

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

Monday, April 3, 2023  
220 E. Deerpath  
Lake Forest, IL 60045

**CALL TO ORDER AND ROLL CALL**

**6:30 p.m.**

Honorable Mayor, George Pandaleon

James E. Morris, Alderman First Ward

Jim Preschlack, Alderman Third Ward

Nancy P. Novit, Alderman First Ward

Ara Goshgarian, Alderman Third Ward

Melanie Rummel, Alderman Second Ward

Raymond Buschmann, Alderman Fourth Ward

Edward U. Notz, Jr., Alderman Second Ward

Eileen Looby Weber, Alderman Fourth Ward

**PLEDGE OF ALLEGIANCE**

**REPORTS OF CITY OFFICERS**

**1. COMMENTS BY MAYOR**

**A. Arbor Day Proclamation**

A copy of the Proclamation can be found on **page 23**

**2. COMMENTS BY CITY MANAGER**

**A. Community Spotlight**

- Lake Forest Library
- John Johnson, Lake Forest Library Board President

**3. OPPORTUNITY FOR CITIZENS TO ADDRESS THE CITY COUNCIL**

**4. COMMITTEE REPORTS**

**FINANCE COMMITTEE**

**1. Consideration of an Ordinance Authorizing the Issuance of General Obligation Bonds, Series 2023 (First Reading)**

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

**PURPOSE AND ACTION REQUESTED:** Staff requests approving the first reading of an ordinance authorizing issuance of 2023 general obligation bonds.

**BACKGROUND/DISCUSSION:** Since the Park Board recommendation in March 2022, the City Council has discussed athletic field improvements at Deerpath Community Park at several previous meetings. On September 6, 2022, the City Council, based on a recommendation from the City Manager's Advisory Group, directed staff to proceed with design and engineering work to develop a 9.5 acre site at Deerpath Park with synthetic turf athletic fields. Upon completion of the design work, the bid process was conducted and bid results were presented to the City Council on February 21, 2023. At the February 21 meeting, the City Council approved numerous contracts and bids associated with the Deerpath Park Improvement Project and adopted a bond intent resolution setting forth a maximum bond issue of \$12 million associated with the project.

Attached is the draft official statement (**page 24**) submitted to Moody's Investors Service with a request for a rating. A rating review is scheduled to be conducted by Moody's with Finance Director Elizabeth Holleb on March 29, with a bond rating issued on or about April 12.

**PROJECT REVIEW/RECOMMENDATIONS:**

Reviewed	Date	Comments
City Council	3/6/23	Approval of a Ten-Year Term for the 2023 Bond Issue.
City Council	2/21/23	Approval of various contracts and bids associated with the Deerpath Park Improvement Projection and Approval of a Bond Intent Resolution Establishing \$12 million as Maximum Bond Issue Amount.
City Council	2/6/23	Council update on programming and revenue projections.

**BUDGET/FISCAL IMPACT:** The interest rate on the bond issue will be determined at the online bid auction scheduled for April 17. Debt service on the bond issue is scheduled through December 2033 and will be paid from the City's debt service property tax levy, with the exception of the December 2023 payment to be funded from a \$350,000 property tax levy and TIF Note repayment proceeds in FY23. The bonds will be callable in whole or in part on or after December 15, 2031.

**COUNCIL ACTION:** Approval of first reading of the bond ordinance (page 94). An online bid will occur on Monday, April 17. At the April 17 City Council meeting, a final bond ordinance reflecting results of the bid auction will be presented for City Council consideration for second reading and granting of final approval.

**PUBLIC WORKS COMMITTEE**

1. Overview of Forest Park Bluff Slope Stabilization
  - Byron Kutz, P.E., Superintendent of Engineering

**5. ITEMS FOR OMNIBUS VOTE CONSIDERATION**

**1. Approval of March 20, 2023, City Council Meeting Minutes**

A copy of the minutes can be found beginning on **page 119**

COUNCIL ACTION: Approval of March 20, 2023, City Council Meeting Minutes

**2. Approval of the Check Register for the Period of February 25 – March 24, 2023**

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

**BACKGROUND/DISCUSSION:** City Code Section 38.02 sets forth payment procedures of the City. The Director of Finance is to prepare a monthly summary of all warrants to be drawn on the City treasury for the payment of all sums due from the City (including all warrants relating to payroll and invoice payments) by fund and shall prepare a detailed list of invoice payments which denotes the person to whom the warrant is payable. The warrant list detail of invoice payments shall be presented for review to the Chairperson of the City Council Finance Committee for review and recommendation. All items on the warrant list detail recommended for payment by the Finance Committee Chairperson shall be presented in summary form to the City Council for approval or ratification. Any member of the City Council shall, upon request to the City Manager or Director of Finance, receive a copy of the warrant list detail as recommended by the Finance Committee Chairperson. The City Council may approve the warrant list as so recommended by the Finance Committee Chairperson by a concurrence of the majority of the City Council as recorded through a roll call vote.

