City: **Lake Forest**
- State: **IL**
- Zip: **60045**
- Mobile Phone:
- Home Phone:
- Notes:

Resident Data/Stats

- Ward: **Ward 3**
- Precinct: **Shields Township 243**
- US Citizen: **Yes**
- Registered Voter: **Yes**
- Lake Forest Resident since(YYYY): **1994**
- Business Name:
- Type of Business:
- Business Phone: **(847) 406-4063**
- Position:
- Date of Birth (Optional):
- Education: **BA - Central Methodist University
Courses at Northwestern University**
- Spouse's Name: **N/A**
- Children's Birth Years: **N/A**

Interest in Community Positions

- Building Review Board (BRB): **Consider Me For this Position In the Future**
- Cemetery Commission: **Consider Me For this Position in the Future**

- Historic Preservation Commission: **I Am Currently Applying For This Position**
- Library Board: **I Have Held This Office In The Past**
- Other Positions:

Other Considerations

- Please list any regular commitments or travel that would interfere with your attendance at scheduled meetings:

With the Genesee Theatre show schedule, I am at the theatre on many Friday and Saturday evenings from October through March.

- Please list any current or previous community service activities, interests, directorships, etc. – public or private. For each activity please indicate years served and positions held:

Lake Forest Preservation Foundation - Director - 15 years

423 Precinct Committeeman/Shields Township - 20 years - current

Lake Forest Library Board - Past President; Past Treasurer

Friends of the Lake Forest Library - Past President

Lake Forest Symphony - Board of Directors

Waukegan Chamber of Commerce - Board of Directors - current

Waukegan Arts Council - Advisor to the Board - current

Recipient of Waukegan Main Street Person of the Year - 2016

Awards Committee member – honoring infill, rehabilitation, and restoration homes in Lake Forest

Member of Chicago Architectural Foundation

- Please list other activities, specialized skills, knowledge, or professional experience that would contribute to your effectiveness in the position(s) for which you are applying or expressing possible future interest:

• Seminars and classes in architecture – Chicago Architectural Foundation; Burnham Library

• Research Pond & Pond's 1904 West Park warming house and wrote article to save the iconic structure

• I know architectural terms, can read blueprints/technical drawings and can understand elevations, details, and scaling.

• As co-chair of my church's Buildings and Grounds committee, I have to understand infrastructure issues as well.

• Organized and conducted many architectural tours for 20 years in Lake Forest, including special tours honoring the 150th anniversary of the founding of Lake Forest

• Organized a trolley tour with the Chamber to see the variety of architecture in the town

• Organized, researched, found speakers, hosted, and had company film for LFTV Channel 17 architectural talks including the following:

o **Mario Machnicki – Masonry Restoration**
 o **Gail Wallace – Restoration Works – on windows restoration of the Lake Forest Library**
 o **Tom Rajkovich – several architectural talks on architects, including Benjamin Marshall's designs in Lake Forest**
 o **Stanley Anderson architecture by Paul Bergmann, including Lake Forest High School, Northern Trust Bank, and Lake Forest Hospital**
 o **Architecture of Ike Colburn in Lake Forest**
 o **English Arts and Crafts architecture**
 o **Significance of ranch houses in Lake Forest**
 o **West Park neighborhood architecture**
 o **Architecture of Meadowood estates**
 o **Howard Van Doren Shaw architecture**
 o **David Adler architecture**
 o **The Lasker Estate**
 o **First homes honored for 150th anniversary of Lake Forest**
 o **Roof lines in Lake Forest**
 o **Façade easement in Illinois**
 o **Samuel McIntyre design – late 1700s**
 o **Lake Forest's secret gardens**
 o **Honoring Ragdale's significance, gardens, and architecture**

- **References (Optional):**

Rob Lansing
Mike Rummel

Please state briefly why you are volunteering to serve The City of

- **Lake Forest:**

• **I loved Lake Forest the first time I visited this bucolic city. I loved the diversity of architecture, the layout of the city, its neighborhoods, its citizens and the businesses. For a long time, I have made an effort to shop Lake Forest and take part in community events.**
 • **I think the growth of the city is managed well by the City's leaders and City staff. I applaud all who perform at an exceptional standard.**
 • **In the past years, I have volunteered my time for positions and I would like to continue to serve the City of Lake Forest as it develops further. I know I can contribute my knowledge and time to serving the City and the petitioners well and use common-sense decisions.**

Please list any interests or activities that could lead to, or BE PERCEIVED as, a conflict of interest if you become a candidate or

- **appointee.:**

N/A

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Contact Info

- First Name: **Andrea**
- Last Name: **Lemke**
- E-mail: **alemke314@gmail.com**
- Title: **Mrs.**
- Organization:
- Address: **1510 Greenleaf Avenue**
- Address Line 2:
- City: **Lake Forest**
- State: **Illinois**
- Zip: **60045**
- Mobile Phone:
- Home Phone:
- Notes:

Resident Data/Stats

- Ward: **Ward 1**
- Precinct:
- US Citizen: **Yes**
- Registered Voter: **Yes**
- Lake Forest Resident since(YYYY): **2002**
- Business Name: **Lake Forest High School**
- Type of Business: **Education/School**
- Business Phone: **847-582-7751**
- Position: **High School Mathematics Teacher**
- Date of Birth (Optional):
- Education:

St. Olaf College (Northfield, MN), B.A. in mathematics, magna cum laude (1992); Viterbo University (LaCrosse, WI), M.A. in education (1996)

- Spouse's Name: **Dr. Robert Lemke, PhD.**
- Children's Birth Years: **1997; , 1999**

Interest in Community Positions

- Committee Representing Our Young Adults (CROYA): **Consider Me For this Position In the Future**

- Elawa Farm Commission: **Consider Me For this Position In the Future**
- Library Board: **I Am Currently Applying For This Position**
- Other Positions: **I began this application because I have strong interest in serving on the Library Board. In seeing the list of positions, I would also be interested in supporting Elawa Farms or CROYA, but I likely only have time for one of those three, and my interest is greatest for the Library Board.**

Other Considerations

- Please list any regular commitments or travel that would interfere with your attendance at scheduled meetings:

My job does not allow me very much daytime flexibility during the school year, but I could arrange to make nearly any late afternoon, evening, or weekend meeting. My only work-related commitments outside the school day are for math team (which means I am at school until 5:00 pm on Mondays and have 6 meets per year which do not fall on consistent days of the week, but are a combination of a couple Wednesday nights, a few Thursday nights, one Friday, and two Saturdays over the whole year) and for committees on which I serve at school - which also do not have a predictable meeting schedule. During the summer, I can also attend daytime meetings.

- Please list any current or previous community service activities, interests, directorships, etc. - public or private. For each activity please indicate years served and positions held:

Sunday School Teacher (Miami, FL): 1999 - 2002
Education Committee at church (Miami, FL): 2000 - 2002
Vacation Bible School Coordinator (Miami, FL): 2001 - 2002
Brownies (Girl Scout) Troop leader: 2002 - 2006
Sheridan School weekly classroom volunteer: 2004 - 2005
Cub Scout Den Leader: 2006 - 2009
Leadership Committee for Cub Scout Pack: 2006 - 2009
Sheridan School APT Newsletter: 2002 - 2005
Search committee for new Sheridan principal (hired Debbie Feeney): 2004
Coordinator for Little Hands, Big Hearts: 2003 - 2005
Board of Volunteer Center (now LCC): 2004 - 2005
APT liason to/from District 67 Board of Education: 2005 - 2007
GLASA run/walk volunteer: 2008
Cancer Society volunteer: 2009
Prom chaperone: 2009, 2010, 2011
Search committee for new 67/115 superintendent (hired Mike Simeck): 2012
Worker at the Lake Forest Library booksale: 2013 -

present

Mentor to new teachers at LFHS: 2013 - present
Search committee for new LFHS principal (hired Chala Holland): 2015

PERA Joint Committee at LFHS: 2014 - present

Please list other activities, specialized skills, knowledge, or professional experience that would contribute to your effectiveness in the position(s) for which you are applying or expressing possible

- future interest:

Because I am a highly devoted teacher, most of my non-family-related energies have been put toward my students and my classroom over the last 11 years. Teaching has helped me to hone a skill set which is helpful in work on a Board or a committee. People often comment on how organized I am. In addition, I have strong skills in communication, diplomacy, collaboration, adaptability, imagination, and commitment. I also have an understanding of current educational technology which is important because our library offers so much more than loaning of print materials.

I also have a love of literature that I have passed along to my children by taking them at least weekly to the library throughout their childhoods. The first time I walked into Lake Forest Library with my kids, one week after moving here from Miami, I started to cry because I could see how blessed Olivia and Nathan and I were going to be, able to visit the wonderful place that the children's collection at LFL is! I personally am always reading at least one book. I am in a bookclub in the summers that is comprised of about 40 LFHS teachers who read young adult books, and we use that experience to make further connections with our students. Because of my passion for education and my love of reading and the phase of life I am entering (empty nester in 2018!), I feel that the library board is a place where I would like to make a contribution, and try

to give back to the richness of life that the library has given my children and me since 2002.

I also marked Interest in CROYA or Elawa Farms. My interest in CROYA is related to my career in working with teenagers. My interest in Elawa is because I personally enjoy walking there, and admire the educational programming that is organized there.

- References (Optional):

NULL

Please state briefly why you are volunteering to serve The City of

- Lake Forest:

I chose to be a teacher because I am passionate about learning, and I believe that a public library is one of the most important learning institutions a community has. I also believe in volunteer service, and now that my children are becoming adults and the time that I need to give to my children is decreasing, I want to use my time, energy, and skill set to serve in areas that interest me.

Please list any interests or activities that could lead to, or BE PERCEIVED as, a conflict of interest if you become a candidate or

- appointee.:

My son, Nathan, is an employee of Lake Forest Library; he works as a part-time page/shelver. He was hired in August 2016 prior to my making this application. My husband, Rob, is on the District 67 BOE. I do not know of any significant interaction between CROYA and the 67 BOE, nor between CROYA and District 115 (my employer), but because these all are community agencies/schools for young people, there could be some slight overlap or interaction.

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- Other Positions:

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Contact Info

- First Name: **Melanie**
- Last Name: **Walsh**
- E-mail: **mawalsh23@gmail.com**
- Title: **Dean's Office Administrative Assistant**
- Organization:
- Address: **140 Park Avenue**
- Address Line 2:
- City: **Lake Forest**
- State: **IL**
- Zip: **60045**
- Mobile Phone:
- Home Phone:
- Notes:

Resident Data/Stats

- Ward: **Ward 1**
- Precinct:
- US Citizen: **Yes**
- Registered Voter: **Yes**
- Lake Forest Resident since(YYYY): **2001**
- Business Name:
- Type of Business:
- Business Phone: **(847) 582-7308**
- Position:
- Date of Birth (Optional):
- Education: **College of Lake County, Associates Degree. ACE, coaches certification.**
- Spouse's Name: **Sean Walsh**
- Children's Birth Years: **2004 & 2007**

Interest in Community Positions

- Park & Recreation Board: **I Am Currently Applying For This Position**

Other Considerations

- Please list any regular commitments or travel that would interfere with your attendance at scheduled meetings:

I have no known commitments at this time that would interfere with my ability to attend monthly meetings.

- Please list any current or previous community service activities, interests, directorships, etc. – public or private. For each activity please indicate years served and positions held:

I served as the vice president, website coordinator and state tournament director for various years on the Illinois High School Field Hockey Association board from the years of 2000 through 2016. My daughter and I have volunteered at Orphans of the Storm for the past two years.

- Please list other activities, specialized skills, knowledge, or professional experience that would contribute to your effectiveness in the position(s) for which you are applying or expressing possible future interest:

I have coached at LFHS for the past 22 years, recently announcing my retirement. My coaching experience includes soccer, cheer, lacrosse, and basketball but my main focus and passion has been with the field hockey program. I began as a JV coach, then varsity assistant for 13 seasons. I have served as the head of the program for the past 9 seasons. The experiences I have accumulated during this time would make me a perfect candidate for the park and rec board. I have gained tremendous leadership, organizational and motivational skills over the years which will transition to the youth sports programs offered in Lake Forest.

- References (Optional):

**Tim Burkhalter, LFHS Athletic Director -
tburkhalter@lfschools.net
847-582-7322**

- Please state briefly why you are volunteering to serve The City of Lake Forest:

As a lifelong resident of either Lake Bluff or Lake Forest I am passionate about our community and wish to utilize my experiences and talents to maintain and/or improve this wonderful place we call home.

- Please list any interests or activities that could lead to, or BE PERCEIVED as, a conflict of interest if you become a candidate or appointee.:

My husband is on two travel sports boards, Lake Forest Lacrosse Association and Falcons Hockey.

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Contact Info

- First Name: **Louis**
- Last Name: **Pickus**
- E-mail: **ljpickus@comcast.net**
- Title:
- Organization:
- Address: **979 Beverly Place**
- Address Line 2:
- City: **Lake Forest**
- State: **IL**
- Zip: **60085**
- Mobile Phone:
- Home Phone:
- Notes:

ZBA term Date 2016

Resident Data/Stats

- Ward: **Ward 2**
- Precinct: **203**
- US Citizen:
- Registered Voter:
- Lake Forest Resident since(YYYY):**10**
- Business Name: **United Conveyor Corporation**
- Type of Business: **Engineering/Manufacturing/Material Handling**
- Business Phone: **847-473-5900 x545**
- Position: **Manager**
- Date of Birth (Optional):
- Education:

**Masters of Management, Kellogg Graduate School of Management, Northwestern University
Bachelors of Science, Computer Science, Arizona State University
Project Management Professional (PMP) certified**

- Spouse's Name: **Sara**
- Children's Birth Years: **16, 14, 12**

- Committee Representing Our Young Adults (CROYA): **I Currently Hold This Office**
- Planning Commission Labels: **Consider Me For this Position In the Future**
- Zoning Board of Appeals (ZBA): **I Am Currently Applying For This Position**
- Other Positions: **Having worked in real estate and construction for almost 20 years, I have vast experience in land use and planning, building design and construction, and overall land development. Also, as a former business owner, I have wide experience and knowledge in many matters pertaining to operating a business. I have decent financial knowledge and skills from my experience as a business owner, pension trustee and non-for-profit Treasurer.**

Other Considerations

- Please list any regular commitments or travel that would interfere with your attendance at scheduled meetings:
- Please list any current or previous community service activities, interests, directorships, etc. – public or private. For each activity
- please indicate years served and positions held:

Currently serving as President of the CROYA Foundation Board (2 years)

Served as Treasurer and Board member for CROYA Foundation (3 years)

Served on Board for the United Way of Lake County (6 years).

Served as a Pension Trustee for the Cement Masons union in the greater Chicago area (5 years).

- Please list other activities, specialized skills, knowledge, or professional experience that would contribute to your effectiveness in the position(s) for which you are applying or expressing possible
- future interest:

Having worked in real estate and construction for almost 20 years, I have vast experience in land use and planning, building design and construction, and overall land development. Also, as a former business owner, I have wide experience and knowledge in many matters pertaining to operating a business. I have decent financial knowledge and skills from my experience as a business owner, pension trustee and non-for-profit Treasurer.

- References (Optional):
- Please state briefly why you are volunteering to serve The City of Lake Forest:

I wish to offer my experiences and knowledge to the community to help keep our City strong and vital.

- Please list any interests or activities that could lead to, or BE PERCEIVED as, a conflict of interest if you become a candidate or
- appointee.:

Interest in Community Positions

Prior to my current employment, I was a principal in a family-owned real estate development and construction company in Lake County. Since April 2010 I have not held any interest in that company and

have no personal stake in any of their current or future activities.

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Contact Info

- First Name: **Lisa**
- Last Name: **Nehring**
- E-mail: **lnehring@d125.org**
- Title: **Mathematics Teacher**
- Organization:
- Address: **99 W. Alden Lane**
- Address Line 2:
- City: **Lake Forest**
- State: **IL**
- Zip: **60045**
- Mobile Phone:
- Home Phone:
- Notes:

Resident Data/Stats

- Ward: **Ward 3**
- Precinct:
- US Citizen: **Yes**
- Registered Voter: **Yes**
- Lake Forest Resident since(YYYY): **16 years**
- Business Name:
- Type of Business:
- Business Phone:
- Position:
- Date of Birth (Optional):
- Education:

National Louis University MA in Administration
Lake Forest College BA in Mathematics and Education
Member of Illinois Council of Teachers of Mathematics
Member of National Council of Teachers of Mathematics

- Spouse's Name: **Mark Nehring**
- Children's Birth Years: **1996 and 1999**

Interest in Community Positions

- #115 School Board: **Consider Me For this Position In the Future**
- Planning Commission Labels: **Consider Me For this Position In the Future**
- Zoning Board of Appeals (ZBA): **I Am Currently Applying For This Position**
- Other Positions:

Other Considerations

- Please list any regular commitments or travel that would interfere with your attendance at scheduled meetings:
- **None**

- Please list any current or previous community service activities, interests, directorships, etc. – public or private. For each activity please indicate years served and positions held:
- **~St. Mary's Parent club member- I helped with fund raising, created the school directory, ran teacher appreciation week, and created Special Relatives Day formally known as Grandparent for the Day. I was a member for 5 years.**
 - **~St. Mary's Cub Scout Den leader for 5 years.**
 - **~Lake Forest High School Football Mom for 1 year.**
 - **~Park Lane Homeowners Association president for 2 years.**
 - **~Chairman of the local professional development committee (LPDC) at Stevenson High School. The LPDC chairman reviews and approves all teacher Licensure renewals before sending them to the state. I've created the process and tutorials for teacher licensure renewal. I have been the chairman for 11 years.**
 - **~Stevenson High School member of the health and safety committee for 11 years.**
 - **~A Stevenson High School teachers' association LPDC board representative for 16 years.**
 - **~Stevenson High School Calendar committee member for 7 years.**
 - **~Team Leader of Pre-Calculus for 2 years.**

- Please list other activities, specialized skills, knowledge, or professional experience that would contribute to your effectiveness in the position(s) for which you are applying or expressing possible future interest:
- **I was President of the Park Lane Homeowners Association for 2 years. During which I worked closely with many departments within the city municipal services and post master as the homeowners association took over from the developer, Carroll Homes In 2003. Through my communication with the city, post master & developer, the subdivision gained 66 trees in the common area, damaged/ cracked curbs and sidewalks replaced, stone path in the front common area redone, traffic signs and the postal**

system restructured from cluster of eight to cluster of two.

