

**THE CITY OF LAKE FOREST
CITY COUNCIL AGENDA**
Monday, October 21, 2019 at 6:30 pm
City Hall Council Chambers
220 E. Deerpath, Lake Forest

Honorable Mayor, George Pandaleon	
Prudence R. Beidler, Alderman First Ward	James Preschlack, Alderman Third Ward
James E. Morris, Alderman First Ward	Ara Goshgarian, Alderman Third Ward
Melanie Rummel, Alderman Second Ward	Michelle Moreno, Alderman Fourth Ward
Edward U. Notz, Jr. Alderman Second Ward	Raymond Buschmann, Alderman Fourth Ward

CALL TO ORDER AND ROLL CALL **immediately following Finance Committee Meeting**

PLEDGE OF ALLEGIANCE

REPORTS OF CITY OFFICERS

1. COMMENTS BY MAYOR

2. COMMENTS BY CITY MANAGER

3. COMMITTEE REPORTS

FINANCE COMMITTEE

1. Acknowledge Receipt of the FY2019 Treasurer's Report

PRESENTED BY: Diane Hall, Assistant Finance Director (847-810-3614)

PURPOSE AND ACTION REQUESTED: Staff requests that the City Council acknowledge receipt of the Fiscal Year 2019 Treasurer's Report.

BACKGROUND/DISCUSSION: Pursuant to Illinois Statute, a Treasurer's Report must be filed with the City Clerk, the County Clerk, and published in a Lake Forest newspaper within six months after the end of each fiscal year. The report will be published in the October 24, 2019, edition of the Lake Forester. The report may be found beginning on **page 13**.

BUDGET/FISCAL IMPACT: N/A

COUNCIL ACTION: Acknowledge receipt of the FY2019 Treasurer's Report

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

5. ITEMS FOR OMNIBUS VOTE CONSIDERATION

1. Approval of the October 7, 2019 City Council Meeting Minutes

A copy of the minutes can be found beginning on **page 20**.

COUNCIL ACTION: Approval of the October 7, 2019 City Council Meeting Minutes.

2. Approval of Revisions to the City Investment Policy

STAFF CONTACT: *Elizabeth Holleb, Finance Director (847-810-3612)*

PURPOSE AND ACTION REQUESTED: The City Council is asked to approve the proposed revisions to the City's Investment Policy.

BACKGROUND/DISCUSSION: In February of 2017, the City Council approved an updated investment policy that dated back to July 2004. State Statute and investment market conditions had changed significantly, prompting the Finance department staff to conduct a comprehensive review and revision of the City's investment policy. The staff was supported in this effort by Public Funds Consulting, LLC, a consultant specializing in assisting public agencies in drafting investment policies and procedures.

It is important to note that the City's investment policy relates to the investments made under the Public Funds Investment Act (the Act). The policy excludes investments administered by the Cemetery Commission, Police Pension Fund and Fire Pension Fund. Given significant statutory limitations on the investment of City funds and the prolonged period of low interest rates, the City has had little need for an investment program. The City benefits from a very favorable rate on deposits through its primary banking services agreement with Lake Forest Bank and Trust and those funds are fully collateralized, leaving less opportunity in recent years to achieve additional yield on City funds. As interest rates rise, the City is well positioned to take advantage of opportunities to increase investment income, with an updated investment policy, written investment procedures and a relationship with Multi-Bank Securities for its eConnectDirect (MBS eCD) product, approved by the City Council on August 5, 2019.

As staff began to work with MBS to implement the eCD user agreement, it was noted that the City could not leverage third-party safekeeping of securities through Pershing due to the current investment policy requirement that transactions be cleared and settled on a delivery-vs-payment (DVP) basis. To allow the City the benefit of no-cost third party safekeeping services without increasing risk to the City, it is proposed to allow cash settlement of investment purchases under specific conditions, as noted in the proposed revisions.

A second change proposed reflects a statutory change effective August 2018 (P.A. 100-0752) allowing entities under the Act to invest in corporate obligations of up to three years in maturity (previously commercial paper limited to 270 days).

A third and final change allows for City investment in investment pools other than Illinois Funds and IMET, provided they comply with the State Treasurer Act and Public Fund Investment Act.

A redlined document clearly denoting the proposed revisions can be found beginning on **Page 26**.

PROJECT REVIEW/RECOMMENDATIONS:

Reviewed	Date	Comments
City Council	8/5/19	Approval of an agreement with Multi-Bank Securities for eConnectDirect
City Council	2/6/17	Approval of Investment Policy
Finance Committee	1/17/17	Recommend City Council approval of proposed Investment Policy
Finance Committee	7/18/16	Discussion/Committee input

BUDGET/FISCAL IMPACT: None

COUNCIL ACTION: Approval of Revisions to the City Investment Policy

- 3. Approval of an Intergovernmental Agreement (IGA) Between The City of Lake Forest and The Illinois Department of Healthcare and Family Services (HFS) Regarding Enhanced Rates for Ambulance Services and Authorization to make required payments to HFS consistent with the IGA**

STAFF CONTACT: *Pete Siebert, Fire Chief (810-3864)*

PURPOSE AND ACTION REQUESTED: By entering into this Intergovernmental agreement, the Illinois Department of Healthcare and Family Services is able to provide greater cost recovery to The City of Lake Forest through enhanced rates for eligible ambulance transports.

BACKGROUND/DISCUSSION: The proposed IGA is related to Medicaid payments commonly known as GEMT (Ground Emergency Medical Transportation). The State Plan Amendment that was recently submitted to the Centers for Medicare and Medicaid Services for approval, are expected to be approved before the end of 2019. This is a very important program that will generate millions of Federal dollars for Illinois Fire Departments and Districts. Article XII of the Illinois Public Aid Code authorizes the Illinois Department of Healthcare and Family Services to make use of, aid and co-operate with State and local governmental agencies and the Intergovernmental Cooperation

Act, 5 ILCS 220/1 *et seq.* provides for cooperation between units of government. An entity that (1) operates a Fire Department (Provider) and (2) is enrolled in the Medical Assistance Program that provides covered ambulance services to individuals eligible for benefits under the Medical Assistance Program is eligible to receive said enhanced rates, if the costs of

providing the services described above is not covered by the fee schedule pursuant to which the Department and Managed Care Organizations (MCOs) pay for such services.

Approval of the Proposed IGA will allow the City to submit required documentation by the November 1, 2019 deadline to participate for the State's Fiscal Year 2020. A copy of the proposed IGA and supporting documents can be found beginning on **page 35**. The City's Fire and Finance Departments have begun preparation of the required documentation.

BUDGET/FISCAL IMPACT: The approval of the proposed IGA affords the City the ability to recoup increased revenue for Medicaid transports and will provide an increase in ambulance transport revenue. It is estimated that based on prior call volumes, the net annual revenue would be an estimated \$74,000.

COUNCIL ACTION: Approval of an Intergovernmental Agreement (IGA) Between The City of Lake Forest and The Illinois Department of Healthcare and Family Services Regarding Enhanced Rates for Ambulance Services and Authorization to make required payments to HFS consistent with the IGA.

4. **Approve an Addendum to Include New Equipment to the current HVAC Preventive Maintenance Contract Awarded to First Point Mechanical Services, L.L.C. for an Additional Sum of \$ 7,221.50.**

STAFF CONTACT: Dan Martin, Superintendent of Public Works (847-810-3561)

PURPOSE AND ACTION REQUESTED: City Staff requests City Council authorization to approve an addendum consisting of eleven new pieces of equipment to the current HVAC Preventive Maintenance Contract that City Council awarded to First Point Mechanical Services, L.L.C. on September 4, 2018. The eleven new pieces of HVAC equipment were installed at the Water Plant as part of the renovation project that was completed in spring of 2019.

BACKGROUND/DISCUSSION: In early 2018, the City teamed up with Buffalo Grove as part of the Municipal Partnership Initiative (MPI) to develop a joint bid for a three-year HVAC preventative maintenance services contract. In May of 2018 the following competitive bids were received:

Company	City of Lake Forest Bid Amount	Buffalo Grove Bid Amount
YMI Group	\$52,965.00	\$13,430.00
First Point Mechanical Services, L.L.C.	\$56,742.00*	\$60,038.00
Hayes Mechanical	\$60,774.00	\$42,371.00
GT Mechanical	\$83,531.00	\$34,150.00
Martin Peterson Company	\$90,491.00	\$39,491.00

*City's bid amount minus Gorton is \$56,742 - \$7,344 = \$49,398

First Point Mechanical Services was the lowest responsible bidder for the amount of \$49,398 (excluding Gorton Community Center's portion of \$7,344).

BUDGET/FISCAL IMPACT: The cost to provide preventative maintenance services to the eleven new pieces of equipment was determined by matching the pieces with equivalent

equipment costs in the current contract. The additional cost of the added equipment is \$3,575.00 per year. In November, the current contract will start the second year of a maximum three year contract. The remaining two years cannot exceed a two percent increase per year. The table below shows the original contract amount and the requested adjustment for the addendum amount, including the 2% increase per year.

Current Contracted Amount		FY2019	FY2020	FY2021
		\$49,398.00	\$50,385.96	\$51,393.68
Adjusted Contracted Amount		FY2019	FY2020	FY2021
		N/A	\$53,960.96	\$55,040.18
FY2019-21 Funding Source	Account Number	Adjusted Amount Requested		Budgeted? Y/N
Operating Budget	Multiple Accounts	\$158,399.14		Y

COUNCIL ACTION: Approve an Addendum to Include New Equipment to the current HVAC Preventive Maintenance Contract Awarded to First Point Mechanical Services, L.L.C. for an Additional Sum of \$ 7,221.50.

5. Approval of a First Amendment to the Restated Agreement Relating to the Gorton Property

STAFF CONTACT: *Julie Tappendorf, City Attorney*

PURPOSE AND ACTION REQUESTED: Staff requests approval of the First Amendment to the Restated Agreement Relating to the Gorton Property.

BACKGROUND/DISCUSSION: Over the past several months, City staff and City Council members have met with various representatives of the Gorton Board of Directors to discuss various amendments to the Restated Agreement between the Gorton Community Center and the City of Lake Forest. The current Restated Agreement (approved on July 1, 2013) defines the roles and responsibilities of the parties for the development, use, operation, and management of the Gorton property, which is owned by the City of Lake Forest.

A summary of the proposed changes included in the First Amendment presented to the City Council is below:

1. Subsection 10.C.1 would be amended to change the number of GCC Board members who are appointed by the City to three. Currently, the Restated Agreement provides that the greater of five or one-third of the Board of Directors will be City-appointed members. The term for the City-appointed members would also be modified from two years to three years, which is consistent with the GCC-appointed members, and allow for one renewal term.
2. Subsection 10.C.1 would also be amended to describe in more detail the duties and responsibilities of the Finance and Operations Subcommittee.
3. Subsection 10.C.1 would also provide that a City-appointed member serve as the Chair of the Finance and Operations Subcommittee as well as a member of the Executive Committee.

4. Subsection 10.C.2 would be amended to require the Membership Committee to realign the current membership of the GCC Board consistent with the changes to the membership proposed in 10.C.1.
5. Subsection 10.C.3 would be amended to clarify that GCC must submit annual budgets to the City Manager and Finance Chair of the City Council, and that the annual budget and plan must include a five year financial forecast and that the annual review must include a five-year capital needs plan.
6. Section 10.D.1.b would be amended to require GCC to include sufficient funding to satisfy annual maintenance obligations, and require GCC to maintain a minimum of \$25,000 in its maintenance budget in any year in which its endowment falls below \$2,000,000. It also requires any unspent maintenance funds to be placed in a maintenance reserve fund.
7. Exhibit E has been incorporated into the First Amendment to expressly describe the expectations and qualifications for City-appointed members of the GCC Board.

Please be advised that the GCC Board of Directors approved the proposed substantive changes in the First Amendment previously.

At the last City Council meeting, the City Council deferred action on the First Amendment to allow further discussion of additional changes to the First Amendment. Since the last meeting, the City Attorney modified the format of the First Amendment to be a "standalone" document rather than a "restated" agreement. The changes in the First Amendment being presented to the Council are the same as what was presented at the last meeting except that the format of the document has changed. Other questions and suggested changes to the Gorton Agreement are being referred to the PPL Committee for future discussion.

BUDGET/FISCAL IMPACT: N/A

Has City staff obtained competitive pricing for proposed goods/services? N/A

Beginning on **page 46** of your packet, you will find both a "redline" version of the proposed First Amendment to the Restated Agreement Relating to the Gorton Property, as well as a copy of the Restated Gorton Agreement as it currently exists.

COUNCIL ACTION: Approval of the First Amendment to the Restated Agreement Relating to the Gorton Property

6. Award of Two Year Contract for Seasonal Brochure Printing for the Recreation Department as Approved by Park and Recreation Board

STAFF CONTACT: *Jason Busdeker, Facility Manager (847-810-3934)*

PURPOSE AND ACTION REQUESTED: Parks & Recreation Board requests approval to award a two year contract for the printing of the seasonal brochure for the Recreation Department.

BACKGROUND/DISCUSSION: The Recreation Department currently prints 3 seasonal brochures annually which are mailed out to all residents of the City of Lake Forest. Under the City's financial policies and in an attempt to lower operational costs, the brochure printing needs were put through the formal bid process in August 2019. In an effort to save time, staff decided to complete this bid process for a 2-year period.

Public notice to solicit bids was provided on August 15, 2019 with a bid opening date of September 5, 2019. The chosen timetable was driven by the upcoming Winter/Spring Brochure schedule which is set to be printed in late October 2019.

Staff would like to award the two year contract for the seasonal brochure printing for the Recreation Department to Swift Printing based on low bid.

PROJECT REVIEW/RECOMMENDATIONS:

Reviewed	Date	Comments
Parks & Recreation Board	09/17/19	Approved by Board

BUDGET/FISCAL IMPACT: Funding for seasonal brochure printing is a Parks & Recreation Department program expense and is budgeted in the Marketing annual operating budget.

Has City staff obtained competitive pricing for proposed goods/services? **Yes**

Staff received six bids for the seasonal brochure printing. The proposed pricing is listed in the chart below.

Company Name	Dollar Amount Bid
Swift Printing	\$38,964.00
Woodward Printing	\$48,411.00
Action Printing	\$48,609.86
KK Stevens	\$48,719.87
Kelvyn Printing	\$55,784.00
LSC Communications	\$82,669.00

Below is an estimated summary of Project budget:

Funding Source	Amount Budgeted	Amount Requested	Budgeted? Y/N
FY20 Marketing Operating Budget	\$31,000.00	\$19,482.00	Y
FY21 Marketing Operating Budget (estimate)	\$26,000.00	\$19,482.00	estimated

- **Note: FY 21 operating budget will be approved at a later date**

COUNCIL ACTION: Approval of Two Year Contract for Seasonal Brochure Printing for the Recreation Department as Approved by Park and Recreation Board

COUNCIL ACTION: Approval of the six (6) Omnibus items as presented

6. ORDINANCES

1. **Consideration of an Ordinance Amending Chapter 40, titled "Governmental Ethics" of the City Code (Final Reading)**

PRESENTED BY: Julie Tappendorf, City Attorney

PURPOSE AND ACTION REQUESTED: Based on recommendations from the Legal Committee, the City Council is asked to consider final approval of an Ordinance amending Chapter 40, titled "Governmental Ethics" of the City Code.

BACKGROUND/DISCUSSION: On October 7, 2019, the City Council heard a presentation from City Attorney Julie Tappendorf and after discussion and deliberation, approved first reading of the Ordinance. The Ordinance presented at that time represented the Legal Committee's recommendation.

The aim of the Legal Committee's review was to make the Ordinance more reader-friendly, ensure statutory compliance, and to incorporate regulations for both statutory and local conflicts of interest. Such review has not occurred since the original adoption of ethics regulations in 2004. The draft proposed amendments reorganize the ethics regulations, revise the language to make it more reader-friendly, revise or expand the definitions, incorporate the statutory conflicts of interest into the ethics regulations, and streamline the administration and enforcement provisions.

In addition, the proposed amendments, if approved, would expand the local conflicts of interest regulations for City officers and employees beyond what currently exists in the City Code. Currently, the City's ethics regulations do not prohibit a City officer or employee from voting on or taking any other official action on a matter where the officer or employee's relative has a financial interest. Instead, the current regulations only require the officer or employee to disclose the relative's interest. With the proposed changes, however, if an officer's or employee's relative has an interest in a contract or other matter before the City, the officer or employee would be required to disclose the interest and refrain from taking any official action on that contract or other matter before the City.

Since the October 7, 2019, City Council meeting, the Legal Committee reviewed a recommendation from the Mayor to modify the preambles of the Ordinance and definition of "relative". The attached blackline version of the proposed Ordinance, beginning on **page 87** of the packet, reflects the Mayor's recommendation, which further modifies the purpose and policy subsection D, and definition of relative.

PROJECT REVIEW/RECOMMENDATIONS:

Reviewed	Date	Comments
Legal Committee	10/17/19	Discussed and reviewed proposed amendments
City Council	10/7/19	Reviewed and Approved First Reading
Legal Committee	7/18/19	Discussed and Recommendation to forward amendments to City Council
Legal Committee	5/9/19	Subcommittee's recommendation presented for review and discussion
Legal Committee	1/10/19	First draft of amendments reviewed by Legal Committee, Subcommittee appointed to refine amendments. Subcommittee met on 1/16/19, 2/6/19, 4/17/19 and 5/3/19.

Legal Committee	10/18/18	City Attorney memorandum reviewed comparing City regulations and State laws
Legal Committee	7/18/18	First discussion regarding the Ordinances

COUNCIL ACTION: Grant final reading of an Ordinance amending Chapter 40, titled "Governmental Ethics" of the City Code

7. NEW BUSINESS

1. Approval of a Professional Services Agreement with Baxter & Woodman for Design and Specifications of the Burr Oak Storm Sewer Project in the Amount of \$189,000

PRESENTED BY: *Michael Thomas, Director of Public Works (810-3540) and Elizabeth Holleb, Finance Director*

PURPOSE AND ACTION REQUESTED: Staff is recommending City Council approve a professional services agreement with Baxter & Woodman for the design and specifications of the proposed Burr Oak storm sewer project.

BACKGROUND/DISCUSSION: In 2014, Baxter & Woodman performed a comprehensive storm drainage study for The City of Lake Forest. The study was recently updated in October, 2019. Computer models of the drainage system were used to identify problem areas and deficient storm sewers. The updated study identified eleven locations to address needed storm sewer improvements.

Two projects were recently completed within the past three years: The West Fork / Hackberry area and the Forest Hill / Old Elm area. The 2019 updated study identified the highest priority project being the Burr Oak area. This area is adjacent to and part of the North Western Avenue business district. It also encompasses the downstream area north of Lake Forest High School and outflows its storm water into a ravine behind the homes on the east side of Willow Street.

At the September 16, 2019 City Council workshop, staff presented a brief overview of the updated 2019 Storm Sewer Study. City Council recognized the need for various storm sewer upgrades throughout the City and acknowledged residents' concerns at each of the spring's four Ward meetings. The Finance Committee will receive a comprehensive analysis of capital funding needs at their November 12th capital budget meeting. After that review, if the City Council chooses to pursue the project in FY '21, all surveying and design work will be completed in order to meet the tight construction schedule.

PROJECT REVIEW/RECOMMENDATIONS:

Reviewed	Date	Comments
City Council	9/16/19	City Council Received Storm Sewer Study Update & Indicated a Desire to Pursue the Burr Oak Project in FY 2021

BUDGET/FISCAL IMPACT: The Burr Oak storm sewer project, along with all FY '21 capital improvement requests, will be considered at the November 12, 2019 capital budget meeting. If the Finance Committee decides to proceed with the Burr Oak storm sewer project in FY '21 and desires construction to be completed in calendar year 2020, a completed set of design drawings and specifications will need to be completed and placed out to bid by early spring. The project's survey work and design would therefore need to begin immediately. This will allow the area adjacent to the high school to be constructed during the summer months and the overall project to be completed before the asphalt plants close in November.

Staff therefore published a Request for Proposal (RFP hereafter) on September 26, 2019 for Burr Oak storm sewer design services. The RFP was published in a local newspaper, the City's website, and was placed on the City's invitation to bid program "Quest" for all contractors and engineering firms to view. Additionally, staff sent the RFP notice to ten area engineering firms. Interested firms were required to submit their proposals by October 10, 2019. An internal committee was formed of four staff members and the City Engineer to review each firms' proposal.

Three engineering firms responded to the RFP. Staff evaluated each firm's proposal on cost, similar underground design experience, and references. The following chart provides each firm's proposed design services cost:

Engineering Firm	Cost
Clark Dietz	\$184,245
Baxter & Woodman	\$189,000
Strand Associates	\$232,020

Upon review of all three proposals, it was the committee's opinion that Baxter & Woodman presented a significantly better understanding of the scope of services required, and the multiple steps needed, to complete the design by mid-March. While Baxter & Woodman's proposal provided six pages of specific items they intend to complete, Clark Dietz' proposal simply had three paragraphs noting that they would utilize data from previous studies and work with the City in developing the bid documents.

In addition, Baxter & Woodman has completed multiple storm sewer studies beginning in 1991, and numerous storm sewer designs for the City in the past. Finally, the committee felt that Baxter & Woodman's inherent knowledge and recent evaluation of the project area will ultimately provide a more thorough and complete design. It is for all of these reasons noted, that staff is recommending Baxter & Woodman be utilized for the design of the Burr Oak area storm sewer project.

Has competitive pricing been obtained for proposed goods/services? **Yes**

If no, indicate the specific waiver requested: None

Beginning on **page 102** of this agenda packet is Baxter & Woodman's design services proposal.

Design costs for the Burr Oak Storm Sewer project were not budgeted and would therefore require a supplemental appropriation at the end of FY 2020 if needed.

FY2020 Funding Source	Amount Budgeted	Amount Requested	Budgeted? Y/N
Capital Improvement Fund Fund Balance Reserves	\$0	\$189,000	N

COUNCIL ACTION: Approval of a Professional Services Agreement with Baxter & Woodman for Design and Specifications of the Burr Oak Storm Sewer Project in the Amount of \$189,000

8. ADDITIONAL ITEMS FOR DISCUSSION/ COMMENTS BY COUNCIL MEMBERS

9. ADJOURNMENT

A copy of the Decision Making Parameters can be found beginning on **page 12** of this packet.

Office of the City Manager

October 16, 2019

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 Jason Wicha, at (847) 234-2600 promptly to allow the City to make reasonable accommodations for those persons.





THE CITY OF LAKE FOREST

DECISION-MAKING PARAMETERS FOR CITY COUNCIL, AND APPOINTED BOARDS & COMMISSIONS

Adopted June 18, 2018

The City of Lake Forest Mission Statement:

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

The Lake Forest City Council, with the advice and recommendations of its appointed advisory Boards and Commissions, Lake Forest Citizens, and City Staff, is responsible for policy formulation and approval. Implementation of adopted strategy, policy, budgets, and other directives of Council is the responsibility of City Staff, led by the City Manager and Senior Staff. The Mayor and Aldermen, and appointed members of Boards and Commissions should address matters in a timely, deliberate, objective and process-driven manner, making decisions guided by the City of Lake Forest Strategic and Comprehensive Plans, the City's Codes, policies and procedures, and the following parameters:

- Motions and votes should comprise what is in the best long-term interests of all Lake Forest citizens, measured in decades, being mindful of proven precedents and new precedents that may be created.
- All points of view should be listened to and considered in making decisions with the long-term benefit to Lake Forest's general public welfare being the highest priority.
- Funding decisions should support effectiveness and economy in providing services and programs, while mindful of the number of citizens benefitting from such expenditures.
- New initiatives should be quantified, qualified, and evaluated for their long-term merit and overall fiscal impact and other consequences to the community.
- Decision makers should be proactive and timely in addressing strategic planning initiatives, external forces not under control of the City, and other opportunities and challenges to the community.

Community trust in, and support of, government is fostered by maintaining the integrity of these decision-making parameters.

The City of Lake Forest's Decision-Making Parameters shall be reviewed by the City Council on an annual basis and shall be included on all agendas of the City Council and Boards and Commissions.

ANNUAL TREASURER'S REPORT
THE CITY OF LAKE FOREST
FISCAL YEAR ENDING APRIL 30, 2019

COMPENSATION SUMMARY:

Under \$25,000

JUAN AGUIRRE, GRACE ALLEN, PETER ALLEN, JOYCE ALLEN, EDMUNDO ALVAREZ, DAVID ANDERSEN, ADAM ANDERSON, CHARLES ANDERSON, LUKE ANDREESEN, MAEVE ANGER, KAITLYN ANSON, SHELLEY AQUINO, RICHARD ASHWORTH, MILANA ASTORINO, ANDREW ATHENSON, JACOB BADAGLIACCO, VINCENT BECK, LAUREN BELL, JESSICA BESS, RODNEY BETHEA, ZACH BIELA, LAURA BIERNACKI, AARON BISHOP, MELISSA BLAKE, JOHNATHAN BORZICK, JOANN BOYLE, BARRY BRAVO, JENNIFER BRODY, ASHLEY BUFE, ZACHARY BULICH, ZACHERY BULICH, ELIZABETH BURDIAC, KASANDRA CAMARENA, JOHN CARTWRIGHT, RYAN CEKAY, NICHOLAS CERVAC, RYAN CHANDLER, BRENDEN CHANDLER, CHRISTOPHER CHOUINARD, JOHN CIRAME, STEPHEN CIRAME, WILLIAM CIRAME, JODY CIRAME, VICTORIA CISNEROS, EDWARD CLOVER, HILLARY COHEN, MORGAN COHEN, DRAKE COLLINS, JAMES COMBS, EMILY CONDIC, KATHRYN CONSTANTINE, KALI COTTELEER, ASHLEY COUSSENS, PETER CRAWFORD, ADRIANA CROCKETT, CHRISTIAN CROW, HILARY CURTIS, NICHOLAS CVIJOVIC, GREGOIRE DAMIDOT, MATTHIEU DAMIDOT, ELIZABETH DAVIS, JONATHAN DAY, JOHN DEERING, CHRISTOPHER DEMET, CATHERINE DEMET, ELZE DEMIRI, ASHLEY DERAN, EVAN DEROSE, LINDSEY DEROSE, JANELLE DEWITT, CHARLES DEYOUNG, COLE DIGMAN, KATIE DOLAN, ISRAEL DOMINGUEZ, MARQUISE DOUGLAS, RYAN DURBURG, JOHN ECKERT, DANIEL EDWARDS, TARA EGGERS, NICHOLAS ELSASSER, SARAH ELYACHAR, JOSE ESPINOZA, WENDI EWALT, JACOB FEIGER, NIKOLAS FELDHAUS, MARGARET FILKIN, CLARA FINLEY, MATTHEW FINNANDER, MACKENZIE FIORE, JAKE FISHER, AMBER FITZGERALD, ANDREW FLURI, LINDSAY FOLKER, CONNOR FORD, JUSTIN FRANK, KYLE FREE, LAUREN FRENCH, SAMANTHA FRIEDLUND, DANIEL FUNCHES, GABRIEL FUNK, DONALD FURTH, TYLER GANO, JOHN GARD, DEBORAH GARREY, HERBERT GARREY, ALYSSA GIANGIORGI, ROSEANN GIANGIORGI, BENNETT GIBSON, CONNOR GLYNN, GILLIAN GOODFRIEND, JAMES GOODWIN, ANDREW GOUGH, LILLIAN GOULD, ANDREW GRABEMANN, ROBERT GRAY, GRACE GRAZIANO, MARY GRAZIANO, DENITA GREGORY, STEPHEN HAGGERTY, DEREK HALL, ARGY HAMBURG, FREDERICK HAMBURG, ELIZABETH HAMILTON, CONNOR HANEKAMP, MICHAEL HANSEN, THOMAS HANSON, KEEGAN HARRIS, SHARON HARTSHORNE, DAVID HARTSHORNE, ISABELLE HARTWELL, JR HAYES, ARIC HECTOR, BRENDA HELLWIG, AMY HEPBURN, MICHAEL HILL, BLAKE HINCH, DEANNE HOAGLUND, HENRY HODGE, MORGAN HOLMES, ELIZABETH HOPE, JOHN HOPKINS, BRIDGET HORVATH, NICOLE HOSKINS, ALEXANDER HUDDLESTUN, JENNA HUGHES, AHMED IBRAHIM, ALEXANDER JACKSON, LUCAS JACOB, LISA JACOBS, MEGAN JESSEN, JENNA JOZEFOWSKI, LORI JULIAN, MARK KALBUS, CURT KALOUSEK, ELIZABETH KARLOVICS, ASHLY KARP, ANTHONY KASKADDEN, LAUREN KATZ, CAROLINE KELLY, MARJORIE KEMP, JONATHAN KERR, DUNCAN KESSLER, TYLER KIMBREL, TREVOR KINGSLEY, AIDEN KINSELLA, JULIA KNIPFER, PATRICIA KOCHAUER, ABIGAIL KOCUREK, ANASTAZIA KOHOUT, ALEXANDER KRAMER, MONICA KRZEMINSKI, JOHANNA KUHL, OWEN KUPPERMAN, ETHAN KURIAN, STEVEN KUSH, NICHOLAS KWIATT, ANNABELLE LAMB, VICTORIA LANDIS, JOHN LANDIS, JULIANNE LAPETINA, MIGUEL LARA, AMELIA LARSEN, JOHN LARSON, TERRI LECLERCQ, MEGAN LEE, JENNIFER LEESON, CYNTHIA LEIGH, THOMAS LICHTWALT, RICHARD LIJA, TAJONAR LIRA, NICOLE LIVENGOD, KATHRYN LOTHARIUS, TREVOR LOYD, KIMBERLY LYSZCZARCZYK, JULIA MADDEN, ETHAN MADURA, JACQUELINE MADURA, PAYTON MAKOWSKYJ, LINDSAY MALITZ, SUSAN MANDELTORT, SOPHIE MARASCO, THOMAS MARKS, SAMUEL MARQUART, RYAN MARQUIS, JAE MASI, JESSICA MASTALERZ, CHRISTIAN MCCAUGHEY, MICHAEL MCDONOUGH, JUSTIN MCMAHON, MARIAN MCNAIR, KRYSTAL MEDINA, CRISTIAN MELGOZA, RICHARD MELLADO, KYLE MENDELSON, HANNAH METZGER, HARRISON MIDDGAUGH, TAYLOR MITCHELL, MORGAN MITCHELL, OLIVIA MOE, TAYLOR MOORE, MAX MOORE, COEL MORCOTT, PATRICK MORDINI, LISA MORRISON, KATHERINE MOSS, MAXWELL MOULTON, LISA MOULTON, EIBERTJE MULDERIJ, KEATON MURPHY, KENNETH MURRAY, SHANNON MURRAY, CAROL MYERS, PAMELA MYERS, AUGUST NAGRO, JOHANNA NAISMITH, NATALIE NOTZ, GRACE NOWESNICK, JAMES OBERHEIDE, FACUNDO OCAMPO, ANDREW O'CONNELL, CONOR O'KANE, EDWARD OLINE, ADELE O'NEILL, BRYAN OOMS, DANIELLE ORSINI, LISA ORSINI, STEVEN PALACIOS, BENJAMIN PANITCH, ZOE PANOS, BLAKE PARSONS, LUCA PASINATO, ALEXIS PAULSEN, JACKSON PEARRE, LILLIAN PEDERSEN, ZOE PELECH, MICHAEL PENN, DAMIAN PEREZ, MICHAEL PERRY, RALPH PETERSON, BRYCE PICCOLO, REYNOLDS PIRE, MADDEN PLANTE, LAURA PLOWMAN, VAN POMPE, WILLIAM PORTER, JEREMY POUND, ROBIN POWER, JANICE PRICE, DEWAR PROM, DEBORAH PTAK, SEBASTIAN PUERTO, PATRICIA PULKOWNIK, MICHAEL RAFFERTY, SANDRA RAGSDALE, ELIZABETH RAMIREZ, ALAN RAMOS-TOBIAS, DAVID RANDELL, THOMAS RANSOM, RYAN RANSOM, MICHAEL RAUPP, EVAN RAYE, GEORGE REAVIS,