The Council action requested is to ratify the payments as summarized below. The associated payroll and invoice payments have been released during the check register period noted.

Following is the summary of warrants as recommended by the Finance Committee Chairperson:

**Check Register for February 25- March 24, 2023**

	Fund	Invoice	Payroll	Total
101	General	557,405	1,656,910	2,214,315
501	Water & Sewer	65,331	181,731	247,061
220	Parks & Recreation	60,643	379,752	440,395
311	Capital Improvements	781,384		781,384
202	Motor Fuel Tax	7,845		7,845
230	Cemetery	4,490	32,543	37,033
210	Senior Resources	9,346	30,212	39,558
510	Deerpath Golf Course	56,625	3,028	59,653
601	Fleet	84,250	58,776	143,025
416 - 433	Debt Funds			0
248	Housing Trust			0
201	Park & Public Land			0
	All other Funds	748,243	175,452	923,695
		<b>\$2,375,562</b>	<b>\$2,518,402</b>	<b>\$4,893,964</b>

The subtotal denoted "All other Funds" includes \$501,225 in payments for the City's self-insured medical/dental plan.

COUNCIL ACTION: Approval of the Check Register for the Period of February 25 – March 24, 2023.

**3. Approval of a Resolution declaring Lake Forest as an Idle Free Community**

A copy of the Resolution can be found on **page 122**

COUNCIL ACTION: Approval of a Resolution declaring Lake Forest as an Idle Free Community

**4. Approval of a Resolution Reallocating 2023 Volume Cap to the Village of Buffalo Grove, Illinois**

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

**PURPOSE AND ACTION REQUESTED:** Staff requests approval of a resolution reallocating the City's 2023 private activity bond volume cap to the Village of Buffalo Grove, Illinois for the private activity bond clearinghouse (PABC) pool.

**BACKGROUND/DISCUSSION:** The Federal Tax Reform Act of 1986 imposes a limit on the aggregate amount of "tax exempt private activity" bonds (also known as volume cap) that can be issued by a State. Pursuant to these federal regulations, the State of Illinois has developed a formula by which the State ceiling is allocated among governmental units in the State having authority to issue such bonds.

The Illinois Private Activity Bond Allocation Act provides that a home rule unit of government is allocated an amount equal to \$120 multiplied by its estimated population, which for Lake Forest in calendar year 2023 is \$2,310,360 (19,253 x \$120). By May 1, 2023, the City must take action to grant, reserve or transfer its allocation, or the amount is reserved by the Governor's Office for a pool. The City may transfer its allocation to any other home rule unit of government, the State of Illinois or any agency of the State.

This year, the City has received one request (**page 124**) to transfer its volume cap, as follows:

Organization	Proposed Use	Amount of Transfer Fee
Village of Buffalo Grove (Lake County Partners)	Private Activity Bond Clearinghouse	0.5% or \$11,551.80*

\* Paid upon issuance of bonds utilizing the allocated volume cap

Home rule units are not prohibited from charging a fee for transferring their cap. In prior years when economic conditions were more favorable, home rule units were able to induce developers to pay a higher transfer fee than that offered by Lake County Partners. In recent years, however, fewer developers have sought the volume cap due to low interest rates and declines in development activity.

Because the volume cap amount for most municipalities is too small to assist with eligible projects, Lake County Partners created the Clearinghouse in 2000 as a way for Lake County communities to pool their cap and make best use of the allocation locally. Lake County Partners reports that in the past several years, they have seen little activity in the private activity bond market. Since its inception, the clearinghouse has funded nearly \$200 million in

local projects, including the construction of 360,000 square feet of new manufacturing space, creation of 648 new manufacturing jobs, renovation of 1,600 multi-family dwelling units, purchase of an estimated 251 homes by "first-time homebuyers", expansion of a Montessori School, and construction of a new solid waste disposal "cell".

This is the 18<sup>th</sup> year under home rule status that the City has been allocated volume cap. The City has transferred its volume cap to Buffalo Grove for the past sixteen (16) years. To date, fee income of \$8,574.78 has been received.