■ **References (Optional):**

Please state briefly why you are volunteering to serve The City of

● **Lake Forest:**

As one can see I have many experiences from working with the city to working with Lake Forest schools and within a high school system. I grew up in Lake Forest. I

want to be involved in the community, so that I can be apart of the legacy of Lake Forest being an excellent place to live.

Please list any interests or activities that could lead to, or BE PERCEIVED as, a conflict of interest if you become a candidate or

● **appointee.:**

None

[Back](#)

RESOLUTION OF APPRECIATION

WHEREAS

has served The City of Lake Forest as a member of the

WHEREAS, he/she has devoted much valuable time and personal attention to the work of this commission and, on behalf of the citizens of Lake Forest, continually met his/her responsibilities with purpose and dedication; and

WHEREAS, the citizens of Lake Forest recognize and are deeply appreciative of the valuable time and service she contributed to the preservation and improvement of the quality of life in our community by serving on this commission;

*NOW, THEREFORE, BE IT RESOLVED that the City Council of The City of Lake Forest, Illinois, hereby expresses the profound gratitude of the citizens of Lake Forest to **NAME** for the loyal and faithful public service he/she has given by means of this resolution, which shall be spread upon the permanent records of the City Council.*

*Adopted by the City Council of
The City of Lake Forest this
____ day of _____, 20____*

Mayor

Lake Forest Open Lands Association City Liaison Role

March 7, 2017

Per Section 7 Paragraph A of the 9/15/15 Master Land Transfer Agreement (MLTA) between The City of Lake Forest and Lake Forest Open Lands Association, it is agreed that an appointed LFOLA/City liaison position be established.

Section 7 of the MLTA outlined the spirit of such a cooperative position as follows:

Section 7: Continued Cooperation.

A. In General.

The Parties agree that each of their interests will be advanced by their continued cooperation in connection with matters relating to open space in Lake Forest. To this end, the Parties will examine other land holdings that each controls for purposes of determining whether further conveyances between the Parties will enhance the efficient and cost-effective management of open spaces in Lake Forest. Additionally, the Parties shall establish mutually acceptable terms for a formal arrangement whereby the Mayor (or the Mayor's designee) of the City shall act as a liaison to the Association to enhance communication, cooperation, and coordination, of planning activities between the City and the Association.

Liaison Position Definition:

The liaison is a City representative who maintains an independent, neutral and critical connection between the City of Lake Forest (City) and Lake Forest Open Lands Association (LFOLA). The liaison shall be proposed and appointed by the Mayor in consultation with the president or chairman of Lake Forest Open Lands Association. The assignment of the position begins annually in January. The primary role of the liaison is to communicate and coordinate with LFOLA concerning positions and activities of LFOLA and the City on matters of mutual interest and to accurately represent and report the positions and activities of LFOLA through direct and clear lines of contact and communication with the City. It is agreed by both parties that sharing regular updates of LFOLA activities and initiatives with the City will result in better coordination of programmatic efforts as well as increased efficiency for both parties.

Responsibilities

1. Facilitate communication between both parties in regard to programmatic and/or land-related activities of each organization. Both parties will establish a regular system of update meetings, conference calls or emails so that the liaison can stay informed about and communicate with each party.
2. To share non-confidential information, questions and feedback between the two parties.

3. To consider if certain discussions from update meetings should be expanded to other parties, and in what manner.
4. Identify potential opportunities for collaboration between parties and initiate/facilitate conversations on these opportunities.

Communication Process

In the spirit of the decades-long collaborative relationship between the City and LFOLA, an informal schedule of meetings to discuss new and ongoing matters of interest will be agreed upon at the beginning of each calendar year that may be revised as needed to timely address potential opportunities and to discuss ongoing matters. These meetings will include the liaison, LFOLA president, LFOLA chairman, and/or other members of LFOLA as appropriate depending upon the subject matter to be discussed. Conference calls, emails and written summaries also may be used to supplement any in-person meeting schedule in order to maintain timely, clear and effective communications.

LAKE FOREST CITY COUNCIL
Committee and Liase Appointments
May 2017 - April 2018

Standing Committees	Rob Lansing	Prudence Beidler	Ray Buschmann	Michelle Moreno	Jed Morris	Tim Newman	Jack Reisenberg	Melanie Rummel	Stanford Tack
Ward		1	4	4	1	2	3	2	3
Finance		X	X	X	Chair	X	X	X	X
Personnel, Comp & Admin	Chair					X	X		
Property & Public Lands			X		X		Chair		
Public Works				X				X	Chair
Ad Hoc Committees									
Golf Advisory		X				Chair			
Marketing of LF		Chair							
City Council Liaisons									
Audit Committee					X				
Business & Commerce						X			
Civic Beautification Committee		Chair							
Community Communications									
Founders Council (LF College)	X			X	X				
Governments: Federal, State & Local	X								
Housing Trust									
Legal Services								X	
LF Open Lands			X						
Parks & Recreation									X
Planning & Preservation			X						
Public Safety	X								
Senior Services		X							
Shared Fire Services	X								
Youth Services				X					
Term Limit May of:	2021	2020	2023	2020	2023	2022	2019	2023	2018

2018 City Council and Finance Committee Dates

** = This date represents a change from the traditional dates, due to holiday or other conflicts

Meeting dates highlighted in blue, represent Council Workshops

**January 2, 2018	MUNICIPAL SERVICES BUILDING	6:30 Workshop meeting
**January 16, 2018	COUNCIL CHAMBERS	FC 6:30 P.M. CC to follow immediately after
February 5, 2018	COUNCIL CHAMBERS	CC 6:30 P.M.
**February 20, 2018	COUNCIL CHAMBERS	CC 6:30 P.M.
March 5, 2018	COUNCIL CHAMBERS	CC 6:30 P.M.
March 12, 2018	MUNICIPAL SERVICES BUILDING	Operating Budget Workshop 5:00 P.M
March 19, 2018	COUNCIL CHAMBERS	CC 6:30 P.M.
April 2, 2018	COUNCIL CHAMBERS	CC 6:30 P.M.
April 16, 2018	COUNCIL CHAMBERS	FC 6:30 P.M. CC to follow immediately after
May 7, 2018	COUNCIL CHAMBERS	CC 6:30 P.M.
May 21, 2018	COUNCIL CHAMBERS	CC 6:30 P.M.
June 4, 2018	COUNCIL CHAMBERS	CC 6:30 P.M.
June 18, 2018	COUNCIL CHAMBERS	CC 6:30 P.M.
July 2, 2018	MUNICIPAL SERVICE BUILDING	6:30 P.M. Workshop Meeting
July 16, 2018	COUNCIL CHAMBERS	FC 6:30 P.M. CC to follow immediately after
August 6, 2018	COUNCIL CHAMBERS	CC 6:30 P.M.
August 20, 2018	NO MEETING	NO MEETING
**September 4, 2018	COUNCIL CHAMBERS	CC 6:30 P.M.
September 17, 2018	MUNICIPAL SERVICES BUILDING	6:30 Workshop Meeting
October 1, 2018	COUNCIL CHAMBERS	CC 6:30 P.M.
October 15, 2018	COUNCIL CHAMBERS	FC 6:30 P.M. CC to follow immediately after
November 5, 2018	COUNCIL CHAMBERS	CC 6:30 P.M.
**November 13, 2018	MUNICIPAL SERVICES BUILDING	Capital Budget Workshop 5:00 PM
November 19, 2018	COUNCIL CHAMBERS	CC 6:30 P.M.
December 3, 2018	COUNCIL CHAMBERS	CC 6:30 P.M.
December 17, 2018	NO MEETING	NO MEETING

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement (the "Agreement") is made and entered into this ____ day of _____, 20____, by and between The City of Lake Forest (the "City"), an Illinois local government in the County of Lake, Illinois, and the undersigned Contractor, William A. Schelhas ("Contractor"), a sole-proprietor, and collectively known as (the "Parties"). In consideration of the mutual covenants and promises contained in this Agreement, the City and Contractor hereby agree as follows:

1. **RETENTION OF CONTRACTOR.** The City agrees to retain Contractor to perform the services described on Exhibit A, attached hereto and made a part hereof (the "Services"). Contractor accepts such appointment and agrees to provide the Services in a professional and appropriate manner on an independent contractor basis. Within 60 days of retention the City Manager or his/her designee and Contractor will have agreed and identified goals that shall be completed during the term of this Agreement (the "Contract Objectives"). The Contractor shall provide monthly updates to the City Manager or his/her designee relating to the Services and Contract Objectives. This Agreement shall not create an employment, partnership, agent, or joint venture relationship.
2. **CONTRACTOR DUTIES.**
 - (a) Contractor will provide and continue to provide the Services during the term hereof. The City and Contractor agree that Contractor retains the sole right to determine the manner and means by which services will be performed for the City, pursuant to this Agreement. Notwithstanding the foregoing, Contractor is expected, at all times, to act in a professional manner while performing services for the City pursuant to this Agreement, and the City retains the right to review and inspect the Contractor's performance of the Services to ensure that Contractor is providing the highest quality services to the City and its residents.
 - (b) The City may, for convenience and ease of identification, refer to Contractor and/or William Schelhas as the City's "Cable TV Media Coordinator." Notwithstanding such reference, the Contractor shall be or hold himself out as an officer, official, or employee of the City. Nor shall Contractor have actual or apparent authority to bind the City in any manner whatsoever.
3. **TERM.** The term of this Agreement shall commence on the Effective Date, or a date agreed to between the Parties, and end April 30, 2018, provided, however, this Agreement may be terminated at any time by either party upon ninety (90) days prior written notice.
4. **COMPENSATION.** Contractor will be compensated for the services performed under this Agreement at rates for services set in Contractor

Proposal in Exhibit B, and will receive payment no more than twice per month, only after submitting an invoice to the City for services rendered. The City shall issue a 1099 or equivalent form as required by Federal and State regulations, and Contractor shall be fully and solely responsible for all costs and expenses incident to the services furnished to the City under this Agreement.

As an independent contractor, Contractor shall not be entitled to overtime premiums or to benefits of any kind, including without limitation, deferred compensation, 457, pension contributions, health insurance, life insurance, workers' compensation benefits, and short-term or long-term disability benefits offered by the City to its employees.

5. **WORK SCHEDULE.** Contractor shall devote as much time as may be reasonably necessary to perform the Services in accordance with this Agreement. Notwithstanding the foregoing, it is expected that Contractor will at times be required to perform services during evenings and weekends in order to meet the needs of the City and the identified goals. The Contractor shall attend various meetings as directed by the City Manager or his/her designee.
6. **CONFIDENTIAL INFORMATION.** Contractor recognizes that certain confidential knowledge or information (Confidential Information) might be obtained by Contractor and Kelsey in the course of performing the Services hereunder including, but not limited to, personal information concerning the City's residents. Contractor does hereby agree that all such Confidential Information will be forever held confidential by Contractor, and not be disclosed to any party whatsoever during the term hereof and at all times thereafter. Upon termination of this Agreement, Contractor shall return to the City all documents, notes, or other tangible property that contain Confidential Information that is in the possession of Contractor.
7. **INDEMNITY.** Contractor agrees to indemnify and hold harmless the City, and its Mayor, Aldermen, Appointed Officials, Employees, Agents, Representatives, and Attorneys, in both their official and individual capacities, from and against any and all liability, losses, payments, expenses, and tax claims (including, without limitation, attorneys' fees and costs, interest and penalties) incurred by or imposed against the City or its Mayor, Aldermen, Appointed Officials, Employees, Agents, Representatives, and Attorneys, arising out of or in any way related to any act or failure to act by Contractor (or any of Contractor's agents, employees, or partners), including, but not limited to, all claims relating to the injury or death of any person or damage to any property.
8. **NOTICES.** All notices under this Agreement shall be in writing and shall be delivered in person or sent by registered or certified mail, postage prepaid, return receipt requested, to the parties at their addresses listed below or to

such address as any party hereto, by written notice to the other party may designate from time to time. Notices and communications to each Party shall be addressed to, and delivered at, the following addresses:

Lake Forest:	The City of Lake Forest 220 E. Deerpath Lake Forest, IL 60045 Attn: City Manager	Contractor:	William A. Schelhas 1120 Edington Lane Mundelein, IL 60060
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9. **MISCELLANEOUS.** No waiver, modification or amendment of this Agreement shall be valid and enforceable unless it is in writing and signed by Contractor and the City Manager. This Agreement supersedes all other oral and written agreements, understandings or communications between the City and Contractor. This Agreement and any amendments hereto shall be governed by and construed in accordance with the laws of the State of Illinois without regard to choice of law principles. Waiver by either party to this Agreement of any breach or default by the other party of any of the terms and conditions of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year appearing in their respective notary acknowledgements.

Accepted and approved this
____ day of _____, 2017

Accepted and approved this
____ day of _____, 2017

William A. Schelhas
1120 Edington Lane
Mundelein, IL 60060

The City of Lake Forest
220 E. Deerpath
Lake Forest IL 60045

By:

By:

William A. Schelhas

Robert R. Kiely, Jr.
City Manager

EXHIBIT A

Contractor Services and Schedule of Performance

SUMMARY: Contractor shall manage Lake Forest TV, a public access facility operated by The City of Lake Forest.

ESSENTIAL DUTIES AND RESPONSIBILITIES SHALL INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING:

- Serving as Cable Access Television Media Coordinator, which includes, but is not limited to, the following duties:
 - Oversight of City governmental or “on-site” public meeting broadcasting, equipment usage and completing program scheduling of programs related to local government information and community activities;
 - Assist with municipal cable communication efforts, including publicizing of cable programs and activities, developing a programming guide for the channel, or uploading and managing web service streaming services (e.g. YouTube, Vimeo, etc.); and
 - Oversight of non-City governmental, or “off-site” public meeting recording and scheduling of playback on City authorized media platforms; and
 - General Photography support (i.e. taking photos, minor editing, etc.) during “on-site” public meetings.
- All work hours and leave requests will be conditional on workload being completed and will be coordinated and approved by the Office of the City Manager;
- Performs routine maintenance and troubleshooting on all video, audio and computer equipment, and maintains orderly records and files for the video tape library; and
- Coordinates the following: video equipment maintenance and repair; automated playback system operations; management of uploading meetings for playback on streaming service or website server (e.g. YouTube, Vimeo, etc.).

EXHIBIT B

Contractor Proposal of Services



**The City of Lake Forest
City Hall
220 East Deerpath
Lake Forest, IL 60045**

NEWS RELEASE

For more Information, contact:

Mike Strong, Assistant to the City Manager

847.810.3680

strongm@cityoflakeforest.com

FOR IMMEDIATE RELEASE – MAY 1, 2017

CITY BOARDS AND COMMISSIONS FORMAT CHANGES TO TAKE PLACE

Beginning June 1, 2017, the Building Review Board, Historic Preservation Commission, Zoning Board of Appeals and the Parks & Recreation Board meetings will adopt a new format. In an effort to conduct more productive meetings with residents, ensuring more community engagement, the format of these meetings will be modified to adopt a “workshop” atmosphere. **As always, the public is invited to attend the meetings, but the meetings of these particular boards will no longer be televised and will be held at the Municipal Service Building, 800 N. Field Drive or City Hall, 220 E. Deerpath.** Meeting locations will continue to be listed on agendas and on the City’s website.

According to the City’s 2016 Community-Wide Survey, only 5% of the respondents listed the cable television channel as a major source of where residents get public information. The decision to reduce these live broadcasts will also realize substantial operational financial efficiencies for the City, estimated at \$200,000 per year.

“Based on a recent study conducted by Teska Associates, a workshop setting in a public meeting room is more desirable for residents than the formal setting of the City Council Chamber. A workshop invites engaging conversation on the topics at hand,” states City Manager Bob Kiely. He added that “The City of Lake Forest has been studying the issue for several years with other municipalities searching for the benefits of creating a consortium, which has not provided a solution. Surrounding communities are taking or have already taken similar steps to improve transparency and reduce costs.”

Since cable access television was introduced to Lake Forest in the late 1980s, public meetings of these Boards and Commissions have been broadcasted live from the City Hall Council Chamber.

Special meetings requiring a broader range of public perspective will continue to be broadcast live in the City Hall Council Chamber, and will be publicized with proper notification. Archived meetings of the Building Review Board, Historic Preservation Commission, Zoning Board of Appeals and the Parks & Recreation Board will continue to be available for viewing on the City’s website or YouTube channel, Enjoy Lake Forest. Meetings of the City Council and the Plan Commission will continue to be televised and remain at City Hall.

#

Official Statement

Subject to compliance by the City with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.



\$9,450,000*
CITY OF LAKE FOREST
Lake County, Illinois
General Obligation Bonds, Series 2017

Dated Date of Delivery Book-Entry Bank Qualified Due Serially December 15, 2023-2037

The \$9,450,000* General Obligation Bonds, Series 2017 (the "Bonds"), are being issued by the City of Lake Forest, Lake County, Illinois (the "City"). Interest is payable semiannually on June 15 and December 15 of each year, commencing December 15, 2017. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 15, in the following years and amounts. Interest is calculated based on a 360-day year of twelve 30-day months.