THOMAS REILLY, CONNOR REILLY, CHARLES REINKEMEYER, EMMA RILEY, ROY ROBERTSON, RAUL RODRIGUEZ, EDGAR RODRIGUEZ, BENJAMIN ROEMER, DOMINGO ROJAS, AMY ROSE, SAJED SAED, JULIE SAKICI, JONATHAN SALM, KARSEN SAMPLE, ABIGAIL SAMUELSON, PEDRO SANCHEZ, CARDOZA SANCHEZ, JOHN SANCHEZ, WILLIAM SANFORD, ALLYSON SANOV, JOSEPH SANTELLO, REBECCA SAUSER, IAN SCHAPPE, EDWARD SCHEIDLER, JACQUELINE SCHLOSSER, JOHN SCHLOSSER, ELIZABETH SCHOENHEIDER, JONATHAN SCHOENHEIDER, GEORGE SCHOETTLE, JAMES SCHWALL, CHARLES SCHWELLER, LAMIKA SCOTT, WILLIAM SCROGGINS, THAXTER SHAW, ANN SHAW, CATHERINE SHEEHAN, RYAN SHEEHAN, CONNOR SHERIDAN, ALEXIS SHOEMAKER, JOHANNA SIDLES, ARTURAS SIMENAS, OLIVEA SIMMS, MICHAEL SIMPSON, KELLY SINDT, CAREN SKARZYNSKI, MICHAEL SKIERSCH, SASHA SKLAROV, FREDERICK SMITH, ADAM SOVEREEN, CORY SPANN, LESHON SPANN, AMY SPECTOR, AMI STELLATOS, KEVIN STOUT, GRIFFIN STRANG, COLSON STUTZ, AREEJ TAHSIN, ETHAN TALBOT, ALEXIS TANTIMONICO-BIFA, MARY TARPLEY, ARIANA TEPPS, ERIC THOMPSON, ANNIE TOMPKINS, HENRY TRAN, LESLIE TREECE, KYLE TROJAN, REBECCA TUCKER, MARK TURELLI, PETER TURELLI, EDWARD TUTEN, GRAHAM ULMER, MARCUS ULRICH, HILLIARY VACCARELLO, KRISTIN VALLALY, ANTWERP VAN, ANTWERP VAN, BLANCA VARGAS, ERIN VAUGHN, OMAR VAZQUEZ, ARETA VERSHOOR, CARRIE VOLK, CASEY WALKER, ALLEN WALKER, DEBRA WARREN, MATTHEW WELLS, MADISON WEST, LLOYD WESTON, LUCY WHITE, KRISTY WHITE, CHRISTOPHER WIEGAND, KATHRYN WILKOWSKI, LEAH WILKOWSKI, JOSEPH WILLIAMS, JACK WILLIAMS, CLAIRE WILLIS, KYLE WILSON, ROBERT WINEBRENNER, AMANDA WITTKE, SHAUNA WITTKE, MADISON WOODRICK, SU YARDIMCI, KATHLEEN YOUNG, ENRIQUE ZAMUDIO

\$25,000 to \$49,999.99

KAREN AVERY, JENNIFER BAEHR, CAMERON BURRELL, JOSE CALDERON, PATRICIO CAMARENA, JUAN CASTREJON, ULISES CASTRO, MATTHEW CHOUINARD, ROBERT CRAWFORD, ARTURO ESCOBAR, MARIANO GOMEZ, JUSTIN GREEN, ESTHER GUTIERREZ-SLOAN, JR HEELAN, DIANE HORN, DANIELLE KNIGHTON, KIMBERLY KRAUS, LAURA LARSEN, TERESA LAURILA, KYLE LEMMER, DEBRA LERMAN, ALEJANDRO MATA, ASHLEY PALASICS, CHRISTOPHER POMMER, JOSEPH RISI, JAMES RISI, BENITO SILVA, JAMES THIEL, MADISON TOMASIEWICZ, BRITTN WALLACE, BARRETT WEADICK, ROBERT WOLFF

\$50,000 to \$74,999.99

MATTHEW ALLEN, MATTHEW BACHLER, JOYCE BETTINGER, DEBORAH CHROBAK, AARON DALZOT, RICHARD DAY, JOHN ELDRIDGE, KRISTIN ELLIOTT, CHRISTINE FAUDEL, CAROLYNN GAYLORD, MEGHAN GAYTER, VALERIE GONZALEZ, LARONDA HAINES, SARA HARTNETT, KEVIN HILL, BRIAN HUFFHINES, WILLIAM KNESLEY, MARK KRYGERIS, JESSICA LINDERS, JAMES LOCKEFEER, BARBARA LUEDER-MANETTI, LANDON LUZAR, KIMBERLY MCCANN, NICHOLAS MICHL, LUKE MILLER, JAMIE NIXON, SCOTT NORMAN, TABATHA OKAMOTO, JASON OLSON, MADELINE PALENICA, KENNETH PIERINI, BECKY POCASANGRE, TARA PURTELL, JUAN RAMIREZ, PENNY ROBBINS, MITCHELL ROGALSKI, LISSARDA ROGOZ, TYLER SAIEG, SUSAN SIMMS, DANIELLE SPANN, LESLIE WALTON, JASON WICHA, AUSTIN YARC, EDMUND YEP

\$75,000 to \$99,999.99

CRISPIN ABEL, BRIAN ACELLO, ZACHARY AMREIN, ANTHONY ANASZEWICZ, JOHN BALDWIN, JILL BECKER, DANIEL BLAUL, ERIK BLOMBERG, MARGARET BOYER, RICHARD BRIJA, ROBERT BROWN, JASON BUSDEKER, AMBER CAMPBELL, ANTHONY CARABALLO, TONY CARINGELLO, ROBERT CARMICHAEL, WILLIAM CLIFFORD, RIGOBERTO CORIA, STUART COX, PAUL DAIZOVI, RAFAEL DAVILA, BRYAN DEBAETS, JOSE DIAZ, CHARLES DOUGLAS, DANIEL DRAEGER, WENDY DUMONT, CRYSTAL EDWARDS, CHARLES FRANCO, CHRISTOPHER FREUND, MICHELLE FRIEDRICH, PABLO GARCIA, YONI GARCIA, MIKE GERNENZ, MICHAEL GLOMSKI, JAMES GLUTH, MATTHEW GOODMAN, STEVEN HILL, FRIEDRICH HOEFT, BILL HOOPER, WILLIAM HOWARD, JOSHUA HUCKER, ERIK HUSTON, ROBERT JANUARY, DOUGLAS JUHREND, LAWRENCE KENAR, RUSSELL KLUCHKA, JAMES KOBLAS, AARON KRUCHKO, ERIC KRUEGER, BILLY LOYD, JR. MARTINEZ, KEITH MASLON, BRIAN MIKLOVIC, THOMAS MINARIK, RICKEY PARHAM, PAUL PETERSEN, BRIAN POGACHNIK, BERNARD PONDEXTER, ISMAEL RAMIREZ, TROY REEVES, JACOB RIEPER, MARK ROCKWELL, KYLE ROEDER, JAMES SANTOSTEFANO, PATRICIA SCHWALL, STEVEN SHEETS, IV SHELTON, DENNIS SMITH, RAYMOND SPETZ, CHRISTINE STELTER, MICHAEL STRONG, ANGELA TAPPA, CHRISTINE TERESI, JOSEPH TOMASELLO, RICHARD VOLPE, STEVEN WERCHEK, MATTHEW WERT, JEFFREY WIEREMA, MARK ZALKE

\$100,000 to \$124,999.99

SUSAN BANKS, ANDREW BARNES, WILLIAM BORZICK, MATT BRUGIONI, MIGUEL CAMARENA, SCOTT CHRISTENSEN, TROY DEVRIES, BRIAN ESMON, ERIC FARR, CHARLES FLESCHE, JOSEPH GABANSKI, ERIC GLOBERGER, RONALD GRAMER, PHILIP GUALDONI, STEVEN HUCK, MICHAEL HUGHES, PATRICK ISSEL, MATTHEW JAKOB, BRIAN JOYCE, MATTHEW KLUCHKA, ERIK KOSITZKI, CHARLES KRIENS, DANIEL LAINIO, MARK LONG, MISAKO MAJ, ADAM MILCZAREK, DAVID MINISCALCO, TODD NAHIGIAN, MATTHEW RAUSCH, ANDREW RICK, CHRISTOPHER ROBERTS, MARK SENGER, ANDY SHIU, JOSEPH STANONIK, JEFFREY SULKIN, MICHAEL TIEGS, DAVID TISINAI, JOHN VARNER, MICHAEL WHALEN, COREY WIEREMA

\$125,000 and over

PHILLIP ALDERKS, ANDREW ALLAN, RICK ANDERSON, MARTIN BLITSTEIN, ROBERT COPELAND, KEVIN CRONIN, CATHERINE CZERNIAK, DWIGHT DAVIS, ROBERT ELLS, JAMES FAHEY, MICHAEL GALLO, TIMOTHY GEHRING, STEPHEN GROST, BENJAMIN GRUM, JOHN GULLEDGE, DIANE HALL, ELIZABETH HOLLEB, DESHA KALMAR, CORY KAZIMOUR, ROBERT KIELY, MICHAEL LANGE, CRAIG LEPKOWSKI, BRETT MARQUETTE, DANIEL MARTIN, JOSEPH MOBILE, ROBERT MONAHAN, MICHAEL MOUNTS, CHARLES MYERS, RICHARD PAULSEN, TRAVIS PEDERSEN, MATTHEW PENAR, PAUL PUGLIESE, NICHOLAS SAVEL, PETER SIEBERT, MATTHEW SIGNA, SALLY SWARTHOUT, MICHAEL THOMAS, KARL WALLDORF, KEVIN ZELK

Total Compensation: \$22,738,988.12

EXPENDITURE SUMMARY

1ST AYD CORPORATION 9,213.93, 24 SEVEN DANCE CONVENTION 7,975.00, 3M LAR5393 2,862.00, A & A SPRINKLER COMPANY INC 13,582.25, A MESSE SUPPLY CORP 3,574.34, A.M. LEONARD INC 5,067.58, ABT ELECTRONICS & APPLIANCES CO 3,522.47, ACOUSTIC ASSOCIATES LTD 9,660.20, AD INTERNATIONAL, LLC 4,465.00, ADI 2,579.94, ADI 7,581.63, ADS ENVIRONMENTAL SERVICES 24,290.00, ADVANCE AUTO PARTS 38,485.71, ADVANCED SPRINKLER SYSTEMS, INC. 2,500.00, ADVANCED TELECOMMUNICATIONS OF IL 17,558.00, ADVANCED TREE CARE 38,007.20, ADVANCED TURF SOLUTIONS 26,722.04, AECOM USA, INC. 288,575.88, AIR ONE EQUIPMENT INC 195,743.89, AIR SERVICES COMPANY 3,745.76, ALARM SECURITY INC 8,610.14, ALEXANDER CHEMICAL CORPORATION 28,925.09, ALFA LAVAL INC. 2,956.29, ALL CRANE & HOIST, LLC 6,500.00, ALLSTAR ASPHALT, INC. 23,446.67, ALPHA PAINTWORKS INC 7,950.00, ALTORFER INDUSTRIES, INC. 120,482.22, AMAZON CAPITAL SERVICES, INC 67,983.41, AMERICAN BACKFLOW & FIRE PREVENTION 7,822.00, AMERICAN GAS LAMP WORKS, LLC 16,810.63, AMERICAN GASES CORP 7,132.99, AMERICAN HOIST & MANLIFT, INC. 5,277.00, AMERICAN LEGAL PUBLISHING CORP 3,567.60, AMERICAN OUTFITTERS LTD 16,232.59, AMERICAN PRINTING TECH. INC. 34,904.75, AMERICAN SEALCOATING OF INDIANA INC 43,400.00, AMERICA'S ACTION TERRITORY 3,427.29, ANCEL GLINK, P.C. 241,951.90, ANDRES MEDICAL BILLING LTD 33,554.50, AOK GOURMET LLC 16,808.30, APLUS BUILDING SERVICES LTD 160,665.60, ARBORMASTER TRAINING, INC. 5,800.00, ARLINGTON POWER EQUIPMENT INC. 20,414.97, ARMORTEX, INC 6,483.92, ARTHUR CLESEN INC 4,496.97, ARTHUR WEILER INC. 11,552.00, ASJ TOOL SALES 3,493.42, ASPEN FENCE CO. 3,580.00, ASSET HEALTH, INC. 30,000.00, AT & T 30,101.02, ATLAS BOBCAT, LLC 77,568.16, AV TECHSOURCE, INC. 2,540.00, AVALON PETROLEUM COMPANY 12,505.00, AVERY, KAREN I. 3,207.65, AVI SYSTEMS, INC. 6,419.50, AXON ENTERPRISE, INC. 2,881.00, BAKER TILLY VIRCHOW KRAUSE LLP 52,950.00, BARREL MAKER PRINTING 4,780.75, BARRIOS CUSTODIAL SERVICES, INC. 12,672.00, BARTLETT TREE EXPERTS 5,607.00, BASELINE YOUTH SPORTS, INC. 2,590.00, BAXTER AND WOODMAN INC 35,922.25, BEACON ATHLETICS 2,704.96, BENCHSMITH LLC 3,809.71, BENISTAR 120,906.06, BENJAMIN HISTORIC CERTIFICATION LLC 3,600.00, BERRY TIRE CO 10,379.98, BIC SPORT NORTH AMERICA, INC. 3,199.60, BIG TOP TENT AND PARTY RENTALS, LLC 4,186.00, BLECK ENGINEERING CO INC 87,266.35, BLIFFERT LUMBER 2,757.43, BOBBY DOUGLASS PRO CAMPS 2,529.60, BOS 5,385.00, BOUND TREE MEDICAL, LLC 10,772.84, BOYER, MARGARET 4,352.31, BRANDSTORM 57 LLC 30,500.00, BREEZY HILL NURSERY, INC. 7,970.00, BRISTOL HOSE&FITTING DIVISION 4,750.24, BROADWAY IN CHICAGO GROUP SALE 5,922.00, BROGAN'S AWARD & SPORTWEAR INC 4,163.58, BRP US INC 7,618.00, BRUCE BRUGIONI CONSTRUCTION 27,068.00, BRUSH ARCHITECTS, LLC 49,879.00, BS&A SOFTWARE 287,850.00, BSA TROOP 48 9,186.17, BSN SPORTS 3,450.37, BUILDING PERMIT REFUNDS 665,901.86, BURRIS EQUIPMENT COMPANY 84,634.65, C. SAVILLE PHOTOGRAPHY 3,442.00, CALL ONE 28,019.57, CAMPBELL, AMBER 8,475.65, CAREERBUILDER EMPLOYMENT SCREENING 3,945.80, CARMICHAEL ROBERT L 4,285.03, CAS OF NEW ENGLAND 4,690.00, CDS OFFICE TECHNOLOGIES 9,767.36, CDW GOVERNMENT 167,751.27, CEMETERY LOT REFUNDS 116,100.00, CENTRAL MICHIGAN UNIVERSITY 2,574.00, CERAMIC SUPPLY CHICAGO 2,602.45, CERTIFIED POWER, INC. 9,409.83, CFA SOFTWARE, INC. 3,990.00, CHAREGPOINT, INC. 3,474.00, CHARLES J FIORE COMPANY INC 4,553.00, CHICAGO COMMUNICATIONS LLC 4,956.39, CHICAGO PARTS AND SOUND LLC 8,772.22, CHICAGO SHAKESPEARE THEATER 3,525.00, CHICAGO TANK REMOVAL 4,000.00, CHICAGO TRIBUNE 10,033.24, CHICAGOLAND PAVING CONTRACTORS 174,391.25, CHRZANOWSKI FRANK 16,232.52, CINTAS CORPORATION #47P 19,253.45, CIVIC SYSTEMS, LLC 3,200.00, CIVILTECH ENGINEERING INC 166,832.56, CLARK BAIRD SMITH, LLP 28,645.00, CLARKE AQUATIC SERVICES, INC 11,076.32, CLARKE MOSQUITO CONTROL PRODUCTS 17,632.00, CLIENTFIRST CONSULTING GROUP, LLC 4,112.50, CLUB MOMENTUM ATHLETICS 2,976.75, COLLEGE PARK ATHLETIC CLUB 7,208.80, COLUMBIA PIPE AND SUPPLY CO 7,660.41, COMCAST 25,864.76, COMED 51,841.96, COMMON SENSE TURF MANAGEMENT, INC. 4,650.00, COMMUNICATIONS FINANCE, INC. 7,372.80, COMMUNITY PARTNERS AFFORD HOUSING 150,000.00, COMPUTER EXPLORERS 13,347.00, CONDELL MEDICAL CENTER 3,300.00, CONSERV FS 34,526.97, CONSERVATION DESIGN FORUM 4,940.00, CONSTELLATION NEWENERGY 72,004.07, CONSTELLATION

NEWENERGY, INC. 328,470.81, CONTINENTAL CLAY COMPANY 10,769.52, CONTINENTAL WEATHER SERVICE 3,600.00, CONWAY PARK AT LAKE FOREST 3,159.25, CORE & MAIN LP 105,162.08, CORUS GROUP LLC 16,756.82, CRAIG BERGMANN LANDSCAPE DESIGN INC 23,460.20, CREATIVE PRODUCT SOURCE, INC. 3,309.49, CRU DANCE 7,906.00, CRYOTECH DEICING TECHNOLOGY 2,918.96, C-SQUARED RODENT SUPPLY LLC 18,437.55, CUMMINS NPOWER LLC 11,621.81, CURRENT TECHNOLOGIES 3,257.78, CURRIE MOTORS 93,924.00, CZERNIAK, CATHERINE 3,109.74, DAIOHS USA 7,606.48, DELL MARKETING L.P 6,510.80, DEMUTH INC 70,900.00, DENNY'S FIRE CONTROL - MSI CO. 4,318.88, DES PLAINES HONDA 18,896.90, DI MEO BROS INC 99,635.00, DI TOMASSO EXCAVATING 13,500.00, DINGES FIRE COMPANY 17,694.84, DIRECT FITNESS SOLUTIONS, LLC 15,765.34, DIRECT RESPONSE RESOURCE INC 17,193.62, DISCOUNT SCHOOL SUPPLY 7,149.44, DIVINCI PAINTERS INC 57,140.00, DIVISION OF VITAL RECORDS 14,432.00, DK ORGANICS LLC 7,080.64, D'LAND CONSTRUCTION, LLC 301,862.50, DOCUWARE CORPORATION 8,299.56, DONATI'S PIZZA 5,610.62, DRONATION, LLC 7,350.00, DUMONT WENDY R 5,784.89, DUROWELD COMPANY, INC. 3,966.00, ELAWA FARM FOUNDATION 27,167.32, ELEVATOR INSPECTION SERVICE CO, INC 6,298.00, ENTERPRISE RENT-A-CAR 5,524.87, EQUIPMENT MANAGEMENT COMPANY 3,637.94, ERNIE'S WRECKER SERVICE, INC. 4,375.00, ESCAL INSTITUTE OF ADVANCED TECHNOL 2,940.00, ESO SOLUTIONS, INC 5,913.00, ESRI 9,700.00, EUCLID MANAGERS 3,634.32, FACTORY MOTOR PARTS CO. 3,760.72, FAMILY SERVICE OF LAKE COUNTY 6,975.00, FEDERAL EXPRESS CORPORATION 2,661.42, FER-PAL CONSTRUCTION USA LLC 59,880.00, FILIPPINI LAW FIRM LLP 189,509.71, FILTRATION CONCEPTS, INC. 3,813.76, FIRE & POLICE SELECTION, INC. 2,694.15, FIRE PENSION PAYMENTS 2,697,872.49, FIRST NATIONAL BANK OF OMAHA 206,837.29, FIRST POINT MECHANICAL SERVICES LLC 68,426.53, FIRST STUDENT INC 3,661.94, FITZGERALD LIGHTING & MAINTENANCE 8,624.75, FLAG CHEVROLET, INC 29,895.56, FLIPS GYMNASICS NORTH SHORE 13,468.00, FLOLO CORPORATION 8,530.80, FOCUS ACQUISITION COMPANY LLC 243,423.50, FOSTER & FOSTER, INC. 12,600.00, FOUNDATION BUILDING MATERIALS, LLC 2,677.03, FRIENDS OF LAKE FOREST PARKS & REC 97,982.00, FUN EXPRESS LLC 2,936.68, G & J ASSOCIATES, INC 6,219.50, G & O THERMAL SUPPLY CO. 4,268.18, GAS DEPOT INC 368,883.01, GATWOOD CRANE SERVICE INC 2,765.00, GEAR WASH, LLC 2,512.96, GEMPLER'S 2,901.61, GETZ'S INCORPORATED 7,152.17, GEWALT HAMILTON ASSOCIATES, INC. 153,228.64, GIS CONSORTIUM 3,508.85, GLACIER OAKS NURSERY INC 4,994.00, GLOBAL EMERGENCY PRODUCTS INC 24,281.58, GOODMAN ELECTRIC SUPPLY 7,265.26, GOODMAN, MATTHEW 2,664.52, GOODMARK NURSERIES INC 8,142.00, GOSEWISCH, PATRICK E. 13,980.00, GOVHR USA 18,609.90, GPM PUMP & TRUCK PARTS LLC 5,828.86, GRAINGER 92,829.94, GRAPHIC PARTNERS, INC. 4,109.00, GRAYBAR ELECTRIC COMPANY, INC. 2,975.16, GREENS BY WHITE 3,281.51, GREG'S AUTO BODY, INC. 29,263.76, GRO HORTICULTURAL ENTERPRISES, INC. 5,784.00, GROWER EQUIPMENT & SUPPLY 4,811.97, GUY SCOPELLITI LANDSCAPE INC 22,556.46, HAAPANEN BROTHERS, INC. 28,641.74, HALLORAN & YAUCH INC. 14,110.40, HAMBURG, FRED 3,260.91, HANSON PROFESSIONAL SERVICES INC. 22,860.74, HARRIS GOLF CARS 4,000.00, HAVEY COMMUNICATIONS INC 59,213.55, HEALTH ENDEAVORS, SC 20,790.00, HEARTLAND BUSINESS SYSTEMS, LLC 110,169.59, HELLER CATERING 10,989.72, HERKY'S TRUCKING INC 21,545.00, HEY & ASSOCIATES, INC. 4,990.00, HIGH PSI LTD 2,954.99, HITCHCOCK DESIGN, INC. 5,656.43, HOBBY LOBBY CREATIVE CENTERS 3,985.07, HOERR CONSTRUCTION, INC. 371,221.81, HOLIAN ASBESTOS REMOVAL & 2,597.00, HOLIDAY RADIANCE LIGHTS 11,576.80, HOME DEPOT 46,664.37, HOWARD, WILLIAM R. 2,834.63, HOWE SECURITY, INC 6,207.12, HYDROAIRE SERVICE 24,575.00, IDLEWOOD ELECTRIC SUPPLY 8,390.98, IHC CONSTRUCTION COMPANIES, LLC 349,204.20, IL DEPT. OF INNOVATION & TECHNOLOGY 6,580.44, ILL DEPARTMENT OF NATURAL RESOURCES 2,690.00, ILL DEPT OF EMPLOYMENT SECURITY 53,546.18, ILLINOIS DEPT OF TRANSPORTATION 24,960.00, ILLINOIS FIRE CHIEFS ASSOCIATION 5,000.00, ILLINOIS MUNICIPAL RETIREMENT FUND 1,572,735.25, ILLINOIS PUMP INC 7,964.42, ILLINOIS ROOF CONSULTING ASSOC 12,010.00, ILLINOIS TRUCK CENTRE, INC 4,229.38, IMAGES ALIVE 9,263.74, INFOSEND, INC. 9,713.99, INK'N TEES 7,737.22, INNER SECURITY SYSTEMS, INC. 10,764.00, INTERDEV, LLC 87,864.15, INTERGOVERNMENTAL RISK MNMGT 1,105,486.59, INTERNAL REVENUE SERVICE 1,329,290.05, INTERNATIONAL TRAUMA LIFE SUPPORT 2,550.00, INTERSTATE POWER SYSTEMS, INC. 6,134.22, INTL CEMETERY/CREMATN/FUNERAL ASSOC 2,780.00, IOWA FARM EQUIPMENT 9,823.00, IVANHOE NURSERY 7,950.00, JACOBS, LISA M. 3,780.00, JAKE THE STRIPER 7,525.00, JAMES W SMITH PRINTING COMPANY 4,423.00, JEWEL-OSCO 15,926.09, JEWISH COUNCIL FOR YOUTH SERVICES 18,600.00, JG UNIFORMS, INC. 19,127.60, JNL CLIMATE CONTROL, INC. 63,647.00, JOHN KENO AND COMPANY, INC 1,249,053.06, JOHN S. SWIFT COMPANY, INC 16,450.34, JOSEPH J HENDERSON & SON INC 2,966,448.84, JS COMMUNICATIONS TECHNOLOGIES LLC 5,158.87, JULIE INC 7,467.11, JWC MEDIA 17,894.00, JX ENTERPRISES, INC. 86,016.69, K H M PLASTICS, INC 5,008.20, K. H. KIM'S TAE KWON DO 9,204.00, KARDS INC. 36,759.97, KASSBOHRER ALL TERRAIN VEHICLES INC 3,872.09, KELMSCOTT PARK REALTY LLC 287,500.00, KEMPER SPORTS MANAGEMENT, INC. 104,152.16, KENOSHA NEWS 3,078.85, KEY CODE MEDIA, INC. 18,494.08, KIDDLES INC 20,375.43, KIEFER USA 33,620.00, KIELY, ROBERT R. JR 5,238.88, KIESLER POLICE SUPPLY, INC. 10,992.60, REALESTATE TRANSFER TAX REBATES 87,155.00, KONICA MINOLTA BUSINESS SOLUTIONS 2,805.00, KONICA MINOLTA BUSINESS SOLUTIONS 15,321.78, KRAMER