**BUDGET/FISCAL IMPACT:** Upon issuance of bonds utilizing the City's volume cap, a transfer fee payment of .5% would be due to the City. Should the entire 2023 allocation be utilized by the pool, the City would receive \$11,551.80.

**COUNCIL ACTION:** Approval of a Resolution (**page 125**) Reallocating 2023 Volume Cap to the Village of Buffalo Grove, Illinois

**5. Consideration of a Request to Waive the Fidelity Bond Requirement in Connection with Holding a Raffle in the City of Lake Forest for the Lake Forest Baseball Association and the Church of the Holy Spirit (Approval by Motion)**

*STAFF CONTACT: Margaret Boyer, City Clerk (847.810.3674)*

**PURPOSE AND ACTION REQUESTED:** Staff requests City Council consideration of waiving the fidelity bond requirement in connection with a proposed raffle from the Lake Forest Baseball Association and the Church of the Holy Spirit.

**BACKGROUND:** In January 2020 the City Council approved an Ordinance Amending Chapter 110, titled "Licenses and Miscellaneous" related to Raffles, to align these sections with recent State of Illinois Legislation. Section 110.0149, J, allows the raffle manager designated by the organization to seek a waiver of the bond requirement from the City Council.

Currently both the Lake Forest Baseball Association and the Church of the Holy Spirit are requesting a waiver of the bond requirement and has submitted a request. A copy of the requests can be found beginning on **page 127**.

**BUDGET/FISCAL IMPACT:** N/A

**COUNCIL ACTION:** Consideration of a Request to Waive the Fidelity Bond Requirement in Connection with Holding a Raffle in the City of Lake Forest for the Lake Forest Baseball Association and the Church of the Holy Spirit (Approval by Motion)

**6. Authorize the City Manager to Execute a Two-Year Professional Services Agreement for City Engineering Services with Gewalt Hamilton Associates, Inc. in an Amount Not to Exceed \$43,000 for FY2024 and \$45,000 for FY2025, and for Permit Reviews when the Full Cost is Reimbursable by the Developer or Property Owner**

*STAFF CONTACT: Byron Kutz, Superintendent of Engineering (810-3555)*

**PURPOSE AND ACTION REQUESTED:** Staff is recommending City Council award a two-year professional services agreement for the City engineering services to Gewalt Hamilton Associates, Inc., to provide permit reviews when the full cost is reimbursable by the developer or property owner, and authorize the City Manager to execute the agreements.

**BACKGROUND/DISCUSSION:** The City Surveyor and Engineer is needed to fulfill all statutory requirements and assist with plan reviews for watershed development, commercial development, and IEPA / IDOT permits. Recent plan reviews have primarily focused on applications that fall under the regulations of the Watershed Development Ordinance governed by the Lake County Stormwater Management Commission. In addition, as needed the City Engineer spends time reviewing plans for all the City's large infrastructure projects including storm sewers, ravines, water mains, and bridges. The assigned engineer from GeWalt Hamilton has been extremely responsive and has been able to participate in a multitude of meetings requested of him. Staff were also pleased with the engineer's quality of work.

The City Council on April 18, 2022 did award and authorize expenditures for a one-year agreement through April 30, 2023, as well as approving the option to extend for two additional terms. The current request seeks approval to extend the agreement with Gewalt Hamilton for a two-year period and to authorize the City Manager to execute a two-year agreement through April 30, 2025.

**PROJECT REVIEW/RECOMMENDATIONS:**

Reviewed	Date	Comments
City Council	4/18/22	Approved Request to Enter Into a 1-Year Professional Services Agreement, with two additional one-year optional renewals
Public Works Committee	4/6/22	Reviewed and Approved Request to Enter Into a 1-Year Professional Services Agreement, with two additional one-year optional renewals
City Council	4/15/19	Approved 3-Year Professional Services Agreement
City Council	2/1/16	Approved 3-Year Professional Services Agreement
City Council	4/15/13	Approved 3-Year Professional Services Agreement

**BUDGET/FISCAL IMPACT:** On March 14, 2022, the City published a Request for Proposals (RFP hereafter) for City engineering services. The RFP required engineering firms to submit their proposals by March 28, 2022. A selection committee was formed of three staff members who work closely with the City Engineer to review the firms' qualifications.

Eleven engineering firms obtained the RFP document; two provided proposals. In the past when the City's engineering staff contacted engineering firms to inquire why they had not submitted a response, reasons provided ranged from the needed services not being in the firm's expertise, to the firms being too busy.

Based on reliable and quality service that has been provided over the past ten years, the staff committee recommended to the Public Works Committee in 2022 that Gewalt Hamilton should be retained as the City Engineer.