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS⁽¹⁾

Principal Amount*	Due Dec. 15	Interest Rate	Yield or Price	CUSIP Number (1)	Principal Amount*	Due Dec. 15	Interest Rate	Yield or Price	CUSIP Number (1)
\$505,000	2023	—%	—%	—	\$640,000	2031	—%	—%	—
515,000	2024	—%	—%	—	660,000	2032	—%	—%	—
530,000	2025	—%	—%	—	685,000	2033	—%	—%	—
545,000	2026	—%	—%	—	715,000	2034	—%	—%	—
560,000	2027	—%	—%	—	740,000	2035	—%	—%	—
575,000	2028	—%	—%	—	770,000	2036	—%	—%	—
595,000	2029	—%	—%	—	800,000	2037	—%	—%	—
615,000	2030	—%	—%	—					

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

The Bonds maturing on or after December 15, 2026, are callable at the option of the City in whole or in part on any date on or after December 15, 2025, at a price of par and accrued interest. See "OPTIONAL REDEMPTION" herein.

PURPOSE, LEGALITY AND SECURITY

The proceeds of the Bonds will be used: (i) to finance certain capital improvements to the City's water treatment plant and (ii) to pay the costs of issuance of the Bonds. See "THE PROJECT" herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

This Official Statement is dated May __, 2017, and has been prepared under the authority of the City. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Official Statements Sales Calendars/Competitive". Additional copies may be obtained from Ms. Elizabeth Holleb, Director of Finance, City of Lake Forest, 800 North Field Drive, Lake Forest, Illinois 60045, or from the Municipal Advisor to the City:



(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The City is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

*Subject to change.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the City.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a “Final Official Statement” of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled “Final Official Statement” rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

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APPENDIX A - FISCAL YEAR 2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

APPENDIX B - DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

APPENDIX C - PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX D - EXCERPTS OF FISCAL YEAR 2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
RELATING TO THE CITY'S PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

OFFICIAL BID FORM

OFFICIAL NOTICE OF SALE

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Notice of Sale and the Official Bid Form, which are provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

Issuer:	City of Lake Forest, Lake County, Illinois (the “City”).
Issue:	\$9,450,000* General Obligation Bonds, Series 2017.
Dated Date:	Date of delivery (expected to be on or about June 5, 2017).
Interest Due:	Each June 15 and December 15, commencing December 15, 2017.
Principal Due:	Serially each December 15, commencing December 15, 2023 through 2037, as detailed on the front page of this Official Statement.
Optional Redemption:	The Bonds maturing on or after December 15, 2026, are callable at the option of the City in whole or in part on any date on or after December 15, 2025, at a price of par and accrued interest. See “ OPTIONAL REDEMPTION ” herein.
Authorization:	The Bonds are being issued pursuant to the home-rule powers of the City under Section 6, Article VII of the 1970 Constitution of the State of Illinois and a bond ordinance adopted by the City Council of the City.
Security:	The Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount.
Investment Rating:	The City’s outstanding general obligation bond rating is “Aaa” from Moody’s Investors Service, New York, New York (“Moody’s”). A credit rating for the Bonds has been requested from Moody’s. See “ INVESTMENT RATING ” herein.
Purpose:	The proceeds of the Bonds will be used: (i) to finance certain capital improvements to the City’s water treatment plant and (ii) to pay the costs of issuance of the Bonds. See “ THE PROJECT ” herein.
Tax Exemption:	Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, will provide an opinion as to the federal tax exemption of the interest on the Bonds as discussed under “ TAX EXEMPTION ” in this Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes. See also APPENDIX C for the proposed form of Bond Counsel opinion.
Bank Qualification:	The Bonds are “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See “ QUALIFIED TAX-EXEMPT OBLIGATIONS ” herein.
Bond Registrar/Paying Agent:	_____, Chicago, Illinois.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Bonds. See APPENDIX B herein.
Denomination:	\$5,000 or integral multiples thereof.
Delivery:	The Bonds are expected to be delivered on or about June 5, 2017.
Municipal Advisor:	Speer Financial, Inc., Chicago, Illinois.

CITY OF LAKE FOREST
Lake County, Illinois

Robert T.E. Lansing
Mayor

Council Members

Prue Beidler
Raymond Buschmann
Michelle Moreno

James E. Morris
Timothy Newman

John R. Reisenberg
Melanie K. Rummel
Stanford Tack

Officials

Robert R. Kiely, Jr.
City Manager

Elizabeth Holleb
Director of Finance

Margaret Boyer
City Clerk

Victor P. Filippini, Jr., Esq.
City Attorney

THE BONDS

The General Obligation Bonds, Series 2017 (the “Bonds”), are being issued pursuant to the home-rule powers of the City of Lake Forest, Lake County, Illinois (the “City”), under Section 6, Article VII of the 1970 Constitution of the State of Illinois. The Bonds are issuable pursuant to a bond ordinance adopted by the City Council of the City on the 15th day of May, 2017 (the “Bond Ordinance”). The Bonds constitute valid and legally binding full faith and credit general obligations of the City, payable from ad valorem taxes levied on all taxable property in the City, without limitation as to rate or amount. The Bond Ordinance provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the City in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Ordinance will be filed with the County Clerk of the County of Lake, Illinois (the “County Clerk”), and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in the Bond Ordinance.

THE CITY

The City of Lake Forest (the "City") is a home-rule municipality located in Lake County approximately 30 miles north of downtown Chicago. It is one of the eight Chicago suburban communities north of Chicago fronting on Lake Michigan collectively referred to as "the North Shore." The City's eastern boundary is Lake Michigan from which the City obtains its public water supply. To the south of the City along Lake Michigan is the former Fort Sheridan Military Base, the northern portion of which is located within the boundaries of the City of Lake Forest. A portion of the site remains in the ownership of the Federal government and continues to be used as a military reserve base. The remainder of the site, 127 acres, is now in the ownership of the Lake County Forest Preserve District and is preserved open space. The Forest Preserve has completed significant restoration work at this site including the removal of non-native trees and vegetation, re-grading to establish swales, stabilization and enhancement of the existing ravine, pond and bluff. Improved public access to Lake Michigan and completion of an interpretive trail were also part of this project. Today, the former military base is an expansive natural area, with miles of walking trails and beach frontage, all open to the public. The restored area provides impressive views of Lake Michigan from Sheridan Road found at no other location on the North Shore. The Forest Preserve, along with neighboring communities, continues to plan for further restoration of ravines and bluffs, as well as shoreline protection, all along this North Shore corridor.

Like many communities in the Chicagoland area, the 2010 Census reflected a slight decrease in the City's population. The 2010 Census indicated a population of 19,375 in the City of Lake Forest. This number is down 3.4% from the City's peak population of 20,059 as documented by the 2000 Census. In part, the population loss results from the closing of Barat College in early 2000. Students living on campus were included in the 2000 Census. The 2010 Census indicated an increase of 443 housing units in the City and a slightly more diverse population living in the community than at the time of the 2000 Census.

The western boundary of the City is the center of the Illinois Toll Road (I-94), and three interchanges serve the City. With two commuter railroads, the divided four-lane U.S. Route 41 (Skokie Highway) which connects to the Edens Expressway on the south and Wisconsin I-94 on the north, scenic Green Bay Road and Sheridan Road, four-lane Waukegan Road (Illinois Route 43) and the aforementioned Illinois Toll Road, the transportation arteries serving Lake Forest are abundant.

Long acknowledged to be one of the most prestigious residential communities in the United States, the City is rich in history. Among the existing structures in the City are residences dating back to 1846, Market Square located at the core of the City's Central Business District (which, when constructed in 1916, was reported to be the first shopping center in the U.S.), many churches and educational institutions, prestigious private clubs and the estates of many of the nation's most famous private entrepreneurs.

Route 60 Corridor Development

On October 3, 1988, the City voted to annex a 682 acre area at the western edge of the City thereby taking control of the ultimate development of the large undeveloped area extending to the Illinois Toll Road. As a part of the pre-annexation agreement, the City and the owners agreed to the development of the 682 acres plus an additional 90 acres already in the City. Today, this area is nearly fully developed and includes Conway Park, a premier corporate office park; Conway Farms, a planned residential development set on a picturesque golf course and offering attached and detached single family homes on lots of various sizes; Stonebridge, a 72-unit, maintenance-free residential development; and Townline Park, a City owned 30+ acre community park developed with baseball diamonds, soccer fields, a pavilion, playground and extensive walking trail. The build out of both the Conway Farms and Stonebridge residential developments is complete.

Conway Park office park is nearly built out and includes thirteen office buildings ranging in size from 60,000 to 270,000 square feet. The buildings serve as the corporate headquarters for various companies including Abbott and Pfizer which both occupy multiple buildings in the office park, Brunswick, Pactiv Reynolds Fram Group, Tenneco Automotive, Trustmark, ICU Medical and Packaging Corporation of America. Three buildings within the office park are multi-tenant buildings providing high quality office opportunities for small and medium size businesses including Akorn, Idex and Omron. In 2004, an important dimension was added to Conway Park with the construction of the 32,000 square foot Lake Forest Graduate School. The Graduate School was formerly located on the campus of Lake Forest College. The Graduate School building serves as the school's headquarters and houses both administrative functions and classrooms with branches at other locations throughout the Chicagoland area. The Graduate School has formed strong relationships with various corporations, within the park and located elsewhere, and offers management and leadership training programs in support of those corporations as well as its well respected MBA program. Four parcels in the office park remain available for development and discussions are underway regarding development of these parcels. Adding a hotel to Conway Park to support the dynamic corporate businesses located there is a goal that may soon be realized.

Two additional corporate office buildings, each about 170,000 square feet, are located to the south of Conway Park, on the south side of Route 60, just east of the Illinois Tollway and together are known as Lake Forest Landmark Properties. Horizon Pharm and Hoogwert U.S., Inc. are headquartered in these buildings and Abbott occupies portions of the space as well as its presence in Lake Forest continues to expand beyond the limits of Conway Park. Regus also occupies space in the Lake Forest Landmark development offering virtual office services, immediately adjacent to the Tollway, to serve Lake Forest and Lake County.

The National Football League franchise Chicago Bears corporate headquarters, player training center, broadcast studio, conference center and indoor and outdoor practice fields are located at the north end of Conway Park. This facility draws players, coaches, season ticket holders, corporate sponsors and the media to Lake Forest. Players and coaches often make Lake Forest home during their tenure with the Bears. The Chicago Bears have had a long association with Lake Forest with a practice field located at Lake Forest College before the team's move to Conway Park in 2004.

To address uncertainties about the long term use of the remaining property adjacent to Conway Park and the Chicago Bears facility at the north end of the office park, the City acquired and annexed a 40 acre parcel to complete the Conway Park area. This parcel was developed with The City of Lake Forest Municipal Services Facility which opened in August 2009. The facility houses City administrative staff from various departments in a first class office building. The City's fleet of vehicles and equipment is also housed at this location in a state of the art garage supporting the high level of service delivered to the residents of Lake Forest. The City facility also offers public meeting rooms and an on site training room. Almost 20 acres of the City site has been preserved as open space and wetlands through a cooperative effort between the City, Lake Forest Open Lands Association and the Lake County Forest Preserve. The preserved area is now under the stewardship of the Lake County Forest Preserve. Prior to transferring the property to the Forest Preserve, the City took the lead on various site improvements most notably, reclamation of a barrow pit resulting from the construction of the Tollway many years ago. This area is now re-created as a series of shallow wetlands providing for enhanced water quality as water flows from a large tributary area west of the Tollway toward the Middlefork Savanna. This area is improved with walking trails and bridges as an amenity for employees of Conway Office Park and for the public. Wildlife abounds in the area.

In addition to the development of the corporate office park, other development activity continues in the Lake Forest Route 60 Corridor. Amberley Woods, a 40 acre development comprised of 90 residential condominium units and 24 single family homes, is partially completed. The first of two 45-unit condominium buildings is completed and fully occupied. The second condominium building is approved and awaiting the start of construction. The sales office for the second building recently opened and pre-sales of the units are underway. Build out of the single family home portion of the development is progressing with five homes completed to date. The Amberley Woods development is clustered around preserved wetlands and woodlands providing a sheltered residential neighborhood with easy access to the Tollway. There is a 8.5 acre non-residential component of the Amberley Woods development. The property owner is exploring various options for development of this parcel including some mix of office, retail, high end restaurants, multi-family residential units, a boutique hotel or spa. This development will ultimately provide goods and services to the residents living in the area and the larger region, while also supporting the large number of employees who work in the Conway Park office park. On the north side of Route 60, another residential project is underway, Willow Lake, a 52 unit townhouse development. This development is partially occupied and construction on the remaining townhouses is proceeding rapidly. The development, although close to Route 60, is hidden from views of traffic and is located on a natural lake, in a secluded area, across from Lake Forest Academy, a private school. Almost every property in this development has views of the natural pond or the new pond that was added to the site during construction. The infrastructure throughout the development is complete and the remaining home sites are currently being actively marketed.

Central Business District

The City's Central Business District is focused around historic Market Square. Market Square was designed by famed architect, and Lake Forest resident, Howard Van Doren Shaw and construction of the square began in 1915. Market Square is still regarded today by planners and architects throughout the country as an extraordinary model of a town center. Market Square and the surrounding blocks that make up the City's core area are home to various unique boutique retail stores, some national chains, restaurants (one located in the City's former fire station), banks, real estate offices, a commuter train station, City Hall and the post office. Market Square was acquired by new owners in 2013 and the new owners immediately embarked on a \$5 million upgrade including: historic restoration of the buildings, significant life safety improvements, upgrades of second floor areas to offer high quality office space and enhancements to outdoor areas expanding the opportunities for dining and special events. The renovation is substantially complete and the recent relocation of Starbucks into larger and upgraded space has drawn rave reviews. Although the City is committed to preserving the historic character of the Central Business District, the City actively works with property owners and developers to support adaptive reuse, restoration and redevelopment of properties in the Central Business District. With careful planning and attention to preserving the character that makes Lake Forest special, projects like the cleanup and redevelopment of a former gas station and car dealership site occurred in 2004. Today, the site is an active part of the Central Business district with a two story bank building and a smaller building housing several retail businesses that have become community favorites. At another location in the Central Business District, the site of a former building materials yard was redeveloped with the City's first residential rowhouse project providing high end housing near the business district and within walking distance of the train.

In 2010, major infrastructure upgrades and streetscape improvements were completed along Western Avenue, the main street through the Central Business District. A key intersection was re-aligned, the sewer system was upgraded, parking spaces were reconfigured to better meet customer needs, pedestrian crossings were added, the street was re-constructed, enhanced streetscape lighting was installed and the entire area was re-landscaped. In response, some private property owners in the Central Business District re-invested in their properties with new signage and awnings and overall maintenance work on the buildings.

The City received grants to support restoration of the historic train station which is located immediately across from historic Market Square. The exterior restoration of the depot building is complete and nearby, a new bicycle shelter and realigned bicycle path to support the City's commuter hub were also completed and funded by grant dollars. Interior upgrades to the train depot are set to begin in mid-2017. Upgrades to public restrooms and the commuter waiting area will be completed along with upgrades to tenant spaces within the depot. Shortly after completion of the exterior renovations, a local garden shop opened a satellite location at the train station filling the area with flowers and seasonal color and attracting customers to this convenient new location, right in the center of the community. Other potential tenants have expressed interest in locating in the train depot once the interior upgrade is complete.

The Deer Path Inn, listed on the National Register of Historic Places, has operated in Lake Forest's Central Business District since 1929. New owners purchased the property in late 2013. The hotel closed in January 2015 for extensive renovation and restoration and reopened less than twelve months later. Today, the hotel and restaurants within it are hugely popular with local residents, businesses and visitors. The Inn retains the original historic character while offering up to date luxurious amenities. The dining areas within the hotel include a formal dining room, an informal garden room, a seasonal internal garden terrace, a casual pub and an upscale bar. Generations of families from Lake Forest and beyond have celebrated holidays and special events in these spaces as well as often visiting for a casual lunch or dinner. With the upgraded facilities, these traditions will continue for the next 100 years in grand style. The Inn offers guest rooms, meeting rooms, banquet spaces and dining experiences that are not available elsewhere on the North Shore or in Lake County. The Deer Path Inn easily rivals upscale hotels and restaurants in downtown Chicago.

Looking Forward – Upcoming Developments

In 2016, The City of Lake Forest sold a 10-acre, City owned parcel. The parcel is the site of the City's former Municipal Services Facility and is located at the north end of the Central Business District, within walking distance to shops, restaurants, the train station, Market Square, the Library, parks and schools. This parcel presents a one of a kind opportunity for redevelopment in the heart of Lake Forest. Construction at the site is underway. The approved development, Kelmscott Park, includes 111 apartments configured in three buildings, 42 condominiums configured in two buildings and twelve single family homes. Site preparations are completed and vertical construction is underway on the first three buildings. Pre-sales of the condominium units to date include the sale of a million dollar unit. The approved overall development plan assures that the end product will be of high quality and will support and enhance the vitality of the City's Central Business District and add to the community's distinctive character. Focus Development, Inc. is the developer of record. Underground parking is provided for all the condominium and apartment units, and on site management and upscale amenities are planned for the apartment buildings. The apartments will include quality units that will be available to moderate income households to provide housing opportunities for local employees of the school districts, hospital and other local entities. In January 2015, the City Council approved Ordinances establishing the site as a Tax Increment Financing (TIF) district to support land assembly, site remediation, demolition and public improvements that are necessary to support development of the site.