TREE SPECIALISTS, INC. 7,499.00, KRAWEC, ANA L. 5,785.00, KRYGERIS, MARK T. 7,445.74, K-TECH SPECIALTY COATINGS, INC. 2,901.28, LA CASA DE ISAAC 4,971.25, LA FORCE INC 6,096.50, LAKE CO PARTNERSHIP/ECON DEVELOP 53,875.00, LAKE COUNTY COLLECTOR 22,012.61, LAKE COUNTY GLASS DESIGNS INC 4,286.00, LAKE COUNTY HOSE AND EQUIPMENT 9,200.16, LAKE COUNTY PRESS, INC 26,979.00, LAKE COUNTY RECORDER 3,839.00, LAKE COUNTY STORMWATER 10,455.82, LAKE FOREST ACADEMY 3,442.50, LAKE FOREST BANK & TRUST CO 241,111.12, LAKE FOREST BP 12,206.41, LAKE FOREST CLUB 10,476.49, LAKE FOREST HIGH SCHOOL 8,088.81, LAKE FOREST LAKE BLUFF HST SOC 50,000.00, LAKE FOREST LANDMARK DEVELOPMENT 40,059.14, LAKELAND HVAC AUTOMATION INC 6,435.00, LAKESIDE INTERNATIONAL TRUCKS, LLC 25,524.84, LALUZERNE & SMITH LTD. 50,663.75, LANDSCAPE CONCEPTS MANAGEMENT INC 96,425.98, LARSEN FLORIST / GREENHOUSE 5,850.00, LAW OFFICE OF HENRY TONIGAN, RET PC 9,000.00, LAWSON PRODUCTS, INC. 11,233.98, LEACH ENTERPRISES INC 13,589.25, LEADS ONLINE LLC 2,848.00, LEAF CAPITAL FUNDING LLC 6,755.16, LEGEND APPAREL USA 9,662.20, Lenco FLOORING 3,695.00, LEUCK, STEVEN 2,677.50, LEXIPOL, LLC 3,900.00, LIBERTY PRAIRIE RESTORATIONS 9,806.40, LIBERTYVILLE LINCOLN SALES, INC 12,905.99, LID LANDSCAPES, INC. 3,715.00, LIFE FITNESS 13,484.42, LIFT WORKS, INC. 11,160.22, LINA 44,665.63, LINDCO EQUIPMENT SALES, INC. 176,728.09, LIQUID WASTE TECHNOLOGY LLC 2,612.86, LIVING WATERS CONSULTANTS, INC. 10,621.50, LIZZETTE MEDINA & CO 15,603.98, LOHMANN QUITNO GOLF COURSE 16,195.00, LOWE'S CREDIT SERVICES 2,796.27, LUCAS LANDSCAPING AND DESIGN 24,764.50, LYNCH CONSTRUCTION CORPORATION 4,687.50, LYONS PINNER ELECTRIC CO. 32,682.27, M. TANZILLO, INC. 6,355.00, MABAS DIVISION 4 6,148.00, MAJ, MISAKO 3,573.57, MAJESTIC OAKS NURSERY LLC 8,538.00, MANFREDINI LANDSCAPING CO., INC. 29,505.00, MARIANI LANDSCAPE 75,469.84, MARIANI PLANTS 21,430.85, MARTELLE WATER TREATMENT, INC. 31,692.05, MARTIN PETERSEN CO INC 6,903.00, MASS MEDICAL S.C. 20,833.05, MASTERGRAPHICS 2,938.06, MAX-R 4,995.00, MCHENRY COUNTY NURSERY INC 2,640.00, MCLAUGHLIN BOAT WORKS 7,063.13, MCMASTER CARR 11,242.10, MCNEILUS TRUCK & MFG CO 6,076.20, MEDICAL AND DENTAL CLAIMS 4,746,620.78, MENONI & MOCOGNI INC 17,436.48, MID AMERICAN WATER OF WAUCONDA 14,066.72, MIDLAND PAPER 4,706.95, MIDWEST ARBORIST SUPPLIES 7,140.21, MIDWEST COMPUTER RECYCLERS, INC. 2,566.15, MIDWEST FENCE CORPORATION 6,256.00, MIDWEST FUEL INJECTION SERVICE 4,763.22, MIDWEST GROUNDCOVERS 8,628.12, MIDWEST LEADERSHIP INSTITUTE 3,697.00, MIDWEST TRADING HORTICULTURE SUPPLY 3,342.00, MIKE GRECO LANDSCAPING, INC. 4,003.00, MILL CREEK NURSERY INC 2,970.00, MILLENNIUM 5,603.24, MISC ONE-TIME VENDORS 34,727.85, MISS CATHY MUSIC, INC. 3,121.60, MNJ TECHNOLOGIES DIRECT, INC. 82,479.61, MOBILE, JOSEPH 3,050.00, MOHAWK RESOURCES, LTD 7,926.48, MONROE TRUCK EQUIPMENT, INC. 12,458.34, MORRISON ASSOCIATES LTD 22,897.50, MORTON SALT CO 140,482.89, MOST DEPENDABLE FOUNTAINS, INC. 4,740.40, MOTION TECHNOLOGY, INC. 7,450.00, MOTOR PARTS & EQUIPMENT CORPORATION 4,757.91, MOTOROLA SOLUTIONS, INC. 55,497.80, MOTORSPORT POWDERCOATING 2,825.00, MULLER, JESSICA 7,083.22, MUNICIPAL GIS PARTNERS, INC. 200,402.10, MUNICIPAL MARKING DISTRIBUTORS 2,767.41, MUNICIPAL SYSTEMS, INC. 38,968.75, MUTUAL SERVICES OF HIGHLAND PARK 9,347.52, NATIONAL PUBLIC EMPLOYER LABOR 2,570.00, NATIONAL SPORTS NETS, LLC 3,774.00, NEENAH FOUNDRY 5,261.96, NEOGOV 11,684.75, NEOPOST USA INC 4,250.00, NEW HORIZONS COMPUTER 14,950.00, NIPSTA 9,340.00, NORATEK SOLUTIONS 2,850.00, NORMAN, SCOTT 3,773.02, NORTH CHICAGO IRON WORKS, INC. 3,900.00, NORTH EAST MULTI-REGIONAL TRAINING 8,470.00, NORTH SHORE GAS COMPANY 32,290.25, NORTH SHORE WATER RECLAMATION DIST 16,681.29, NORTHEASTERN IL REG CRIME LABORATOR 28,831.00, NORTHERN DIVERS USA, INC. 134,500.00, NORTHERN ILL POLICE ALARM SYS 6,566.50, NORTHWEST MUNICIPAL CONFERENCE 14,745.50, NORTHWESTERN LAKE FOREST HOSPITAL 4,320.00, NORTHWIND PERENNIAL FARM, INC 4,137.00, NORTHWOODS WREATHS LLC 4,722.50, NSSRA 263,689.51, O C TANNER 13,085.71, OFFSHORE MARINE/PADDLING WAREHOUSE 4,179.90, O'HARE DANCE STUDIOS INC 18,693.00, OLSON RUG & FLOORING 7,344.50, OLSON TRANSPORTATION, INC. 51,014.24, OPENGOV, INC. 8,500.00, ORBIS CORPORATION 2,872.80, OTIS ELEVATOR COMPANY 12,165.23, OVERHEAD DOOR CO 33,108.58, P CLIFFORD MILLER INC 110,790.00, P&H SENESAC, INC 38,510.65, P.F. PETTIBONE & CO. 3,021.34, PACIFIC YURTS, INC. 6,075.00, PALMEN BUICK GMC CADILLAC, INC 25,220.00, PARKMOBILE USA, INC 8,030.25, PASQUESI HOME & GARDENS 7,413.21, PASQUESI PLUMBING CORP 25,818.00, PATRIOT PAVEMENT MAINTENANCE 29,999.90, PEARSON FENCE COMPANY, INC. 4,500.00, PEDERSEN, TRAVIS 2,500.00, PETER BAKER & SON 1,022,347.17, PETERSON PRODUCTS 7,923.36, PETROCHOICE 33,456.58, PETROCHOICE LLC 11,716.66, PIED PIPER RODENT INC. 2,687.88, PITNEY BOWES GLOBAL 3,002.77, PITNEY BOWES RESERVE ACCOUNT 4,500.00, POLICE PENSION PAYMENTS 2,995,421.61, POLICEONE.COM 7,140.00, POMP'S TIRE SERVICE INC 7,644.34, PORTER, LINDA S. 32,875.00, PRAIRIE MOON NURSERY 7,161.39, PRO ENTRY SYSTEMS INC. 7,620.00, PROFESSIONAL BENEFIT ADMIN. 852,054.83, PRO-TECH SECURITY SALES 4,998.95, QUICKET SOLUTIONS, INC. 23,199.00, QUIK STAGE INC. 4,688.96, R & S BRISTOL FARM LLC 7,386.50, R A MANCINI, INC. 98,466.80, R C TOPSOIL, INC 2,765.00, R J THOMAS MFG CO INC 9,858.15, R&R TEXTILE MILLS, INC. 4,255.13, R/J FURNITURE INC 5,375.00, RADARSIGN, LLC 3,265.00, RAY CHEVROLET INC 32,710.00, RAY O'HERRON CO

INC 6,345.73, RAY SCHRAMER & CO 13,585.85, RECREATION PROGRAM REFUNDS 19,978.91, RED WING SHOES 7,603.93, REINDERS, INC. 64,004.39, RESOURCE MANAGEMENT-CHICAGO RIDGE 145,081.63, REVOLUTION DANCEWEAR 6,079.82, REX RADIATOR & WELDING CO., INC. 11,782.00, RJN GROUP, INC. 97,287.30, RLB HYDRAULIC SERVICE INC. 13,449.91, ROBERTS, CHRISTOPHER 3,300.00, ROCCO FIORE & SONS 2,930.00, ROCKLAND FIRE PROTECTION DISTRICT 112,866.00, ROGAN'S SHOE 3,025.60, RON CLESEN'S ORNAMENTAL PLANTS 3,856.80, RONDOUT SERVICE CENTER 5,847.00, RUSSO HARDWARE, INC. 22,435.81, RYDIN DECAL 4,461.62, S & S WORLDWIDE, INC. 3,055.15, SAM'S WEST, INC. 19,850.58, SANDY'S LAWN & TREE CARE, INC 5,415.00, SCHAEFER SYSTEMS INTERNATIONAL, INC 3,343.00, SCHEEPER, RYAN 3,550.00, SCHOOL DISTRICT 67 18,657.48, SCHROEDER & SCHROEDER, INC. 23,349.00, SCHROEDER ASPHALT SERVICES, INC 356,047.14, SCIENTIFIC METHODS INC. 2,965.00, SEMERSKY ENTERPRISES 21,868.66, SERVICE EXPRESS, INC. 5,556.00, SEWER EQUIPMENT CO OF AMERICA 5,215.29, SEYFARTH SHAW LLP 6,885.98, SHERIDAN AUTO PARTS 4,391.25, SHERRILL INC 2,626.22, SHI INTERNATIONAL CORP 35,359.26, SICALCO LTD 2,519.95, SITEONE LANDSCAPE SUPPLY, LLC 19,803.10, SNAP-ON INDUSTRIAL 3,113.11, SNODEPOT, LLC 4,445.00, SODEXO SERVICES 3,395.56, SOIL & MATERIAL CONSULTANTS 5,232.00, SOLARWINDS 8,375.00, SOLID WASTE AGENCY OF LAKE COUNTY 9,702.50, SPRING ALIGN OF PALATINE INC 8,615.12, ST AUBIN NURSERIES INC 4,990.00, STACHURA, KELLY 3,601.65, STANDARD EQUIPMENT COMPANY 13,900.77, STEIGER, CHERYL LYNN 3,522.06, STEINER ELECTRIC COMPANY 25,213.38, STRAND ASSOCIATES, INC 201,072.10, STRYKER SALES CORPORATION 21,448.44, SUBURBAN ACCENTS, INC. 3,125.00, SUBURBAN LABORATORIES, INC. 3,828.50, SUMIT CONSTRUCTION COMPANY, INC 19,335.00, SUNSET FOOD MART INC 18,740.17, SUPERION, LLC 77,078.79, SUPERIOR INDUSTRIAL SUPPLY 8,876.39, SUPERIOR ROAD STRIPING, INC. 93,983.55, SVANACO 7,870.00, TAPCO-TRAFFIC&PARKING CONTROL 13,860.17, TARGETSOLUTIONS LEARNING LLC 4,646.00, TDS DOOR COMPANY 74,295.45, TEC ELECTRIC INC 12,671.07, TERMINAL SUPPLY COMPANY 5,792.73, THE BANK OF NEW YORK MELLON TRUST 271,902.50, THE BEAN FARM 3,027.00, THE BUREAU OF NAT'L AFFAIRS INC 4,716.00, THE CHARM'D FOUNDATION 7,224.00, THE CITY OF LAKE FOREST 8,140.42, THE DAVEY TREE EXPERT COMPANY 6,550.00, THIRD MILLENNIUM ASSOCIATES, INC 4,194.29, THOMSON REUTERS - WEST 3,682.30, THYSSENKRUPP ELEVATOR CORPORATION 8,849.51, TIMBERLINE FISHERIES CORP 5,571.25, TIM'S SNOWPLOWING, INC 23,745.48, TKO INSTALLATIONS, INC 2,800.00, TOTAL PARKING SOLUTIONS, INC. 11,740.00, TOUCHBOARDS 4,901.13, TRAC EQUIPMENT COMPANY, INC. 4,624.00, TRAFFIC CONTROL&PROTECTION INC 8,734.30, TREDROC TIRE SERVICE 37,138.97, ULINE, INC. 27,324.84, UNITED STATES POSTAL SERVICE 15,000.00, UNIVERSITY OF ILLINOIS AT CHICAGO 35,550.00, UNIVERSITY OF ILLINOIS PAY. CENTER 2,673.00, USA BLUEBOOK 35,632.92, USACE FINANCE CENTER 6,624.00, VCG LTD 2,714.77, VERIZON WIRELESS MESSAGING SERVICES 102,093.02, VERMEER ILLINOIS INC 75,835.26, VERMONT SYSTEMS, INC. 16,904.00, VERNON HILLS ANIMAL HOSPITAL 4,561.40, VERTIV SERVICES, INC 3,300.00, VIKING CHEMICAL COMPANY 14,615.16, VILLAGE OF DEERFIELD 11,500.00, VILLAGE OF GLENVIEW 722,796.04, VILLAGE OF LIBERTYVILLE 187,500.00, VISION SOLUTIONS, INC. 3,851.89, VISU-SEWER OF ILLINOIS, LLC 4,600.00, VULCAN CONSTRUCTION MATERIALS, LLC 22,777.01, WACHS WATER SERVICES 19,900.00, WALKER, LINDA A. 6,435.00, WALZ SCALE 3,120.00, WAREHOUSE DIRECT 46,859.58, WATER REFUNDS 8,802.85, WAUKEGAN SAFE & LOCK LTD 15,319.26, WAUKEGAN TIRE & SUPPLY CO, INC. 14,625.71, WEISSMAN'S DESIGNS FOR DANCE 7,258.21, WELLS FARGO 4,731,131.26, WENNINGTON, WILLIAM 3,751.60, WEST MARINE PRODUCTS, INC. 4,252.41, WEST SIDE TRACTOR SALES CO 16,676.76, WHIPPLE CONSULTING, LLC 18,200.00, WHITEY'S CRANE RENTAL INC 5,390.00, WILL ENTERPRISES 11,087.55, WILLIAM BLAIR & COMPANY, LLC 20,527.40, WILLIAM SCHELHAS MEDIA SERVICES 29,353.03, WILSON NURSERIES, INC 13,699.25, WOODWARD PRINTING SERVICES 5,864.00, WRIGHT BENEFIT STRATEGIES INC 30,000.00, XGD SYSTEMS, LLC 63,824.28, XO COMMUNICATIONS 23,452.99, ZELK, KEVIN 10,266.53, ZION LANDFILL T1 289,944.92, ZODIAC OF NORTH AMERICA 9,500.00, ZOLL MEDICAL CORPORATION 19,866.98, ZW USA, INC. 2,914.59

TOTAL VENDORS \$42,960,166.88

SUMMARY STATEMENT OF CONDITION

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Fiduciary</u>	Discretely Presented Component <u>Unit</u>
Revenues	\$ 38,043,693	\$ 12,260,028	\$ 5,148,146	\$ 1,979,841	\$ 11,289,251	\$ 8,747,429	\$ 57,748	\$ 4,394,057
Expenditures	<u>(31,336,019)</u>	<u>(11,016,693)</u>	<u>(6,551,342)</u>	<u>(2,675,623)</u>	<u>(13,831,169)</u>	<u>(8,180,863)</u>	<u>(39,943)</u>	<u>(3,604,401)</u>
Excess of Revenues Over (Under)								
Expenditures	6,707,674	1,243,335	(1,403,196)	(695,782)	(2,541,918)	566,566	17,805	789,656
Transfers In	-	549,029	5,918,128	813,528	364,000			-
Transfers Out	(7,043,372)	(362,000)	(239,313)	-	-			-
Debt issuance installment contract		-		-				-
Bond Proceeds		-	-	-	-			-
Other	<u>-</u>	<u>-</u>	<u>26,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in								
Fund Balance	(335,698)	1,430,364	4,302,170	117,746	(2,177,918)	566,566	17,805	789,656
Previous Year								
Fund Balance	29,280,882	12,691,712	6,621,968	1,521,887	12,115,772	8,304,496	538,272	3,587,906
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current Year								
Ending Fund Balance	<u>\$ 28,945,184</u>	<u>\$ 14,122,076</u>	<u>\$ 10,924,138</u>	<u>\$ 1,639,633</u>	<u>\$ 9,937,854</u>	<u>\$ 8,871,062</u>	<u>\$ 556,077</u>	<u>\$ 4,377,562</u>
Total Debt Outstanding								
Beginning of Year		Issued Current Fiscal Year	Retired Current Fiscal Year	Outstanding End of Year				
	<u>\$ 54,320,409</u>	<u>-</u>	<u>3,416,625</u>	<u>\$ 50,903,784</u>				

Subscribed and sworn to this 21st of October, 2019

/s/ Elizabeth A. Holleb, City Treasurer

I, Margaret Boyer, City Clerk of The City of Lake Forest, Lake County, Illinois, do hereby certify that the above is a true copy of the Annual Treasurer's Report for the fiscal year ending April 30, 2019

/s/ Margaret Boyer, City Clerk

The City of Lake Forest
CITY COUNCIL
Proceedings of the Monday, October 7, 2019
City Council Meeting - City Council Chambers

CALL TO ORDER AND ROLL CALL: Honorable Mayor Pandaleon called the meeting to order at 6:30pm, and the City Clerk Margaret Boyer called the roll of Council members.

Present: Honorable Mayor Pandaleon, Alderman Beidler, Alderman Morris, Alderman Newman, Alderman Rummel, Alderman Preschlack, Alderman Goshgarian, and Alderman Buschmann.

Absent: Alderman Moreno

CALL TO ORDER AND ROLL CALL

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

REPORTS OF CITY OFFICERS

COMMENTS BY MAYOR

Mayor Pandaleon read a Resolution of Sympathy for Nancy Hughes. Bob Pasquesi, a friend of Nancy Hughes, accepted the Resolution on behalf of the family.

A. Resolution of Sympathy for Lake Forest Resident, Nancy Hughes

COUNCIL ACTION: Approval of the Resolution

Alderman Preschlack made a motion to approve Resolution, seconded by Alderman Beidler.

Presentation of Fabulous Gifts and Prizes

- Jason Wicha, City Manager

Jason Wicha, City Manager, presented Alderman Newman with a certificate for a tree to be planted in his honor and personalized City street sign.

B. Final Words for Departing City Council Member from Council Members

Each Alderman expressed sincere gratitude for the service of retiring Alderman Newman.

C. Final Comments from Alderman Newman

Alderman Newman made closing remarks to the Council, residents and staff.

D. Resolution of Appreciation for Ward 2 Alderman Timothy Newman

Mayor Pandaleon read the Resolution, presented it to the Alderman and photos were taken.

COUNCIL ACTION: Approve the Resolution

Alderman Preschlack made a motion to approve Resolution, seconded by Alderman Beidler. Motion carried unanimously by voice vote.

E. Mayor's Appointment of Second Ward Alderman

- Edward (Ted) Notz, Jr.

Mayor Pandaleon made the appointment of Edward U. Notz, Jr. as Second Ward Alderman as required by City Charter and City Code.

COUNCIL ACTION: Approve the Mayor's Appointment

Alderman Morris made a motion to approve the Mayor's appointment, seconded by Alderman Goshgarian. Motion carried unanimously by voice vote.

F. City Clerk Margaret Boyer Administered the Oath of Office to:

Second Ward Alderman Appointed- Edward (Ted) Notz, Jr.

City Clerk Margaret Boyer swore in Edward U. Notz, Jr. and photos were taken.

G. Swear in Firefighter Paramedic Austin Yarc

Mayor Pandaleon swore in Austin Yarc, photos were taken.

H. Approval of Proclamation to Declare October 10, 2019 as World Mental Health Awareness Day

Mayor Pandaleon read the Proclamation.

COUNCIL ACTION: Approval of Proclamation to Declare October 10 as World Mental Health Awareness Day

Alderman Rummel made a motion to approve the Proclamation to Declare October 10 as World Mental Health Awareness Day, seconded by Alderman Buschmann. Motion carried unanimously by voice vote.

Council member Beidler thanked all involved in the Deerpath Streetscape Visioning Session held on Tuesday, October 1 at City Hall.

Council member Buschmann reported on the "Then and Now" car show planned for Sunday, October 13 at the Telegraph Train Station, and invited all to attend.

COMMENTS BY CITY MANAGER

A. United Way of Lake County 211 Service

- Michael Rummel, Lake County Board Member, District 12

Mr. Rummel gave a presentation and shared a video on the services available from the new 211 Health and Human Service Assistance.

B. Community Spot Light

- Scott Helton, Shields Township Assessor

Mr. Helton gave a brief overview of the new software (TYLER) that most Lake County Assessors use and stated that the blue cards were sent in the mail and that the last day to contest is Monday, October 28. The City Council had discussion on fair evaluation of property and the Board of Review process.

Council member Morris thanked all involved on the North Beach Access Road restoration (Hughes Gateway)

COMMITTEE REPORTS

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

There were none.

ITEMS FOR OMNIBUS VOTE CONSIDERATION

1. **Approval of the September 3, 2019 City Council Meeting Minutes**
2. **Approval of the September 16, 2019 City Council Workshop Meeting Minutes**
3. **Approval of Check Register for the Period of August 24-September 20, 2019**
4. **Approval of a First Amendment to the Restated Agreement Relating to the Gorton Property**
5. **Approval of Agreements with Sentinel Technologies for a Data Security Assessment and Center for Internet security (CIS) for Ongoing Vulnerability Monitoring**
6. **Approval of a One-Year Contract Renewal with InterDev for Information Technology Support**
7. **Approval of the revised Geographic Information Systems Consortium (GISC) membership agreement**
8. **Consideration of an Ordinance Approving a Recommendation from the Building Review Board. (First Reading and if Desired by the City Council, Final Approval)**
9. **Consideration of a Recommendation from the Plan Commission in Support of Tentative and Final Approval of the Mayflower Ravine Resubdivision and Approval of the Associated Special Use Permit. (If desired by the Council, waive first reading and grant final approval of the ordinance.)**
10. **Consideration of a Template for a Master Pole Attachment Agreement for Small Wireless Facilities. (Approval by motion.)**

COUNCIL ACTION: Approval of the ten (10) Omnibus items as presented

Mayor Pandaleon asked members of the Council if they would like to remove any item or take it separately. Item # 4 was removed and after discussion, was tabled until the next meeting.

Mayor Pandaleon again asked members of the Council if they would like to remove any item or take it separately. Hearing none, Mayor Pandaleon asked for a motion to approve the nine (9) Omnibus items as amended to remove item # 4.

Alderman Buschmann made a motion to approve the nine (9) Omnibus items as amended to remove item #4, seconded by Alderman Beidler. The following voted "Aye": Alderman Beidler, Morris, Rummel, Notz, Preschlack, Goshgarian, and Buschmann. The following voted "Nay": None. 7-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

1. **Consideration of a Recommendation from the Plan Commission in Support of Approval of an Update to the Comprehensive Plan as it Relates to the Waukegan Road/Settler's Square Business District and Surrounding Area. (Final Approval of an Ordinance)**

Catherine J. Czerniak, Director of Community Development, reported that the City Council approved First Reading of an Ordinance in support of an update to the Comprehensive Plan as recommended by the Plan Commission on September 3, 2019. Alderman Buschmann requested that clarification and greater

emphasis be added to the document and provided input to City staff. Changes made since First Reading are reflected in blackline in the document included that was in the Council packet.

Ms. Czerniak reviewed the Fundamental Concepts, Land Use Designations and recommended next steps from the Plan Commission.

The City Council had discussion on guidance to the Zoning Code, Strategic Land Use, the process, and thanked the working group and staff. Mayor Pandaleon said there is more work to come, that this work reflected the community focus to critical zones within the City and sets a pattern for community involvement moving forward.

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

COUNCIL ACTION: Grant final approval of an Ordinance updating the City's Comprehensive Plan as it relates to the Waukegan Road/Settler's Square Business District and surrounding area.

AND

Approve a motion

- Directing the Plan Commission and City staff to undertake a review and recommend updates to the B-1, Neighborhood Commercial District, to align this portion of the Zoning Code closely with the vision and desired outcomes as described in the Comprehensive Plan update.
- Directing City staff from various departments to pursue opportunities to increase the visibility of crosswalks in the Waukegan Road/Settler's Square Business District and surrounding area.
- Directing staff to continue efforts to plan and encourage community events in the Waukegan/Everett/Telegraph Road area.

Alderman Buschmann made a motion to Grant final approval of an Ordinance updating the City's Comprehensive Plan as it relates to the Waukegan Road/Settler's Square Business District and surrounding area. **AND to** Approve a motion Directing the Plan Commission and City staff to undertake a review and recommend updates to the B-1, Neighborhood Commercial District, to align this portion of the Zoning Code closely with the vision and desired outcomes as described in the Comprehensive Plan update; and Directing City staff from various departments to pursue opportunities to increase the visibility of crosswalks in the Waukegan Road/Settler's Square Business District and surrounding area; and Directing staff to continue efforts to plan and encourage community events in the Waukegan/Everett/Telegraph Road area, seconded by Alderman Morris. The following voted "Aye": Alderman Beidler, Morris, Rummel, Notz, Preschlack, Goshgarian, and Buschmann. The following voted "Nay": None. 7-Ayes, 0 Nays, motion carried.

2. Consideration of a Recommendation from the Legal Committee in support of Amending Chapter 40, titled "Governmental Ethics" of the City Code (If desired by the Council, waive first reading and grant final approval of the ordinance.)

Julie Tappendorf, City Attorney, summarized and reviewed the timeline of the work of the Legal Committee and Sub-Committee over the last 16 month that included recommended amendments to Chapter 40 of the City Code "Ethics". Ms. Tappendorf reported that the Legal Committee recommends to reorganize the Ethics regulations, revise the language to make it more reader-friendly, revise/expand the definitions, incorporate the statutory conflicts of interest into the Ethics regulations, expand the local conflicts of interest regulations, and streamline the administration and enforcement provisions.

The City Council had lengthy discussion on the work of both the Legal Committee and the City Attorney, definitions and amending the Council action to first reading only.

Mayor Pandaleon asked if there was anyone from the public who would like to comment.

JoAnn Desmond offered her opinion to the Council to amend the action of this item to first reading only.

Mayor Pandaleon again asked if there was anyone from the public who would like to comment. Seeing none, he asked for a motion.

COUNCIL ACTION: Consideration of a Recommendation from the Legal Committee in support of Amending Chapter 40, titled “Governmental Ethics” of the City Code (If desired by the Council, waive first reading and grant final approval of the ordinance.)

Alderman Rummel made a motion to amend Council action to approve first reading only on consideration of a Recommendation from the Legal Committee in support of Amending Chapter 40, titled “Governmental Ethics” of the City Code, seconded by Alderman Preschlack. The following voted “Aye”: Alderman Beidler, Morris, Rummel, Notz, Preschlack, and Goshgarian. The following voted “Nay”: Alderman Buschmann. 6-Ayes, 1 Nay, motion carried.

NEW BUSINESS

- 1. Consideration of a Recommendation from the Plan Commission in Support of Amendments to Sections 159.002, 159.068 and 159.003 of the City of Lake Forest Code Relating to the Prohibition of Cannabis Businesses. (If desired by the Council, waive first reading and grant final approval of the ordinance.)**

Catherine J. Czerniak, Director of Community Development, reported that on January 1, 2020 use and sale of recreational cannabis will be legal in Illinois. At the July 2019 City Council workshop, Council acknowledged the potential for tax revenues from the sale of cannabis products in the community. However, the Council determined that the appropriate course of action, for now, is to take advantage of the opportunity to opt-out. The Council directed the City Attorney to prepare amendments to the Code as necessary to prohibit cannabis businesses in the City and directed staff to present the amendments to the Plan Commission for public hearing. No public testimony was presented to the Commission on the proposed amendments. The Commission voted 5 to 0 to recommend approval of the amendments. City staff is actively participating in a Lake County Task Force on this topic along with community development, finance and law enforcement representatives from many other municipalities. She reported that City staff will continue to follow this evolving issue.

The City Council had discussion on what other communities are doing, possible future amendments to the Code, number of licenses to be issued by the State of Illinois and budget impact.

Mayor Pandaleon asked if there was anyone from the public who would like to comment.

Peter Benson offered his opinion favoring the Council's decision to amend the Zoning Code prohibiting cannabis sales in The City of Lake Forest.

Mayor Pandaleon again asked if there was anyone from the public who would like 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 an Ordinance amending the City Code to prohibit cannabis businesses in the City of Lake Forest.

ADDITIONAL ITEMS FOR COUNCIL DISCUSSION/COMMENTS BY COUNCIL MEMBERS
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Alderman Morris made a point of record, clarifying the Gorton item that was removed from the Omnibus portion of the agenda has only minimal changes to the number of members to the Gorton Board from five to three. The rest of the agreement had no changes at this time and could be reviewed at another time.

ADJOURNMENT

There being no further business Mayor Pandaleon asked for a motion. Alderman Newman made a motion to adjourn, seconded by Alderman Goshgarian. Motion carried unanimously by voice vote at 9:05 pm.

Respectfully Submitted
Margaret Boyer, City Clerk

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.

<p style="text-align: center;">The City of Lake Forest, Illinois INVESTMENT POLICY</p>
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I. Introduction

The intent of the Investment Policy of the City of Lake Forest (the “City”) is to define the parameters within which funds are to be managed. This Investment Policy formalizes the framework for the City’s investment activities that must be exercised to ensure effective and judicious fiscal and investment management of Lake Forest’s funds. The guidelines are intended to be broad enough to allow the Finance Director to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

II. Governing Authority

The investment program will be operated in conformance with federal, state, and other legal requirements, including Illinois Compiled Statutes 30/ILCS/235 Public Funds Investment Act (the “Public Funds Act”).

III. Scope

This Investment Policy applies to the investment activities of all funds of Lake Forest, except for the Foreign Fire Insurance Board, Deerpath Golf Course, Library, Police and Fire Pension Funds and the funds managed by the Cemetery Commission. This policy shall apply to Library funds managed and invested by the City on behalf of the Library.

Except for funds in certain restricted and special funds, the City may commingle its funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

IV. General Objectives

The primary objectives, in priority order, of investment activities will be:

1. Safety

Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal will be to mitigate credit risk and interest rate risk.

2. Liquidity

The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

3. Return

The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity needs.

V. Standards of Care

1. Prudence

The standard of prudence to be used by investment officials will be the “prudent person” standard and will be applied in the context of managing an overall portfolio.

The “prudent person” standard states that,

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

The Finance Director, acting in accordance with written procedures and this Investment Policy and exercising due diligence, will be relieved of personal liability for a loss, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

2. Ethics and Conflicts of Interest

In addition to the prohibitions contained in the Public Funds Act, officers and employees involved in the investment process will refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials will disclose to the City Manager, Mayor, and Chairperson of the Finance Committee of the City Council any material financial interests in financial institutions that conduct business with the City, and they will further disclose any personal financial or investment positions that could be related to the performance of the City’s portfolio. Employees and officers will subordinate their personal investment transactions to those of the City particularly with regard to the timing of purchases and sales. Also, they will refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

3. Delegation of Authority and Responsibilities

Authority to manage the investment program, as chief investment officer, is granted to the Finance Director and is derived from the Public Funds Act. The Finance Director or designee, under the delegation of the City Council, will establish written procedures and internal controls for the operation of the investment program that are consistent with this Investment Policy.