Gewalt Hamilton is the engineer for Lake Forest College, If at any point in the future, Lake Forest College proposes any development, expansion, or infrastructure modifications, such plans would be reviewed by in-house Engineering Staff or by another consultant. In addition, Gewalt Hamilton Associates has committed to not performing any engineering services for other private/commercial Lake Forest clients while working as the role of City Surveyor and Engineer.

The City budget recently has included \$43,000 annually for City engineering services as they specifically pertain to City projects or issues requiring input from the City Engineer. Any additional dollars expensed for permit reviews are reimbursed by the developer or property owner (separate from the agreement amount).

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

Company Name	Fee Schedule (Hourly Rate Range)
<b>Gewalt Hamilton Associates, Inc. (2023-2024 pricing)</b>	<b>\$69 - \$190</b>
James Anderson Company	\$85 - \$135

After careful consideration, Gewalt Hamilton Associates, Inc. were unanimously selected by the selection committee in 2022 as the recommended candidate. The basis for the selection was as follows:

- Gewalt Hamilton Associates, Inc. met and surpassed all qualifications outlined in the RFP.
- Gewalt Hamilton Associates, Inc. has extensive experience in providing municipal engineering services and has provided City Engineer services successfully for the City since 2013.
- Gewalt Hamilton Associates, Inc. has presented a reasonable fee schedule associated with their proposed teams (staff received updated 2023-24 pricing).

Funding Source	Amount Budgeted	Amount Requested	Budgeted? Y/N
FY 2024 General Fund Operating Budget 101-3747-435.35-10	\$43,000	\$43,000	Y
FY 2025 General Fund Operating Budget 101-3747-435.35-10	N/A	\$45,000	N

In addition to these services, reimbursable permit review expenses are authorized and tracked in a separate account (101-3748-435.35-52).

**COUNCIL ACTION:** Authorize the City Manager to Execute a Two-Year Professional Services Agreement for City Engineering Services with Gewalt Hamilton Associates, Inc. in an Amount Not to Exceed \$43,000 for FY2024 and \$45,000 for FY2025, and for Permit Reviews when the Full Cost is Reimbursable by the Developer or Property Owner

**7. Award of the Low Bid for the 2023 Sewer Lining Program to Hoerr Construction, Inc., and Authorize the City Manager to Execute an Agreement in the Amount Not to Exceed \$108,000**

STAFF CONTACT: *Byron Kutz, P.E., Superintendent of Engineering (810-3555)*

**PURPOSE AND ACTION REQUESTED:** The Public Works Committee and staff request City Council approval of the contract for the Lake Forest share of the 2023 Sewer Lining Program to Hoerr Construction.

**BACKGROUND/DISCUSSION:** The City maintains 140 miles of mainline sanitary sewers and 219 miles of storm sewer throughout the City. The pipe material that was predominantly used in the past to construct the sewers was a clay material. The clay pipes are most susceptible to deterioration from natural elements and root intrusions resulting in broken pipes and leaking joints. With a deteriorated pipe, the functionality of the pipe to carry the flows is compromised thereby creating surcharges and/or backups. This reconstruction technique is performed without the expensive and disruptive excavation process. The process provides for the insertion of a special liner inside the pipe, creating a new smooth-surfaced, long-lasting pipe within the old sewer.

If approved by City Council, the project would commence in June/ July/ August and be completed in a few weeks. Upon confirming the start date of the project, a letter will be sent to the residents within the limits of the project two weeks prior to start of construction. The City's website, under "Construction Updates", will also provide details on the construction schedule.

**PROJECT REVIEW/RECOMMENDATIONS:**

Reviewed	Date	Comments
Public Works Committee	3/20/23	Reviewed & Recommended City Council Approval
Finance Committee	11/14/2022	Included with FY '24 Capital Plan

**BUDGET/FISCAL IMPACT:** If approved, this will be the 1st of 3 option years on this contract. The 2023 contract unit prices will increase 3% over last year per the terms of the 2022 contract.

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

Below is a summary of project budget by funding source:

FY 2024 Funding Source	Amount Budgeted	Amount Requested	Budgeted Y/N
Capital Fund 311-3703-467.67-25	\$50,000	\$50,000	Y
Water and Sewer Fund 508-6103-467.67-46	\$58,000	\$58,000	Y



All three communities are recommending extending their portion of the contract to Hoerr Construction at their respective Council/Board meetings in the next few weeks. The contractor has worked in Lake Forest on previous contracts with satisfactory results.