In addition to Kelmscott Park, a second multi-building development was recently approved across from the train depot in the Central Business District. This project, the McKinley Road Redevelopment project, involves the demolition of three office buildings. The site, which is within walking distance of public transportation, stores, the Library, parks and restaurants, is planned for redevelopment with three residential buildings. Various residential unit types, at various price points, will be offered in well-designed buildings of masonry construction. Work is underway on the first building.

Several other new residential developments are in various stages of the review and construction process. Infrastructure improvements are complete for a 16-lot planned preservation subdivision on a 30-acre parcel, near Conway Farms Golf Course. The Westleigh Farms Subdivision, a 32-lot single family home development, is approved and awaiting recording of the plat of subdivision. Site work is scheduled to get underway in 2017. This development offers lots of a half-acre and smaller clustered around a central open space along with larger lots for custom building homes. Nearby, a nine lot subdivision is pending final approval, 770 E. Westleigh Road. Together, these two subdivisions will offer preserved open space and linked trails for residents to enjoy the natural environment while living within minutes of Lake Forest's historic Central Business District, high quality schools and the Lakefront.

Construction was recently completed or is underway on approximately 20 new single family homes. Some are on vacant lots, while others are replacing existing single family homes. Building permit activity for interior alterations, additions, swimming pools and other property upgrades is high with considerable investment being made by property owners throughout the community.

Municipal and Other Governmental Services

The City was granted incorporation by Special Charter (special act) of the General Assembly of the State of Illinois in 1861. In 1869, the special act was repealed in its entirety by another special act. The 1869 Charter was a more extensive grant than the 1861 act as indicated by the enumeration of the City Council's powers in 43 clauses. One of the features of the Special Charter is that it was designed to provide needed municipal services while at the same time centralizing the leadership and control over them. An example of this centralization is that while the appropriations and tax levies of Elementary School District No. 67 are initiated by the School Board, they must be incorporated in the tax levy ordinance adopted by the City Council. Another example is the Library Board, which operates the City Library. The board is appointed by the City Council, rather than being a separately elected municipal corporation. It is believed that the City is the only municipality in the State of Illinois that has maintained its original Special Charter powers with all others having chosen instead, over the years, to be subject solely to the statutory powers given to all Illinois municipalities.

The governing and legislative body of the City is the Council composed of a Mayor (elected bi-annually on an at-large basis) and two aldermen from each of four wards (one alderman from each ward is elected annually). Pursuant to an ordinance adopted in 1956, the City Manager is responsible for the day-to-day operations of the City and its 210 full-time employees (excluding Library employees). The employees in a collective bargaining unit include 30 police officers, 55 public works/parks employees and 27 fire fighters/fire lieutenants. The City's Police and Fire departments include 40 uniformed police and 33 uniformed fire personnel. The excellence of the Fire Department is highlighted by the City's Class 4 fire insurance rating which exceeds that of over 95% of the fire departments/districts in the State of Illinois. Some of the municipal services provided for and funded out of the tax rate include: the public library (approximately 15,460 registered borrowers); twice weekly backdoor refuse pick-up; paramedic service (since 1974); and the parks and recreation system including the 145 acre 18 hole golf course, 14 parks with a total acreage of 469 acres and 6 recreation facilities including a 1/4 mile public swimming beach and sailing center, Stirling Hall arts center, Wildlife Discovery Center, Everett fieldhouse and the Community Recreation Center. The most recent addition to the Community Recreation Center included the addition of 10,000 square feet to expand the City's facilities for CROYA, the City's youth program. The expansion of the CROYA facilities was primarily funded through private donations. As part of this project, the program area for the City's preschool program was upgraded and parking and traffic circulation were improved at the Recreation Center.

The City draws water for its plant from Lake Michigan. Proceeds of the Series 2001A Bonds were used to pay the cost of engineering studies for improvements to the water system. The proceeds of the \$26,000,000 Series 2002A Bonds were used for water and sewer system improvements, including water treatment plant improvements, a 36-inch transmission main and certain sanitary sewers. The Series 2003C Bonds were used for various water and sanitary sewer system improvements. The Water Plant Improvement Project included the installation of a state of the art membrane filtration system (the first water plant to have such technology in Illinois), the replacement of both high lift and low lift pumps, the installation of electrical switch gear, and a new back-up power supply. Water began pumping from the new plant at the end of April, 2004. The back-up power supply and HVAC improvements were completed by October, 2004.

The City's Comprehensive Annual Financial Report has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Governmental Finance Officers' Association (GFOA) of the United States and Canada, for the City's 1979-2016 reports. The significance of the GFOA's award is emphasized by their statement: "The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting and its attainment represents a significant accomplishment by a governmental unit and its management." The City annually prepares a "Comprehensive Fiscal Plan" which includes: Operating and Capital Budgets for the current year; a Five Year Financial Analysis and Plan; and, a Five Year Projection for Personnel, Capital Investment and Equipment costs. The City received the GFOA's Distinguished Budget Presentation Award for its FY2017 Budget document. The City has an independent Audit Committee consisting of Council members and residents having expertise in the area of financial administration and auditing that serves as an oversight body on behalf of the City Council. The City has been self-insured since 1981 through participation with the Intergovernmental Risk Management Agency (IRMA), which is a proprietary venture established to manage and fund claims for its 70 member municipalities and special districts.

The City's growth has been guided by far-sighted municipal planning. Formal zoning procedures were implemented in 1923 when the City's first zoning ordinance was adopted. In 1926, an ordinance was adopted establishing the Plan Commission. Comprehensive Plans to assist in long-range development were adopted in 1929, 1955 and 1978. The City's Comprehensive Plan was completely updated in 1998 and officially adopted by the City Council at that time. Demonstrating the City's commitment to careful, long term planning, the Comprehensive Plan was amended in 2001 and 2008 to respond to changing trends and needs in the community. Beginning in 2017, the City will begin a public process to update the Comprehensive Plan to assure that the Plan continues to provide a strong and up to date frame work for development related decisions. Diversity in housing, the vitality of the City's business districts, transportation, preservation of the community's character and quality of life and sustainability will all be topics of discussion.

In 1956, an ordinance was adopted regulating the architectural design of buildings within the City and establishing the Building Review Board. In 1998, the City adopted an historic preservation ordinance and established the Historic Preservation Commission. These ordinances set Lake Forest apart from other suburban communities by providing the tools necessary to preserve the unique character of the City's neighborhoods and ensure that changes happen in a manner that protects the historic heritage of the community as well as the values of individual properties while at the same time, embracing new ideas, methodologies, technology and opportunities. On a contractual basis, the City provides building inspection and plan review services to the Villages of Lake Bluff and Bannockburn. The City completed a Comprehensive Master Park Plan in October, 1995 which assessed existing park and recreational facilities, determined current needs, projected future needs, suggested the most effective utilization of existing facilities, and identified and prioritized needed improvements and enhancements to the parks. The Plan encompassed all City-owned properties and included cost estimates and fiscally responsible phasing recommendations for accomplishing required improvements. Specific Master Plans are currently being developed for each of the City-owned parks to guide specific improvements in the future. The City is forward looking, as evidenced by the recent adoption of a Bicycle Master Plan and the establishment of an Environmental Collaborative. The Collaborative brings together representatives of local institutions to plan for a sustainable community and preservation of the quality of life that makes Lake Forest a special and highly desirable place to live, work and play. The City Council recently adopted a Sustainability Plan that was put forward by the Collaborative as a result of extensive public meetings and workshops.

Schools/Hospitals

Lake Forest School District No. 67, which serves nearly the City's entire tax base, has a current enrollment of 1,725 students. The District operates three K-4 schools and one middle school for grades 5-8.

The Lake Forest Community High School District No. 115 serves Lake Forest, Lake Bluff, and surrounding unincorporated areas including Knollwood. The Lake Forest High School District has an enrollment of approximately 1,700.

The City's diverse and strong educational institutions continue to grow, upgrade and adapt in response to education trends. Lake Forest College (enrollment 1,592), a private liberal arts college established even before the City itself, completed a new residence hall which welcomed students for the first time in fall 2013. This residence hall replaced one of the original residence halls providing the types of living spaces and amenities desired by today's college student. This new residence hall joins the recently completed student sports center on south campus demonstrating the commitment of the college to remain current and actively competitive with similarly sized colleges throughout the Country. Concurrent with this project upgrading of water mains occurred throughout the campus improving life safety protections to the various buildings on campus. A \$40 million upgrade to the science facilities on the campus is underway. The new science building, and significant upgrades to the existing buildings, will provide state of the art laboratories, research facilities and classrooms. Although a Liberal Arts College, today, science and technology is integrated into many disciplines and the new facilities positions the College well to attract talented students as well as faculty.

Two of the City's private high schools recently upgraded their campuses. Lake Forest Academy recently completed a new student sports center, girls' dormitory, a new Science Center and a Student Union that rivals that of a small college. The Student Union is a hub for dining and social activities for students and faculty. Woodlands Academy, a Catholic girls' school, recently received a gift of the adjacent 22 acre property, the former Barat Campus. The two campuses are now fully integrated providing space for competition level athletic fields and expanded facilities for faculty and students.

Construction of a new \$180 million replacement hospital on the campus of the existing Northwestern Lake Forest Hospital is nearing completion. Road improvements to support this new development are complete and the new hospital, nearly 500,000 square feet, and will offer state of the art in-patient and out-patient care, diagnostics, cancer and cardiac wings, and medical offices. The City and Hospital teams have worked closely together over the past five years developing plans, studying traffic patterns, addressing stormwater runoff and gaining the necessary approvals from local and State agencies in support of this project. The park-like health and wellness campus will be a regional medical facility, while at the same time offering Lake Forest residents the unique benefit of a community hospital. The new hospital is scheduled to be fully operational in the first quarter of 2018.

The hospital is part of the City of Lake Forest's history and remains a cornerstone of the community. The campus today includes the Hospital Health & Fitness Center, Dearhaven Child Care and Learning Center, Westmoreland Nursing Center and the Women's Auxiliary of Lake Forest Hospital. The Emergency department provides adult and pediatric emergency care, urgent care and a 24-hour Level II trauma center. The hospital also provides community education programs covering prevention and wellness, seminars related to specific diseases and treatments, support groups and a comprehensive selection of perinatal and parenting classes. Upon completion of the new hospital, the campus is expected to incorporate opportunities for research and education as the campus continues to grow and change to respond to healthcare needs of the future.

SOCIOECONOMIC INFORMATION

The following statistics pertain principally to the City. Additional comparisons are made with Lake County (the “County”) and the State of Illinois (the “State”).

Employment

Following are lists of large employers located in the City and in the surrounding area.

Major City Employers(1)

<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Northwestern Lake Forest Hospital	General Medical and Surgical Hospital	1,600
Hospira, Inc.	Corporate Headquarters and Surgical and Medical Instruments.....	1,350
Trustmark Companies	Health and Life Insurance Benefits and Administration.....	800
Lake Forest College	Higher Education	500 (2)
Lake Forest Community High School District No. 115...	Secondary Education	350 (3)
Pactiv LLC.....	Corporate Headquarters and Specialty Packaging Products.....	300
City of Lake Forest	Municipal Government.....	275
Brunswick Corp.	Corporate Headquarters and Sporting and Athletic Goods.....	200
Packaging Corp. of America	Corporate Headquarters and Containerboard and Corrugated Packaging..	200

- Notes: (1) Source: the City. Data for 2016.
 (2) Excludes student employees.
 (3) Excludes coaches, community education employees and student employees.

Major Area Employers(1)

<u>Location</u>	<u>Name</u>	<u>Description</u>	<u>Approximate Employment</u>
Deerfield.....	Walgreen Co.	Company Headquarters; Pharmacy & Drugstore	9,600
Northbrook.....	The Allstate Corporation.....	Corporate Headquarters; Insurance	8,750
Deerfield.....	Baxter International, Inc.....	Corporate Headquarters; Pharmaceutical Products	4,000
Northfield.....	Kraft Heinz Foods Company.....	Company Headquarters; Food Products	3,300
Northbrook.....	Underwriters Laboratories.....	Corporate Headquarters; Product Testing and Certification.....	2,000
Buffalo Grove...	Siemens Building Technologies.....	Building Control Systems.....	1,800
Deerfield.....	Takeda Pharmaceuticals USA, Inc.....	Corporate Headquarters; Pharmaceutical Products	1,700
Wheeling.....	Durable Packaging International.....	Aluminum Foil and Packaging Products	1,500
Northbrook.....	CVS Caremark	Drug Store Chain.....	1,400
Glenview.....	Abt Electronics, Inc.....	Consumer Electronics & Appliances	1,200
Highland Park...	Highland Park Hospital.....	Hospital.....	1,200
Buffalo Grove...	I. S. I.	Management Consultants.....	1,200
Deerfield.....	Mondelez International.....	Corporate Headquarters; Confectionery, Food and Beverage Company...	1,200
Northbrook.....	Astellas Pharma US, Inc.....	Corporate Headquarters; Pharmaceutical Research Laboratories.....	1,150
Glenview.....	Anixter, Inc.	Corporate Headquarters; Telecommunications Products.....	1,000
Glenview.....	Glenbrook Hospital	General Hospital	1,000
Northbrook.....	Northbrook Court	Shopping Mall.....	1,000
Lincolnshire....	Zebra Technologies	Corporate Headquarters; Label Printing	900
Glenview.....	Glenbrook High School District 225....	Secondary Education.....	849
Wheeling.....	Handi-Foil Corp.	Aluminum Foil and Packaging Products	800
Lincolnshire....	HydraForce, Inc.	Hydraulic Cartridge Valves.....	750
Wheeling.....	Segerdahl Corp.	Corporate Headquarters; Digital Printing	725
Northfield.....	College of American Pathologists.....	Pathologists' Membership Association	600
Glenview.....	Midwest Industrial Packaging.....	Packaging Equipment.....	600

- Note: (1) Source: The County, the 2016 Illinois Services Directory, the 2016 Illinois Manufacturers Directory and a selective telephone survey.

The following tables show employment by industry and by occupation for the City, Lake County (the “County”) and the State of Illinois (the “State”) as reported by the U.S. Census Bureau 2011-2015 American Community Survey 5-year estimated values.

Employment By Industry(I)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining.....	40	0.5%	856	0.3%	64,380	1.1%
Construction.....	209	2.7%	16,494	4.9%	313,232	5.1%
Manufacturing.....	799	10.1%	54,669	16.1%	765,301	12.6%
Wholesale Trade.....	417	5.3%	14,885	4.4%	184,522	3.0%
Retail Trade.....	659	8.4%	39,821	11.7%	668,523	11.0%
Transportation and Warehousing, and Utilities.....	88	1.1%	11,921	3.5%	358,122	5.9%
Information.....	187	2.4%	6,492	1.9%	123,286	2.0%
Finance and Insurance, and Real Estate and Rental and Leasing.....	1,446	18.4%	26,916	7.9%	446,219	7.3%
Professional, Scientific, and Management, Administrative, and Waste Management Services.....	1,587	20.1%	46,588	13.7%	695,791	11.4%
Educational Services and Health Care and Social Assistance....	1,664	21.1%	65,163	19.2%	1,396,976	23.0%
Arts, Entertainment and Recreation and Accommodation and Food Services.....	420	5.3%	31,016	9.2%	551,219	9.1%
Other Services, Except Public Administration.....	287	3.6%	14,326	4.2%	288,602	4.7%
Public Administration.....	77	1.0%	9,812	2.9%	230,053	3.8%
Total.....	7,880	100.0%	338,959	100.0%	6,086,226	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015.

Employment By Occupation(I)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science, and Art.....	5,145	65.3%	142,158	41.9%	2,241,849	36.8%
Service.....	472	6.0%	51,931	15.3%	1,057,682	17.4%
Sales and Office.....	1,964	24.9%	86,415	25.5%	1,493,597	24.5%
Natural Resources, Construction, and Maintenance.....	154	2.0%	20,244	6.0%	444,435	7.3%
Production, Transportation, and Material Moving.....	145	1.8%	38,211	11.3%	848,663	13.9%
Total.....	7,880	100.0%	338,959	100.0%	6,086,226	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015.

Unemployment rates for the City are well below the County and the State levels, as shown below.

Annual Average Unemployment Rates(I)

Calendar Year	The City	The County	The State
2004.....	3.1%	5.5%	6.2%
2005.....	2.7%	4.7%	5.7%
2006.....	2.5%	4.2%	4.5%
2007.....	2.9%	5.0%	5.1%
2008.....	3.8%	6.7%	6.5%
2009.....	5.7%	9.8%	10.0%
2010.....	6.3%	10.5%	10.3%
2011.....	5.6%	9.4%	9.8%
2012.....	5.3%	8.7%	8.9%
2013.....	7.1%	8.7%	9.2%
2014.....	5.4%	6.5%	7.1%
2015.....	4.7%	5.5%	5.9%
2016.....	N/A	5.2%	5.9%

Note: (1) Source: Illinois Department of Employment Security and the City.

Building Permits

City Building Permits(1)

Fiscal Year	Building Permits Issued	Residential Construction	Commercial Construction
2004	4,308	83	3
2005	4,740	128	5
2006	4,055	44	1
2007	3,501	22	3
2008	3,491	33	1
2009	3,142	23	3
2010	2,610	4	1
2011	3,072	8	2
2012	3,451	11	1
2013	3,197	7	2
2014	3,418	17	1
2015	3,668	15	1
2016	3,855	51	1

Note: (1) Source: the City.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City's owner-occupied homes was \$841,400. This compares to \$245,300 for the County and \$173,800 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2011-2015 American Community Survey.