VI. Authorized Financial Institutions, Depositories

1. Authorized Financial Institutions, Depositories

The City will select one financial institution to serve as its primary depository per a Request for Proposal (RFP) process approximately every five years and approved by City Council. Additionally, a list will be maintained of financial institutions and depositories authorized to provide depository services to the City. The City may deposit funds under the FDIC coverage amount in any financial institution the deposits of which are insured by the FDIC.

2. Broker/dealers

A list will be maintained of approved security broker/dealers selected by conducting a process of due diligence and approved by the City Council.

All broker/dealers that desire to become qualified for investment transactions with the City must supply the following, at a minimum:

- Audited financial statements
- Proof of FINRA registration
- Proof of state registration
- Completed broker/dealer questionnaire
- Certification of having read, understood, and agreeing to, and having appropriate safeguards to ensure compliance with, the City's Investment Policy
- Evidence of adequate insurance coverage

Also, broker/dealers will be selected based upon their overall experience with Illinois agencies and the Public Funds Act.

Selection of financial institutions and broker/dealers authorized to engage in transactions with the City will be solely at the City's discretion.

A periodic review of the financial condition and registration of all qualified financial institutions, depositories, and broker/dealers will be conducted by the Finance Director.

3. Investment Advisers

Lake Forest may engage the services of one or more investment advisers to assist in the management of the City's portfolio in a manner consistent with this Investment Policy. Such advisers may or may not be granted discretion to purchase and sell investment securities in accordance with this investment Policy. Such advisers must be registered under the Investment Advisers Act of 1940 or with the appropriate banking regulators if a subsidiary of a bank.

4. Competitive Transactions

The Finance Director will attempt to obtain competitive bid information on all deposits made or investments purchased.

For investment securities purchased on the secondary market, competitive bids can be executed through a bidding process involving at least three separate broker/dealers or financial institutions or through the use of a nationally recognized trading platform. For the purchase of securities for which there is no readily available competitive offering on the same specific issue, then the Finance Director will document quotations for comparable or alternative securities. When purchasing original issue securities, no

competitive offerings will be required as all dealers in the selling group offer those securities as the same original issue price.

Investment advisers will be engaged through a competitive procurement process, such as a Request for Qualifications (RFQ) or RFP. If the City hires an investment adviser to provide investment management services, the adviser must provide documentation of competitive pricing execution on each transaction. The investment adviser will retain documentation and provide the documentation upon request.

VII. Suitable and Authorized Investments

Consistent with the GFOA Policy Statement on State and Local Laws Concerning Investment Practices, the following investments will be permitted by this Investment Policy and are those defined by Illinois State Statutes.

If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the City until this Investment Policy has been amended and the amended version adopted by the City Council.

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities that 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, 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 will be rated at the time of purchase within the three 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 that are insured by the Federal Deposit Insurance Corporation;
- Certificate of Deposit Account Registry Service (CDARS) certificates of deposit or Insured Cash Sweep (ICS) service¹
- [Commercial Paper Corporate Obligations](#) - 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, [obligations must mature not later than three \(3\) years from the](#)

¹ CDARS is a placement service provided by Promontory Network in which a member institution uses the CDARS Network to place funds into CDs or other depository products issued by banks that are members of the CDARS Network. The placements occur in increments below the standard Federal Deposit Insurance Corporation ("FDIC") insurance coverage maximum, allowing for coverage of principal and interest. The Insured Cash Sweep (ICS) works similarly placing funds in demand or money market accounts or both.

[date of purchase](#) 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 that 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 Funds²
- [Illinois Metropolitan Investment Fund \(IMET\) – \(1\) 1-3 year Fund and \(2\) Convenience Fund³](#)
- [Public Treasurers' Investment Pool created under Section 17 of the State Treasurer Act, pursuant to the Public Fund Investment Act 30 ILCS 235/2 – Section 2\(e\)](#)
- 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, will 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 will include mutual execution of a Master Repurchase Agreement adopted by the City.

IMPORTANT NOTE: If the credit rating of a security is subsequently downgraded below the minimum rating level for a new investment of that security, the Finance Director will evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold. The Finance Director will apply the general objectives of safety, liquidity, and return to make the decision.

VIII. Collateralization of Deposits

² The Public Treasurer's Investment Pool created under Section 17 of the State Treasurer Act (15 ILCS 505/17).

³ The IMET Convenience Fund is a short-term money market instrument collateralized via FDIC Insurance, the FHLB Letter of Credit Program, and government securities at 110% on bank deposits.

It is the policy of the City to require that deposits in excess of Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA) and Security Investor Protection Corporation (SIPC) insurable limits, in a single financial institution, be secured by some form of collateral.

To accomplish this, every pledge of collateral will be documented by an approved written security and pledge agreement, executed by the financial institution contemporaneously with the acquisition of the pledged collateral by the financial institution, approved by the board of directors of the financial institution or its loan committee as reflected in the minutes of said board or committee, and continually kept as an official record of the financial institution.

Collateral can be held at the following locations:

- i. A Federal Reserve Bank or its branch office
- ii. A custodial facility - generally in a trust department through book- entry at the Federal Reserve, unless physical securities are involved
- iii. An escrow agent of the pledging institution

To the extent that there are funds in excess of FDIC, NCUA and/or SIPC insurance protection, eligible collateral instruments and collateral ratios (market value divided by deposited funds in excess of FDIC, NCUA and/or SIPC) are as follows:

• Treasuries	110%
• Agencies	110%
• Government Sponsored Enterprises (GSEs)	110%
• State of Illinois obligations	110%
• Lake Forest City General Obligation bonds	110%

The ratio of market value of collateral to the amount of funds secured will be reviewed on a monthly basis and additional collateral will be requested when the ratio declines below the level required.

Substitution or exchange of collateral securities held in safekeeping will not be done without prior written notice of the City at least 10 days prior to any proposed substitutions and provided that the market value of the replacement securities is equal to or greater than the market value of the securities being replaced. The City must pre-approve all substitution and exchanges of securities. At the City's discretion and in a form acceptable to the City Attorney, the City may enter into an alternate written agreement related to the assignment, substitution or exchange of collateral securities.

Letters of credit issued by a Federal Home Loan Bank will also be acceptable as collateral.

IX. Safekeeping and Custody

1. Delivery vs. Payment

All trades of marketable securities will be executed (cleared and settled) on a delivery-vs.-payment (DVP) basis to ensure that securities are deposited in the City's safekeeping institution prior to the release of funds. [Cash accounts may be established only if they meet the following safeguards:](#)

- [SIPC insured,](#)

- Securities account is through an independent third party safe-keeping agent/custodian that is separate from the facilitating broker/dealer,
- All securities are held in book entry form, meaning they are tracked and recorded electronically by the DTC, with the City listed as the ultimate beneficiary,
- Securities purchased are delivered to the securities account, on the settlement date, regardless of whether there is enough cash available to cover the purchase in order to avoid failed trades, and
- All cash positions and securities positions are held separate from the third party custodian's assets and in the name of the City at all times.

2. Third-Party Safekeeping

Securities will be held by an independent third-party safekeeping institution selected by the City. To accomplish this, the securities can be held at the following locations:

- A Federal Reserve Bank or its branch office
- A custodial facility - generally in a trust department through book-entry at the Federal Reserve, unless physical securities are involved.
- An escrow agent of the pledging institution.

Safekeeping will be documented by an approved written agreement. This may be in the form of a safekeeping agreement, trust agreement, escrow agreement, or custody agreement. All agreements will be approved by the City Attorney.

X. Internal Controls

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. Specifics for the internal controls will be documented in an ***investment procedures manual*** that will be reviewed and updated periodically by the Finance Director.

Procedures should include references to: safekeeping, delivery-vs.-payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Finance Director. The Finance Director will be responsible for all transactions undertaken and will establish a system of controls to regulate the activities of subordinate staff.

The internal control structure will be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. The internal controls will address the following points at a minimum:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members

- Written confirmation of transactions for investments and wire transfers
- Dual authorizations of wire transfers
- Staff training and
- Review, maintenance and monitoring of security procedures both manual and automated

XI. Investment Parameters

1. Mitigating credit risk in the portfolio

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. Lake Forest will mitigate credit risk by adopting the following:

- limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- allowing no financial institution to hold more than 35% of the City's investments, maturing over one year, exclusive of local government investment pools or U.S. Treasury securities held in safekeeping. Diversification of investments with maturities of less than a year will be at the discretion of the Finance Director based upon bids.
- limiting investment in securities that have higher credit risks,
- limiting ~~commercial paper~~ obligations of corporations to no more than 10% of the City's investment portfolio, and
- investing in securities with varying maturities.

The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities will not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

2. Mitigating market risk in the portfolio

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The City recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The City will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as local government investment pools, money market funds, or overnight repurchase agreements or other money market instruments to ensure that appropriate liquidity is maintained to meet ongoing obligations. To the extent possible, Lake Forest will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than two years from the date of purchase.

Core funds, comprised of reserve and other funds with longer-term investment horizons, may be invested in securities exceeding two (2) years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of funds.

Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.

3. Local Considerations

Lake Forest will maintain investment accounts in the financial institutions located within the city of Lake Forest whenever possible and not precluded by other standards of this Policy.

XII. Performance Standards/ Evaluation

The investment portfolio will be managed in accordance with the parameters specified within this Policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Portfolio performance will be compared against an appropriate benchmark/s as identified in the *investment procedures manual*.

XIII. Reporting/ Disclosure

The Finance Director will prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report should be provided to the City Council Finance Committee. The report will include the following:

- Listing of individual securities held at the end of the reporting period.
- Realized and unrealized gains or losses appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity.
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmark.
- Listing of investment by maturity date.
- Percentage of the total portfolio which each type of investment represents

XIV. Approval of Investment Policy

This Investment Policy will be reviewed on an annual basis by the Finance Director and any modifications made must be approved by the City Council. If no modifications are made, the Investment Policy will be annotated to include the date of the review.

Approved: ~~February 6, 2017~~ Draft revisions – October 21, 2019

**INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
AND
The City of Lake Forest
2020-20-____**

The Illinois Department of Healthcare and Family Services (HFS or the Department) and The City of Lake forest (CLF), pursuant to the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.*, hereby enter into this Intergovernmental Agreement (Agreement) in connection with enhance rates for ambulance services. HFS and (CLF) are collectively referred to herein as “Parties” or individually as a “Party.”

**ARTICLE I
INTRODUCTION**

1.01 Background. Article XII of the Illinois Public Aid Code authorizes the Illinois Department of Healthcare and Family Services to make use of, aid and co-operate with State and local governmental agencies and the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.* provides for cooperation between units of government. Provider operates a Fire Department (Provider) that is enrolled in the Medical Assistance Program that provides covered ambulance services to individuals eligible for benefits under the Medical Programs; the costs of providing the services described above is not covered by the fee schedule pursuant to which the Department and Managed Care Organizations (MCOs) pay for such services.

1.02 Purpose. In order to provide greater cost coverage to Provider through enhanced rates for services, the Parties enter into this Intergovernmental Agreement.

1.03 Definitions

- (a) Covered Ambulance Services means all ambulance services reimbursable under the Illinois Medicaid state plan and provided to beneficiaries of Medical Programs.
- (b) Effective Federal Match Rate means the weighted average of the Federal Medical Assistance Percentage (FMAP) for Illinois non-Affordable Care Act (ACA) enrollees and the enhanced FMAP for ACA expansion population based on the percentage of specified covered services to the different populations.
- (c) Fee-for-service or FFS means the services under Medical Programs reimbursed to providers directly by the Department and not through an MCO.
- (d) Managed Care Program means services under the Medical Programs for which the Department pays a capitated payment to MCOs to cover the cost of covered medical services.
- (e) Managed Care Organization (MCO) means an entity under contract with the Department receiving capitated payments and at risk for providing reimbursement for enrollees.
- (f) Medical Programs means programs administered by the Department under the Illinois Public Aid Code (305 ILCS 5/5 *et seq.*), the Children’s Health Insurance Program Act (215 ILCS 106/1 *et seq.*) and the Covering All Kids Health Insurance Act (215 ILCS 170/1 *et seq.*).
- (g) Participating Municipal Ambulance Provider means an ambulance provider owned by a municipal corporation that has executed an Intergovernmental Agreement with the Department with terms substantially identical to this Agreement.

INTERGOVERNMENTAL AGREEMENT

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- (h) Specified Covered Ambulance Services means emergency and non-emergency Basic Life Support and Advanced Life Support trips and does not include mileage or oxygen.

ARTICLE II INTERGOVERNMENTAL TRANSFER

- 2.01 Provider will transfer on a periodic basis to the Department an amount equal to 50% of the total enhanced rates paid to Provider by the Department and all MCOs for the period.
- 2.02 For FFS payments, the Department will send a monthly invoice to Provider for the higher FFS payments described in Article III.
- 2.03 For MCO payments, the transfer of 50% of the supplemental payment described in Article III shall be made within 14 days after the receipt of enhanced payments from the MCO.

ARTICLE III ENHANCED RATES FOR SERVICES

- 3.01 Expenditures. The Department shall pay or cause MCOs to pay enhanced rates to Provider for specified covered ambulance services pursuant to this Article III in addition to payments made at the Department's published fee schedule.
- 3.02 The enhanced rate will be determined as follows:
- a. The Department will establish classes of similar Participating Municipal Ambulance Providers.
 - b. For each provider in the class, the Department will calculate an amount as follows using data from each provider's most recent cost report:
 - i. Provider's total costs for covered ambulance services will be calculated based on submittal of the Department's approved cost report.
 - ii. Total fee schedule payments received for covered ambulance services by Provider will be subtracted from costs to determine the cost coverage gap.
 - iii. The cost coverage gap will be divided by the number of Specified Covered Ambulance Services to determine a per service add-on payment
- 3.03 For FFS claims, the Department will add the calculated add-on amount to Provider's rate on the FFS fee schedule and the enhanced rate will be paid with the original claim.
- 3.04 On a quarterly basis, using encounter data of paid claims from each MCO in the Managed Care Program received by the Department during the quarter, the Department will identify the number of Specified Covered Ambulance Services provided to each MCO's enrollees by Provider multiplied by the uniform add-on fee and cause each MCO to pay provider the amount so calculated.
- 3.05 If mutually agreed upon by the Department and all Participating Municipal Ambulance Providers, the payment of enhanced rates may be moved from a quarterly basis to a monthly basis.

ARTICLE IV TERM

- 4.01 Term. This Agreement shall commence October 1, 2019, or as soon as federal approval is received for the Directed Payments required by this Agreement and shall continue until otherwise terminated by the Parties.

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ARTICLE V TERMINATION

5.01 Termination on Notice. This Agreement may be terminated by either Party for any or no reason upon thirty (30) days' prior written notice to the other Party.

5.02 Termination for Cause. In the event either Party breaches this Agreement and fails to cure such breach within ten (10) days' written notice thereof from the non-breaching Party, the non-breaching Party may terminate this Agreement upon written notice to the breaching Party.

5.03 Availability of Appropriation; Sufficiency of Funds. This Agreement is contingent upon and subject to the availability of sufficient funds. The Department may terminate or suspend this Agreement, in whole or in part, without advance notice and without penalty or further payment being required, if (i) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Department by the State or the Federal funding source, (ii) the Governor or the Department reserves funds, or (iii) the Governor or the Department determines that funds will not or may not be available for payment. The Department shall provide notice, in writing, to Provider of any such funding failure and its election to terminate or suspend this Agreement as soon as practicable. Any suspension or termination pursuant to this Section will be effective upon the date of the written notice unless otherwise indicated.

ARTICLE VI MISCELLANEOUS

6.01 Renewal. This Agreement may be renewed for additional periods by mutual consent of the Parties, expressed in writing and signed by the Parties.

6.02 Amendments. This Agreement may be modified or amended at any time during its term by mutual consent of the Parties, expressed in writing and signed by the Parties.

6.03 Applicable Law and Severability. This Agreement shall be governed in all respects by the laws of the State of Illinois. If any provision of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, ordinance, rule of law or public policy, or for any reason, such circumstance shall not have the effect of rendering any other provision or provisions contained herein invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part thereof. In the event that this Agreement is determined to be invalid by a court of competent jurisdiction, it shall be terminated immediately.

6.04 Records Retention. The Parties shall maintain for a minimum of six (6) years from the later of the date of final payment under this Agreement, or the expiration of this Agreement, adequate books, records and supporting documents to comply with the Illinois State Records Act. If an audit, litigation or other action involving the records is begun before the end of the six-year period, the records shall be retained until all issues arising out of the action are resolved.

INTERGOVERNMENTAL AGREEMENT

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6.05 No Personal Liability. No member, official, director, employee or agent of either Party shall be individually or personally liable in connection with this Agreement.

6.06 Assignment; Binding Effect. This Agreement, or any portion thereof, shall not be assigned by any of the Parties without the prior written consent of the other Parties. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and permitted assigns.

6.07 Precedence. In the event there is a conflict between this Agreement and any of the exhibits hereto, this Agreement shall control. In the event there is a conflict between this Agreement and relevant statute(s) or Administrative Rule(s), the relevant statute(s) or rule(s) shall control.

6.08 Entire Agreement. This Agreement constitutes the entire agreement between the Parties; no promises, terms, or conditions not recited, incorporated or referenced herein, including prior agreements or oral discussions, shall be binding upon either Party.

6.09 Notices. All written notices, requests and communications may be made by electronic mail to the e-mail addresses set forth below.

To HFS: Mary.Doran@illinois.gov
Kiran.Mehta@illinois.gov

To: The City of Lake Forest
Siebertp@cityoflakeforest.com
Nixonj@cityoflakeforest.com

6.10 Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

6.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered to be one and the same agreement, binding on all Parties hereto, notwithstanding that all Parties are not signatories to the same counterpart. Duplicated signatures, signatures transmitted via facsimile, or signatures contained in a Portable Document Format (PDF) document shall be deemed original for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

The City of Lake Forest

**ILLINOIS DEPARTMENT OF HEALTHCARE AND
FAMILY SERVICES**

George A. Pandaleon
Mayor Director

Theresa Eagleson

Date: _____

Date: _____

MEDICAL TRANSPORTATION SERVICES COST REPORT

1. DEFINITIONS

Adjustment - Entry to adjust expenses.

Eligible Ground Emergency Medical Transportation (GEMT) Entity - Entity that is eligible to receive supplemental reimbursement under this supplement because it meets all of the following requirements continuously during the claiming period:

- Provides Medical Transportation services to recipients.
- Is enrolled as an Illinois Medicaid provider during the period being claimed.
- Is owned or operated by an eligible governmental entity, to include the state, city, county, and fire protection district.

Medical Transportation Service (MTS) - Transportation to secure medical examinations and treatment for an individual in compliance with HFS rules and Handbook for Transportation Providers

Reclassification of Expense - Entry that transfers costs from one cost center or schedule to another.

Service Period – Fiscal year (July 1 through June 30).

Shift - Standard period of time assigned for a complete cycle of work, as set by each eligible GEMT entity.

2. REPORT SUBMISSION

1. Each eligible GEMT entity must submit a fully completed Centers for Medicare and Medicaid Services (CMS) cost report to the Department of Healthcare and Family Services (HFS) no later than five months after the last day of the fiscal year.
2. Each eligible GEMT entity must maintain fiscal and statistical records for the service period covered by the cost report. All records must be accurate and sufficiently detailed to substantiate the cost report data. Public emergency medical transportation entities must retain all necessary records for a minimum of three years after the end of the quarter in which the cost reports were submitted to HFS. If an audit is in progress, all records relevant to the audit must be retained until completed, or the final resolution of all audit exceptions, deferrals, and disallowances.
3. Public emergency medical transportation entities must maintain a copy of the signed and electronic version of the cost report and all supporting documentation following the review and acceptance of the cost report. HFS may contact GEMT entities individually to schedule audits.

3. REPORTING REQUIREMENTS

Public emergency medical transportation entities must comply with the following reporting requirements:

- Public emergency medical transportation entities must exclude administrative costs incurred for reimbursing HFS's administration costs from this cost report.

All costs must be reported in accordance with all of the following:

1. The Attached cost report and these instructions
2. Medicare cost reimbursement principles specified in 42 Code of Federal Regulations (CFR), Part 413, and Section 1861 of the Social Security Act (42 USC, Section 1395x).
3. Centers for Medicare and Medicaid Services Provider Reimbursement Manual (CMS Pub. 15-1), incorporated by reference and available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Paper-Based-Manuals-Items/CMS021929.html?DLPage=1&DLEntries=10&DLFilter=15-1&DLSort=0&DLSortDir=ascending>.
4. Reported costs that do not comply with the principles specified in these provisions are subject to review by HFS and will be adjusted accordingly.
5. Allowable costs specified in OMB Circular A-87, incorporated by reference, and available at http://www.whitehouse.gov/omb/circulars_a087_2004/.

4. COMPLETING THE REPORT

General Information and Certification	Certifies the EMT Claim Packet
Schedule 1	Schedule of Total Expense
Schedule 2	Medical Transportation Services (MTS) Expense
Schedule 3	Non-Medical Transportation Services Expense
Schedule 4	Allocation of Capital Related and Salaries & Benefits Expense
Schedule 5	Allocation General of Administration and (A&G)
Schedule 6	Reclassifications of Expenses
Schedule 7	Adjustments to Expenses
Schedule 8	Revenues
Schedule 9	Final Settlement
Schedule 10	Notes

GENERAL INFORMATION AND CERTIFICATION

Public emergency medical transportation entities must complete items 1-27. An officer or administrator must sign the certification statement on the original report in a PDF version. Both a PDF and an EXCEL version must be submitted to the email address indicated. Cost reports that are not accepted by the required filing deadline due to improper completion will be rejected.

SCHEDULE 1 – TOTAL EXPENSE

No input is necessary on this schedule to reflect all allowable costs incurred. All numbers will auto-calculate from other schedules.

SCHEDULE 2 – MEDICAL TRANSPORTATION SERVICES EXPENSE

Enter total unallocated direct expenses incurred from providing 100% MTS during each shift. Do not enter expenses for multiple activities (i.e. “shared” services) as 100% MTS. These expenses must be allocated on Schedule 4. For staff that responds to both MTS transports and non-MTS transports activities (i.e. firefighters), salary and fringe benefit expenses for that staff must be reported in Schedule 4 as allocated costs.

- Column 1 Enter all costs 100% associated with MTS.
- Column 2 No input necessary, information will populate from Schedule 4.
- Column 3 No input necessary, information will populate from Schedule 6.
- Column 4 No input necessary, information will populate from Schedule 7.
- Column 5 No input necessary, information will auto-calculate.

SCHEDULE 3 - NON-MEDICAL TRANSPORTATION SERVICES EXPENSE

- Column 1 Enter all costs 100% associated with non-MTS.
- Column 2 No input necessary, information will flow from Schedule 4.
- Column 3 No input necessary, information will flow from Schedule 6.
- Column 4 No input necessary, information will flow from Schedule 7.
- Column 5 No input necessary, information will auto-calculate.

SCHEDULE 4 - ALLOCATION OF CAPITAL RELATED AND SALARIES & BENEFITS

- Column 1 Enter all capital related, salary and benefit costs that are not directly assigned to MTS and non-MTS services.
- Column 2 No input necessary, information will populate from Schedule 6.
- Column 3 No input necessary, information will populate from Schedule 7.
- Column 4-6 No input necessary, information will auto-calculate.

At the bottom on Schedule 4, identify the appropriate hours spent that pertain to MTS services and non MTS services in the yellow highlighted boxes.

SCHEDULE 5 - ALLOCATION OF ADMINISTRATIVE AND GENERAL

- Column 1 Enter all administrative and general costs that are not directly assigned to MTS and non-MTS services.
- Column 2 No input necessary, information will flow from Schedule 6.
- Column 3 No input necessary, information will flow from Schedule 7.
- Column 4-6 No input necessary, information will auto-calculate.

SCHEDULE 6 - RECLASSIFICATIONS

Public emergency medical transportation entities must reclassify an expense when it has been improperly classified, and include an explanation for each reclassification in the column labeled "Explanation of Entry."

Column 1: Enter sequential lettering system to identify individual reclassifications (i.e. A. B. C...)

Column 2 Enter cost center this is increasing.

Column 3 Enter line number of schedule the increase pertains to.

Column 4 Enter schedule number the increase pertains to.

Column 5 Enter the amount of increase.

Column 6 Enter cost center that is decreasing.

Column 7 Enter line number of schedule the decrease pertains to.

Column 8 Enter schedule number the decrease pertains to.

Column 9 Enter the amount of decrease.

The increased total **must equal** the decreased total at the bottom of this schedule.

SCHEDULE 7 - ADJUSTMENTS

Enter in Schedule 7.

SCHEDULE 8 - REVENUES / FUNDING SOURCES:

AREA A

Column 1 Enter Illinois Medicaid FFS revenue type. Column 2-5 Enter dollar amount for revenue received.

Column 6 No input necessary, information will auto-calculate.

AREA B

Column 1 Enter other Illinois Medicaid revenue type. Column 2-5 Enter dollar amount for revenue received.

Column 6 No input necessary, information will auto-calculate.

AREA C

Column 1 Enter total revenue (i.e. Illinois Medicaid payments (FFS and MCO), tax revenue, grants, etc.) received and list the funding source.

Column 2 Enter revenue amount if it is MTS specific.

Column 3 Enter revenue amount if it is non-MTS specific.

Column 4 No input necessary, information will auto-calculate.

SCHEDULE 9 - FINAL SETTLEMENT

Row 1	No input necessary, cost of MTS will auto-calculate from Schedule 2.
Row 2	Indicate if the indirect cost factor was based on MTS.
Row 3	If the answer for Row 2 above was NO, enter the base costs for calculating the indirect cost.
Row 4	Enter the indirect cost factor. In most cases, when an indirect cost factor is being applied, there should be no A&G cost allocated.
Row 5	No input necessary, information will auto-calculate.
Row 6	No input necessary, information will auto-calculate.
Row 7	No input necessary, information will auto-calculate.
Row 8	Enter the total number of MTS for the reporting period; by quarter where applicable.
Row 9	No input necessary, the average cost per medical transport will auto-calculate.
Row 10	No input necessary, FFS transports will auto-calculate for the corresponding quarter.
Row 11	No input necessary, total costs of Illinois Medicaid emergency medical transports will auto-calculate.
Row 12	No input necessary, Illinois Medicaid revenue will auto-calculate for the corresponding quarters. Note: The amount will be a negative value.
Row 13	No input necessary, net cost of services for the corresponding quarter will auto-calculate.
Row 14	No input necessary, federal financial participation reduction will auto-calculate for the corresponding quarter.
Row 15	No input necessary, net amount due to the GEMT Entity will auto-calculate.

SCHEDULE 10 - NOTES

Identify any contracting arrangements for expenditures reported on Schedules 1-5, the statistical basis for allocation on Schedules 4 and 5, and reasons for any schedules left blank.

5. FILING DEADLINE

1. HFS may approve an extension of the filing deadline when a GEMT entity's operations are significantly or adversely affected due to extraordinary circumstances, which the GEMT entity has no control over, such as, flood or fire. Public emergency medical transportation entities must submit a written request for an extension including a detailed explanation of the circumstances supporting the need for additional time postmarked within the five months after the last day of the applicable fiscal year.
2. ELECTRONIC SUBMISSION OF ANNUAL COST REPORTS – email the signed Adobe PDF™ version, the Excel™ version, and any supporting documentation when using an Indirect Cost Factor on Schedule 9 to an email address to HFS.GEMT@illinois.gov.



ILLINOIS FIRE CHIEFS ASSOCIATION

Dedicated to excellence in the Fire Service

Post Office Box 7 ▪ Skokie, Illinois 60076-0007
Phone (847) 966-0732 ▪ 1-800-662-0732 ▪ FAX (847) 966- 0782
Website: [www: Illinoisfirechiefs.org](http://www.Illinoisfirechiefs.org)

October 4, 2019

As many of our members are aware, the IFCA has been pursuing a program for supplemental Medicaid payments commonly known as GEMT (Ground Emergency Medical Transportation). The final details will not be available until the approval of the State Plan Amendment that was recently submitted to the Centers for Medicare and Medicaid Services for approval. We believe that plan will be approved before the end of 2019. This is a very important program that will generate millions of Federal dollars for Illinois Fire Departments and Districts.

Here are some of the details:

- To be eligible to receive funding your organization must meet the following criteria:
 - Submit to Medicaid for the cost of transportation to a recognized facility (hospital) under a National Provider Identifier (NPI) registered to a public provider (Municipality or District)
 - Be considered an "obligated provider" of emergency response and transportation to a hospital. This means that you are required by law or statute to respond, treat and transport
- Annually complete a detailed cost report that delineates your cost of service EMS per response on a Department of Health and Family Services (HFS) approved form
- Execute an Intergovernmental Agreement (IGA) with the State of Illinois HFS
- Maintain a completed cost report and IGA on file with HFS
- The distribution process
 - Based on cost reports filed, HFS will take the cost per trip and subtract out the weighted average fee schedule reimbursement to develop a uniform per trip supplemental payment. For Departments/Districts (FDs) in a region, HFS will calculate and average cost per trip
 - The weighted average fee schedule reimbursement will use the regional fee schedule for the four codes for emergency and non-emergency BLS and ALS
 - FDs will submit to Medicaid through your normal billing process
 - For Fee-for-Service (FFS) claims, this add-on amount will be added to the HFS fee schedule rate so that FDs are paid the full amount as claims are processed
 - MCO claims will be initially paid at their current fee schedule rates
 - On a quarterly basis, HFS will identify in MCO encounter claims (encounter claims are claims paid by MCOs to the FDs)
 - HFS will count all paid claims to participating FDs and multiply the supplemental add-on amount by the number of claims to calculate how much is owed to each FD
 - A supplemental capitation payment will be sent to each MCO with instructions on how much is owed to each FD
 - MCOs will forward these payments to FDs within a short time of receipt
 - Following receipt of these supplemental payments from the MCOs, FDs will receive an invoice from HFS for 50% of the amount they received from the MCOs plus 50% of the supplemental amount paid in fee-for-service claims
 - The invoiced amount must be remitted back to the State in accordance with the previously submitted IGA

A calculation example follows. Please note these dollar amounts are used as an example and not indicative of actual experience. **THIS IS JUST AN EXAMPLE**

The average cost per trip for a given region is \$2000.

The average standard Medicaid fee schedule will pay \$500

For fee for service claims the FD will receive the full \$2000

For MCO claims the FD will initially receive the weighted fee \$500.

These claims will be reviewed quarterly and the FD will then receive an additional \$1500
HFS will invoice the FD for \$750.00 for each Medicaid claim (both FFS and MCO)
The net gain to the FD will be \$750.00 for this trip

It must be noted that this is a voluntary program, there is no requirement to participate.

Below is important information on the current timeline.

- For FDs that submitted cost reports prior to October 1 and a signed IGA by November 1, HFS will adjust their fee-for-service rate for dates of service October 1 and after.
 - In this case, the first supplemental MCO Directed Payment cannot be sent until federal approval of the HFS plan for the Directed Payments. We expect this to happen late in the fourth quarter of calendar 2019.
- For FDs that submit a cost report and IGA in October (PRIOR TO NOVEMBER 1st), they will begin receiving supplemental payments effective January 2020 for both fee-for-service and MCO claims
 - Again, the first supplemental MCO Directed Payment cannot be sent until federal approval of our plan for the Directed Payments.
- Departments that do not have a cost report and IGA submitted in October will not be eligible to join the program until 2021. The Deadline for submitting cost reports and IGAs for 2021 participation will be October 1, 2021

As noted above, this program has not yet received Federal approval, the information above is the best available and represents what was submitted to CMS. Without Federal approval, the actual cost report form is not yet available. The IFCA also strongly recommends that interested Departments and Districts work very closely with their billing agency to complete the required cost report.

Historically, these programs have been subject to stringent audits by Medicaid and participating agencies should be prepared for this likelihood.

More information will be available as the program proceeds through the Federal approval process. Updates have been posted to the Illinois Fire Chiefs Association website under the Legislative section <https://www.illinoisfirechiefs.org/legislation/GFMT/>.

Additionally, HFS is hosting a conference call on **Monday October 7, 2019 at 9:00am** to address questions about the cost report. The call in information is:

Phone Number: **888-494-4032**
Passcode: **2949284410**

The main contact will be Jim Parker, with assistance from Randy Hulskotter from the Medicaid office.

**FIRST AMENDMENT TO RESTATED AGREEMENT
RELATING TO THE GORTON PROPERTY**

THIS FIRST AMENDMENT is made as of the ____ day of _____, 2019, by and between **THE CITY OF LAKE FOREST**, an Illinois charter and home rule municipal corporation (the “**City**”), and the **GORTON COMMUNITY CENTER**, an Illinois not-for-profit corporation (“**GCC**”);

W I T N E S S E T H:

WHEREAS, the City is the owner of certain real property at the site of the former Gorton School located at 400 East Illinois Road in Lake Forest, Illinois (“**Property**”); and

WHEREAS, the Property is improved with a building operated as a community center for the purposes of promoting activities of public interest and bringing together organizations for the benefit and enjoyment of the entire Lake Forest community; and

WHEREAS, GCC is a not-for-profit entity with its own board of directors; and

WHEREAS, on July 1, 2013, the City and GCC entered into that certain Restated Agreement Relating to the Gorton Property (“**Agreement**”) to fully define their respective roles and responsibilities to each other and with respect to the Property, including the terms and conditions for the development, use, operation, and management of the Property; and

WHEREAS, the Agreement allows the City to appoint a varying number of members to the GCC board of directors and requires GCC to annually budget a certain amount of funds for the upkeep, maintenance, repair, and replacement of building systems; and

WHEREAS, the City and GCC now desire to amend the Agreement to, among other things, a) modify the number of City-appointed directors on the GCC board of directors and b) describe the required sharing of GCC’s financial information with the City, as more fully set forth in this First Amendment;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements set forth below and other good and valuable consideration, the sufficiency of which the parties hereto acknowledge, the parties hereby agree to amend the Agreement as follows:

Section 1. **Recitals.** The foregoing recitals are material to this First Amendment and are incorporated therein as if fully set forth in this Section 1.

Section 2. **Amendment to Subsection 10.C.** Subsection C, entitled “Budget Review and Approval,” of Section 10, entitled “Finances,” is hereby amended as follows (additions shown in **bold and underline**; deletions shown ~~struck-through~~):

“C. Budget Review and Approval.

1. Amendment to GCC’s By-Laws. As soon as practical after the signing of **the First Amendment** ~~this Agreement~~, GCC agrees to amend its by-laws (the “**GCC By-Laws**”) to provide that the City shall

have the right to appoint ~~the greater of five or one-third~~ three of the GCC board of directors ("***GCC Board***") (which members appointed by the City shall hereinafter be referred to as the "***City GCC Board Members***"). The City GCC Board Members shall serve ~~two~~ three-year terms, which terms may be renewed in the discretion of the City Council for one additional three-year term. The City GCC Board Member Position Description is attached as Exhibit E. The GCC By-Laws shall also ~~be amended to provide~~ continue to provide for a sub-committee, known as the "***Finance and Operations Sub-Committee***," which shall be comprised of the City GCC Board Members, the GCC Chairperson, and the GCC Treasurer. The GCC By-Laws shall further provide that: (a) the Finance and Operations Sub-Committee shall i) oversee the preparation of the annual operating and capital budgets and audit; ii) review monthly GCC financial statements and review periodically GCC's accounting and cash management policies; iii) oversee GCC's strategies relating to operations, staffing, building maintenance and repair, space rental, general programming, and theater programming; and iv) oversee and review a long-range financial plan for GCC; perform all duties and responsibilities ~~currently performed by the City's Gorton Community Center Commission;~~ (b) the City GCC Board Members shall be full voting members of the GCC Board; (c) a City GCC Board Member shall serve as the chairman of the Finance and Operations Sub-Committee and the chair shall be a member of the GCC Executive Committee; and (d) the City Manager shall be a non-voting participant of the GCC Board. The GCC shall submit the foregoing amendment of the GCC By-Laws to the City Manager for review and written approval, and, following such approval, the GCC shall not further amend the GCC By-Laws in any way that alters, directly or indirectly, the amendments set forth in this Section 10.C.1."

2. Gorton Commission City Director Appointment. Following the approval ~~adoption~~ of the amendments to the GCC By-Laws as set forth in Section 10.C.1 of this Agreement, the Membership Committee, with the approval of the City Manager, shall realign the GCC Board to result in its having three City GCC Board Members (from among those that are currently City Directors or newly appointed City Directors). ~~City shall promptly take action to dissolve the City's Gorton Community Center Commission and to appoint the City GCC Board Members. The initial City GCC Board Members may have a term of less than two years for purposes of establishing an appointment date that coincides with the term of the Mayor of the City.~~

3. Annual Budget.

- a. On an annual basis, the Finance and Operations Sub-Committee and the GCC Executive Director (who shall report

to the GCC Board) shall submit to the City **Manager and Finance Chair of the City Council** for review and **recommendation to the City Council** approval, the GCC's annual budget and plans for the use of and programming at the Property (the "***Annual Budget and Plan***"). The Annual Budget and Plan shall set forth, *inter alia*, fees and charges for the use and occupancy of the Property, as well as projected additional revenues and expenditures, and identification of specific programs and occupants (to the extent known) of various spaces within the Property. The Annual Budget and Plan shall also include at least the "Minimum Annual GCC Maintenance Investment" (as hereinafter defined). **In addition, the Annual Budget and Plan shall include a five-year financial forecast.**

- b. In connection with the City's review of the Annual Budget and Plan, the Parties shall review the capital needs of the Building **for a five-year period**, capital budgets of GCC and the City, the maintenance contracts of the GCC, as well as any adjustments that may be appropriate to the "Listing of Infrastructure Replacement Responsibilities" (as hereinafter defined). Nothing in this Section 10 precludes the GCC from seeking contributions from the City for any significant Building infrastructure costs that the GCC has incurred or anticipates incurring as part of the Annual Budget and Plan process.
- c. Following such review (which may include interim comments with suggested revisions to the Annual Budget and Plan), the City shall submit its recommendation for approval, approval with modification, or rejection of the Annual Budget and Plan to the full City Council. The City Council shall have the right to approve, approve subject to modifications, or reject the Annual Budget and Plan.
- d. The GCC shall only be authorized to use and occupy the Property in accordance with an approved Annual Budget and Plan. In the event that the City Council does not approve an Annual Budget and Plan as presented by the GCC, the GCC shall only be authorized to Operate and occupy the Property in accordance with the Annual Budget and Plan last approved by the City Council [subject to rate adjustments not exceeding the change in the Consumer Price Index as defined in 35 ILCS 200/18-185 (the "***CPI***") since the Effective Date of this Agreement].

- e. The Finance and Operations Sub-Committee shall from time-to-time establish guidelines for the GCC regarding the contents of such Annual Budget and Plan, including a timetable for its submission to and review by the City, which guidelines shall be subject to the approval of the City Manager.”

Section 3. Amendment to Section 10.D.1.b., GCC Maintenance Obligations.
Subparagraph b of Paragraph 1, entitled “GCC’s Responsibilities,” of Subsection D, entitled “Upkeep, Maintenance, Repair and Replacement,” of Section 10, entitled “Finances,” is hereby amended as follows (additions shown in **bold and underline**; deletions shown ~~struck through~~):

- “b. With respect to the upkeep, maintenance, repair, and replacement of the HVAC, elevator, electrical, plumbing, and fire suppression and alarm systems (but not replacement of lighting and plumbing fixtures) in the Building and any accessory buildings and structures on the Property (collectively, the “*GCC Maintenance Obligations*”), **GCC shall be required to include in its Annual Budget and Plan sufficient funding to satisfy the GCC Maintenance Obligations each year. In any year in which GCC’s endowment falls below \$2,000,000.00.** GCC shall be required to include in its Annual Budget and Plan at least \$25,000.00 ~~per~~ **in that** year, **which amount must be maintained each year until the GCC’s Endowment again reaches \$2,000,000.00.** ~~shall be reviewed and adjusted during every even-numbered anniversary year of this Agreement by mutual agreement of the Parties; provided that, if the Parties cannot mutually agree to an adjusted amount, then the annual amount shall be adjusted to reflect the change in the CPI since the Effective Date of this Agreement (the “*Minimum Annual GCC Maintenance Investment*”). To the extent GCC does not expend~~ **the approved maintenance funding** ~~the Minimum Annual GCC Maintenance Investment to satisfy the GCC Maintenance Obligations in any fiscal year, such remaining amount of the Minimum Annual GCC Maintenance Investment shall be placed in a separate account (the “*GCC Maintenance Reserve*”), which GCC Maintenance Reserve (plus any interest earned thereon) shall be used only for satisfying GCC Maintenance Obligations. If, in any year, the cost of the GCC Maintenance Obligations exceeds the Minimum Annual GCC Maintenance Investment (or such greater~~ **maintenance funding** ~~amount that may be included in the~~ **approved** ~~Annual Budget and Plan), then GCC shall use such moneys that are available in the GCC Maintenance Reserve to undertake any necessary GCC Maintenance Obligations.~~

To the extent the GCC undertakes repair work on the Property for which the City receives proceeds under an applicable insurance policy or similar coverage, the City shall reimburse the GCC for its actual repair costs, but in no event more than the insurance proceeds that the City has actually received. Any such reimbursement amounts shall be deposited in the GCC Maintenance Reserve **if it is in place per the preceding paragraph.**

Notwithstanding the GCC's obligations pursuant to this Section 10.D.1, the GCC shall not be required to undertake any GCC Maintenance Obligations in excess of the amounts set forth in the **approved** Annual Budget and Plan (~~which shall not be less than the Minimum Annual GCC Maintenance Investment~~) and amounts available in the GCC Maintenance Reserve."

Section 4. Amendment to Section 23.N, Exhibits. Subsection N, entitled "Exhibits," of Section 23, entitled "General," is hereby amended as follows (additions shown in **bold and underline**; deletions shown ~~struck through~~):

"N. Exhibits A through ~~D~~ **E**, attached hereto are, by this reference, incorporated in and made a part of this Agreement. In the event of a conflict between an exhibit and the text of this Agreement, the text of this Agreement shall control."

Section 5. Remaining Provisions. The terms and provisions of the Agreement not specifically modified by this Amendment shall remain in full force and effect and shall not be construed to have been modified, waived, discharged or otherwise altered by this Amendment.

IN WITNESS WHEREOF, the City and GCC have executed this Amendment as of the date first above written.

GORTON COMMUNITY CENTER, an
Illinois not-for-profit corporation

ATTEST:

By: _____

Its: _____

THE CITY OF LAKE FOREST, an Illinois
municipal corporation

ATTEST:

By: _____

Its: _____

Exhibit E

City GCC Board Member Position Description

A Gorton Community Center (sometimes abbreviated “GCC”) City of Lake Forest (“City”) Director (also referred to as a “City GCC Board Member”) is appointed to the Gorton Board of Directors by the City Mayor with the concurrence of the City Council for a term of three years and up to two terms.

City GCC Board Members

A City GCC Board Member shall be a full voting member of the GCC Board of Directors, the Finance Committee and such other committees as appointed to by the Board President.

A City GCC Board Member is expected to:

- a. Devote special attention to the interests of the City in maintaining a viable and financially sound institution that operates for the benefit of the City and neighboring communities.
- b. Participate in Gorton’s finance and operations strategies to include:
 1. oversee the preparation of the annual operating and capital budgets and audit;
 2. review monthly Gorton’s financial statements and review periodically Gorton’s accounting and cash management policies;
 3. oversee Gorton’s strategies relating to operations, staffing, building maintenance and repair, space rental, general programming, and theater programming; and
 4. oversee and review a long-range financial plan for Gorton.
- c. Bring to the attention of the GCC Board any matters related to the governance of the Gorton Community Center that may be detrimental to the City. If the City GCC Board Member feels that GCC Board action on the matter (whether action on the matter is taken or not taken) is insufficient, the City GCC Board Member shall bring the matter to the attention of the Finance Committee Chair of the City Council.

City GCC Board Members Qualifications

Qualifications for a City GCC Board Member should include:

- Strong communication skills
- Knowledge of finance and organization management
- No conflicts of interest with GCC operations

And may include:

- Experience serving on other non-profit boards or City boards and commissions
- Non-profit management experience
- Specialized knowledge of GCC services and operational requirements

RESTATED AGREEMENT RELATING TO THE GORTON PROPERTY

THIS AGREEMENT is made as of the 1st day of July, 2013 (the "**Effective Date**"), by, between, and among **THE CITY OF LAKE FOREST**, an Illinois municipal corporation (the "**City**"), and the **GORTON COMMUNITY CENTER**, an Illinois not-for-profit corporation (the "**GCC**");

WITNESSETH:

WHEREAS, the City is the owner of certain real property at the site of the former Gorton School located at 400 East Illinois Road in Lake Forest, Illinois, and legally described in Exhibit A to this Agreement (the "**Property**"); and

WHEREAS, the Property is improved with a building (the "**Building**") and since approximately 1972, the Building and Property has been operated as a community center for the purposes of promoting activities of public interest and bringing together organizations for the benefit and enjoyment of the entire Lake Forest community (the "**Community Center**"); and

WHEREAS, the GCC is a not-for-profit entity financially independent from the City and has an independently appointed Board of Directors; and

WHEREAS, the GCC, including its predecessor and related entities, has used various portions, and operated aspects of, the Community Center and Property for over forty years; and

WHEREAS, during this time, the Community Center's activities and services have expanded, and the GCC now makes certain facilities of the Property available to organizations benefiting the Lake Forest and Lake Bluff communities and beyond for meetings, programs, and activities in order to enhance cultural, social, recreational, civic, and educational opportunities for the residents of Lake Forest and Lake Bluff and others; and

WHEREAS, the GCC has also made the Property available to various other community service organizations, thereby offering the Lake Forest and Lake Bluff communities a true center for accessing many of the organizations and services that enhance the lives of the residents of Lake Forest and Lake Bluff; and

WHEREAS, the City recognizes that in GCC's use and operation of the Community Center, GCC has performed, or facilitated other organizations in performing, various services that might otherwise be undertaken directly by the City, including without limitation, cultural and recreational programs, for all ages, and certain social service programs, including day care services provided through the Gorton Children's Drop-In Center (the "**Drop-In Center**"), which is a part-time day care facility licensed by the State of Illinois; and

WHEREAS, the continued operation of the Drop-In Center as part of the Community Center is one of many important considerations in the City's execution of this Agreement; and

WHEREAS, the GCC has historically employed, and currently employs, both full-time and part-time staff for purposes of overseeing the operations of the Community Center and the Property (including the Drop-In Center), as well as for the purposes of providing direct services to the community; and

WHEREAS, the Community Center has been financed through GCC's, and through related entities', fundraising efforts as well as the proceeds from user fees from the Community Center's programs and income from other organizations and individuals using the Property; and

WHEREAS, in addition to its programming and service activities, the GCC has assumed stewardship of the historically significant building, as more fully described herein, and certain facilities on the Property to ensure that such elements of the Property are well maintained and preserved for the benefit of the community; and

WHEREAS, the City and GCC have determined that certain administrative efficiencies for the Community Center can be achieved through mutual cooperation; and

WHEREAS, in recognition of the evolving role and activities of the Community Center as well as the importance of the Community Center to the City, its residents, and to the broader community in the Lake Forest-Lake Bluff area, GCC and the City desire to fully define their respective roles and responsibilities to each other and with respect to the Property, including the terms and conditions for the development, use, operation, and management of the Property;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements set forth below and other good and valuable consideration, the sufficiency of which the parties hereto acknowledge, the parties hereby agree as follows:

Section 1. Recitals. The foregoing recitals are material to this Agreement and are incorporated herein as if fully set forth in this Section 1.

Section 2. Prior Agreements Superseded. This Agreement supersedes and replaces all prior agreements between the City and the GCC, or its predecessor or related entities, including without limitation the following: (i) Operating Agreement for the Property, dated December 30, 2003, (ii) Agreement Relating to the Gorton Property, dated December 30, 2003, (iii) the Agreement Relating to the Payment of Fees Between The City of Lake Forest and the Gorton Community Center Corporation dated March 31, 2009, (iv) the Initial Services Agreement dated November 17, 1984, and (v) the Lease, dated May 1, 1999 (the "**Prior Agreements**"). Upon execution of this Agreement, the terms of the Prior Agreements are rendered null and void.

Section 3. Operating Rights and Responsibilities. The City hereby grants, authorizes, and appoints the GCC, and the GCC hereby accepts such grant, authorization, and appointment from the City, all operating, use, occupancy, maintenance, and management rights and responsibilities not reserved to the City hereunder (collectively, "Operate" or "Operation") relating to the Property and all structures and improvements located thereon, on the terms and conditions set forth herein. Notwithstanding the grant of authority and responsibility for the

Property to the GCC, the City retains certain rights and responsibilities relating to the Property, as more fully set forth in this Agreement.

Section 4. Term and Charges.

A. Initial Term. The GCC shall Operate the Property for an initial term of thirty-three (33) years, which shall expire on July 1, 2046, unless sooner terminated as hereinafter provided. The term of this Agreement shall automatically renew for two additional terms of thirty-three (33) years, except as provided in Section 4.B of this Agreement. The initial term and any renewal terms shall be collectively known as the "Term."

B. Renegotiation of Agreement. Not less than 360 days before the scheduled expiration of a Term of this Agreement, either party may notify the other of its desire to terminate or amend the provisions of this Agreement (a "***Pre-Termination Notice***"). Upon delivery of such Pre-Termination Notice, the parties shall engage in good faith discussions to reach an accord regarding any modified terms of this Agreement; provided, however, that upon the expiration of such 360-day period (or such longer period as the parties may mutually agree in writing), if no accord has been reached regarding the modification of the provisions of the Agreement, the Agreement shall be deemed terminated.

C. Other Charges and Fees. The GCC shall pay such other fees and charges as may be provided in this Agreement.

Section 5. Operation of the Property.

A. GCC's Use of the Property. During the term of this Agreement, the GCC shall Operate the Property as a Community Center and uses consistent with GCC's historic use of the Property since 1972 as a Community Center, subject to the terms and conditions of this Agreement. In connection with the Community Center Operation, space upon the Property may be used and occupied for:

- (i) community service, charitable, and other similar purposes that serve the Lake Forest and Lake Bluff communities;
- (ii) cultural, recreational, and educational activities for the enjoyment and benefit of Lake Forest and Lake Bluff residents of all ages;
- (iii) facilities in support of community activities, services, and other not-for-profit groups and organizations affiliated with the Lake Forest and Lake Bluff communities;
- (iv) GCC's office functions, activities, and programs;
- (v) the Drop-In Center; and
- (vi) such other uses that the City may otherwise approve.

During the term of this Agreement, the GCC shall continue to Operate the Drop-In Center and to obtain and maintain all required licenses and certifications therefor, unless the City otherwise consents in writing.

B. GCC's Development of the Property. The GCC may, without cost of expense to the City, construct additional buildings and structures on the Property, provided that (i) the City grants its prior written approval of such construction as owner of the Property, (ii) the GCC shall apply for and obtain all necessary permits and approvals from applicable federal, state, and local agencies and governmental bodies, including amendments to both the special use permit and this Agreement, and (iii) the use of any such building or structure shall be consistent with the current uses on the Property. Nothing in this Agreement shall preclude the GCC from requesting the City to waive fees or charges that may be due in connection with obtaining licenses, permits, or other required approvals from the City.

C. Terms for Third Party Use. During the term of this Agreement, the GCC may impose charges on users and others occupying the Property, and the GCC shall be entitled to keep all proceeds from such user charges. As a condition for any third parties to host events on, or to enter an agreement for longer term use of, the Property or a portion thereof, the GCC shall require such third party (a "**Third Party User**") to sign a written agreement, which agreement shall provide, *inter alia*, that (i) the Third Party User shall release and hold harmless the City and its boards, committees, commissions, officers, officials, employees, agents, attorneys, and representatives (the "**City Representatives**") from and against any suits, actions, lawsuits, injuries, damages, losses, liens, costs, expenses (including any attorneys' fees), judgments, or other claims of any sort of nature (the "**Claims**") relating to or arising from its use or occupancy of the Property, (ii) the Third Party User's rights to use the Property are subject to the City's rights under and terms of this Agreement. Guests of Third Party Users, need not sign such waivers, but GCC will indemnify the City against any Claims of Third Party Users or their Guests, under Section 12.A. of this Agreement, and GCC shall make reasonable efforts to identify itself or the Third Party User as the host, organizer, or manager of such event.

D. Reservation of Use Rights. During the Term of this Agreement, the City shall have the right to use or occupy portions of the Property for purposes that the City may determine to be in the public interest and reasonably compatible with the concurrent use of the Property by the GCC. The City's use and occupancy rights shall be as follows:

- (i) to occupy such portions of the Property that are otherwise available for use by other persons;
- (ii) upon not less 365 days notice, to occupy any portions of the Property (not exceeding 1,500 square feet of net rentable space) that are not otherwise subject to an exclusive lease or license to specified portions of the Property; and
- (iii) in the event of *force majeure* events affecting the utility of City facilities, the City shall have the right to occupy any portion of the Property not otherwise subject to an exclusive lease or license to specified portions of the Property

In connection with its use of any portion of the Property, the City agrees to pay the GCC the same charges that the GCC charges to other users or occupants of the Property, unless the City and the GCC otherwise agree; such use charges shall be subject to annual review by the City in connection with its review and approval of the GCC budget.

Section 6. Conditions of Use. The GCC shall, at its sole cost and expense, obtain and abide by any governmental approval that may be required in connection with the use of the Property for the GCC's intended use, including, without limitation, any zoning, building, or other code requirements of The City of Lake Forest. To the extent that the special use permit for the Property requires an amendment as a result of this Agreement, the parties shall cooperate to seek and obtain any such amendment.

Section 7. Undisturbed Operation. Subject to the other terms and provisions of this Agreement, the City agrees that upon performance by the GCC of all terms, covenants, and conditions of this Agreement applicable to the GCC, the GCC shall enjoy all rights to Operate the Property provided in this Agreement, as well as the other rights and privileges granted for the Term, without hindrance or interference by the City.

Section 8. Utilities. From the date of execution of this Agreement and continuing throughout the Term, the GCC shall be responsible for obtaining any utility services for the Property that it desires and paying all charges for such utility services used or consumed on the Property. The City agrees to cooperate with the GCC and any utility company requesting utility easements over, under, and across the Property in order to provide utility service to the Property. In the event that the GCC does not timely pay any charge for utility services when due, the City shall have the right, but not the obligation, to pay such charges, and the amount of such charges and any interest or penalties assessed upon delinquent charges (plus the full amount of any expenses, including attorneys' fees, incurred by the City in recovering any paid utility charges, penalties, or interest from the GCC) shall be deemed other charges due from the GCC under this Agreement. Notwithstanding the foregoing, to the extent applicable, GCC as operator of the Building shall enjoy the service benefits available to the Building pursuant to any franchise agreement between the City and any public utility; provided, however, that such service benefits shall not include or be deemed to include any franchise fees or other payments received by or made to the City.

Section 9. Access; Inspections. In addition to such access as is reasonably necessary and convenient for the City's use of the Property pursuant to Section 5 of this Agreement, the City and its agents shall have the right to enter the Property for the purpose of examining and inspecting any part of the Property upon reasonable advance notice to GCC if the City deems it necessary or desirable to determine compliance with this Agreement; provided, however, that notice to the GCC shall not be required in the event of a bona fide emergency; provided further, however, that the City and the GCC shall cooperate to the extent feasible in scheduling inspections so as to minimize disruption in the use and occupancy of the Property.

Section 10. Finances.

A. **In General.** The GCC's Operation of the Property is dependent on the sound financial footing of the GCC so that the Property is properly maintained and is utilized for the

benefit of the Lake Forest and Lake Bluff communities as more specifically set forth in Section 5 of this Agreement. Accordingly, the City has an overriding interest in assuring that the GCC's budget and programming, as well as the GCC's overall fiscal health, are acceptable to the City. At the same time, the City, as owner of the Property, has certain ongoing obligations with respect to the periodic replacement of the major capital elements of the Property and its improvements, subject to the City's determinations respecting its overall budgetary and property management planning.

B. Reports. The GCC shall submit to the City, on an annual basis, (i) an audited financial statement undertaken in accordance with generally accepted accounting principles of the GCC's most recently completed fiscal year, (ii) a status report on fundraising receipts for the benefit of GCC, and (iii) a report or reports regarding the GCC's maintenance, operation, and repair activities on the Property (including the amounts expended on such activities).

C. Budget Review and Approval.

1. Amendment to GCC's By-Laws. As soon as practical after the signing of this Agreement, the GCC agrees to amend its by-laws (the "***GCC By-Laws***") to provide that the City shall have the right to appoint the greater of five or one third of the GCC board of directors then holding office ("***GCC Board***") (which members appointed by the City shall hereinafter be referred to as the "***City GCC Board Members***"). The City GCC Board Members shall serve two-year terms, which terms may be renewed in the discretion of the City Council. The GCC By-Laws shall also be amended to provide for a sub-committee, known as the "***Finance and Operations Sub-Committee***," which shall be comprised of the City GCC Board Members, the GCC Chairperson, and the GCC Treasurer. The GCC By-Laws shall further provide that: (a) the Finance and Operations Sub-Committee shall perform all duties and responsibilities currently performed by the City's Gorton Community Center Commission; (b) the City GCC Board Members shall be full voting members of the GCC Board; (c) the chairman of the Finance and Operations Sub-Committee shall be a member of the GCC Executive Committee; and (d) the City Manager shall be a non-voting participant of the GCC Board. The GCC shall submit the foregoing amendment of the GCC By-Laws to the City Manager for review and written approval, and, following such approval, the GCC shall not further amend the GCC By-Laws in any way that alters, directly or indirectly, the amendments set forth in this Section 10.C.1.

2. Gorton Commission. Following the adoption of the amendments to the GCC By-Laws as set forth in Section 10.C.1 of this Agreement, the City shall promptly take action to dissolve the City's Gorton Community Center Commission and to appoint the City GCC Board Members. The initial City GCC Board Members may have a term of less than two years for purposes of establishing an appointment date that coincides with the term of the Mayor of the City.

3. Annual Budget.

a. On an annual basis, the Finance and Operations Sub-Committee and the GCC Executive Director (who shall report to the GCC Board) shall submit

to the City for review and approval, the GCC's annual budget and plans for the use of and programming at the Property (the "***Annual Budget and Plan***"). The Annual Budget and Plan shall set forth, *inter alia*, fees and charges for the use and occupancy of the Property, as well as projected additional revenues and expenditures, and identification of specific programs and occupants (to the extent known) of various spaces within the Property. The Annual Budget and Plan shall also include at least the "Minimum Annual GCC Maintenance Investment" (as hereinafter defined).

- b. In connection with the City's review of the Annual Budget and Plan, the Parties shall review the capital needs of the Building, capital budgets of GCC and the City, the maintenance contracts of the GCC, as well as any adjustments that may be appropriate to the "Listing of Infrastructure Replacement Responsibilities" (as hereinafter defined). Nothing in this Section 10 precludes the GCC from seeking contributions from the City for any significant Building infrastructure costs that the GCC has incurred or anticipates incurring as part of the Annual Budget and Plan process.
- c. Following such review (which may include interim comments with suggested revisions to the Annual Budget and Plan), the City shall submit its recommendation for approval, approval with modification, or rejection of the Annual Budget and Plan to the full City Council. The City Council shall have the right to approve, approve subject to modifications, or reject the Annual Budget and Plan.
- d. The GCC shall only be authorized to use and occupy the Property in accordance with an approved Annual Budget and Plan. In the event that the City Council does not approve an Annual Budget and Plan as presented by the GCC, the GCC shall only be authorized to Operate and occupy the Property in accordance with the Annual Budget and Plan last approved by the City Council [subject to rate adjustments not exceeding the change in the Consumer Price Index as defined in 35 ILCS 200/18-185 (the "***CPI***") since the Effective Date of this Agreement].
- e. The Finance and Operations Sub-Committee shall from time-to-time establish guidelines for the GCC regarding the contents of such Annual Budget and Plan, including a timetable for its submission to and review by the City, which guidelines shall be subject to the approval of the City Manager.