Home Values(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$50,000	55	1.0%	6,656	3.7%	240,110	7.6%
\$50,000 to \$99,999	63	1.1%	14,881	8.3%	518,898	16.3%
\$100,000 to \$149,999	79	1.4%	23,958	13.3%	533,593	16.8%
\$150,000 to \$199,999	24	0.4%	27,259	15.2%	527,923	16.6%
\$200,000 to \$299,999	218	3.8%	35,313	19.6%	648,006	20.4%
\$300,000 to \$499,999	576	10.0%	37,866	21.1%	473,931	14.9%
\$500,000 to \$999,999	2,499	43.2%	27,235	15.1%	188,536	5.9%
\$1,000,000 or more	2,269	39.2%	6,617	3.7%	46,708	1.5%
Total	5,783	100.0%	179,785	100.0%	3,177,705	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015.

Mortgage Status(1)

	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage	3,731	64.5%	131,085	72.9%	2,104,166	66.2%
Housing Units Without a Mortgage ..	2,052	35.5%	48,700	27.1%	1,073,539	33.8%
Total	5,783	100.0%	179,785	100.0%	3,177,705	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015.

Income

Per Capita Personal Income for the Highest Income Counties in the State(1)

<u>Rank</u>		<u>2011-2015</u>
1	DuPage County	\$39,336
2	Lake County	39,299
3	McHenry County	33,735
4	Monroe County	32,889
5	Piatt County	32,724
6	Will County	31,310
7	McLean County	31,305
8	Kane County	31,056
9	Kendall County	31,053
10	Sangamon County	31,024
11	Cook County	31,013

Note: (1) Source: U. S. Bureau of the Census. 2011-2015
American Community 5-Year Estimates.

The following shows the median family income for counties in the Chicago metropolitan area.

Ranking of Median Family Income(1)

<u>County</u>	<u>Family Income</u>	<u>Rank</u>
DuPage County	\$96,751	1
Lake County	93,668	2
Kendall County	91,612	3
McHenry County	89,768	4
Will County	87,950	5
Kane County	81,718	8
Cook County	67,324	23

Note: (1) Source: U. S. Bureau of the Census,
American Community Survey, 2011-2015
estimates.

The U.S. Census Bureau 5-year estimated values reported that the City had a median family income of \$185,917. This compares to \$93,668 for the County and \$71,546 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2011-2015 American Community Survey.

Family Income(1)

<u>Value</u>	<u>The City</u>		<u>The County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under \$10,000	127	2.4%	5,202	2.9%	137,468	4.4%
\$10,000 to \$14,999	31	0.6%	3,425	1.9%	83,523	2.7%
\$15,000 to \$24,999	89	1.7%	8,496	4.7%	219,861	7.0%
\$25,000 to \$34,999	62	1.2%	9,595	5.4%	247,041	7.9%
\$35,000 to \$49,999	237	4.5%	16,988	9.5%	372,279	11.9%
\$50,000 to \$74,999	373	7.1%	28,020	15.6%	572,734	18.3%
\$75,000 to \$99,999	428	8.2%	23,386	13.0%	460,502	14.7%
\$100,000 to \$149,999	774	14.8%	35,259	19.7%	554,220	17.7%
\$150,000 to \$199,999	608	11.6%	20,797	11.6%	234,835	7.5%
\$200,000 or more	<u>2,498</u>	<u>47.8%</u>	<u>28,153</u>	<u>15.7%</u>	<u>242,220</u>	<u>7.8%</u>
Total	5,227	100.0%	179,321	100.0%	3,124,683	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$256,202. This compares to \$78,026 for the County and \$57,574 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2011-2015 American Community Survey.

Household Income(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	217	3.3%	10,067	4.2%	343,101	7.2%
\$10,000 to \$14,999	106	1.6%	6,987	2.9%	217,426	4.5%
\$15,000 to \$24,999	271	4.1%	16,736	6.9%	477,279	10.0%
\$25,000 to \$34,999	139	2.1%	17,446	7.2%	449,729	9.4%
\$35,000 to \$49,999	370	5.5%	25,939	10.7%	610,069	12.7%
\$50,000 to \$74,999	527	7.9%	39,891	16.5%	851,656	17.8%
\$75,000 to \$99,999	625	9.4%	30,291	12.5%	609,496	12.7%
\$100,000 to \$149,999	933	14.0%	41,436	17.1%	676,505	14.1%
\$150,000 to \$199,999	657	9.8%	23,040	9.5%	272,382	5.7%
\$200,000 or more	2,828	42.4%	30,593	12.6%	278,745	5.8%
Total	6,673	100.0%	242,426	100.0%	4,786,388	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015.

Retail Activity

The table below shows certain sales tax receipts collected by the City as an indicator of commercial activity.

Retailers' Occupation, Service Occupation and Use Tax(1)

State Fiscal Year Ending June 30	State Sales Tax Distribution(2)	Annual Change + (-)
2007.....	\$2,783,698	23.56%(3)
2008.....	3,050,438	9.58%
2009.....	2,971,996	(2.57%)
2010.....	2,519,529	(15.22%)
2011.....	2,414,327	(4.18%)
2012.....	2,406,211	(0.34%)
2013.....	2,596,446	7.91%
2014.....	2,834,067	9.15%
2015.....	2,756,064	(2.75%)
2016.....	2,671,045	(3.08%)
Growth from 2007 to 2016		(4.05%)

- Notes: (1) Source: Illinois Department of Revenue.
 (2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the City, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State. Includes Home Rule Sales Taxes.
 (3) The 2007 percentage is based on 2006 sales tax receipts of \$2,252,966.

THE PROJECT

The proceeds of the Bonds will be used: (i) to finance certain capital improvements to the City's water treatment plant (the "Project"), and (ii) to pay the costs of issuance of the Bonds. The Project includes the replacement of membranes and improvements to increase capacity of the City's water treatment plant.

RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Construction Risks

There are potential risks that could affect the ability of the City to timely complete the Project. [While preliminary costs have been projected by the City's consulting architects, not all of the construction contracts have been let by the City.] No assurance can be given that the cost of completing the Project will not exceed available funds. Completion of the Project involves many risks common to large construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.

Finances of the State of Illinois

The State of Illinois (the "State") has experienced adverse fiscal conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. In addition, the underfunding of the State's pension systems has contributed to the State's poor financial health. The State has also been operating since July 1, 2015, without a fully enacted budget for the fiscal year ending June 30, 2016 ("Fiscal Year 2016"), and has not enacted a budget for the fiscal year ending June 30, 2017 ("Fiscal Year 2017"). Certain Fiscal Year 2016 appropriations, however, were enacted, including the approval of spending for elementary and secondary education, and other certain Fiscal Year 2016 spending occurred through statutory transfers, statutory continuing appropriations, court orders and consent decrees.

As described below, Fiscal Year 2017 spending for elementary and secondary education has been approved for the entire fiscal year and includes an increase of \$361 million over Fiscal Year 2016 levels. As for Fiscal Year 2017 spending for all other purposes, the General Assembly approved a stopgap six-month budget, which authorized spending through December 31, 2016. Nonetheless, even with this partial-year budget, there will continue to be delays in payments of bills and the State's backlog of unpaid bills will continue to grow.

The State's general fiscal condition, the underfunding of the State's pension systems and the State's continuing budget impasse have materially adversely affected the State's financial condition and may result in decreased or delayed State appropriations to the City.

The City cannot predict the effect the State's ongoing financial problems may have on the City's future finances.

Local Economy

The financial health of the City is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the City.

Declining Equalized Assessed Valuations

The amount of property taxes extended for the City is determined by applying the various operating tax rates and the bond and interest tax rate levied by the City to the City's Equalized Assessed Valuation ("EAV"). The City's EAV could decrease for a number of reasons including, but not limited to, a decline in property values or large taxpayers moving out of the City. As detailed below, the City's EAV has declined in four of the most recent five years. Declining EAVs and increasing tax rates (certain of which may reach their rate ceilings) could reduce the amount of taxes the City is able to receive.

Loss or Change of Bond Rating

A credit rating for the Bonds has been requested from Moody's Investors Service, New York, New York ("Moody's"). The rating can be changed or withdrawn at any time for reasons both under and outside the City's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the City to comply with the Undertaking for continuing disclosure (see "**CONTINUING DISCLOSURE**" and "**THE UNDERTAKING**" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various state and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City, or the taxing authority of the City. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the City, the taxable value of property within the City, and the ability of the City to levy property taxes or collect revenues for its ongoing operations.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

DEBT INFORMATION

After issuance of the Bonds, the City will have outstanding \$56,285,000* principal amount of general obligation bonded debt. Approximately 56% of this indebtedness, \$31,510,000*, is expected to be repaid from sources other than City-wide property taxes, principally water system revenues and tax increment finance revenues. In addition, the City has \$1,441,205 aggregate principal amount of special service area bonds. The City does not intend to issue additional debt in 2017.

The City voted to become a home rule unit under the 1970 Illinois Constitution in 2004 and, as such, has no statutory general obligation debt limit, is not required to seek referendum approval for the issuance of the Bonds, and has no statutory tax rate limitations for any purpose. The City Council, however, has pledged to abide by the "property tax cap" limitations of the Property Tax Extension Limitation Law ("PTELL"), unless: (i) the City Council has determined that a bona fide emergency or legal requirement dictates said increase, or (ii) that an advisory referendum has determined support with the City for said increase.

Pursuant to Ordinance Number 2013-070, the City is prohibited from levying property taxes to pay debt service on its general obligation bonds in an amount in excess of its 2004 debt service levy (as adjusted for Consumer Price Index increases) plus levies for capital improvements. Bonds expected to be repaid from sources other than general property taxes (such as the Bonds, which are expected to be paid from net revenues of the City waterworks system) are not included in such prohibition. The City also agreed to abide by the "property tax cap" for the City's aggregate levy in accordance with PTELL. The City may, however, increase its aggregate levy by more than the "property tax cap" (but not more than 5%) by a three-fourths vote of the City Council, but only if the moneys raised by such increase in property taxes in excess of the aggregate levy otherwise authorized under PTELL are used either: (a) for supplementing the City's Capital Improvement Fund; or (b) to replace revenues lost because of changes in the amount of the State Revenue Sharing Moneys paid to the City.

When issued, the Bonds will meet the restrictions of the City self-imposed tax cap described above and consequently are full faith and credit general obligation bonds and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount.

Outstanding Bonded Debt(1)
 (Principal Only)

Fiscal Year Ending April 30	Series 2009	Series 2010B	Series 2010C	Series 2011A	Series 2011B	Series 2013	Series 2015	The Bonds (2)	Total Bonded Debt (2)	Cumulative Retirement(2) Amount	Percent
2018.....	\$ 180,000	\$ 0	\$ 210,000	\$125,000	\$ 2,270,000	\$ 100,000	\$ 175,000	\$ 0	\$ 3,060,000	\$ 3,060,000	5.44%
2019.....	185,000	0	225,000	130,000	2,300,000	200,000	175,000	0	3,215,000	6,275,000	11.15%
2020.....	190,000	0	215,000	130,000	2,400,000	350,000	305,000	0	3,590,000	9,865,000	17.53%
2021.....	200,000	0	405,000	140,000	2,470,000	430,000	305,000	0	3,950,000	13,815,000	24.54%
2022.....	205,000	0	415,000	0	2,530,000	435,000	340,000	0	3,925,000	17,740,000	31.52%
2023.....	215,000	0	425,000	0	2,605,000	440,000	355,000	0	4,040,000	21,780,000	38.70%
2024.....	225,000	0	435,000	0	1,870,000	450,000	370,000	505,000	3,855,000	25,635,000	45.54%
2025.....	235,000	0	445,000	0	0	460,000	385,000	515,000	2,040,000	27,675,000	49.17%
2026.....	245,000	0	460,000	0	0	475,000	405,000	530,000	2,115,000	29,790,000	52.93%
2027.....	255,000	0	475,000	0	0	480,000	410,000	545,000	2,165,000	31,955,000	56.77%
2028.....	265,000	0	490,000	0	0	495,000	435,000	560,000	2,245,000	34,200,000	60.76%
2029.....	280,000	0	490,000	0	0	930,000	650,000	575,000	2,925,000	37,125,000	65.96%
2030.....	0	540,000	240,000	0	0	960,000	695,000	595,000	3,030,000	40,155,000	71.34%
2031.....	0	780,000	0	0	0	1,085,000	740,000	615,000	3,220,000	43,375,000	77.06%
2032.....	0	820,000	0	0	0	1,120,000	705,000	640,000	3,285,000	46,660,000	82.90%
2033.....	0	860,000	0	0	0	1,125,000	720,000	660,000	3,365,000	50,025,000	88.88%
2034.....	0	0	0	0	0	0	1,530,000	685,000	2,215,000	52,240,000	92.81%
2035.....	0	0	0	0	0	0	330,000	715,000	1,045,000	53,285,000	94.67%
2036.....	0	0	0	0	0	0	340,000	740,000	1,080,000	54,365,000	96.59%
2037.....	0	0	0	0	0	0	350,000	770,000	1,120,000	55,485,000	98.58%
2038.....	0	0	0	0	0	0	0	800,000	800,000	56,285,000	100.00%
Total.....	\$2,680,000	\$3,000,000	\$4,930,000	\$525,000	\$16,445,000	\$9,535,000	\$9,720,000	\$9,450,000	\$56,285,000		

Notes: (1) Source: the City.
 (2) Subject to change.

General Obligation Debt Outstanding - By Issue(1)
 (Principal Only)

Property Tax Supported	Amount
General Obligation Bonds, Series 2009.....	\$ 2,680,000
Taxable General Obligation Bonds, Series 2010B (Recovery Zone Economic Development Bonds – Direct Payment)	3,000,000
Taxable General Obligation Bonds, Series 2010B (Build America Bonds – Direct Payment).....	4,930,000
General Obligation Refunding Bonds, Series 2013.....	9,535,000
General Obligation Bonds, Series 2015 – (Laural Avenue Portion)	4,630,000
Total Property Tax Supported.....	\$24,775,000
Self-Supporting	
General Obligation Refunding Bonds, Series 2011A.....	\$ 525,000
General Obligation Refunding Bonds, Series 2011B.....	16,445,000
General Obligation Bonds, Series 2015 – (TIF Portion)	5,090,000
The Bonds (2)	9,450,000
Total Self Supporting(2).....	\$31,510,000
Total Outstanding General Obligation Debt(2)	\$56,285,000

Notes: (1) Source: the City.
 (2) Subject to change.

Detailed Overlapping Bonded Debt(1) (As of March 1, 2017)

	Outstanding Debt	Applicable to City	
		Percent (2)	Amount
Schools:			
School District No. 67	\$ 5,601,829	100.00%	\$ 5,601,829
School District No. 103	8,165,000	0.01%	817
High School District No. 115	38,940,000	78.59%	30,602,946
Community College District No. 532	67,415,000	10.37%	6,990,936
Total Schools			\$43,196,527
Others:			
Lake County	\$188,095,000	9.84%	\$18,508,548
Lake County Forest Preserve District	270,445,000	9.84%	26,611,788
Total Others			\$45,120,336
Total Overlapping Debt			\$88,316,863

- Notes: (1) Source: Lake County Clerk.
 (2) Overlapping percentages are based on 2015 EAVs, the most current available.

Statement of Bonded Indebtedness(1)(2)

	Amount Applicable	Ratio To		Per Capita (2010 Census 19,375)
		Equalized Assessed	Estimated Actual	
City EAV of Taxable Property, 2015	\$2,307,936,059	100.00%	33.33%	\$119,119.28
Estimated Actual Value, 2015	\$6,923,808,177	300.00%	100.00%	\$357,357.84
Total Direct Bonded Debt(3)	\$ 56,285,000	2.44%	0.81%	\$ 2,905.03
Less: Self-supporting Debt(3)	(31,510,000)	(1.37%)	(0.46%)	(1,626.32)
Total Net Direct Bonded Debt(3)	\$ 24,775,000	1.07%	0.36%	\$ 1,278.71
Overlapping Bonded Debt:				
Schools	\$ 43,196,527	1.87%	0.62%	\$ 2,229.50
Others	45,120,336	1.96%	0.65%	2,328.79
Total Overlapping Bonded Debt	\$ 88,316,863	3.83%	1.28%	\$ 4,558.29
Total Direct and Overlapping Bonded Debt(3)	\$ 144,601,863	6.27%	2.09%	\$ 7,463.32

- Notes: (1) Source: Lake County Clerk.
 (2) As of March 1, 2017 for Overlapping Bonded Debt and the date of issuance of the Bonds for Direct Bonded Debt.
 (3) Subject to change.

DEFAULT RECORD

The City has no record of default and has met its debt repayment obligations promptly.

SHORT-TERM BORROWING

The City has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2015 levy year, the City's EAV was comprised of approximately 91 % residential, 9 % commercial, and less than 1 % industrial, farm and railroad property valuations.

City Equalized Assessed Valuation(1)(2)

Property Class	Levy Years				
	2011	2012	2013	2014	2015
Residential	\$2,302,061,004	\$2,166,702,992	\$2,047,760,158	\$2,047,958,906	\$2,105,361,682
Farm	4,142,688	2,485,744	3,330,967	4,001,932	4,080,940
Commercial	203,074,638	207,360,589	200,625,492	196,562,054	196,233,065
Industrial	70,382	65,556	62,064	61,541	46,548
Railroad	1,266,392	1,432,258	1,768,723	1,844,203	2,213,824
Total	\$2,510,615,104	\$2,378,047,139	\$2,253,547,404	\$2,250,468,636	\$2,307,936,059
Percent change +(-)	(5.67%) (3)	(5.28%)	(5.24%)	(0.14%)	2.55%

- Notes: (1) Source: Lake County Clerk.
 (2) Excludes the incremental valuation in the City's tax increment financing districts.
 (3) Percentage based on 2010 Equalized Assessed Valuation of \$2,661,423,512.