D. Upkeep, Maintenance, Repair, and Replacement.

1. GCC's Responsibilities.

- a. Except as provided in Section 10.D.2 of this Agreement, or except as limited in Section 10.D.1.b, the GCC shall have the responsibility, at its sole cost

and expense, for the upkeep, maintenance, repair, renewal, insurance, and replacement of the interior areas of the Building and any accessory buildings and structures on the Property and the improvements thereon in a safe, sanitary, and sound condition in order that such Property may continue to be used for the purposes set forth in this Agreement and the character of such Property may be preserved during the term of this Agreement.

b. With respect to the upkeep, maintenance, repair, and replacement of the HVAC, elevator, electrical, plumbing, and fire suppression and alarm systems (but not replacement of lighting and plumbing fixtures) in the Building and any accessory buildings and structures on the Property (collectively, the "***GCC Maintenance Obligations***"), GCC shall be required to include in its Annual Budget and Plan at least \$25,000.00 per year, which amount shall be reviewed and adjusted during every even-numbered anniversary year of this Agreement by mutual agreement of the Parties; provided that, if the Parties cannot mutually agree to an adjusted amount, then the annual amount shall be adjusted to reflect the change in the CPI since the Effective Date of this Agreement (the "***Minimum Annual GCC Maintenance Investment***"). To the extent GCC does not expend the Minimum Annual GCC Maintenance Investment to satisfy the GCC Maintenance Obligations in any fiscal year, such remaining amount of the Minimum Annual GCC Maintenance Investment shall be placed in a separate account (the "***GCC Maintenance Reserve***"), which GCC Maintenance Reserve (plus any interest earned thereon) shall be used only for satisfying GCC Maintenance Obligations. If, in any year, the cost of the GCC Maintenance Obligations exceeds the Minimum Annual GCC Maintenance Investment (or such greater amount that may be included in the Annual Budget and Plan), then GCC shall use such moneys that are available in the GCC Maintenance Reserve to undertake any necessary GCC Maintenance Obligations.

To the extent the GCC undertakes repair work on the Property for which the City receives proceeds under an applicable insurance policy or similar coverage, the City shall reimburse the GCC for its actual repair costs, but in no event more than the insurance proceeds that the City has actually received. Any such reimbursement amounts shall be deposited in the GCC Maintenance Reserve.

Notwithstanding the GCC's obligations pursuant to this Section 10.D.1, the GCC shall not be required to undertake any GCC Maintenance Obligations in excess of the amounts set forth in the Annual Budget and Plan (which shall not be less than the Minimum Annual GCC Maintenance Investment) and amounts available in the GCC Maintenance Reserve.

2. City's Responsibilities. Notwithstanding the obligations of the GCC as set forth in this Agreement, the City shall retain responsibility for general outside maintenance and upkeep of the Property and the Building. Upkeep of the Property shall include without limitation maintaining, repairing, and replacing driveways, sidewalks, curbs and gutters, drains, parking areas, and fences,

including, but not limited to, maintenance of the grassy areas, landscaping, brush, leaf, and snow removal, and spring and fall cleanup. Upkeep of the exterior of the Building shall include without limitation maintaining, repairing, and replacing the roof, gutters, windows, window frames, storm windows, trim, exterior doors, other exterior structural elements, water lines, and sewers, and repair and repainting of exterior surfaces. The City's maintenance and upkeep of the exterior of the Building and the aforementioned exterior elements of the Property shall be performed in a manner equivalent to the City's maintenance and upkeep of other public grounds. In addition, the City shall retain responsibility for the replacement of the items set forth on Exhibit B hereto, which is incorporated into this Agreement by reference (the "***Listing of Infrastructure Replacement Responsibilities***"). Further, to the extent that GCC is unable to perform the GCC Maintenance Obligations due to unavailability of moneys as set forth in the last paragraph of Section 10.D.1 of this Agreement, the City may also undertake any necessary upkeep, maintenance, repair, and replacement that would otherwise be included in the GCC Maintenance Obligations. The City's obligation to perform the responsibilities set forth in this Section 10.D.2 shall be subject to the City Council authorizing sufficient funds for performing such responsibilities in the Council's sole and absolute discretion, and the failure or refusal of the City Council to so authorize sufficient funds shall not be a breach of any obligation of the City under this Agreement, even if such failure or refusal requires the GCC to modify its use, occupancy, or programming relating to the Property.

E. Remedies. In the event that the City determines that the GCC has failed to satisfactorily perform its GCC Maintenance Obligations as required under Section 10.D.1 of this Agreement, the City shall have the right, but not the obligation, (a) to perform any necessary upkeep, maintenance, repair, or replacement itself and to be reimbursed for such upkeep, maintenance, repair, or replacement work by the GCC upon invoice therefor, which reimbursement amount (plus the full amount of any expenses, including attorneys' fees, incurred by the City in recovering such reimbursement amount from the GCC) shall be deemed another charge under this Agreement or (b) to terminate this Agreement, subject to the cure provisions contained in Section 17.A.1 of this Agreement.

F. GCC Fundraising; Naming Rights. The Parties acknowledge and agree that part of the activities of the GCC with respect to its Operation of the Property will involve fundraising efforts through private and other contributions. To this end, the Parties also acknowledge that offering naming rights with respect to the Property is a potentially viable means to enhance such fundraising. The City agrees that the GCC may enter into agreements or other arrangements with respect to potential contributors to confer naming rights upon such contributors, subject to the following terms and limitations:

1. The GCC shall not agree to rename the Property or the Building from its current name of "Gorton Community Center" without the approval of the City pursuant to a resolution duly adopted by the City Council.

2. Except as provided in Section 10.F.3, the GCC shall not confer naming rights for a period of time extending beyond the then-current Term of this Agreement without the approval of the City pursuant to a resolution duly adopted by the City Council.
3. The GCC shall not confer naming rights upon a corporate donor or honoree without the approval of the City pursuant to a resolution duly adopted by the City Council.

In each instance where City Council approval of naming rights is required, the City Council's determinations with respect to naming rights shall be in its sole legislative discretion based on the City Council's determination of the best interests of the City and its residents. Any deliberations by the City Council regarding naming rights under this Subsection 10.F shall take place in executive session, to the extent permitted by law. Any City Council approval of naming rights as required in this Agreement shall be through the approval of an agreement between the City and GCC in substantially the form attached hereto as Exhibit C (a "***Naming Rights Agreement***"). In connection with any request for naming rights, the GCC shall provide to the City such information regarding the naming rights and donation as the City may reasonably request; provided that, for any request for approval of naming rights involving a donation in excess of \$1,000,000.00 (which amount shall be adjusted every ten years to reflect changes in the CPI)(the "***Threshold Amount***"), the GCC shall certify to the City that the donation exceeds the Threshold Amount, but GCC shall not be required to disclose the specific amount of the donation. Nothing shall prevent the GCC from granting naming rights for any portion of the Property without City approval so long as such grant is not inconsistent with the terms of this Section 10.F, and provided that such grant of naming rights is subject to terms allowing termination resulting from illegal or immoral acts of the grantee. The City waives all rights to any donations or contributions made in connection with the granting of any naming rights that comport with the terms of this Subsection 10.F. Any Naming Rights Agreement between the City and the GCC entered pursuant to this Subsection 10.F shall be independent of this Agreement, notwithstanding termination of this Agreement.

Section 11. Additions and Major Structural Changes; Rebuilding in the Event of Fire or Other Casualty.

A. Improvements to Property. Subject to the parties' responsibilities under Section 10 of this Agreement, any addition, remodeling, new construction, or major structural changes to the Property or any building or structure thereon shall be permitted only if: (i) such addition, remodeling, new construction, or change shall not adversely affect the parties' ability to use the Property for its intended purposes (exclusive of disruption due to construction); (ii) such addition, remodeling, new construction, or change shall conform to the terms of this Agreement and applicable building codes; (iii) such addition, remodeling, new construction, or change shall be undertaken at no cost to the City unless the City proposes the addition, remodeling, new construction, or major structural changes, and either the City agrees to pay for such work or the parties otherwise agree to an allocation of the cost of such addition, remodeling, new construction, or change.

B. Damage Other than Material Damage. In the event that the Building is damaged by fire, storm, or other casualty (with the exception of "material damage" as defined in Section 11.D) the repair, rebuilding, replacement, or restoration of the damaged property shall be completed by the GCC or the City, depending on the nature of the damage and the party responsible in accordance with Section 10.D of this Agreement, and subject to the limitations in Section 10.D of this Agreement. In the event that damage affects portions of the Property for which each of the parties are responsible, then the City shall have primary responsibility for undertaking the repair, rebuilding, replacement, or restoration work required; provided that such work shall be undertaken in cooperation and consultation with the GCC; and provided further that the GCC shall be financially responsible to the City for the costs incurred as a result of damages within its area of responsibility as set forth in and subject to the limitations of Section 10.D.1. Any repair, rebuilding, replacement, or restoration of the damaged property shall be undertaken in a manner consistent with the design, character, and quality of the improvements to be restored. Notwithstanding anything to the contrary in this Section 11.B, to the extent that insurance proceeds are available covering said damage (including, without limitation, the insurance obtained by the City or the GCC pursuant to Section 13 hereof), such insurance proceeds shall be applied to the costs of such repair, rebuilding, restoration, or replacement before the financial obligations of either party as set forth in this Section 11.B shall be triggered; provided further that, to the extent that a deductible amount must be satisfied in order to access insurance proceeds, the City shall have no obligation to pay such deductible amount unless such expenditure is approved by resolution of the City Council. With respect to ongoing conditions of seepage and mold, the parties acknowledge that this affects each of their areas of responsibility and shall work cooperatively to address such conditions.

C. Material Damage. In the event that the Building is damaged by fire, storm, or other casualty and such damage is "material damage" as defined in Section 11.D, the damaged property shall be rebuilt, repaired, restored, or replaced only if, within 365 days after such damage has been determined to be "material damage" as provided in Section 11.D (or such longer period as the Parties may mutually agree in writing), the City and the GCC agree on: (i) the nature, design, character, manner, and cost of the work necessary to rebuild, repair, restore, or replace the damaged portion of the Building in a manner so as to be consistent with the existing building, and (ii) the application of insurance proceeds to the costs of such rebuilding, repair, restoration, and replacement and the allocation of any costs thereof which exceed such insurance proceeds. If the City and the GCC cannot so agree within 365 days, the City shall have the right to terminate this Agreement and to assume full control and rights to occupy the Property and the Building.

D. Definition of Material Damage. For purposes of Subsections 11.B and 11.C, "material damage" shall be deemed to exist if the Building is damaged to the extent of 50% or more of its value as determined on a replacement cost basis. If the City and the GCC cannot agree as to the existence or non-existence of "material damage" within 30 days of the time the damage occurred, the City shall select an independent consultant qualified in such matters to assess the damage, and such consultant's determination shall be final and binding upon the parties. Damage to any accessory building or structure on the Property shall not be deemed to be "material damage."

Section 12. Indemnification.

A. By GCC. The GCC shall indemnify, save harmless, and defend the City and the City Representatives from and against any and all claims that may arise, or be alleged to have arisen, out of or in connection with (i) the GCC's Operation of or on the Property; (ii) any act or omission of the GCC whether or not due or claimed to be due in whole or in part to the active, passive, or concurrent negligence or fault of the GCC, except to the extent caused by the sole negligence of the City; or (iii) any breach of this Agreement by the GCC. The GCC shall not cause any liens to be placed on the Property without the express prior written consent of the City. Should any lien be placed on the Property as a result of the actions or inactions of the GCC, the City shall have the right, but not the obligation, to discharge such lien in order to prevent either an imminent foreclosure on the lien or an imminent judicial sale of the Property, and the full amount paid in discharging such lien (plus full amount of any expenses, including attorneys' fees, incurred by the City in recovering the paid lien amount from GCC) shall be deemed an other charge upon the GCC under this Agreement.

B. By the City. The City shall indemnify, save harmless, and defend the GCC, its boards, committees, commissions, officers, agents, and employees, against any and all lawsuits, claims, demands, liens, damages, liabilities, losses, and expenses, including attorneys' fees and administrative expenses, that may arise, or be alleged to have arisen, as a direct result of any default under this Agreement by the City.

Section 13. Insurance.

A. The GCC shall obtain, maintain, and continue in effect throughout the term of this Agreement at least the following policies of insurance or equivalent coverages issued by a company with at least an "A" rating from the most recently published *Alfred M. Best and Company Guide* and authorized to do business in the State of Illinois or an intergovernmental self-insurance pool authorized by the State of Illinois (such as the Intergovernmental Risk Management Agency):

1. General comprehensive liability insurance, insuring the GCC against liability for personal and bodily injury, death, or damage to property arising out of the Operation of the Property by the GCC. Such insurance shall provide coverage with policy limits of not less than \$2 million in the event of bodily injury or death to one or more persons and in an amount of not less than \$2 million for property damage.
2. If applicable, automobile liability insurance, on an "any auto" basis, with a combined single limit for personal injury and property damage not less than \$1 million.
3. Workers' compensation insurance, with such limits as are required by law.
4. Employer's liability insurance, with limits not less than \$500,000 per person-injury and \$1 million per occurrence.

5. Such insurance as may be required in connection with the licensure of the Drop-In Center.

The foregoing policy limits shall be reviewed every fifth anniversary of this Agreement, and the City may require the GCC to increase the minimum policy amounts; provided, however, that no such increase in the minimum policy amounts shall exceed the increase in the "Consumer Price Index" as defined in 35 ILCS 200/18-185 (2002). Unless the City and the GCC otherwise agree and so long as it is commercially reasonable, such policies shall have a maximum per occurrence deductible of \$1,000.00. To the extent feasible, the GCC shall have the City identified as an "additional insured" (or equivalent) in connection with the foregoing coverages. The City reserves the right to receive, review, and approve any insurance policy that the GCC obtains. Any such policy shall provide that the policy may not be cancelled or changed without the GCC and the City receiving notice of such impending cancellation or change at least 30 days in advance of the effective date of such cancellation or change. Nothing in this Agreement shall preclude the GCC from obtaining other insurance, including insurance for personal articles or other improvements, fixtures, and furnishings of the GCC on the Property; such other policies shall not be subject to the terms and requirements set forth for other policies in this section.

B. Subject to the availability of insurance on commercially reasonable terms, the City shall maintain, at its sole cost and expense during the term of this Agreement, "all risk" property insurance for the Property in an amount reasonably equivalent to the estimated replacement value of the buildings, structures, and related improvements on the Property (including the Building).

C. Upon request of the other party, the City or the GCC shall promptly provide the other party with copies of insurance policies or coverage documents that are required under this Section 13.

Section 14. Eminent Domain. In the event that all or substantially all of the Property shall be taken by any governmental agency or utility that has the power of eminent domain, then the GCC shall have the right to terminate this Agreement within 60 days thereafter. Each party shall have the right to maintain its own respective action against the condemning authority for its respective damages and neither party shall have any interest in any award granted to the other. The City agrees not to exercise its right of eminent domain with respect to the Property.

Section 15. Environmental Compliance.

A. The GCC shall, at the GCC's sole cost and expense, comply with all environmental laws pertaining to the GCC's Operations on the Property, including the following (collectively referred to as the "Environmental Laws"):

1. Any applicable federal, state, or local statute, law, ordinance, rule, regulation, code, license, permit, authorization, approval, consent, order, judgment, decree, injunction, directive, requirement by, of, or agreement with any governmental agency, existing as of this Agreement's execution date and as enacted or amended thereafter, relating to:

- a. the protection, preservation, or restoration of the environment (including, without limitation, air, water, vapor, surface water, ground water, drinking water supply, surface land, subsurface land, plant and animal life, or any other natural resource), or to human health and safety; or
 - b. the exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, release, or disposal of, hazardous substances.
2. The Environmental Laws also includes, without limitation, any common law or equitable doctrine (including, without limitation, injunctive relief and tort doctrines such as negligence, nuisance, trespass, and strict liability) that may impose liability or obligations for injuries or damages related or incidental to, or threatened as a result of, the presence of or exposure to any hazardous substance and the following statutes and implementing regulations:
- a. the Clean Air Act, as amended (42 U.S.C. § 7401 et seq.);
 - b. the Water Pollution Control Act, as amended (33 U.S.C. § 1251 et seq.);
 - c. the Resource Conservation and Recovery Act, as amended (42 U.S.C. § 6901 et seq.);
 - d. the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C. § 9601 et seq.);
 - e. the Toxic Substances Control Act, as amended (15 U.S.C. § 2601 et seq.); and
 - f. the Occupational Safety and Health Act, as amended (29 U.S.C. § 651 et seq.).

B. Except as is customary for ordinary cleaning and maintenance, the GCC shall not cause or permit any hazardous substance to be brought, kept, stored, or used in or about the Property in violation of any of the Environmental Laws. "Hazardous substance" includes, without limitation, any explosive or radioactive material, asbestos, asbestos containing material, urea formaldehyde foam insulation, polychlorinated biphenyls, special waste, or petroleum products or any derivative or by-product thereof, methane, toxic waste, pollutant, contaminant, hazardous waste, toxic or hazardous substances, or related materials, as defined in the Environmental Laws.

C. If the GCC causes or permits any hazardous substance to be brought, kept, stored, or used in or about the Property in violation of any of the Environmental Laws and such violation results in the contamination of the Property, the GCC shall indemnify, save harmless, and defend the City and the City Representatives against any and all lawsuits, claims, demands,

damages, liabilities, losses, and expenses, including attorneys' fees and administrative expenses (collectively, "**Claims**"), that may arise, or be alleged to have arisen, out of or in connection with the GCC's acts or omissions in connection with such hazardous substance whether or not due or claimed to be due in whole or in part to the active, passive, or concurrent negligence or fault of the GCC, except to the extent caused by the sole negligence of the City.

D. The GCC represents, covenants, and warrants that the GCC's Operations in, on, or under the Property shall be in compliance with all applicable Environmental Laws.

E. Nothing in this Agreement shall require either party to assume any responsibility for any violation of Environmental Law caused by the act or omission of the other party.

F. In the event that the GCC is subject to Claims arising from alleged non-compliance with any applicable Environmental Laws that relate solely to the Property and is unrelated to any action or inaction of the GCC (or any of its predecessors, whether incorporated or unincorporated) and its Operations on the Property, the City shall indemnify, save harmless, and defend the GCC and its board members, directors, officers, officials, employees, agents, attorneys, and representatives against all such Claims.

Section 16. Assignment. The GCC may not assign or otherwise transfer all or any part of its interest in this Agreement or in the Property without the prior written consent of the City. Any assignment or transfer without such written consent shall, at the City's option, be deemed to be void and of no force or effect. Notwithstanding any assignment or transfer, the GCC shall remain fully liable on this Agreement and shall not be released from performing any of the terms, covenants, or conditions of this Agreement.

Section 17. Default and Other Disputes.

A. **GCC Default:**

1. The GCC shall be in default of this Agreement if the GCC (i) breaches any covenant or condition of this Agreement and fails to cure such default within 30 days after notice from the City specifying the default complained of (provided that if such default is not reasonably susceptible of cure within said 30 day period and if the GCC is diligently and continuously pursuing such cure to completion, then such cure period shall be extended for such period of time as is reasonably necessary to complete the curative activities), or (ii) abandons the Property.
2. In the event of a default as described above, the City shall have the right, at its option, in addition to and not exclusive of any other remedy the City may have in law or equity with only such further demand or notice as may be required by applicable law, to re-enter the Property and eject all persons therefrom, and declare this Agreement at an end.
3. In the event of a default as described above, no re-entry and taking of possession of the Property by the City shall be construed as an election on the City's part to terminate this Agreement, regardless of the extent of

renovations and alterations by the City, unless a written notice of such intention is given to the GCC by the City. Notwithstanding any re-entry and taking of possession of the Building and Property without termination, the City may at any time thereafter elect to terminate this Agreement for such previous breach.

B. City Default. The City shall be in default of this Agreement if the City shall breach any of its covenants contained in this Agreement and does not cure such other default within 30 days after notice from the GCC specifying the default complained of (provided that if such default is not reasonably susceptible of cure within said 30 day period and if the City is diligently and continuously pursuing such cure to completion then such cure period shall be extended for such period of time as is reasonably necessary to complete the curative activities). The parties agree that the City shall not be in default for any failure or refusal to budget or expend funds for the upkeep, maintenance, repair, or replacement of the Property (including failure or refusal to address matters set forth in the Listing of Infrastructure Replacement Responsibilities).

C. Other Disputes. In addition to matters that may constitute a breach or default under this Agreement, the parties shall attempt to resolve all other disputes arising under this Agreement amicably between themselves.

Section 18. Force Majeure. Except as otherwise expressly set forth herein, in the event that either party hereto shall be delayed or hindered in, or prevented from, the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive laws or regulations of governmental agencies, riots, insurrection, war, or other reasons of a like nature not the fault of the party delayed in doing acts required under the terms, covenants, and conditions of this Agreement (all of such reasons or causes referred to in this Agreement as "Force Majeure"), then performance of such acts shall be excused for the period of the delay and the period of the performance of any such act shall be extended for a period equivalent to the period of such delay.

Section 19. Termination; Surrender of Property.

A. Terminating Events. This Agreement shall terminate upon the occurrence of any one or more of the following events:

1. The GCC and the City mutually agree to terminate this Agreement.
2. Upon the expiration of any applicable cure period following a default of either of the parties pursuant to this Agreement.
3. The expiration of the initial Term (or any additional Term as authorized pursuant to Section 4.A of this Agreement), subject to the termination provisions in Section 4.B.
4. The following changes to the organizational structure of the GCC: (a) dissolution of the GCC, whether voluntary or involuntary; (b) merger of the GCC into, or acquisition of the GCC by, another organization; (c) the

disposition of all or a substantial portion of the assets and properties of the GCC; or (d) such a substantial change in the purposes or functions of the GCC that it no longer Operates or is no longer able to Operate as a community center serving the residents of the City and the Village of Lake Bluff, unless (i) the organization succeeding to or acquiring the GCC or acquiring its assets and properties shall be capable of carrying on the activities of the GCC and shall agree to assume the GCC's obligations and responsibilities under this Agreement and (ii) the City shall consent to the substitution of such organization as a party to this Agreement in lieu of the GCC.

5. In the event that the Building suffers "material damage" (as defined in Section 11.D of this Agreement) and, within a period of 365 days from the date that the existence of such "material damage" has been determined, the City and the GCC fail to come to an agreement upon an acceptable program for the rebuilding, repair, or restoration of the Gorton Building.
6. In the event that the Building or a substantial portion thereof ceases to be fit for the intended purposes of this Agreement or otherwise not fit for habitation or occupancy in accordance with the codes and regulations of the City.

B. City's Use of the Property Upon Termination. Upon termination of this Agreement, the GCC shall cease Operations and deliver possession of the Property to the City, and all improvements or additions to the Property, if any, made to the Property by the GCC shall become the property of the City without compensation therefor. The City may, then, at its option (i) occupy, operate, and manage the Property or any portion thereof; (ii) lease or license the Property or any portion thereof to other persons or organizations; (iii) sell or dispose of the Property or any portion thereof; or (iv) make such other use of the Property as the City deems appropriate. Upon surrender of the Property, the GCC shall return the Property and Building to the City in reasonably good repair consistent with the maintenance obligations under this Agreement, including removal and restoration of all portions of the Property or Building affected by any naming rights granted by the GCC and not subject to a Naming Rights Agreement.

Section 20. Administrative Services and Other Agreements.

A. Provision of Administrative Services. The City will make available to the GCC certain administrative services as may be agreed upon from time-to-time by the City Manager. Any such agreement for services shall only be authorized if such services will be without additional cost to the City, or if the GCC reimburses the City for any such additional costs. Any such agreement for services that the City Manager may approve shall be subject to the City's ability to perform all authorized City activities, and such agreements shall be terminable at the will of the City or the GCC upon no less than 90 days' written notice; provided that the City shall not so terminate any such agreement unless the City Manager determines that the City's performance under any such agreement will inhibit or interfere with the City's ability to perform

its own authorized activities. In no event shall the City be required to employ additional personnel in order to provide any services to the GCC in accordance with this Agreement.

B. Liquor Licensing. The Parties acknowledge that, in conjunction with the programming for and use of the Property, the GCC (either for itself or its occupants) may from time-to-time desire to make available alcoholic beverages. The Parties hereby agree to execute and deliver to each other duplicate originals of the "*Reciprocal Fee Agreement*" attached hereto as Exhibit D.

Section 21. Taxes; Exemption.

A. Exemption. The parties mutually acknowledge (i) their belief that the Property is entitled to a real estate tax exemption, and (ii) their mutual obligation to seek, obtain, and maintain the Property's tax exempt status.

B. Payment Rights and Obligations. The GCC shall pay, promptly and before they become delinquent, all general and special real estate taxes assessed during the Term of this Agreement, if any, upon or against the land and improvements comprising the Property to the extent that such taxes are imposed upon the Property as a result of the use, occupancy, or Operation of the Property by the GCC or any of its Third Party Users. In the event that the GCC does not timely pay any real estate taxes when due, the City shall have the right, but not the obligation, to pay such taxes, and the amount of such taxes and any interest or penalties assessed upon any past-due taxes (plus the full amount of any expenses, including attorneys' fees, incurred by the City in recovering any taxes, interest, or penalties paid from GCC) shall be deemed an other charge due from the GCC under this Agreement.

C. Failure to Obtain Exemption. Failure to obtain or delay in obtaining a real estate tax exemption as provided above shall not constitute a breach of this Agreement.

D. Other Taxes. In addition to real estate taxes, GCC shall pay any and all other taxes arising from its use and Operation of the Property.

Section 22. Additional Properties and Donations.

A. Additional Properties. With the consent of the City and the GCC, additional properties donated or leased to the City or otherwise acquired by the City may become subject to the terms of this Agreement.

B. Donations. The City shall not actively solicit donations relating to the Property. If offered, however, donations may be accepted by the City and transferred to the GCC for use in the preservation, improvement, or restoration of the Property or any portion thereof or for any other purpose that is compatible with the Operation of the Property, under such conditions and limitations as the donor may specify; provided, however, that to the extent any donation delivered expressly for the purpose of preserving, improving, restoring, or maintaining the exterior of the Building or portions of the Property other than the Building, the City shall keep all such donations in a separate fund to be expended solely for the purposes specified. The City agrees to notify the GCC promptly of any such donations so received.

Section 23. General.

A. Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be (a) personally delivered, (b) delivered by a reputable overnight courier, or (c) delivered by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid. Telecopy notices shall be deemed valid only to the extent they are (i) actually received by the individual to whom addressed and (ii) followed by delivery in the manner described in either (a), (b), or (c) above within three business days thereafter. Unless otherwise expressly provided in this Agreement, notices shall be deemed received at the earlier (x) of actual receipt, or (y) one business day after deposit with an overnight courier as evidenced by a receipt of deposit or (z) three business days following deposit in the U.S. mail, as evidenced by a return receipt. Notices shall be directed to the parties at their respective addresses set forth below or at such other address as either party may, from time-to-time, specify by written notice to the other in the manner described above:

City:

The City of Lake Forest
220 E. Deerpath
Lake Forest, Illinois
Attention: City Manager

GCC:

Gorton Community Center
400 East Illinois Road
Lake Forest, IL 60045
Attention: Executive Director

B. Binding Effect. The benefits of this Agreement shall inure to and the obligations hereof shall be binding upon the heirs, personal representatives, successors, and assigns of the respective parties hereto.

C. Time of the Essence. Time is of the essence in the performance of all terms, covenants, and conditions of this Agreement.

D. Rights Cumulative. Unless expressly provided to the contrary in this Agreement, each and every one of the rights, remedies, and benefits provided by this Agreement shall be cumulative and shall not be exclusive of any other such rights, remedies, and benefits allowed by law.

E. Non-Waiver. The failure of the City or the GCC to enforce against the other any term, covenant, or condition of this Agreement shall not be deemed a waiver thereof, nor void or affect the right of the aggrieved party to enforce the same term, covenant, or condition on the occasion of any subsequent breach or default; nor shall the failure of either party to exercise any option in this Agreement upon any occasion arising therefor be deemed or construed to be a waiver of the right to exercise that same kind of option upon any subsequent occasion.

F. No Joint Venture. The parties mutually acknowledge and agree that, although, the City and the GCC are separate and independent legal entities, each responsible for their own affairs and obligations (including without limitation all matters of contract, finance, employment, and governance), they are pursuant to this Agreement engaged in a common endeavor relating to public business concerning the operation of a community center on municipal property for public

benefit and that their activities and responsibilities in this regard are intended to be closely enmeshed and coordinated through the terms of this Agreement. It is hereby further understood and agreed that nothing contained in this Agreement shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture between the parties hereto, it being agreed that no provision herein contained nor any acts of the parties herein shall be deemed to create any relationship between the parties hereto other than the relationship of contracting parties as herein set forth.

G. Consents. Whenever the consent or approval of either party is required herein, such consent or approval shall be in writing and shall not be unreasonably withheld or delayed, and, in all matters contained herein, both parties shall have an implied obligation of reasonableness, except as may be expressly set forth otherwise.

H. Warranties Regarding Execution.

1. In order to induce the GCC to enter into this Agreement, the City hereby warrants and represents to the GCC as follows:
 - a. The City has the authority and legal right to make, deliver, and perform this Agreement and has taken all necessary actions to authorize the execution, delivery, and performance of this Agreement; and
 - b. The execution, delivery, and performance of this Agreement (i) is not prohibited by any requirement of law under any contractual obligation of the City; (ii) will not result in a breach or default under any agreement to which the City is a party or to which the City is bound; and (iii) will not violate any restrictions, court order, or agreement to which the City is subject; and
 - c. The party executing this Agreement on behalf of the City has full authority to bind the City to the obligations set forth herein.
2. In order to induce the City to enter into this Agreement, the GCC hereby warrants and represents to the City as follows:
 - a. The GCC has the authority and legal right to make, deliver, and perform this Agreement and has taken all necessary actions to authorize the execution, delivery, and performance of this Agreement; and
 - b. the execution, delivery, and performance of this Agreement (i) is not prohibited by any requirement of law under any contractual obligation of the GCC; (ii) will not result in a breach or default under any agreement to which the GCC is a party or to which the GCC is bound; and (iii) will not

violate any restrictions, court order, or agreement to which the GCC is subject; and

- c. The party executing this Agreement on behalf of the GCC has full authority to bind the GCC to the obligations set forth herein.

I. Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the internal laws, but not the conflict of laws rules, of the State of Illinois.

J. Severability. If any term, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. In addition, to the extent any invalidity is the result of a procedural deficiency that can be readily cured, the parties agree to take such curative actions as may be necessary or appropriate.

K. Grammatical Usage and Construction. In construing this Agreement, feminine or neuter pronouns shall be substituted for those masculine in form and vice versa, and plural terms shall be substituted for singular and singular for plural in any place in which the context so requires.

L. Interpretation. This Agreement shall be construed without regard to the identity of the party who drafted the various provisions hereof. Moreover, each and every provision of this Agreement shall be construed as though all parties hereto participated equally in the drafting and approval thereof. As a result of the foregoing, any rule or construction that a document is to be construed against the drafting party shall not be applicable hereto.

M. Headings. The table of contents, heading, titles, and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend, or describe the scope or intent of this Agreement.

N. Exhibits. Exhibits A through D attached hereto are, by this reference, incorporated in and made a part of this Agreement. In the event of a conflict between an exhibit and the text of this Agreement, the text of this Agreement shall control.

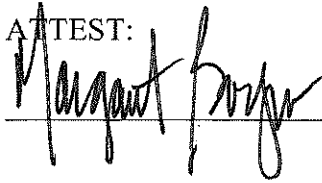
O. Amendments and Modifications. This Agreement may not be modified or amended except by written instrument executed by each of the parties hereto.

P. Counterpart Execution. This Agreement may be executed in several counterparts, each of which, when executed, shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[END OF TEXT; SIGNATURES CONTINUE ON THE FOLLOWING PAGE]


IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ATTEST:



GORTON COMMUNITY CENTER, an
Illinois not-for-profit corporation

By


F. Binkley
Its Chairman

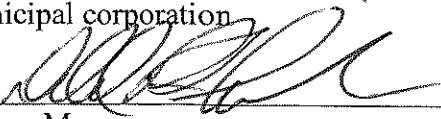
ATTEST:



City Clerk

THE CITY OF LAKE FOREST, a
municipal corporation

By



Mayor

#12067193_v14

EXHIBIT A

Legal Description of the Property

Lots 2, 3, 4, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17 in W. S. Johnston's Estate Subdivision according to the plat thereof recorded as Document No. 68247 on July 1, 1897, in the north ½ Section 33, Township 44 North, Range 12 East of the 3rd Principal Meridian, City of Lake Forest, Lake County, Illinois.

EXHIBIT B

Listing of Infrastructure Replacement Responsibilities

List of HSEI Items	City's Area of Responsibility
HVAC Units & Controls	End of Life Cycle Capital Replacement
Elevator Cab, Hydlcs & Controls	End of Life Cycle Capital Replacement
Fire Suppression Systems & Fire Alarm System	End of Life Cycle Capital Replacement
Rekeying Entire Building (108 doors)	One-time Capital Replacement
Security Camera System	One-time Capital Improvement

EXHIBIT C

Naming Rights Agreement

THIS NAMING RIGHTS AGREEMENT is made as of the 1st day of July, 2013, by, between, and among **THE CITY OF LAKE FOREST**, an Illinois municipal corporation (the "**City**"), and the **GORTON COMMUNITY CENTER**, an Illinois not-for-profit corporation (the "**GCC**");

1. RECITALS.

A. The City and the GCC have previously entered into that certain "Restated Agreement Relating to the Gorton Property," dated July 1, 2013 (the "**Gorton Agreement**"), which relates to the "Property" and "Building" as defined in the Gorton Agreement.

B. Pursuant to Section 10.F of the Gorton Agreement, the GCC has the authority to confer naming rights for specified periods of time relating to the Property and Building (or portions thereof) that are the subject of the Gorton Agreement, or otherwise to confer naming rights only upon approval of the City Council of the City.

C. The GCC has made a request to the City for authority to confer naming rights to the portion of the Property or Buildings as more particularly described in Exhibit 1 to this Agreement (the "**Naming Rights Request**").

D. The City and the GCC have both determined that granting the Naming Rights Request will benefit the Lake Forest-Lake Bluff communities through the continuation or enhancement of the facilities on, and/opportunities made available at, the Property.

2. GRANT OF NAMING RIGHTS AUTHORITY. The City hereby grants to GCC the authority to confer naming rights with respect to the Naming Rights Request, subject to the following terms:

- A. The authority relating to the Naming Rights Request shall continue until July 1, 2046 (the "**Termination Date**").
- B. The GCC shall ensure that any physical alteration to the Property or the Building in connection with the Naming Rights Request shall be done in a workmanlike manner and shall cause no structural or other material or irreversible damage to the Property or the Building and shall create no hazardous conditions.
- C. Prior to any installation with respect to the Naming Rights Request, the GCC shall deliver to the City photographic or other documentation reasonably requested by the City to establish the conditions of the area of the Property or Building affected by the Naming Rights Request (the "**Pre-Existing Condition**"). The GCC shall

cause the Property and Building to be restored to the Pre-Existing Condition following the Termination Date. In addition, the GCC shall provide the City with such security as may be set forth in Exhibit 2 to this Agreement to ensure the successful restoration of the Property and Building to the Pre-Existing Condition.

- D. The Naming Rights Request shall be subject to such additional conditions as are set forth in Exhibit 2 to this Agreement.

3. Breach; Enforcement; Remedies.

A. Breach of Conditions by the GCC. In the event that the GCC breaches any condition of this Agreement, the GCC shall have 30 days to cure such breach after notice from the City specifying the default complained of (provided that if such default is not reasonably susceptible of cure within said 30-day period and if the GCC is diligently and continuously pursuing such cure to completion, then such cure period shall be extended for such period of time as is reasonably necessary to complete the curative activities). In the event that the GCC shall fail to cure such breach, the City may in its sole discretion either:

1. Enter upon the Property or into the Building to undertake curative measures, after which the GCC shall reimburse the City for such costs of cure within 30 days after receipt of invoice therefor. In the event that such reimbursement payment is not timely made, the GCC shall pay the City interest on such amount at a rate of 1% per month, and the City may pursue any actions for collection of the reimbursement amount, any interest due, plus all costs of collection relating thereto (including reasonable attorneys fees).
2. Terminate this Agreement and remove all vestiges of the Naming Rights Request and otherwise restore the Property and Building to the Pre-Existing Condition. In so restoring the Pre-Existing Condition, the City shall recover any costs incurred by applying any security it has received from or on behalf of the GCC. To the extent that such security is insufficient to reimburse the City for such costs, the City may pursue any remedy available at law or in equity to collect any outstanding amount of the restoration costs, plus all costs of collection relating thereto (including reasonable attorneys fees).

B. Breach by the City. In the event that the City breaches any condition of this Agreement, the City shall have 30 days to cure such breach after notice from the GCC specifying the default complained of (provided that if such default is not reasonably susceptible of cure within said 30-day period and if the City is diligently and continuously pursuing such cure to completion, then such cure period shall be extended for such period of time as is reasonably necessary to complete the curative activities). If the City does not cure such breach in a timely manner, the GCC shall may pursue any remedy available at law or in equity to effect such cure, including an action for specific performance; provided that in no case shall the GCC be entitled to monetary damages against the City or any of its elected or appointed officials, officers, employess, agents, attorneys, or representatives.

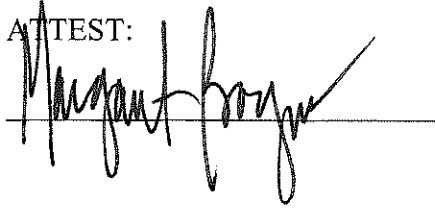
4. **General.** Section 23 of the Gorton Agreement is hereby incorporated into and made a part of this Agreement, except that the reference to Exhibits in Section 23.N of the Gorton Agreement shall herein refer to Exhibits 1 and 2.

[END OF TEXT; SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

GORTON COMMUNITY CENTER, an
Illinois not-for-profit corporation

ATTEST:



Margaret Boyer

By 

E. Brian Nafel

Its 

Chairman

THE CITY OF LAKE FOREST, a
municipal corporation

ATTEST:



City Clerk

By 

Mayor

EXHIBIT 1

Naming Rights Request

EXHIBIT 2

Conditions

[Morals Clause providing for termination resulting from illegal or immoral acts of the grantee of the naming rights]

EXHIBIT D

Reciprocal Fee Agreement

**AGREEMENT RELATING TO THE PAYMENT OF FEES
BETWEEN THE CITY OF LAKE FOREST AND
THE GORTON COMMUNITY CENTER CORPORATION**

THIS AGREEMENT is made as of the ____1st__ day of __July__, 2013, by, between, and among **THE CITY OF LAKE FOREST**, an Illinois home rule and special charter municipal corporation (the "**City**"), and the **GORTON COMMUNITY CENTER**, an Illinois not-for-profit corporation (the "**GCC**"), which parties, in consideration of the mutual covenants herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, do hereby agree as follows:

Section 1. Recitals.

a. In 2013, the City and GCC entered into "A Restated Agreement Relating to the Gorton Property" (the "**Restated Agreement**"), which agreement establishes the parties' respective roles and responsibilities to each other and with respect to the real property and improvements located at 400 East Illinois Road in Lake Forest, Illinois (the "**Property**"), including terms and conditions for the development, use, occupancy, operation, and management of the Property.

b. The Restated Agreement sets forth the fees that the City must pay to GCC to use the facilities, as well as the fees that GCC must pay to the City for various licenses, permits, or approvals.

c. Section 20.B of the Restated Agreement authorizes both the City and GCC to agree on alternate fee arrangements.

d. In furtherance of the terms of the Restated Agreement, the City and GCC desire to agree on a payment arrangement, whereby the City waives all applicable fees (raffle licenses and

special event permit fees, including dumpster delivery/pickup charges, for events at the Gorton Community Center, The Friends of Gorton and the Parents Board of the Gorton Children's Drop-In Center) or charges associated with obtaining licenses, permits, or other required approvals from the City, including the fee charged for an F-5 liquor license, in exchange for modifications to the user fee charges in connection with the Property and other consideration.

Section 2. Fee Waivers; Use of the Property; Polling Place Availability.

a. Waive Liquor License Fees. Pursuant to Section 20.B of the Restated Agreement, the City agrees to waive all fees and charges that may be due in connection with GCC's obtaining licenses, permits, or other required approvals from the City, including an F-5 liquor license. Nothing in this Agreement waives the requirement that GCC must otherwise satisfy the qualifications for obtaining an F-5 liquor license.

b. The GCC's Agreement to Allow City Use of the Property. Pursuant to Section 20.B of the Restated Agreement, GCC agrees that the City may use space in the Property, including one weekday use of the Auditorium, but the first twenty-five (25) daily use charges in any calendar year shall be waived. Thereafter, the City will be charged the lowest available daily use rate extended to not-for-profit entities for any uses exceeding twenty-five (25).

c. Priority Use of the Property. The City and GCC agree that scheduling of space shall be on as "as available" basis, meaning the space has not been previously rented by another party. In the event a revenue opportunity arises for space reserved by the City, both parties agree to work together to re-schedule space, time, or date for their mutual benefit. In the event of a scheduling conflict for use of space within the Property between the City and a third party that involves a publicly announced meeting (e.g., Ward meeting), the City will receive priority for its requested usage of the Property.

Section 3. Restated Agreement Not Amended.

No provisions contained herein in any way alter or modify the Restated Agreement or the Restated Agreement between the City and the GCC.

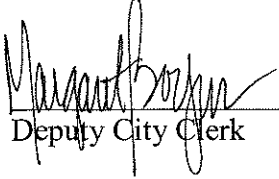
Section 4. Amendment.

This Agreement may only be amended in writing signed by both parties.

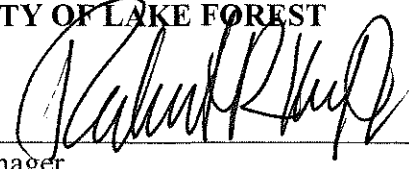
[Signature page to follow.]

IN WITNESS THEREOF, the parties hereto have executed this Agreement as of the
day and year first above written.

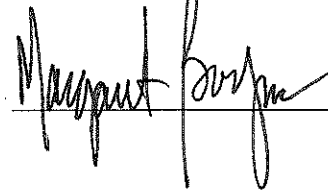
ATTEST:


Deputy City Clerk

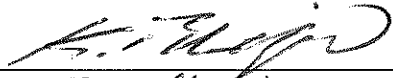
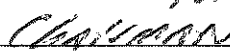
THE CITY OF LAKE FOREST


City Manager

ATTEST/WITNESS:



GORTON COMMUNITY CENTER CORPORATION

By: 
K. I. NAJARI
Its: 
CHAIRMAN

CHAPTER 40: GOVERNMENTAL ETHICS

GENERAL PROVISIONS

- 40.01 Policy and Purpose
- 40.02 Definitions
- 40.03 Disclosure of Confidential Information
- 40.04 Impartiality at Hearings
- 40.05 Special Treatment of Others
- 40.06 Private Use of Public Property or Services
- 40.07 Annual Disclosure Statements
- 40.08 Reporting

CONFLICTS OF INTEREST

- 40.10 Statutory Conflicts of Interest
- 40.11 Local Conflicts of Interest

GIFT BAN

- 40.20 Gifts Prohibited
- 40.21 Exceptions
- 40.22 Disposition of Gifts

PROHIBITED POLITICAL ACTIVITIES

- 40.30 Political Activities Prohibited
- 40.31 Exclusions
- 40.32 What is a Prohibited Political Activity?

ADMINISTRATION AND ENFORCEMENT

- 40.40 Ethics Officer
- 40.41 Ethics Commission
- 40.42 Interpretation
- 40.43 Penalty

GENERAL PROVISIONS

§ 40.01 POLICY AND PURPOSE.

(A) It is essential to the proper operation of the city that (1) public offices be independent and impartial; (2) governmental decisions and policy be made through proper channels and in accordance with the Illinois Open Meetings Act, 5 ILCS 120, and other statutes and laws governing conduct by public offices; (3) public office not be used for private gain; and (4) there be public confidence in the integrity of government. Public officers and employees must serve the city in a fiduciary capacity and must not bestow special consideration on any person merely because of that person's relationship to the officer or employee. The city's goals are impaired whenever there is a conflict between the private interests of a city officer or employee and his or her public duties. As a result, the public interest requires that the law protect against conflicts of interest and establish appropriate ethical standards regarding the conduct of city officers and employees in situations where conflicts exist, as well as in situations where conflicts might develop.

(B) It is also essential to the proper operation of the city that those best qualified be encouraged to serve the city. Accordingly, legal safeguards against conflicts of interest must be designed so that they do not unnecessarily or unreasonably impede the recruitment and retention by the city of those individuals who are best qualified to serve it. Therefore, the right of each officer and employee to privacy in his or her financial affairs must not be limited beyond that disclosure necessary to ensure the integrity of the city. Moreover, because an essential principle underlying the staffing of the city is that its officers and employees should not be denied the opportunity that is available to all other citizens to acquire and retain private economic and other interests and to engage in political activities, those opportunities should not be restricted unless conflicts with the responsibility of the officers and employees to the public cannot be avoided.

(C) It is the policy and purpose of this chapter to implement these objectives of protecting the integrity of the city and of facilitating the recruitment and retention of qualified personnel by prescribing essential restrictions against conflicts of interest in city government without creating unnecessary barriers to public service and by establishing a Code of Ethics for officers and employees of the city.

(D) The policies set forth in this chapter are not intended to govern every circumstance, and officers and employees are expected to exercise good judgment and to avoid situations or circumstances that may create an appearance of impropriety. This becomes particularly important where there is a business relationship, close personal friendship, or family relationship.

§ 40.02 DEFINITIONS.

For the purpose of this chapter, the following definitions apply:

CAMPAIGN FOR ELECTIVE OFFICE. Any activity in furtherance of an effort to influence the selection, nomination, election, or appointment of any individual to any federal, state, or local public office, or office in a political organization, but does not include activities:

(1) Relating to the support or opposition of any executive, legislative, or administrative action, as those terms are defined in § 2 of the Lobbyist Registration Act, 25 ILCS 170/2;

(2) Relating to collective bargaining, as defined in § 3 of the Illinois Public Labor Relations Act, 5 ILCS 315/3; or

(3) That are otherwise in furtherance of the person's official duties. (*See* 5 ILCS 430/1-5)

CANDIDATE. Any individual who has filed nominating papers or petitions for nomination or election to an elected office, or who has been appointed to fill a vacancy in nomination, and who remains eligible for placement on the ballot at either a general primary election or general election. (*See* 5 ILCS 430/1-5)

COMPENSATED TIME. Any time worked by or credited to an employee that counts toward any minimum work time requirement imposed as a condition of his or her employment but, for purposes of this chapter, does not include any designated holidays, vacation periods, personal time, compensatory time off, or any period when the employee is on a leave of absence. With respect to employees whose hours are not fixed, compensated time includes any period of time when the employee is on the premises under the control of the employer and any other time when the employee is executing his or her official duties, regardless of location. (*See* 5 ILCS 430/1-5)

COMPENSATORY TIME OFF. Any authorized time off earned by or awarded to an employee to compensate in whole or in part for time worked in excess of the minimum work time required of that employee as a condition of his or her employment. (*See* 5 ILCS 430/1-5)

COMPENSATION. Any money, thing of value, or other pecuniary benefit received, or to be received, in return for, or as reimbursement for, services rendered or to be rendered.

CONTRIBUTION. As defined in 10 ILCS 5/9-1.4 of the Illinois Election Code. (*See* 5 ILCS 430/1-5)

EMPLOYEE. Any person employed by the city full-time, part-time, or pursuant to a contract and whose employment duties are subject to the direction and control of the city with regard to the material details of how the work is to be performed. (*See* 5 ILCS 430/1-5)

FINANCIAL INTEREST. A certain, definable, pecuniary, and personal economic interest, whether in the officer's or employee's own name or the name of any other person from which the officer or employee is entitled to receive any financial benefit as a result of any contract, business, or other transaction which is, or which is known to become, the subject of an official act or action by or with the city.

GIFT. Any gratuity, discount, entertainment, hospitality, loan, forbearance or other tangible or intangible item having monetary value including, but not limited to, cash,

food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of an officer or employee. (See 5 ILCS 430/1-5)

INTER-OFFICE GIFT. Any gift given to an officer or employee of the city from a member, officer, appointee or employee of any state agency, as defined in the State Officials and Employees Ethics Act, federal agency, or unit of local government or school district. (See 5 ILCS 430/10-15)

INTRA-OFFICE GIFT. Any gift given to an officer or employee of the city from another officer or employee of the city. (See 5 ILCS 430/10-15)

LEAVE OF ABSENCE. Any period during which an employee does not receive:

- (1) Compensation for employment;
- (2) Service credit towards pension benefits; and
- (3) Health insurance benefits paid for by the city. (See 5 ILCS 430/1-5)

OFFICER. All appointed and elected individuals of the city, regardless of whether the individual is compensated.

PERSON. Any individual, entity, corporation, proprietorship, partnership, limited liability company, firm, association, trade union, trust, estate, or group, whether or not operated for profit.

POLITICAL ORGANIZATION. A party, committee, association, fund or other organization (whether or not incorporated) that is required to file a statement of organization with the State Board of Elections or a county clerk under § 9-3 of the Election Code, 10 ILCS 5/9-3, but only with regard to those activities that require filing with the State Board of Elections or a county clerk. (See 5 ILCS 430/1-5)

PROHIBITED POLITICAL ACTIVITY. See §§ 40.30-40.32 of this chapter.

PROHIBITED SOURCE. Any person who:

- (1) Is seeking action by the city or by an officer or employee of the city in connection with city business;
- (2) Does business or seeks to do business with the city or with an officer or employee of the city;
- (3) Conducts activities regulated by the city or by an officer or employee of the city;
- (4) Has interests that may be substantially affected by the performance or non-performance of the official duties of the city or an officer or employee of the city;
- (5) Is registered or required to be registered with the Secretary of State under the Lobbyist Registration Act, being 25 ILCS 170, except that an entity does not become a

prohibited source merely because a registered lobbyist is one of its members or serves on its board of directors; or

(6) Is an agent of, a spouse of, or a relative living with a “prohibited source.” (See 5 ILCS 430/1-5)

RELATIVE. A spouse, domestic partner, civil union partner, parent, sibling, child, grandparent, or grandchild, or spouse, domestic partner, or civil union partner of any parent, sibling, child, grandparent, or grandchild of the officer or employee.

§ 40.03 DISCLOSURE OF CONFIDENTIAL INFORMATION.

(A) No officer or employee shall disclose confidential information concerning the property, government, or affairs of the city except when that disclosure is made in connection with the officer’s or employee’s official duties or with proper legal authorization.

(B) No officer or employee shall use confidential information concerning the property, government, or affairs of the city to advance the interest of the officer or employee or the officer’s or employee’s relatives.

§ 40.04 IMPARTIALITY AT HEARINGS.

Members of a city board or commission or authorized hearing officers have the affirmative duty to maintain their neutrality in any public hearing before that board or commission. The chair of the hearing body or hearing officer has the affirmative duty to report any perceived violation of this section to the Ethics Officer for review and recommendation to the Ethics Commission pursuant to § 40.40-40.41 of this chapter.

§ 40.05 SPECIAL TREATMENT OF OTHERS.

No officer or employee shall grant any special consideration, treatment, or advantage to any person beyond that which is available to every other citizen.

§ 40.06 PRIVATE USE OF PUBLIC PROPERTY OR SERVICES.

No officer or employee shall request or permit the use of city-owned vehicles, equipment, materials, services, or property for personal convenience or profit except as allowed by administrative order of the city or as approved by the City Council.

§ 40.07 ANNUAL DISCLOSURE STATEMENTS.

(A) For purpose of this chapter, each elected and appointed officer of the city, as well as each appointee and employee who is required by 5 ILCS 420/4A-101 to file statement of economic interest, shall file the required statement with the city as provided in this section.

(B) By May 1 of each year, the statement must be filed by each officer or employee whose position at that time requires him or her to file, unless the officer or employee has already filed a statement in that calendar year. The statement shall be a signed photocopy or signed duplicate of the statement of economic interest as required by 5 ILCS 420/4A-101 that is required to be filed

with the County Clerk. The statement shall be filed with the City Clerk. If an officer or employee required to file the statement fails to file by May 1 of any year, the City Clerk shall notify that officer or employee within seven days after May 1 of the failure to file and the officer or employee will not be considered in violation of this chapter for failure to file such statement until the later of seven days after delivery of such notice from the City Clerk or May 15 of any year. Upon any request to review these statements, the City Clerk will follow the same procedures followed by the County Clerk and notify the officer or employee filing the statement.

§ 40.08 REPORTING.

Any officer or employee should report any circumstances that may give rise to a violation of this chapter to the Ethics Officer for review and recommendation to the Ethics Commission pursuant to §§ 40.40-40.41 of this chapter. No officer or employee who makes a good faith report of an actual or perceived violation, or of circumstances that may give rise to any such violation, shall face any discipline or other retaliation as a consequence of making the report.

CONFLICTS OF INTEREST

§ 40.10 STATUTORY CONFLICTS OF INTEREST.

(A) Disqualifying Conflicts of Interest.

(1) No officer or employee shall participate in any official action that would constitute a conflict of interest under state statute except as expressly authorized by 65 ILCS 5/3.1-55-10 or 50 ILCS 105/01 *et seq* or in § 40.10(B) of this chapter.

(2) No officer or employee shall have a financial interest in any contract, work, or business of the city or in the sale of any article whenever the expense, price, or consideration of the contract, work, business, or sale is paid out of city funds, except as expressly allowed by 65 ILCS 5/3.1-55-10 or 50 ILCS 105/01 *et seq.* or in § 40.10(B) of this chapter.

(3) No officer or employee shall have a financial interest in the purchase of any city property except as expressly allowed by 65 ILCS 5/3.1-55-10 or in § 40.10(B) of this chapter.

(4) No officer or employee may take or receive, or offer to take or receive, either directly or indirectly, any money or other thing of value as a gift or bribe or means of influencing his or her vote or action in his or her official character. (*See* 50 ILCS 105/3(a))

(5) No officer may represent, either as agent or otherwise, any person with respect to any application or bid for any contract or work in regard to which the officer may be called upon to vote except as expressly allowed by 50 ILCS 105/01 *et seq.* or in § 40.10(B).

(B) Exceptions to Disqualifying Conflicts of Interest.

(1) The prohibitions set forth in § 40.10(A) do not apply to an officer or employee serving on a city advisory board or commission unless the officer's duties include evaluating, recommending, approving, or voting to recommend or approve the contract, work, or business, as set forth in 65 ILCS 5/3.1-55-10(a).

(2) Notwithstanding the prohibitions set forth in § 40.10 (A), an officer or employee will not be deemed to have a disqualifying conflict of interest if the city officer or employee is an employee of a company or an owner of 1% or less in a publicly traded company, or both, and the officer or employee (a) publicly discloses the officer's interest; (b) refrains from participating in the discussion; (c) abstains from voting on the contract; and (d) the contract is approved by a majority of members currently holding office, as set forth in 65 ILCS 5/3.1-55-10(a).

(3) Notwithstanding the prohibitions set forth in § 40.10 (A), an officer or employee will not be deemed to have a disqualifying conflict of interest if the officer owns or holds an interest of 1% or less in mutual funds in a publicly traded company, as set forth in 65 ILCS 5/3.1-55-10(a).

(4) Notwithstanding the prohibitions set forth in § 40.10 (A), a city council member may provide materials, merchandise, property, services, or labor to the city in the circumstances described below in (a), (b), (c), and (d):

(a) If the contract is with a person or business entity in which the city council member has less than a 7 ½% share in the ownership and (i) the member publicly discloses the interest before or during deliberations; (ii) the member abstains from voting on the contract, the contract is approved by majority vote of the members holding office; (iii) the contract is awarded by sealed bid to the lowest responsible bidder if the contract exceeds \$1,500; and (iv) the total contracts awarded to the same person or business entity in the same fiscal year does not exceed \$25,000, as set forth in 65 ILCS 5/3.1-55-10(b)(1).

(b) If the contract with a person or business entity in which the city council member has a financial interest does not exceed \$2,000 and (i) the member publicly discloses the interest before or during deliberations; (ii) the member abstains from voting on the contract; (iii) the contract is approved by majority vote of the members holding office; and (iv) the total contracts awarded to the same person or business entity in the same fiscal year does not exceed \$4,000, as set forth in 65 ILCS 5/3.1-55-10(b)(2).

(c) If the contract is with a person or business entity in which the city council member holds less than a 1% ownership interest and (i) the member publicly discloses the interest before or during deliberations; (ii) the member abstains from voting on the contract; and (iii) the contract is approved by majority vote of the members holding office, as set forth in 65 ILCS 5/3.1-55-10(b-5).

(d) If the contract is for the procurement of public utility services in which a city council member is either an officer or employee of the company or holds no more than 7 ½% interest, and the utility's rates are approved by the ICC, as set forth in 65 ILCS 5/3.1-55-10(c).

(5) Nothing in this section shall preclude the city from entering into a contract with a financial institution even if a city council member is an officer or employee of the financial institution or holds less than a 7 ½% ownership interest, so long as (a) the member publicly discloses interest; (b) the member does not participate in the deliberations; and (c) the member does not vote on the contract, as set forth in 65 ILCS 5/3.1-55-10(e).

(6) Notwithstanding the prohibitions set forth in this section, an officer may hold a position on the board of a not-for-profit corporation that is interested in a contract, work, or business of the City in either of the following circumstances, as set forth in 65 ILCS 5/3.1-55-10(g) and 50 ILCS 105/10(f):

(a) If the officer is appointed by the city council to represent the interests of the city on a not-for-profit board, then the officer may actively vote on matters involving that board or the city, at any time, so long as the membership on the board is not a paid position, except that the officer may be reimbursed for expenses incurred as the result of membership on the board.

(b) If the officer is not appointed by the city council to the not-for-profit board, then the officer may continue to serve; however, the officer must abstain from voting on any matter before the city council that directly involves the not-for-profit corporation and, for these matters, will not be counted as present for the purposes of a quorum of the city council.

§ 40.11 LOCAL CONFLICTS OF INTEREST.

In addition to the statutory conflicts of interest that apply under Section 40.10, officers and employees are also subject to the following local conflicts of interest rules.

(A) For purposes of the local conflicts of interest rules set forth in this Subsection (A), a “financial interest” of a relative is defined as “a certain, definable, pecuniary, and personal economic interest from which the relative of the officer or employee is entitled to receive any financial benefit as a result of any contract, business, or other transaction which is, or which is known to become, the subject of an official act or action by or with the city.”

(1) An officer or employee whose relative has a financial interest in any contract, work, or business of the city or in the sale of any article whenever the expense, price, or consideration of the contract, work, business, or sale is paid out of city funds must disclose on the record of the board, commission, or committee that performs such official act or to the city manager, in the case of employees, the nature and extent of the relative’s financial interest and must refrain from taking any official action on that matter.

(2) An officer or employee whose relative has a financial interest in the purchase of any city property must disclose on the record of the board, commission, or committee that takes official action on the purchase or to the city manager, in the case of employees, the nature and extent of the relative’s financial interest and must refrain from taking any official action on that matter.

(3) No relative of an officer or employee shall take or receive, or offer to take or receive, either directly or indirectly, any money or other thing of value as a gift or bribe or means of influencing the officer’s or employee’s vote or action in his or her official character.

(4) No relative of any officer or employee may represent, either as agent or otherwise, any person with respect to any application or bid for any contract or work in regard to which the officer or employee may be called upon to vote unless the officer or employee

discloses on the record of the board, commission, or committee that performs such official act or to the city manager, in the case of employees, the nature and extent of the relative's financial interest and refrains from taking any official action on that matter.

(B) No officer or employee shall appear on behalf of any person (other than the city itself) before any city board, commission, or committee of which that officer or employee is a member unless that officer or employee discloses on the record of the board, commission, or committee the nature and extent of the officer's or employee's financial interest and refrains from taking any official action on that matter.

GIFT BAN

§ 40.20 GIFTS PROHIBITED.