Representative Tax Rates Per \$100 of Equalized Assessed Valuation(1)

	Levy Years				
	2011	2012	2013	2014	2015
Bonds and Interest	\$0.068	\$0.071	\$0.088	\$0.090	\$0.067
Pensions (Police, Fire, IMRF)	0.165	0.182	0.202	0.210	0.209
Library	0.141	0.157	0.169	0.172	0.170
Playgrounds and Recreation	0.178	0.194	0.209	0.212	0.214
Corporate Fund	0.483	0.544	0.580	0.590	0.619
Total Tax Rate	\$1.035	\$1.148	\$1.248	\$1.274	\$1.279
Lake County and Forest Preserve Dist.	0.755	0.820	0.881	0.893	0.871
North Shore Sanitary Dist.	0.150	0.150	0.164	0.169	0.166
Lake Forest Elementary School District No. 67	1.186	1.322	1.424	1.453	1.429
Lake Forest High School No. 115	1.191	1.322	1.420	1.448	1.409
Community College Dist. No. 532	0.240	0.272	0.296	0.306	0.299
All Other	0.069	0.065	0.069	0.072	0.070
Total (2)	\$4.626	\$5.099	\$5.502	\$5.615	\$5.523
City as a Percent of Total	22.37%	22.51%	22.68%	22.69%	23.17%

- Notes: (1) Source: Lake County Clerk.
 (2) Representative tax rate is for Shields Township Tax Code 14, which represents 44% of the City's 2015 Equalized Assessed Valuation.

City Tax Extensions and Collections(1)

Levy Year	Coll. Year	Taxes Extensions	Total Collections	
			Amount	Percent
2006	2007	\$22,999,873	\$22,979,703	99.91%
2007	2008	23,895,634	23,863,170	99.86%
2008	2009	25,213,226	25,174,923	99.85%
2009	2010	25,526,887	25,486,745	99.84%
2010	2011	26,348,093	26,312,509	99.86%
2011	2012	25,984,866	25,911,250	99.72%
2012	2013	27,299,981	27,199,369	99.63%
2013	2014	28,124,272	28,016,472	99.62%
2014	2015	28,673,693	28,622,736	99.82%
2015	2016 (2)	29,528,749	29,479,003	99.83%

- Notes: (1) Source: the City and the Lake County Treasurer.
 (2) Collections as of January 19, 2017.

Major City Taxpayers(1)

Major Taxpayers	Business/Service	2015 EAV(2)
Hospira Inc., a Pfizer Company	Corporate HQ and Surgical and Medical Instruments	\$18,519,759
Abbott Laboratories	Real Property	14,112,229
The Presbyterian Home	Retirement Facility	12,567,495
Chicago Title Land and Trust	Real Property	9,328,491
Pactiv Corporation	Real Property	8,645,053
Northwestern Lake Forest Hospital	General Medical and Surgical Hospital	8,561,969
ATG Trust Co.	Real Property	7,848,904
Trustmark Insurance Co.	Health and Life Insurance and Benefits Administration	7,646,395
Lake Forest Landmark Company, LLC	Office Building	6,619,908
Lake Forest Bank and Trust	Banking	5,918,683
Total		\$99,768,886
Ten Largest as a percent of 2015 EAV (\$2,307,936,059)		4.32%

- Notes: (1) Source: Lake County Clerk.
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2015 EAV is the most current available.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Tax Levy and Collection Procedures

Local assessment officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local assessment officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

Exemptions

The Illinois Property Tax Code, as amended (the "Property Tax Code"), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000 for tax year 2012 and thereafter.

The Homestead Improvement Exemption applies to Residential Property that has been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to \$75,000 per year, to the extent the Assessed Valuation is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2013, the maximum exemption is \$5,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of \$55,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Beginning January 1, 2015 purchasers of certain single family homes and residences of one to six units located in certain distressed communities can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by CPI. Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the "Natural Disaster Exemption") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the equalized assessed value of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Disabled Veterans' Exemption exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs.

The Disabled Veterans' Standard Homestead Exemption provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, or the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time homestead exemption of \$5,000.

Finally, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

Property Tax Extension Limitation Law

PTELL limits the amount of the annual increase in property taxes to be extended for certain Illinois non-home rule units of government. In general, PTELL restricts the amount of such increases to the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Currently, PTELL applies only to and is a limitation upon all non-home rule taxing bodies in Cook County, the five collar counties (DuPage, Kane, Lake, McHenry and Will) and several downstate counties.

As a home rule unit, the City is exempt under State law from the limitations contained in PTELL. However, the City has agreed by ordinance to abide by certain provisions of PTELL, with certain exceptions. See **"DEBT INFORMATION"** herein.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The City covenanted in the Bond Ordinance that it will not take any action which would adversely affect the levy, extension, collection and application of the taxes levied by the City for payment of principal of and interest on the Bonds. The City also covenanted that it will comply with all present and future laws concerning the levy, extension and collection of such taxes levied by the City.

FINANCIAL INFORMATION

Budgetary Information

The City Council follows these procedures in establishing the budgetary and appropriations data reflected in its financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and estimated revenues.
2. Public budget and appropriations meetings are conducted by the City to obtain taxpayer comments.
3. The budget and the appropriation ordinance, which is 10% higher than the budget, are both legally enacted through action of the City Council. Once enacted, the budget cannot be amended without approval from the City Council. Funds may have expenditures in excess of budgeted amounts, but legally may not have expenditures in excess of appropriations.
4. The legal level of budgetary control is the fund level. Management may make transfers of appropriations within a fund. Any expenditures that exceed the total appropriations at the fund level must be approved by the City Council.
5. Formal budgetary integration and legally adopted budgets are employed as a management control device during the year for all Funds, through an internal reporting system. Such budgetary integration permits the City's department managers to monitor actual revenues and expenditures relative to budgets on an ongoing basis throughout the year. Formal encumbrance accounting is not used, and appropriations not used by the end of the fiscal year lapse.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Investment Policy

The City is authorized to invest in the following types of securities under Illinois law and the City's investment policy:

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America;
- Bonds, notes, debentures, or other similar obligations of U.S. Government or its agencies, or government sponsored enterprises (GSEs);
- Interest bearing bonds of any county, township, city, incorporated town, municipal corporation, or school district, and the bonds shall be registered in the name of the municipality or held under a custodial agreement at a bank, provided the bonds shall be rated at the time of purchase within the 4 highest general classifications established by a nationally recognized statistical rating organization (NRSRO);
- Interest-bearing savings accounts, interest-bearing certificates of deposit, interest-bearing deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act (205 ILCS 5/1 et seq.), provided, however, that such investments may be made only in banks which are insured by the Federal Deposit Insurance Corporation;
- Certificate of Deposit Account Registry Service (CDARS) certificates of deposit or Insured Cash Sweep (ICS) service;
- Commercial Paper - issuer must be a United States corporation with more than \$500 million in assets, rating must be within the highest tier (e.g., A-1, P-1, F-1, D-1, or higher) by two NRSROs, and such purchases cannot exceed 10% of the corporation's outstanding obligations, and such purchases cannot exceed one-third of funds;
- Money Market Mutual Funds - registered under the Investment Company Act of 1940 (15 U.S.C.A. § 80a-1 et seq.), provided the portfolio is limited to bonds, notes, certificates, treasury bills, or other security which are guaranteed by the full faith and credit of the federal government as to principal and interest;
- Short term discount obligations of the Federal National Mortgage Association (established by or under the National Housing Act (1201 U.S.C. 1701 et seq.)), or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of Illinois or any other state or under the laws of the United States, provided, however, that the shares or investment certificates of such savings banks or savings and loan associations are insured by the Federal Deposit Insurance Corporation;
- Dividend-bearing share accounts, share certificates accounts, or class of share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States; provided, however, the principal office of the credit unions must be located within the State of Illinois; and, provided further, that such investments may be made only in those credit unions the accounts of which are insured by applicable law;
- Illinois Funds;
- Illinois Metropolitan Investment Fund (IMET) – (1) 1-3 year Fund and (2) Convenience Fund; and

- Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 (15 U.S.C.A. § 780-5) subject to the provisions of that Act and the regulations issued thereunder, provided, however, that such government securities, unless registered or inscribed in the name of the City, shall be purchased through banks or trust companies authorized to do business in the State of Illinois; and such other repurchase agreements as are authorized in subsection (h) of Section 2 of the Public Funds Investment Act (30 ILCS 235/2). Repurchase agreements may be executed only with approved financial institutions or broker/dealers meeting the City's established standards, which shall include mutual execution of a Master Repurchase Agreement adopted by the City.

Financial Reports

The City's financial statements are audited annually by certified public accountants. The City's financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to governmental entities. See **APPENDIX A** for more detail.

No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the "Excerpted Financial Information") contained in this "**FINANCIAL INFORMATION**" section and in **APPENDIX A** are from the audited financial statements of the City, including the audited financial statements for the fiscal year ended April 30, 2016 (the "2016 Audit") which was approved by formal action of the City Council. The 2016 Audit was prepared by Baker Tilly Virchow Krause, LLP, the City's independent auditor (the "Auditor"). The Auditor has not been engaged to perform, and has not performed since the date of its 2016 Audit report, any procedures on the financial statements addressed in the 2016 Audit report. The Auditor also has not performed any procedures relating to this Official Statement.

The City has not requested the Auditor to update information contained in the Excerpted Financial Information; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Excerpted Financial Information has not been updated since the date of the 2016 Audit. The inclusion of the Excerpted Financial Information in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2016 Audit. Questions or inquiries relating to financial information of the City since the date of the 2016 Audit should be directed to the City.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. For its fiscal year ended April 30, 2017, the City expects an increase of approximately \$1,800,000 in its General Fund fund balance. The City has passed a balanced budget for its fiscal year ending April 30, 2018. See **APPENDIX A** for the City's 2016 fiscal year audit.

Statement of Net Position

	Audited as of April 30				
	2012	2013	2014	2015	2016
ASSETS:					
Cash and Cash Equivalents	\$ 33,692,501	\$ 33,654,290	\$ 36,993,159	\$ 37,671,531	\$ 48,493,885
Investments	3,235,374	3,549,244	4,074,228	4,359,036	4,487,724
Property Held of Resale	0	0	0	380,000	380,000
Receivables (net):					
Property Taxes	24,736,822	23,473,050	24,193,594	24,670,331	25,526,738
Other Taxes	208,533	354,314	488,656	406,832	343,289
Accounts	1,226,319	895,021	778,016	1,015,835	1,375,185
Loans	2,029,272	2,020,763	1,504,421	1,208,044	905,054
Other	233,435	468,726	763,686	1,404,950	1,370,947
Due from Other Governments	2,239,891	1,869,073	1,861,326	1,933,837	1,662,440
Internal Balances	(688,361)	(61,448)	(189,922)	(369,946)	(545,075)
Inventories	351,225	341,765	413,082	397,273	429,436
Prepays	640,619	616,665	585,715	643,472	698,889
Due from Fiduciary Funds	0	0	0	0	18,382
Deferred Charges – Bond Issuance Costs	193,426	180,420	0	0	0
Net Pension Asset	1,318,752	1,598,911	1,997,994	2,432,828	0
Capital Assets:					
Not Being Depreciated	112,447,582	112,238,404	112,097,527	112,681,944	113,144,182
Being Depreciated, Net	116,872,079	112,390,263	107,933,860	102,535,256	101,614,443
Total Assets	<u>\$298,737,469</u>	<u>\$293,589,461</u>	<u>\$293,495,342</u>	<u>\$291,371,223</u>	<u>\$299,905,519</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Loss on Refunding	\$ 0	\$ 0	\$ 131,510	\$ 98,303	\$ 68,701
Resources Related to Pensions	0	0	0	0	10,576,993
Total Deferred Outflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,645,694</u>
LIABILITIES:					
Accounts Payable	\$ 1,147,747	\$ 1,207,340	\$ 1,370,610	\$ 1,866,976	\$ 2,272,967
Accrued Liabilities	1,212,431	1,283,589	1,462,603	1,803,648	1,697,242
Accrued Interest Payable	529,727	498,524	554,756	488,702	475,710
Retainage Payable	75,544	0	0	25,838	0
Deposits	843,290	819,155	1,000,237	770,528	953,263
Unearned Revenue – Property Taxes (1)	24,736,822	23,473,050	0	0	0
Unearned Revenue – Other	2,826,200	2,508,608	2,226,151	2,009,528	1,839,321
Long Term Obligations:					
Due within One Year	1,477,734	1,500,949	1,723,436	1,718,218	1,911,696
Due in More than One Year	38,958,362	37,606,798	36,275,624	34,574,042	92,345,953
Total Liabilities	<u>\$ 71,807,857</u>	<u>\$ 68,898,013</u>	<u>\$ 44,613,417</u>	<u>\$ 43,257,480</u>	<u>\$101,496,152</u>
DEFERRED INFLOWS OF RESOURCES:					
Property Tax Levies for Future Periods	\$ 0	\$ 0	\$ 24,193,594	\$ 24,670,331	\$ 25,526,738
Resources Related to Pensions	0	0	0	0	2,020,708
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,547,446</u>
NET POSITION:					
Investment in Capital Assets,					
Net of Related Debt	\$190,779,593	\$187,500,531	\$184,270,349	\$181,056,601	\$181,481,470
Restricted For:					
Capital Projects	5,024,844	3,878,148	4,216,899	3,784,497	6,491,161
Debt Service	1,786,492	1,908,750	1,144,118	1,316,900	1,201,300
Culture and Recreation	3,543,895	3,156,476	3,281,627	3,173,000	3,608,444
Highways and Streets	285,530	802,946	1,365,820	319,264	811,846
Public Safety	399,690	493,184	687,810	524,673	547,826
Cemetery Purposes	3,749,480	4,101,381	4,445,734	4,935,384	5,143,285
Affordable Housing	852,136	765,794	760,934	726,659	702,211
Parking	957,420	957,420	957,420	957,420	0
Unrestricted	19,550,532	21,126,818	23,689,130	26,747,317	(18,479,928)
Total Net Position	<u>\$226,929,612</u>	<u>\$224,691,448</u>	<u>\$224,819,841</u>	<u>\$223,541,715</u>	<u>\$181,507,615</u>

Note: (1) Format change in 2014.

Statement of Activities Governmental Activities Net (Expense) Revenue and Charges in Net Assets

	Audited Fiscal Year Ended April 30				
	2012	2013	2014	2015	2016
PRIMARY GOVERNMENT:					
Governmental Activities(1):					
General Government	\$ (7,118,227)	\$ (10,619,465)	\$ (6,979,740)	\$ (6,690,972)	\$ (2,961,632)
Highways and Streets	(6,156,640)	(6,096,708)	(6,290,201)	(7,199,098)	(7,609,224)
Sanitation	(2,487,243)	(2,453,995)	(2,508,978)	(1,792,293)	(1,510,891)
Culture and Recreation	(5,792,084)	(6,637,672)	(6,536,383)	(6,616,445)	(4,721,843)
Public Safety	(11,888,284)	(11,861,128)	(12,468,455)	(13,493,422)	(14,795,532)
Interest on Long-Term Debt	(1,420,087)	(1,362,715)	(1,333,267)	(1,357,552)	(1,293,742)
Total Governmental Activities	\$ (34,862,565)	\$ (39,031,683)	\$ (36,117,024)	\$ (37,149,782)	\$ (32,892,864)
General Revenues:					
Property Taxes	\$ 25,428,378	\$ 25,051,411	\$ 23,744,650	\$ 24,468,769	\$ 25,006,224
Replacement Taxes	124,086	130,549	136,430	142,763	115,251
Sales Tax	2,577,304	3,183,479	3,047,529	2,851,103	2,889,306
Income Tax	1,938,686	2,131,711	2,182,325	2,386,567	2,251,828
Utility Tax	3,981,548	3,736,586	4,026,972	2,589,941	2,195,830
Real Estate Transfer Tax	1,215,407	1,209,113	1,633,580	1,224,610	1,288,175
Other Taxes	368,660	362,869	445,013	391,862	174,760
Telecommunication	0	0	0	1,364,060	1,355,661
Investment Income	264,432	491,196	637,193	547,118	145,329
Other	33,724	573,705	669,145	73,613	224,220
Transfers	(37,746)	(77,100)	(97,000)	(168,750)	(924,496)
Total	\$ 35,894,479	\$ 36,793,519	\$ 36,425,837	\$ 35,871,656	\$ 34,722,088
Change in Net Position	\$ 1,031,914	\$ (2,238,164)	\$ 308,813	\$ (1,278,126)	\$ 1,829,224
Net Position - Beginning of Year	225,897,698	226,929,612	224,511,028	224,819,841	179,678,391 (2)
Net Position - End of Year	<u>\$226,929,612</u>	<u>\$224,691,448</u>	<u>\$224,819,841</u>	<u>\$223,541,715</u>	<u>\$181,507,615</u>

Notes: (1) Expenses less Program Revenues of Charges for Services, Operating Grants, and Capital Grants.
 (2) As restated.