Except as otherwise provided in § 40.21 below, no officer or employee, or relative living with an officer or employee, shall intentionally solicit or accept any gift from any prohibited source or in violation of any federal or state statute, rule, or regulation. No prohibited source shall intentionally offer or make a gift that violates this chapter. (*see* 5 ILCS 430/10-10 et seq.)

§ 40.21 EXCEPTIONS.

The restrictions set forth in § 40.20 shall not apply to the following:

(1) Opportunities, benefits and services that are available on the same conditions as for the general public;

(2) Anything for which the officer or employee pays the market value or anything not used and promptly disposed of as provided in § 40.22;

(3) A contribution, as defined in Article 9 of the Illinois Election Code, 10 ILCS 5/9-1 et seq., that is lawfully made under that Code or under the State Officials and Employees Ethics Act, or activities associated with a fundraising event in support of a political organization or candidate;

(4) Educational materials and missions;

(5) Travel expenses for a meeting to discuss city business;

(6) Anything provided by an individual on the basis of a personal relationship unless the officer or employee has reason to believe that, under the circumstances, the gift was provided because of the official position or employment of the officer or employee and not because of the personal relationship. In determining whether a gift is provided on the basis of a personal relationship, the officer or employee shall consider the circumstances under which the gift was offered, such as:

(a) The history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between those individuals;

(b) Whether to the actual knowledge of the officer or employee the individual who gave

the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and

(c) Whether to the actual knowledge of the officer or employee the individual who gave the gift also at the same time gave the same or similar gifts to other officers or employees.

(7) Food or refreshments not exceeding \$75 per person in value on a single calendar day; provided that the food or refreshments are:

- (a) Consumed on the premises from which they were purchased or prepared; or
- (b) Purchased ready to eat and delivered by any means.

(8) Food, refreshments, lodging, transportation and other benefits resulting from the outside business or employment activities (or outside activities that are not connected to the duties of the officer or employee as an office holder or employee) of the officer or employee, or the spouse of the officer or employee, if the benefits have not been offered or enhanced because of the official position or employment of the officer or employee and are customarily provided to others in similar circumstances.

(9) Intra-office and inter-office gifts;

(10) Bequests, inheritances and other transfers at death; and

(11) Any item or items from any one prohibited source during any calendar year having a cumulative total value of less than \$100.

§ 40.22 DISPOSITION OF GIFTS.

An officer or employee that is a recipient of a gift that is given in violation of this chapter may, at his or her discretion, return the item to the donor or give the item or an amount equal to its value to an appropriate charity that is exempt from income taxation under §501(c)(3) of the Internal Revenue Code of 1986, as now or hereafter amended, renumbered, or succeeded.

PROHIBITED POLITICAL ACTIVITIES

§ 40.30 POLITICAL ACTIVITIES PROHIBITED.

(A) No officer or employee shall intentionally perform any prohibited political activity during any compensated time. (*see* 5 ILCS 430/5-15)

(B) No officer or employee shall intentionally use any property or resources of the city in connection with any prohibited political activity. (*see* 5 ILCS 430/5-15)

(C) At no time shall any officer or employee intentionally require any other officer or employee to perform any prohibited political activity:

- (1) As part of that employee's duties;
- (2) As a condition of employment; or

(3) During any compensated time, including compensated time off. (*see* 5 ILCS 430/5-15)

(D) No officer or employee shall be required at any time to participate in any prohibited political activity in consideration for that officer or employee being awarded any additional compensation or any benefit, whether in the form of a salary adjustment, bonus, compensatory time off, continued employment or otherwise, nor shall any officer or employee be awarded additional compensation or any benefit in consideration for the officer's or employee's participation in any prohibited political activity. (*see* 5 ILCS 430/5-15)

§ 40.31 EXCLUSIONS.

Nothing in this section prohibits activities that are otherwise permissible for an officer or employee to engage in as a part of his or her official or employment duties or activities that are undertaken by an officer or employee on a voluntary basis as permitted by law. (*see* 5 ILCS 430/5-15)

§ 40.32 WHAT IS A PROHIBITED POLITICAL ACTIVITY?

For purposes of § 40.30, prohibited political activities include the following:

(1) Preparing for, organizing or participating in any political meeting, political rally, political demonstration or other political event;

(2) Soliciting contributions, including but not limited to, the purchase of, selling, distributing or receiving payment for tickets for any political fundraiser, political meeting or other political event;

(3) Soliciting, planning the solicitation of or preparing any document or report regarding any thing of value intended as a campaign contribution;

(4) Planning, conducting or participating in a public opinion poll in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question;

(5) Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question;

(6) Assisting at the polls on election day on behalf of any political organization or candidate for elective office or for or against any referendum question;

(7) Soliciting votes on behalf of a candidate for elective office or a political organization or for or against any referendum question or helping in an effort to get voters to the polls;

(8) Initiating for circulation, preparing, circulating, reviewing or filing any petition on behalf of a candidate for elective office or for or against any referendum question;

(9) Making contributions on behalf of any candidate for elective office in that capacity or in

connection with a campaign for elective office;

(10) Preparing or reviewing responses to candidate questionnaires in connection with a campaign for elective office or on behalf of a political organization for political purposes;

(11) Distributing, preparing for distribution, or mailing campaign literature, campaign signs or other campaign material on behalf of any candidate for elective office or for or against any referendum question;

(12) Campaigning for any elective office or for or against any referendum question;

(13) Managing or working on a campaign for elective office or for or against any referendum question;

(14) Serving as a delegate, alternate or proxy to a political party convention; and/or

(15) Participating in any recount or challenge to the outcome of any election.

ADMINISTRATION AND ENFORCEMENT

§ 40.40 ETHICS OFFICER.

(A) The City Manager, or his or her designee, shall be designated the Ethics Officer for the city.

(B) The Ethics Officer's duties and responsibilities include:

(1) Providing guidance to officers and employees in completing statements of economic interest before they are filed with the appropriate office;

(2) Providing guidance to officers and employees in the interpretation and implementation of this chapter and the requirements of state statute; and

(3) Providing guidance to officers and employees in the interpretation and implementation of other applicable statutes, ordinances, rules or regulations of the city, the state, or the federal government dealing with ethics, conflicts of interest, interests in contracts, jobs, work, or materials, or the profits thereof, or services to be performed for or by the city.

§ 40.41 ETHICS COMMISSION.

(A) *Establishment.* There is hereby established in the city an Ethics Commission, consisting of the City Council. The Ethics Commission may contract for services to assist in the performance of its duties.

(B) *Powers and Duties.*

(1) The Ethics Commission has the following powers and duties:

(a) To adopt rules and procedures to govern the performance of the Commission's duties and the exercise of its powers as deemed necessary or appropriate, including the receipt and

processing of complaints and other information, issuance of subpoenas, exercise of investigatory powers, and preparation of reports, among other procedures;

(b) The Commission may delegate to a subcommittee of the Commission or to the Audit Committee its authority to conduct investigations pursuant to this section, and require a report of the subcommittee's findings to the full Commission for final action; and

(c) In the event that a member of the Commission is the subject of a claimed violation of this chapter, that Commissioner must immediately recuse himself or herself from the investigation and shall take no part in the final action of the Commission regarding the claimed violation.

(2) The powers and duties of the Commission are limited to matters clearly within the purview of this chapter.

(C) Complaint Procedure.

(1) *Filing a Complaint.* A complaint alleging a violation of this chapter must be filed with the Ethics Officer or, if the subject of the complaint is the Ethics Office, then with the Mayor. The complaint must be in writing and signed by the complainant and must include a description of the circumstances and facts to support any allegations of a violation of this chapter. Upon receipt of a complaint, the Ethics Officer or the Mayor, as the case may be, must forward the complaint to the Ethics Commission. A complaint alleging the violation of this chapter must be filed within two years after the alleged violation.

(2) *Notice.* Within three business days after the filing of an ethics complaint, the Commission must notify (a) the respondent that a complaint has been filed and include a copy of the complaint and (b) the complainant of its receipt of the complaint. These notices must also include the date, time, and place of the initial meeting of the Commission held pursuant to (C)(3) below.

(3) *Initial Meeting.* Within 14 business days after receipt of the complaint, the Commission shall meet in a closed session at a duly noticed meeting to determine whether the complaint sufficiently alleges a violation of this chapter and whether there is probable cause to proceed. If the complaint is deemed to sufficiently allege a violation of this chapter and there is a determination of probable cause, then the Commission must notify both parties of its determination and the date, time, and place of the meeting held pursuant to (C)(4) below. If the Commission determines, in its discretion, that the complaint is insufficient, frivolous, or that there is no probable cause, then the Commission must notify the parties of its decision to dismiss the complaint.

(4) *Subsequent Meeting if Complaint is Sufficient and there is Probable Cause.* Within 30 days of the Commission's determination that the complaint is sufficient and there is probable cause, the Commission shall conduct a closed session on the complaint and allow both parties the opportunity to present testimony and evidence.

(5) *Decision.* Within two weeks after the conclusion of the meeting held pursuant to (C)(4) above, the Commission must either:

- (a) Dismiss the complaint; or
- (b) Issue a decision finding a violation and, if appropriate, recommending the imposition of one or more penalties in accordance with § 40.43 of this chapter.

Notice of the Commission's decision will be sent to the complainant and the respondent.

(6) *Impact of Election.* If the complaint is filed during the 60 days preceding the date of any election at which the respondent is a candidate, the Commission shall render its decision within seven days after the complaint is filed, and during the seven days preceding that election, the Commission shall tender the decision before the date of the election, if possible.

(D) *Appeal.* The Ethics Commission's decision finding a violation is a final administrative decision subject to judicial review under the Administrative Review Law.

(E) *Exemption.* The proceedings conducted, and documents generated, under this chapter are exempt from the provisions of the Open Meetings Act and the Freedom of Information Act, except as expressly provided.

§ 40.42 INTERPRETATION.

It is the intent of the city that the provisions of this chapter shall be substantially in accordance with the requirements of state statute. To the extent that state statute is more restrictive than the requirements of this chapter or other ethics regulations adopted or imposed by the City, the provisions of state statute shall apply and control. To the extent that the regulations of this chapter or other ethics regulations adopted or imposed by the City are more restrictive than state statute, the more restrictive regulation shall apply and control. This chapter does not repeal other relevant personnel rules or regulations adopted by the city.

It is recognized that no written Code of Ethics of this nature can provide specifically for all possible contingencies. Any questions regarding the propriety of any transaction or the proper interpretation of this chapter may be brought to the Ethics Officer for review pursuant to § 40.40 of this chapter.

§ 40.43 PENALTY.

(A) *General penalty.* Any person violating any provision of this chapter, for which no other penalty is provided, shall be subject to the general penalty provisions of § 10.99.

(B) *Violations of §§ 40.01 through 40.11.*

(1) Any person found guilty of knowingly violating any of the provisions of §§ 40.01 through 40.11 shall be punished by a fine as set forth in the city fee schedule as adopted by § 41.01. All action seeking the imposition of fines only shall be filed as other non-criminal violations of the city code. Prosecutions for violation of the provisions of §§ 40.01 through 40.11 may be subject to administrative adjudication.

(2) Any contract negotiated, entered into, or performed in violation of any of the provisions of § 40.10 shall be void as to the city in accordance with applicable statutes.

(C) *Failure to file statement of financial interests.* Any person who is required to file a statement of financial interests pursuant to this chapter or state law and who fails to file such as provided therein, shall, in addition to any other penalty provided herein, be subject to immediate ineligibility for, or forfeiture of, office or employment, provided that no forfeiture shall result if a statement is filed within 30 days after notice of the failure to file.

(D) *Gift ban and prohibited political activities.* An individual who knowingly violates §§ 40.20 through 40.30 is guilty of a business offense and subject to a fine as set forth in the city fee schedule as adopted by § 41.01.

(E) *Disgorging corporate opportunity.* Any officer or employee shall, upon demand of the city attorney, account for all benefits accruing to such officer or employee as a result of any violation of the provisions of this chapter. Any officer or employee receiving any such benefits in violation of any of the provisions of this chapter shall disgorge such benefits, and, in addition to any other penalty provided herein, shall be subject to a penalty equal to two times the amount of such benefits. In the event that any such officer or employee refuses to account for benefits received in violation of any of the provisions of this section, the City Attorney may seek an accounting in a court of law.

(F) *Discipline.* The penalties provided in this section do not limit either the power of the City Council to discipline its own members or the power of any other city department, agency or commission to otherwise discipline its members or its employees.

(G) *Frivolous Complaint.* A fine may be imposed against any person who knowingly files a frivolous ethics complaint alleging a violation of this chapter in accordance with § 41.01.

October 14, 2019

Mr. Michael Thomas
Director of Public Works
City of Lake Forest
800 North Field Drive
Lake Forest, IL 60045

Subject: City of Lake Forest – Burr Oak Area Storm Sewer Design

Dear Mr. Thomas:

Baxter & Woodman submitted a competitive proposal to the Village for professional engineering services for the Burr Oak Area Storm Sewer Design on October 11, 2019. This letter of proposal coincides with the aforementioned proposal and presents Baxter & Woodman's terms and conditions to perform the design services presented herein.

Scope of Services

1. PROJECT COORDINATION

- a) PROJECT MANAGEMENT - Plan, schedule, and control activities to complete the Project. These activities include, but are not limited to budget, schedule, and scope. Submit a monthly status report via email describing tasks completed the previous month and outlining goals for the subsequent month.
- b) PROJECT MEETINGS
 - Hold a kick-off meeting with staff and the Project team to establish clear lines of communication, introduce staff to the team members, and establish the Owner's detailed needs, objectives, and goals for the Project. The meeting will also be used to obtain information, plans, atlases, and other data to be supplied by the Owner, and to set schedules and guidelines for any future design meetings.
 - Conduct two meetings with staff at times during the design of the Project to clarify staff wishes, design questions, and/or construction methods. Design meetings will consist of one preliminary "red" line meeting, where the initial layout is approved and one meeting at 75 percent completion.
 - Present the Project at three Public Works/City Council meetings.

2. MODELING

a) MODEL UPDATES

- Update the hydraulic model with preliminary design data for the storm sewer improvements to confirm the required storm sewer sizes, elevations, and number, size and location of inlet structures.
- Modify the model and/or the design and analyze the proposed design to verify it matches the intent of the Project and conforms to the modeling (and vice versa).

b) LEVEL OF SERVICE ALTERNATIVES - Reassess the improvement recommendations to determine what additional improvements may be required to increase the storm sewer level of service – that is, what improvements, and at what cost, are necessary to protect the flood prone areas for a 25-year or 50-year storm.

3. DESIGN

a) COLLECT EXISTING FILES - Obtain, review, and evaluate the following information provided by the Owner for use in design: utility atlases; GIS shape files surrounding the Project limits; aerial photography; environmental studies; maintenance and flooding records; drainage studies; hydrologic and hydraulic information and calculations; and geotechnical data.

b) TOPOGRAPHIC SURVEY

- Perform topographic survey of the Project limits of natural and man-made features in order to develop base sheets for Project plan drawings. State plane coordinates and NAVD 88 will be used for horizontal and vertical controls.
- Develop base sheets of natural and man-made features from topographic survey data, including creating lists of deficient items for clarification at future site visits.
- It is not anticipated that the topographic survey will require Prevailing Wage for Survey Worker to be paid to technicians performing the work. In the event it is determined that the design topographic survey is covered work under the Illinois Prevailing Wage Act (820 ILCS 130), Baxter & Woodman, Inc. will negotiate an equitable increase in compensation with the Owner to meet the requirements of the Act.

c) SITE VISITS FOR DESIGNERS

- Conduct site visits to familiarize the designer(s) with the sites, clarify any discrepancies on the Drawings, and identify the horizontal and vertical alignment of the storm sewer pipe.

- Walk the sewer routes with staff to: resolve deficient/questionable items from the topographic survey; evaluate the condition of existing pavements, drainage structures, and curb and gutter; confirm the horizontal and vertical alignment of new sewers; identify areas conducive for contractor staging; identify parkway features to be protected, and evaluate restoration options.
 - Prepare guidelines for protection of parkway features/trees, traffic control, construction staging, and restoration for the Owner's use in communicating with residents, and for use during detailed design.
- d) UTILITY LOCATES
- Complete a Design Stage Request with JULIE, which consists of obtaining names and phone numbers of utilities located within the work area.
 - Contact utilities, obtain atlases where available, and provide preliminary plan sheets to utility companies for their markup and return.
 - If utility relocates are found to be needed due to conflict with a proposed sewer, work with utility company engineers to provide information and assistance as needed.
- e) STRUCTURAL ENGINEERING - Complete the structural engineering design of the required junction chambers (up to three) during the design phase of the project.
- f) GEOTECHNICAL INVESTIGATION AND PAVEMENT CORES
- Arrange for a geotechnical sub-consultant to make soil borings, collect and analyze soil samples, determine groundwater levels and prepare a written report for structural design.
 - Make pavement cores of the surface and base material for determining the composition of the existing pavement material within the Project limits.
 - Perform PID testing on the soil samples and soil analytical testing in general compliance with the IEPA CCDD requirements. Laboratory testing will be at the discretion of the environmental professional based on knowledge of the location of the borings.
 - If the analytical testing indicates the soils are contaminated, additional testing and an additional disposal source may be necessary (Composite Non-Hazardous Non-Special Waste Analytical for landfill disposal if necessary).
 - **Sub-consultant and laboratory services for Geotechnical Investigation and Pavement Cores are estimated to cost \$22,000, which is included in the not-to-exceed amount.**
- g) ENGINEER'S OPINION OF PROBABLE COST - Prepare Opinions of Probable Construction and Total Project Costs (EOPC) for the Project including: construction cost; contingencies; construction engineering services; and, on the basis of information furnished by the Owner, allowances for legal services,

financial consultants, and any administrative services or other costs necessary for completion of the Project.

h) PEER AND CONSTRUCTABILITY REVIEWS

- Conduct QA/QC peer reviews of drawings and specifications.
- Utilize Construction Department personnel to provide a review of drawings and specifications.
- Make revisions based upon comments from both engineering and construction department comments.

i) BIDDING ASSISTANCE

- Set bid dates with Owner, create Advertisement for Bids (AFB) and provide AFB to Owner for publication.
- Prepare necessary addenda during solicitation of the construction bids.

4. CONSTRUCTION DOCUMENTS

a) FINAL DESIGN

- Review and respond to Preliminary (60%) and Pre-Final (95%) plan sheets comments.
- Finalize the preferred geometric layout and cross section throughout the Project.
- Finalize the ditch, inlet, culvert, and storm sewer design for the proposed improvements.

b) DESIGN DOCUMENTS FOR BID

- Provide detailed computer-aided drafting of design elements and construction requirements.
- Indicate location of all utilities that can be obtained from the best available records, including utility company atlases and SUE locates.
- Create all legends, general notes, and designer instructions to contractors, to create a final set of construction drawings.
- Prepare Design Documents consisting of Drawings showing the general scope, extent and character of construction work to be furnished and performed by the Contractor(s) selected by the Owner and Specifications which will be prepared in conformance with the format of the Construction Specification Institute.
- Both Pre-final (95%) and Final (100%) plan sheets and contract documents submittals are anticipated for this Project.

c) CONTRACT DOCUMENTS - Prepare for review and approval by the Owner and its legal counsel the forms of Construction Contract Documents consisting of Advertisement for Bids, Bidder Instructions, Bid Form, Agreement, Performance

- Bond Form, Payment Bond Form, General Conditions, and Supplementary Conditions, where appropriate, based upon standard Owner contract documents.
- d) **BID ADVERTISEMENT**
 - Assist the Owner in solicitation of construction bids from as many qualified bidders as possible.
 - Send advertisement to selected prospective bidders.
 - Answer bidders' questions during bid period.
 - e) **BID OPENING**
 - Attend bid opening with staff and assist in reviewing and checking of bid package submittals as required.
 - Tabulate all bids received and review all bid submittals to verify low bid is responsive and responsible.
 - Issue a Letter of Recommendation to Award the construction contract to the Owner for their action
 - f) **DELIVERABLES**
 - Full sized For Bid Plan Sheets – Two (2) copies
 - Quarter sized For Bid Plan Sheets – Two (2) copies
 - Contract Document Book – Two (2) copies
 - Engineer's Opinion of Probable Costs
 - Digital copy of plan sheets, contract documents, and EOPC
 - Digital copy of CAD files and hydraulic model files
5. **PERMITS**
- a) Submit the design documents to obtain permits from School District 115, City of Lake Forest, and U.S. Army Corps of Engineers.
 - b) Submit to FEMA the forms, exhibits, and hydraulic modeling necessary to obtain a Conditional Letter of Map Revision.
 - c) Submit a Notice of Intent and the Stormwater Pollution Prevention Plan to the IEPA for a General NPDES Permit No. ILR10.
 - d) Submit the Stormwater Pollution Prevention Plans to the SWCD for approval.
 - e) Apply for an Owner site work permit, building permit, and/or tree removal and preservation permit, if required.

Schedule

We anticipate receiving notice to proceed on October 22, 2019 and completing the Project by March 17, 2020.

City Responsibilities

Provide Baxter & Woodman with subdivision plans and plats of survey along the project limits, which will be used to field locate the limits of the existing right-of-way.

Engineering Fee


The Owner shall pay the Engineer for the services performed or furnished, based upon the Engineer's standard hourly billing rates for actual work time performed plus reimbursement of out-of-pocket expenses including travel, which in total will not exceed **\$189,000**.

Thank you for the opportunity to submit our Proposal for this Project. The attached standard terms and conditions apply to this Proposal. If you find this Proposal acceptable, **please sign and return one copy for our files**.

Please contact me if you should have any questions or need additional information.

Sincerely,

BAXTER & WOODMAN, INC.
CONSULTING ENGINEERS



John Ambrose, P.E.
President/CEO

Attachment

CITY OF LAKE FOREST, ILLINOIS

ACCEPTED BY: _____

TITLE: _____

DATE: _____

STANDARD TERMS AND CONDITIONS

Agreement - These Standard Terms and Conditions, together with the letter proposal, constitute the entire integrated agreement between the Owner and Baxter & Woodman, Inc. (BW) and take precedence over any other provisions between the Parties. These terms may be amended, but only if both parties consent in writing.

Owner's Responsibility - Provide BW with all criteria and full information for the Project. BW will rely, without liability, on the accuracy and completeness of all information provided by the Owner including its consultants, contractor, specialty contractors, manufacturers, suppliers and publishers of technical standards without independently verifying that information. The Owner warrants that all known hazardous materials on or beneath the site have been identified to BW. BW and their consultants shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, unidentified or undisclosed hazardous materials unless this service is set forth in the proposal.

Schedule for Rendering Services - The agreed upon services shall be completed within a reasonable amount of time. If BW is hindered, delayed or prevented from performing the services as a result of any act or neglect of the Owner or force majeure, BW's work shall be extended and the rates and amounts of BW's compensation shall be equitably adjusted in writing executed by all Parties.

Invoices and Payments - The fees to perform the proposed scope of services constitute BW's estimate to perform the agreed upon scope of services. Circumstances may dictate a change in scope, and if this occurs, an equitable adjustment in compensation and time shall be made by all parties. No service for which added compensation will be charged will be provided without first obtaining written authorization from the Owner. BW invoices shall be due and owing by Owner in accordance with the terms and provisions of the Local Government Prompt Payment Act.

Opinion of Probable Construction Costs - BW's opinion of probable construction costs represents its reasonable judgment as a professional engineer. Owner acknowledges that BW has no control over construction costs of contractor's methods of determining prices, or over competitive bidding, of market conditions. BW cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from BW's opinion of probable construction costs.

Standards of Performance - (1) The standard of care for all services performed or furnished by BW, will be completed with the same care and skill ordinarily used by professionals practicing under similar circumstances, at the same time and in the same locality on similar projects. BW makes no guarantees or warranties, express or implied, in connection with its services; (2) BW shall be responsible for the technical accuracy of its services and documents; (3) BW shall use reasonable care to comply with all applicable laws and regulations and Owner-mandated standards; (4) BW may employ such sub-consultants as BW deems necessary to assist in the performance or furnishing of the services, subject to reasonable, timely, and substantive objection by Owner; (5) BW shall not supervise, direct, control, or have authority over any contractor work, nor have authority over or be responsible for the means, methods, techniques sequences, or procedures of construction selected or used by any contractor, or the safety precautions and programs incident thereto, for security or safety of the site, nor for any failure of a contractor to comply with laws and regulations applicable to such contractor's furnishing and performing of its work; (6) BW neither guarantees the performance of any contractor nor assumes responsibility for contractor's failure to furnish and perform the work in accordance with the contract documents; (7) Engineer is not acting as a municipal advisor as defined by the Dodd-Frank Act. Engineer shall not provide advice or have any responsibility for municipal financial products or securities. (8) BW is not responsible for the acts or omissions of any contractor, subcontractor, or supplier, or any of their agents or employees or any other person at the site or otherwise furnishing or performing any work; (9) Shop drawing and submittal review by BW shall apply to only the items in the submissions and only for the purpose of assessing if upon installation or incorporation in the Project work they are generally consistent with the construction documents. Owner agrees that the contractor is solely responsible for the submissions (regardless of the format in which provided, i.e. hard copy or electronic transmission) and for compliance with the construction documents. Owner further agrees that BW's review and action in relation to these submissions shall not constitute the provision of means, methods, techniques, sequencing or procedures of construction or extend to safety programs or precautions. BW's consideration of a component does not constitute acceptance of the assembled item; (10) BW's site observation during construction shall be at the times agreed upon in the Project scope. Through standard, reasonable means, BW will become generally familiar with observable completed work. If BW observes completed work that is inconsistent with the construction documents, that information shall be communicated to the contractor and Owner for them to address.

Insurance - BW will maintain insurance coverage with the following limits and Certificates of Insurance will be provided to the Owner upon written request:

Worker's Compensation:	Statutory Limits	Excess Umbrella Liability:	\$5 million per claim and aggregate
General Liability:	\$1 million per claim	Professional Liability:	\$5 million per claim
	\$2 million aggregate		\$5 million aggregate
Automobile Liability:	\$1 million combined single limit		

BW's liability under this Agreement, based on any theory of liability or for any cause of action, shall not exceed the total amount of BW's contract amount for the project. Any claim against BW arising out of this Agreement may be asserted by the Owner, but only against the entity and not against BW's directors, officers, shareholders or employees, none of whom shall bear any liability and may not be subject to any claim.

Indemnification and Mutual Waiver – (1) To the fullest extent permitted by law, BW shall indemnify and hold harmless the Owner and its officers and employees from claims, costs, losses, and damages arising out of or relating to the Project, provided that such claim, cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property, including the loss of use resulting therefrom, but only to the extent caused by any negligent act or omission of BW or its officers, directors, employees, agents, or consultants; (2) Owner shall indemnify and hold harmless BW and its officers, directors, employees, agents and consultants from and against any and all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court, arbitration, or other dispute resolution costs) arising out of or relating to the Project provided that any such claim, cost, loss, or damage is attributable to bodily injury, sickness, disease, or death of to injury or destruction of tangible property, including the loss of use resulting therefrom, but only to the extent caused by any negligent act or omission of Owner or its officers, directors, employees, consultants, or others retained by or under contract to the Owner with respect to this Agreement or to the Project; (3) To the fullest extent permitted by law, Owner and BW waive against each other, and the other's employees, officers, directors, insurers, and consultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to the Project; (4) In the event claims, losses, damages or expenses are caused by the joint or concurrent negligence of the ENGINEER and OWNER, they shall be borne by each party in proportion to its negligence; (5) The Owner acknowledges that BW is a business corporation and not a professional service corporation, and further acknowledges that the corporate entity, as the party to this contract, expressly avoids contracting for individual responsibility of its officers, directors, or employees. The Owner and BW agree that any claim made by either party arising out of any act of the other party, or any officer, director, or employee of the other party in the execution or performance of the Agreement, shall be made solely against the other party and not individually or jointly against such officer, director, or employees.

Termination - Either party may terminate this Agreement upon ten (10) business days' written notice to the other party in the event of failure by the other party to perform with the terms of the Agreement through no fault of the terminating party. A condition precedent to termination shall be an opportunity for the Parties to meet. If this Agreement is terminated, Owner shall receive reproducible copies of drawings, developed applications and other completed documents. Owner shall be liable for, and promptly pay for all services and reimbursable expenses rendered to the date of suspension/termination of services.

Use of Documents - BW documents are instruments of service and BW retains ownership and property interest (including copyright and right of reuse). Client shall not rely on such documents unless in printed form, signed or sealed by BW or its consultant. Electronic format of BW's design documents may differ from the printed version and BW bears no liability for errors, omissions or discrepancies. Reuse of BW's design documents is prohibited and Client shall defend and indemnify BW from all claims, damages, losses and expenses, including attorney's fees, consultant/expert fees, and costs arising out of or resulting from said reuse. BW's document retention policy will be followed upon Project closeout, and project documents will be kept for a period of 14 years after Project closeout.

Successors, Assigns, and Beneficiaries – Nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by Client or BW to any third party, including any lender, Contractor, Contractor's subcontractor, supplier, manufacturer, other individual, entity or public body, or to any surety for or employee of any of them. All duties and responsibilities undertaken pursuant to this Agreement are for the sole and exclusive benefit of the Client and BW and not for the benefit (intended, unintended, direct or indirect) of any other entity or person.

Dispute Resolution - All disputes between the Parties shall first be negotiated between them for a period of thirty (30) days. If unresolved, disputes shall be then submitted to mediation as a condition precedent to litigation. If mediation is unsuccessful, litigation in the county where the Project is pending shall be pursued.

Miscellaneous Provisions – (1) This Agreement is to be governed by the law of the state or jurisdiction in which the Project is located. (2) All notices must be in writing and shall be deemed effectively served upon the other party when sent by certified mail, return receipt requested; (3) All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason; (4) Any provision or part of the Agreement held to be void or unenforceable under any Laws or Regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the Owner and BW, which agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close to expressing the intention of the stricken provision; (5) A party's non-enforcement of any provision shall not constitute a waiver of the provision, nor shall it affect the enforceability of that provision or of the remainder of this Agreement; (6) To the fullest extent permitted by law, all causes of action arising under this Agreement shall be deemed to have accrued, and all statutory periods of limitation shall commence, no later than the date of substantial completion, which is the point where the Project can be utilized for the purposes for which it was intended.