General Fund Balance Sheet

	Audited as of April 30				
	2012	2013	2014	2015	2016
ASSETS:					
Cash and Investments	\$11,986,385	\$12,464,462	\$16,246,124	\$19,453,778	\$23,746,130
Property Taxes Receivable	15,528,966	16,491,864	16,843,533	17,199,721	17,724,843
Other Receivables	2,645,029	2,971,461	2,604,275	2,135,891	1,812,793
Due from other Funds	0	0	0	1,879,980	0
Due from other Governments	0	0	0	0	1,612,648
All Other Assets	2,332,408	2,582,227	2,441,210	440,788	367,170
Total Assets	<u>\$32,492,788</u>	<u>\$34,510,014</u>	<u>\$38,135,142</u>	<u>\$41,110,158</u>	<u>\$45,263,584</u>
LIABILITIES:					
Accounts Payable/Accrued Payroll	\$ 474,997	\$ 520,902	\$ 570,766	\$ 476,374	\$ 605,858
Deferred Property Tax Revenues(1)	15,528,966	16,491,864	0	0	1,449,668
All Other Liabilities	2,770,812	2,743,656	3,105,883	2,841,184	1,701,022
Total Liabilities	\$18,774,775	\$19,756,422	\$ 3,676,649	\$ 3,317,558	\$ 3,756,548
DEFERRED INFLOWS OF RESOURCES:					
Property Tax Levies for a Future Period	\$ 0	\$ 0	\$16,843,533	\$17,199,721	\$17,724,843
Other Unavailable Revenues	0	0	0	76,590	0
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$16,843,533	\$17,276,311	\$17,724,843
FUND BALANCE:					
Nonspendable	\$ 2,159,403	\$ 2,775,449	\$ 2,126,990	\$ 1,648,832	\$ 1,272,224
Restricted	957,420	957,420	957,420	957,420	0
Unreserved - Undesignated - Unassigned	10,601,190	11,020,723	14,530,550	17,910,037	22,509,969
Total Fund Balance	<u>\$13,718,013</u>	<u>\$14,753,592</u>	<u>\$17,614,960</u>	<u>\$20,516,289</u>	<u>\$23,782,193</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$32,492,788</u>	<u>\$34,510,014</u>	<u>\$38,135,142</u>	<u>\$41,110,158</u>	<u>\$45,263,584</u>

Note: (1) Format change in 2014.

General Fund Revenues and Expenditures(1)

	Audited Fiscal Year Ended April 30				
	2012	2013	2014	2015	2016
REVENUES:					
Taxes:					
Property.....	\$15,433,117	\$15,720,048	\$16,683,102	\$17,035,476	\$17,430,405
Other.....	8,871,480	9,437,860	9,663,772	3,320,856	2,885,141
Intergovernmental Revenues.....	0	0	0	6,265,533	6,145,512
Grants and Contributions.....	21,715	1,526	10,215	2,002	0
Charges for Services.....	2,642,136	2,797,993	3,065,786	2,917,441	3,074,032
Licenses and Permits.....	2,475,739	2,450,194	2,477,338	2,821,066	5,222,568
Fines and Forfeitures.....	372,607	368,941	297,005	287,333	254,563
Investment Income.....	83,782	53,506	57,559	70,843	99,319
Other.....	668,840	1,202,752	709,054	771,515	777,621
Total Revenues.....	\$30,569,416	\$32,032,820	\$32,963,831	\$33,492,065	\$35,889,161
EXPENDITURES:					
Current:					
General Government.....	\$ 9,130,298	\$10,804,352	\$ 9,184,712	\$ 9,304,354	\$ 9,624,910
Highways and Streets.....	2,139,656	2,044,225	2,293,840	2,371,461	2,157,463
Sanitation.....	2,228,844	2,193,091	2,212,166	2,235,135	2,276,433
Public Safety.....	13,378,659	13,552,368	14,074,949	14,311,143	14,879,565
Capital Outlay.....	31,190	0	11,490	492,547	1,789,865
Debt Service.....	0	0	0	0	173,360
Total Expenditures.....	\$26,908,647	\$28,594,036	\$27,777,157	\$28,714,640	\$30,901,596
Excess (Deficiency) of Revenues Over Expenditures.....	\$ 3,660,769	\$ 3,438,784	\$ 5,186,674	\$ 4,777,425	\$ 4,987,565
OTHER FINANCING SOURCES (USES) :					
Loan Proceeds.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 830,080
Transfers In.....	0	107,737	0	57,162	0
Transfers Out.....	(2,170,775)	(2,510,942)	(2,325,306)	(1,933,258)	(2,551,741)
Total Other Financing Sources and Uses, Net....	\$(2,170,775)	\$(2,403,205)	\$(2,325,306)	\$(1,876,096)	\$(1,721,661)
Net Change in Fund Balance.....	\$ 1,489,994	\$ 1,035,579	\$ 2,861,368	\$ 2,901,329	\$ 3,265,904
Fund Balance – Beginning of Year.....	\$12,228,019	\$13,718,013	\$14,753,592	\$17,614,960	\$20,516,289
Fund Balance – End of Year.....	\$13,718,013	\$14,753,592	\$17,614,960	\$20,516,289	\$23,782,193

Note: (1) This condensed financial information has been excerpted from the full Comprehensive Annual Financial Reports of The City of Lake Forest. The full financial statements, together with report of the City's independent auditors, are available upon request. The General Corporate Fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (both measurable and available). Expenditures, other than interest on long-term debt, are recorded when the liability is incurred, if measurable. Property taxes due within the current fiscal year and collected within the current fiscal year or within 60 days of the end of the fiscal year are recorded as revenue. As a result, the current year tax levy, which has a payment due date after the end of the current fiscal year, is not recorded as revenue but rather as a receivable with a corresponding amount of deferred revenue.

General Fund Budget Financial Information

	Budget Fiscal Year 2017
REVENUES:	
Property Taxes	\$17,994,691
Sales Tax	2,750,901
Telecommunication and Utility Tax.....	3,618,191
State Income Tax/Local Use.....	2,556,308
Other Taxes	416,425
Building Permits.....	1,673,075
Licenses	1,478,500
Fines	285,250
Interest	80,012
Charges for Services.....	2,139,730
Miscellaneous	652,650
Total Revenues.....	\$33,645,733
EXPENDITURES:	
Office of the City Manager.....	\$915,869
City Council	415,805
Cable TV	230,846
Finance	831,522
Information Technology.....	629,645
CROYA	608,049
Police	9,170,749
Fire	6,250,038
Human Resources.....	525,405
Community Development.....	1,728,970
Public Works/Engineering.....	7,037,649
Non-Department	4,037,395
Total Expenditures.....	\$32,381,942
Revenues over (under) Expenditures.....	\$ 1,263,791(1)

Note: (1) As of April 4, 2017, The City expects FY2017 revenue to cover all FY2017 expenditures.

EMPLOYEE RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS

See **APPENDIX D** herein for a discussion of the City's employee retirement and other postemployment benefits obligations.

REGISTRATION, TRANSFER AND EXCHANGE

Registration

The registered owner of a Bond will be deemed and regarded as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal of, premium, if any, or interest thereon and for all other purposes whatsoever, and all such payments so made to such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Bond Registrar will be affected by any notice to the contrary.

Transfers and Exchanges

The transfer of Bonds will be registerable only upon the registration books maintained by the City for that purpose at the principal corporate trust office of the Bond Registrar, by the registered owner thereof or by his attorney duly authorized in writing, upon surrender thereof together with an instrument of transfer satisfactory to the Bond Registrar and duly executed by the registered owner or his duly authorized agent. Upon such surrender for transfer, the City will execute and the Bond Registrar will authenticate and deliver a new Bond or Bonds of any authorized denominations, registered in the name of the transferee, and of the same aggregate principal amount, maturity and interest rate as the surrendered Bond.

Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate and of any authorized denominations, upon surrender thereof as the principal corporate trust office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his duly authorized agent.

For every such exchange or registration of transfer of Bonds, the City or the Bond Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption. No charge will be made in connection with such exchange or registration of transfer to pay the cost of preparing each new Bond issued upon such exchange or registration of transfer.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 1st day of the month of any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the “Code”), includes provisions for an alternative minimum tax (“AMT”) for corporations in addition to the regular corporate tax in certain cases. The AMT, if any, depends upon the corporation’s alternative minimum taxable income (“AMTI”), which is the corporation’s taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation’s “adjusted current earnings” over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). “Adjusted current earnings” would include certain tax-exempt interest, including interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the “Issue Price”) for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, in the addendum to this Official Statement.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the “OID Bonds”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the City complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond’s stated redemption price at maturity or, in the case of a OID Bond, its Issue Price plus accreted original issue discount (the “Revised Issue Price”), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

See **APPENDIX C** for the proposed form of Bond Counsel opinion for the Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the City’s compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are “qualified tax-exempt obligations” under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

CONTINUING DISCLOSURE

The City will enter into a Continuing Disclosure Undertaking (the “Undertaking”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the “MSRB”) pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934. No person, other than the City, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under “**THE UNDERTAKING.**”

A failure by the City to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The City must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the City and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the City.

Annual Financial Information Disclosure

The City covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. At present, such dissemination is made through the MSRB’s Electronic Municipal Market Access system referred to as EMMA (“EMMA”). The City is required to deliver such information within 210 days after the last day of the City’s fiscal year (currently on April 30). If Audited Financial Statements are not available when the Annual Financial Information is filed, the City will file unaudited financial statements. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

“Annual Financial Information” means

1. The table under the heading of **Retailers’ Occupation, Service Occupation and Use Tax** within this Official Statement;
2. All of the tables under the heading **PROPERTY ASSESSMENT AND TAX INFORMATION** within this Official Statement;
3. All of the tables under the heading **DEBT INFORMATION** within this Official Statement; and
4. All of the tables under the heading **FINANCIAL INFORMATION** (Excluding Budget and Interim Financial Information) within this Official Statement.

“Audited Financial Statements” means financial statements of the City as audited annually by independent certified public accountants. Audited Financial Statements are expected to continue to be prepared according to Generally Accepted Accounting Principles as applicable to governmental units (i.e., as subject to the pronouncements of the Governmental Accounting Standards Board and subject to any express requirements of State law).

Reportable Events Disclosure

The City covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The “Events” are:

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the City*
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Consequences of Failure of the City to Provide Information

The City shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the City to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the City to comply with the Undertaking shall be an action to compel performance.

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the City by ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

- (a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the City, or type of business conducted; or
- (ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the City shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

Termination of Undertaking

The Undertaking shall be terminated if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. The City shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertaking, the City shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through EMMA for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

OPTIONAL REDEMPTION

The Bonds maturing on or after December 15, 2026, are subject to redemption prior to maturity at the option of the City in whole or in part on any date on or after December 15, 2025, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot.

The Bond Registrar will give notice of redemption, identifying the Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption will be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the City will not redeem such Bonds, and the Bond Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the City will deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on the date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Ordinance, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Bond Registrar at the redemption price.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the "Bond Counsel"), who has been retained by, and acts as, Bond Counsel to the City. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the City, reviewed only those portions of this Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), the description of the federal tax exemption of the interest on the Bonds and the "bank-qualified" status of the Bonds. This review was undertaken solely at the request and for the benefit of the City and did not include any obligation to establish or confirm factual matters set forth herein.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the City, and all expressions of opinion, whether or not so stated, are intended only as such.

INVESTMENT RATING

The City has supplied certain information and material concerning the Bonds and the City to Moody's, including certain information and materials which may not have been included in this Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of Moody's and an explanation of the significance of such rating may be obtained from Moody's. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment rating may be obtained from the rating agency: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658. The City will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on May 15, 2017. The best bid submitted at the sale was submitted by _____ (the "Underwriter"). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$ _____. The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the addendum to this Official Statement.

MUNICIPAL ADVISOR

The City has engaged Speer Financial, Inc. as municipal advisor (the "Municipal Advisor") in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in the Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the City's continuing disclosure undertaking.

CERTIFICATION

We have examined this Official Statement dated May __, 2017, for the \$9,450,000* General Obligation Bonds, Series 2017, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ **ROBERT T.E. LANSING** _____
Mayor
CITY OF LAKE FOREST
Lake County, Illinois

/s/ **ROBERT R. KIELY, JR.**
City Manager
CITY OF LAKE FOREST
Lake County, Illinois

APPENDIX A

CITY OF LAKE FOREST, LAKE COUNTY, ILLINOIS

FISCAL YEAR 2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX C
PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX D

CITY OF LAKE FOREST, LAKE COUNTY, ILLINOIS

**EXCERPTS OF FISCAL YEAR 2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
RELATING TO THE CITY'S PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS**

OFFICIAL BID FORM
(Open Speer Auction)

City of Lake Forest
220 East Deerpath
Lake Forest, Illinois 60045

May 15, 2017
Speer Financial, Inc.

City Council Members:

For the \$9,450,000* General Obligation Bonds, Series 2017 (the "Bonds"), of the City of Lake Forest, Lake County, Illinois (the "City"), as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you \$_____ (no less than \$9,374,400) for Bonds bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). The dated date and delivery date for the Bonds is expected to be on or about June 5, 2017. **The premium or discount, if any, is subject to adjustment allowing the same \$_____ gross spread per \$1,000 bond as bid herein.**

MATURITIES* - DECEMBER 15

\$505,000	2023	\$575,000	2028	\$685,000	2033
515,000	2024	595,000	2029	715,000	2034
530,000	2025	615,000	2030	740,000	2035
545,000	2026	640,000	2031	770,000	2036
560,000	2027	660,000	2032	800,000	2037

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois. The City will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the City's good faith bank and under the terms provided in the Official Notice of Sale for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the City in the amount of the Deposit under the terms provided in the Official Notice of Sale for the Bonds.

Form of Deposit (Check One)

Prior to Bid Opening:
Certified/Cashier's Check ☐
Wire Transfer ☐

Within TWO hours of Bidding:
Wire Transfer ☐

Amount: \$189,000

Account Manager Information

Name _____

Address _____

By _____

City _____ State/Zip _____

Direct Phone (_____) _____

FAX Number (_____) _____

E-Mail Address _____

The foregoing bid is hereby accepted and the Bonds sold, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

CITY OF LAKE FOREST, LAKE COUNTY, ILLINOIS

Mayor

*Subject to change.

----- NOT PART OF THE BID -----
(Calculation of true interest cost)

	Bid	Post Sale Revision
Gross Interest	\$	
Less Premium/Plus Discount	\$	
True Interest Cost	\$	
True Interest Rate	%	%
TOTAL BOND YEARS	_____	
AVERAGE LIFE	_____ Years	Years

OFFICIAL NOTICE OF SALE

\$9,450,000*

CITY OF LAKE FOREST

**Lake County, Illinois
General Obligation Bonds, Series 2017**

(Open Speer Auction)

The City of Lake Forest, Lake County, Illinois (the "City"), will receive **open auction** electronic bids on the SpeerAuction ("SpeerAuction") website address "www.SpeerAuction.com" for its \$9,450,000* General Obligation Bonds, Series 2017 (the "Bonds"), on an all or none basis between 10:45 A.M. and 11:00 A.M., C.D.T., Monday, May 15, 2017. To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City's sale (as described below). Award will be made or all bids rejected at a meeting of the City Council on that date. The City reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thompson Municipal News*.

The Bonds are valid and legally binding upon the City payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds.

- (1) All bids must be submitted on the SpeerAuction website at www.SpeerAuction.com. **No telephone, telefax or personal delivery bids will be accepted.** The use of SpeerAuction shall be at the bidder's risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to the Auction Administrator, Grant Street Group, at (412) 391-5555 x 370.
- (2) If any new bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.
- (3) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid, the prior bid will remain valid.
- (4) The last bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.
- (5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)
- (6) On the Auction Page, bidders will be able to see whether a bid has been successfully submitted.

Rules of SpeerAuction

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

**Subject to change.*

Rules

- (1) A bidder ("Bidder") submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the City, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the City.
- (2) **Neither the City, Speer Financial, Inc., nor Grant Street Group (the "Auction Administrator") is responsible for technical difficulties that result in the loss of the Bidder's internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.**
- (3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the City exercises its right to reject bids, as set forth herein.
- (4) Bids which generate error messages are not accepted until the error is corrected and the bid is received prior to the deadline.
- (5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.
- (6) Neither the City, Speer Financial, Inc., nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Preliminary Official Statement as they appear on SpeerAuction.
- (7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.
- (8) Neither the City, Speer Financial, Inc., nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's SpeerAuction password.
- (9) If two bids submitted in the same auction by two or more different Bidders result in same True Interest Cost, the first unconfirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.
- (10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to the Auction Administrator within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Bonds are definitively awarded to the winning bidder only upon official award by the City. If, for any reason, the City fails to: (i) award Bonds to the winner reported by SpeerAuction, or (ii) deliver Bonds to winning bidder at settlement, neither the City, Speer Financial, Inc., nor the Auction Administrator will be liable for damages.

The City reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the City reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thompson Municipal News*.

The Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry only form. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the first day of the month in which an interest payment date occurs. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar (as hereinafter defined) in Chicago, Illinois. Semiannual interest is due June 15 and December 15 of each year commencing December 15, 2017, and is payable by _____, Chicago, Illinois (the "Bond Registrar"). The Bonds are dated as of the date of delivery (expected to be on or about June 5, 2017).

MATURITIES* - DECEMBER 15

\$505,000	2023	\$575,000	2028	\$685,000	2033
515,000	2024	595,000	2029	715,000	2034
530,000	2025	615,000	2030	740,000	2035
545,000	2026	640,000	2031	770,000	2036
560,000	2027	660,000	2032	800,000	2037

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds maturing on or after December 15, 2026, are callable at the option of the City in whole or in part on any date on or after December 15, 2025, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot.

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed six percent (6%). All bids must be for all of the Bonds, and must be for not less than \$9,374,400.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the City as determined by the City's Financial Advisor, which determination shall be conclusive and binding on all bidders; *provided*, that the City reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of profit per \$1,000 bond as submitted on the Official Bid Form.

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the City's Financial Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The City or its Financial Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-32. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per bond.

The **winning bidder** is required to wire transfer from a solvent bank or trust company to the City's good faith bank the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the City. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received within such two hour time period provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

The Deposit of the successful bidder will be retained by the City pending delivery of the Bonds and all others will be promptly returned. Should the successful bidder fail to take up and pay for the Bonds when tendered in accordance with this Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the City caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Bonds. No interest on the Deposit will accrue to the purchaser.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
30 N. LaSalle Street, 38th Floor
Chicago, IL 60602
ABA # 071003405
Credit To: 3281 Speer Bidding Escrow
RE: City of Lake Forest, Lake County, Illinois
bid for the \$9,450,000* General Obligation Bonds, Series 2017

Contemporaneously with such wire transfer, the bidder shall send an email to biddingscrows@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such bidder is not awarded the Bonds. The City and any bidder who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful bidder; (ii) if the bid is accepted, the Deposit shall be forwarded to the City; (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the bidder; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

If a Financial Surety Bond is used for the Deposit, it must be from an insurance company licensed to issue such a bond in the State of Illinois and such bond must be submitted to Speer prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder using a Financial Surety Bond, then that purchaser is required to submit its Deposit to the City in the form of a certified or cashier's check or wire transfer as instructed by Speer, or the City not later than 3:00 P.M. on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the City to satisfy the Deposit requirement.

The City covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the City for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the Bonds.

The winning bidder shall provide a certificate, in form as drafted by or acceptable to Bond Counsel, to evidence the issue price of each maturity of the Bonds, the form of which certificate is available upon request.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the City in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the City in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about June 5, 2017. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in the Rule. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda. By awarding the Bonds to any underwriter or underwriting syndicate, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 100 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the City it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the unqualified opinion of Chapman and Cutler LLP, Chicago, Illinois, stating that the Bonds are lawful and enforceable obligations of the City in accordance with their terms; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the City.

The City intends to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Bonds. Copies of such Official Statement or additional information may be obtained from Ms. Elizabeth Holleb, Director of Finance, City of Lake Forest, 800 North Field Drive, Lake Forest, Illinois 60045; telephone (847) 810-3612 or an electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Official Statements Sales Calendar/Competitive" from the Independent Public Finance Consultants to the City, Speer Financial, Inc., One North LaSalle Street, Suite 4100, Chicago, Illinois 60602, telephone (312) 346-3700.

/s/ **ROBERT T.E. LANSING**
Mayor
CITY OF LAKE FOREST
Lake County, Illinois

/s/ **ROBERT R. KIELY, JR.**
City Manager
CITY OF LAKE FOREST
Lake County, Illinois

ORDINANCE NO. 2017-__

AN ORDINANCE providing for the issuance of \$9,450,000 General Obligation Bonds, Series 2017, of the City of Lake Forest, Lake County, Illinois, for the purpose of financing certain capital improvements to said City's water treatment plant, providing for the levy and collection of a direct annual tax sufficient to pay the principal and interest on said bonds, and authorizing the sale of said bonds to _____.

WHEREAS, the City of Lake Forest, Lake County, Illinois (the "*City*"), has elected pursuant to the provisions of the 1970 Constitution of the State of Illinois and particularly Article VII, Section 6(a) thereof, to become a home rule unit and as such may exercise any power or perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and to incur debt; and

WHEREAS, pursuant to the provisions of said Section 6, the City has the power to incur debt payable from ad valorem property tax receipts or from any other lawful source and maturing within 40 years from the time it is incurred without prior referendum approval; and

WHEREAS, the City Council of the City (the "*Council*") has considered the needs of the City and has determined and does hereby determine that it is necessary, desirable and in the best interests of the City to borrow at this time the sum of \$9,450,000 to finance certain capital improvements to the City's water treatment plant and pay expenses incidental thereto (the "*Project*"); and

WHEREAS, it is in the best interest of the City to issue bonds of the City (the "*Bonds*") in the aggregate principal amount of \$9,450,000 to evidence said borrowing and for the purpose of paying costs of the Project; and

WHEREAS, the Bonds shall be payable from a direct annual ad valorem tax levied against all taxable property in the City, without limitation as to rate or amount; and

WHEREAS, pursuant to Ordinance No. 2013-070, adopted by the Council on the 2nd day of December, 2013 (*“Ordinance No. 2013-070”*), and notwithstanding the City’s home rule status, the City has adopted a limit on the amount of property taxes it may levy on an annual basis to provide for debt service payments on its outstanding general obligation bonds to an amount not exceeding its 2004 debt service property tax levy (as adjusted for Consumer Price Index increases) plus levies for capital improvements (the *“City Debt Limit”*); and

WHEREAS, the City has not levied any separate property taxes for capital improvements, but has three outstanding series of general obligation bonds that are expected to be repaid from sources other than general property taxes, namely, the City’s General Obligation Refunding Bonds, Series 2011A, General Obligation Refunding Bonds, Series 2011B, and a portion of the General Obligation Bonds, Series 2015; and

WHEREAS, the Bonds are also expected to be repaid from a source other than general property taxes, the same being the net revenues of the City’s waterworks system (the *“Net Revenues”*), and are therefore excluded from the restrictions of the City Debt Limit; and

WHEREAS, the County Clerk of The County of Lake, Illinois (the *“County Clerk”*), is therefore authorized to extend and collect direct annual ad valorem taxes so levied for the payment of the Bonds without limitation as to rate or amount;

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Lake Forest, Lake County, Illinois, in the exercise of its home rule powers, as follows:

Section 1. Incorporation of Preambles. The Council hereby finds that all of the recitals contained in the preambles to this Ordinance are true, correct and complete and does incorporate them into this Ordinance by this reference.

Section 2. Authorization. It is hereby found and determined that pursuant to the provisions of the Illinois Municipal Code, as supplemented and amended, and the home rule

powers of the City under Section 6 of Article VII of the Illinois Constitution of 1970 (in the event of conflict between the provisions of said code and home rule powers, the home rule powers shall be deemed to supersede the provisions of said code) (the “*Act*”), the Council has been authorized by law to borrow the sum of \$9,450,000 upon the credit of the City and as evidence of such indebtedness to issue bonds of the City in said amount, the proceeds of said bonds to be used for the Project, and that it is necessary to borrow \$9,450,000 of said authorized sum and issue the Bonds in evidence thereof, and these findings and determinations, together with those set forth in the preambles to this Ordinance, shall be deemed conclusive.

Section 3. Bond Details. There be borrowed by for and on behalf of the City the sum of \$9,450,000 for the purpose aforesaid, and that bonds of the City shall be issued in said amount and shall be designated “General Obligation Bonds, Series 2017”. The Bonds shall be dated June 5, 2017, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each or authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Bonds shall become due and payable serially (subject to prior redemption as hereinafter set forth) on December 15 of each of the years, in the amounts and bearing interest per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT (\$)	RATE OF INTEREST (%)
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 15 and December 15 of each year, commencing on December 15, 2017.

Interest on each Bond shall be paid by check or draft of _____, Chicago, Illinois, as bond registrar and paying agent (the “*Bond Registrar*”), payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the 1st day of the month of the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the principal corporate trust office of the Bond Registrar.

Section 4. Execution; Authentication. The Bonds shall be executed on behalf of the City by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, as they shall determine, and shall have impressed or imprinted

thereon the corporate seal or facsimile thereof of the City. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance.

Section 5. Registration of Bonds; Persons Treated as Owners. (a) *General.* The City shall cause books (the “*Bond Register*”) for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the City. The City is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond

Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, *provided, however*, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 1st day of the month of any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

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

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

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as

described in Section 3 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto (*"Cede"*), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns (*"DTC"*). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. Any officer of the City who is a signatory on the Bonds is authorized to execute and deliver, on behalf of the City, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the *"Representation Letter"*), which Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the City and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a *"DTC Participant"*) or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to the principal of or interest on the Bonds. The City and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond

Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the City to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions in Section 3 hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 1st day of the month of the applicable interest payment date, the name "Cede" in this Ordinance shall refer to such new nominee of DTC.

In the event that (i) the City determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the City, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the City determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall notify DTC and DTC Participants of the availability through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the City may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be

acceptable to the City, or such depository's agent or designee, and if the City does not select such alternate universal book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 5(a) hereof.

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

Section 6. Redemption. The Bonds maturing on or after December 15, 2026, shall be subject to redemption prior to maturity at the option of the City as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 15, 2025, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

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

of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

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

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

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar, and
- (6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the City shall have been received by the Bond Registrar prior to the giving of such

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

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

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

Section 8. Form of Bond. The Bonds shall be in substantially the following form; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, “See Reverse Side for Additional Provisions”, shall be omitted and paragraphs [6] through [11] shall be inserted immediately after paragraph [1]:

[FORM OF BOND - FRONT SIDE]

REGISTERED
NO. _____

REGISTERED
\$ _____

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF LAKE
CITY OF LAKE FOREST
GENERAL OBLIGATION BOND, SERIES 2017**

See Reverse Side for Additional Provisions

Interest Maturity Dated
Rate: _____% Date: December 15, 20____ Date: June 5, 2017 CUSIP: 509696 _____

Registered Owner:

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS that the City of Lake Forest, Lake County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, such interest to be payable on June 15 and December 15 of each year, commencing December 15, 2017, until said Principal Amount is paid or duly provided for. The principal of this Bond is payable in lawful money of the United States of America upon presentation hereof at the principal corporate trust office of _____, Chicago, Illinois, as bond registrar and paying agent (the “Bond Registrar”). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Bond Registrar, at the close of business on the 1st day of the month of the interest payment date.

Interest shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books, or at such other address furnished in writing by such Registered Owner to the Bond Registrar. For the prompt payment of this Bond both principal and interest at maturity, the full faith, credit and resources of the City are hereby irrevocably pledged.

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

[3] It is hereby certified and recited that all conditions, acts and things required by the Constitution and Laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, including the hereinafter defined Act, have existed and have been properly done, happened and been performed in regular and due form and time as required by law; that the indebtedness of the City, represented by the Bonds, and including all other indebtedness of the City, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the City sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

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

[5] IN WITNESS WHEREOF, the City of Lake Forest, Lake County, Illinois, by its City Council, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

SPECIMEN

Mayor, Lake Forest,
Lake County, Illinois

ATTEST:

SPECIMEN

City Clerk, Lake Forest
Lake County, Illinois

[SEAL]

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar and Paying Agent:

Chicago, Illinois

This Bond is one of the Bonds described in the within mentioned ordinance and is one of the General Obligation Bonds, Series 2017, of the City of Lake Forest, Lake County, Illinois.

_____, as Bond
Registrar

By _____
Authorized Officer

[FORM OF BOND - REVERSE SIDE]

CITY OF LAKE FOREST, LAKE COUNTY, ILLINOIS

GENERAL OBLIGATION BOND, SERIES 2017

[6] This Bond is one of a series of bonds (the “*Bonds*”) issued by the City for the purpose of financing capital improvements in the City including, but not limited to, infrastructure improvements to the City’s water treatment plant, and paying expenses incidental thereto, all as described and defined in the Ordinance of the City, passed by the City Council on the 15th day of May, 2017, authorizing the Bonds (the “*Ordinance*”), pursuant to and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as amended; as further supplemented and, where necessary, superseded, by the powers of the City as a home rule unit under the provisions of Section 6 of Article VII of the Illinois Constitution of 1970 (collectively, such Illinois Municipal Code and constitutional home rule powers, being the “*Act*”), and with the Ordinance, which has been duly approved by the Mayor, and published, in all respects as by law required.

[7] Bonds of the issue of which this Bond is one maturing on and after December 15, 2026, are subject to redemption prior to maturity at the option of the City as a whole, or in part in integral multiples of \$5,000 in any order of their maturity as determined by the City (less than all the Bonds of a single maturity to be selected by lot by the Bond Registrar), on December 15, 2025, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

[8] Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished in writing by such

registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

[9] This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[10] The Bonds are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the Ordinance. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 1st day of the month of any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

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

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assign, and transfers unto _____

--

Here insert Social Security Number,
Employer Identification Number or
other Identifying Number

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____

Signature guaranteed: _____

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

Section 9. Sale of Bonds. The Bonds shall be executed as in this Ordinance provided as soon after the passage hereof as may be, shall be deposited with the City Treasurer, and shall be by the City Treasurer delivered to _____, _____, _____, the purchaser thereof (the "*Purchaser*"), upon receipt of the purchase price therefor, the same being \$_____; the contract for the sale of the Bonds (the "*Purchase Contract*") heretofore entered into is in all respects ratified, approved and confirmed, and the officers of the City designated in the Purchase Contract are authorized and directed to execute the Purchase Contract on behalf of the City, it being hereby declared that, to the best of the knowledge and belief of the Council, after due inquiry, no person holding any office of the City, either by election or appointment, is in any manner financially interested, either directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds and before the Council at the time of the adoption hereof (the "*Official Statement*") is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Council are hereby authorized to take any action as may be required on the part of the City to consummate the transactions contemplated by said contract for the purchase of the Bonds, this Ordinance, said Preliminary Official Statement, the Official Statement and the Bonds.

Section 10. Tax Levy; Abatement. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, there is hereby levied upon all of the taxable property within the City, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for

that purpose; and there is hereby levied on all of the taxable property in the City, in addition to all other taxes, the following direct annual tax (the “*Pledged Taxes*”), to-wit:

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:
2017	for interest up to and including December 15, 2018
2018	for interest
2019	for interest
2020	for interest
2021	for interest
2022	for interest and principal
2023	for interest and principal
2024	for interest and principal
2025	for interest and principal
2026	for interest and principal
2027	for interest and principal
2028	for interest and principal
2029	for interest and principal
2030	for interest and principal
2031	for interest and principal
2032	for interest and principal
2033	for interest and principal
2034	for interest and principal
2035	for interest and principal
2036	for interest and principal

Principal or interest maturing at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the City, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall be collected. There are no Pledged Taxes being levied to pay interest on the Bonds through December 15, 2017; such interest shall be paid from the Net Revenues or other lawfully available moneys of the City.

The City covenants and agrees with the purchasers and the holders of the Bonds that so long as any of the Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the foregoing tax levy and the City and its officers will comply with all present and future applicable

laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

In the event that funds from any other lawful source are made available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the taxes levied herein for the payment of same, the Council shall, by proper proceedings, direct the transfer of such funds to the hereinafter defined Bond Fund, and shall then further direct the abatement of the taxes by the amount so deposited. The City covenants and agrees that it will not direct the abatement of taxes until money has been deposited into the Bond Fund in the amount of such abatement. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerk in a timely manner to effect such abatement.

Section 11. Filing with County Clerk. Forthwith upon the passage of this Ordinance, the City Clerk of the City is hereby directed to file a certified copy of this Ordinance with the County Clerk; and the County Clerk shall in and for each of the years 2017 to 2036, inclusive, ascertain the rate necessary to produce the tax herein levied; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the City for general corporate purposes of the City; and, subject to abatement as stated hereinabove, in said years such annual tax shall be levied and collected by and for and on behalf of the City in like manner as taxes for general corporate purposes for said years are levied and collected, and in addition to and in excess of all other taxes, and when collected, the taxes hereby levied shall be placed to the credit of a special fund to be designated “Bond and Interest Fund Account of 2017” (the “*Bond Fund*”), which taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds.

Section 12. Use of Bond Proceeds. Accrued interest, if any, received on the delivery of the Bonds is hereby appropriated for the purpose of paying first interest due on the Bonds and is

hereby ordered deposited into the Bond Fund. The principal proceeds of the Bonds and any premium received from the sale of the Bonds are hereby appropriated to pay the costs of issuance of the Bonds and for the purpose of paying the cost of the Project, and that portion thereof not needed to pay such costs of issuance is hereby ordered deposited into the Capital Improvement Account of the City (the “*Project Fund*”). At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the City from the proceeds of the Bonds.

Section 13. Non-Arbitrage and Tax-Exemption. The City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Internal Revenue Code of 1986, as amended (the “*Code*”), or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service (the “*IRS*”) of the exemption from Federal income taxation for interest paid on the Bonds, under present rules, the City may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination.

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

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

Section 14. Designation of Issue. The City hereby designates each of the Bonds as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code.

Section 15. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

Section 16. Duties of Bond Registrar. If requested by the Bond Registrar, the Mayor and City Clerk of the City are authorized to execute the Bond Registrar’s standard form of agreement between the City and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

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

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

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

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

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

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

Section 17. Continuing Disclosure Undertaking. The Mayor or City Treasurer is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking (the “*Continuing Disclosure Undertaking*”) in connection with the issuance of the Bonds, with such provisions therein as he or she shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of such provisions. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

Section 18. Record-Keeping Policy and Post-Issuance Compliance Matters. On August 3, 2015, the Council adopted a record-keeping policy (the “*Policy*”) in order to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the

appropriate federal tax status for the debt obligations of the City, the interest on which is excludable from “gross income” for federal income tax purposes or which enable the City or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds. The Council and the City hereby reaffirm the Policy.

Section 19. Defeasance. Any Bond or Bonds which (a) are paid and cancelled, (b) which have matured and for which sufficient sums been deposited with the Bond Registrar to pay all principal and interest due thereon, or (c) for which sufficient (i) full faith and credit obligations of the United States, the timely payment of which are guaranteed by the United States Treasury, (ii) certificates of participation in a trust comprised solely of full faith and credit obligations of the United States, or (iii) cash, have been deposited with the Bond Registrar or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on or right to receive or be paid from the Pledged Taxes and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein as such relates to lien and security of the outstanding Bonds. All covenants relative to the tax-exempt status of the Bonds; and payment, registration, transfer, and exchange; are expressly continued for all Bonds whether outstanding Bonds or not.

Section 20. Superseder and Effective Date. All ordinances, resolutions, and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded, including expressly Ordinance No. 2013-070 to the extent necessary for the Bonds to be payable from a direct annual ad valorem tax levied against all taxable property in the City, without limitation as to rate or amount; and this Ordinance shall be in full force and effect immediately upon its passage and approval.

ADOPTED: May 15, 2017

AYES: _____

NAYS: _____

ABSTENTION: _____

ABSENT: _____

Approved: May 15, 2017

Mayor, City of Lake Forest,
Lake County, Illinois

ATTEST:

City Clerk, City of Lake Forest,
Lake County, Illinois

Recorded in the City Records on May 15, 2017.