**COUNCIL ACTION:** Award of the Low Bid for the 2023 Sewer Lining Program to Hoerr Construction, Inc., and Authorize the City Manager to Execute an Agreement in the Amount Not to Exceed \$108,000

**8. Consideration to Approve Contracts and Bids for the Forest Park Bluff Slope Stabilization Project to include:**

- **Approval of Construction Inspection and Bluff Monitoring Services for the Forest Park Bluff Slope Stabilization Project to Hey and Associates, Inc., in the Amount of \$56,565, and Authorize the City Manager to Execute an Agreement with Two Additional One-Year Bluff Monitoring Renewals in the Amount of \$11,565 Per Year; and**
- **Award of the low bid for the Forest Park Bluff Slope Stabilization Project to John Keno & Company, Inc., and Authorize the City Manager to Execute an Agreement in the Amount of \$5,097,174 and a 10% Construction Contingency in the Amount of \$509,717.40, for a Total of \$5,606,891.40; and**
- **Award of the Low Bid for the Forest Park Bluff Sanitary Lining to Hoerr Construction, Inc., and Authorize the City Manager to Execute an Agreement in the Amount of \$64,570 and a 10% Construction Contingency in the Amount of \$6,457, for a Total of \$71,027**

STAFF CONTACT: *Byron Kutz, P.E., Superintendent of Engineering (810-3555)*

**PURPOSE AND ACTION REQUESTED:** The Public Works Committee and staff request City Council approval of the following contracts and bids related to the Forest Park Bluff Slope Stabilization project: #1) approval of construction inspection and bluff monitoring services with Hey and Associates in the amount of \$56,565, including two additional one-year bluff monitoring renewals in the amount of \$11,565 per year; #2) award of the low bid to John Keno & Company, Inc., in the amount of \$5,097,174 and a 10% construction contingency in the amount of \$509,717.40, for a total of \$5,606,891.40; #3) award of the low bid for the Forest Park Bluff Sanitary Sewer Lining to Hoerr Construction, in the amount of \$64,570 and a 10% construction contingency in the amount of \$6,457, for a total of \$71,027.

**BACKGROUND/DISCUSSION:** With bluff stabilizations completed on both the north and south ends of Forest Park, staff and contractual engineers over the past few years have been monitoring the middle portion of the park. Inclinometers were installed and annual readings have been recorded for the past four to five years in three separate locations. The inclinometers determine bluff movement over a defined period of time. The ongoing data-review has revealed two areas of concern that have already experienced a few shallow slides just below the parks' tableland. The first area is just above the north pavilion and the second is slightly south of the Spring Lane entrance of the ring road. Although the bluff has been relatively stable over the last two years, this can change rapidly with above-average rainfall in any given year. Project benefits include stabilizing the slope in order to protect the tableland and Forest Park, protecting the beach and roads below, and protecting the sanitary sewers that run down the bluff and along the toe of slope.

On May 4, 2020, the City Council approved an agreement with Hey and Associates to complete a project pre-design to develop engineered options to stabilize the remaining middle risk areas of the bluff. In September 2020, Hey & Associates completed their pre-design efforts and identified four conceptual design options in their final report. These pre-design options were further reviewed and vetted by the City Engineer and City staff. In addition, the report was also reviewed by the Forest Park Preservation Board (FPPB). On February 12, 2021, the FPPB shared a letter of support with the City Manager outlining their support for the comprehensive design approach to stabilize the remaining bluff areas. At the February 23, 2021, Special City Council Workshop Meeting, a detailed presentation on the final pre-design report and the four pre-design stabilization options were reviewed by Hey and Associates. The City Council also supported the comprehensive design approach to stabilize the remaining bluff areas. Specifically, this option includes the design of upper slope retaining walls, slope drains, and the restoration of any constructed impacted areas with native seed and plant material in accordance with the 2014 Forest Park Natural Areas Management Plan. The project was previously bid out in July, 2022 and August, 2022, but both bids were rejected due to costs exceeding the available budget as well as contractors stating difficulties in acquiring steel pricing. The project was shared again with the City Council at their November, 2022 Finance Committee Capital Improvement Budget Meeting in which there was support to bid out the full project (all three wall segments) again in early 2023. A more complete summary of project history is shown in the project review/recommendations section of this write-up.

The project consists of multiple contract components including the following:

#### *Construction Inspection and Bluff Monitoring*

City staff will oversee and manage day-to-day coordination with the contractors and Hey and Associates for \$45,000 as needed. The construction inspection services include attendance of the pre-construction meeting as well as weekly site-visits, review and approval of shop-drawings, responding to contractor Requests For Information, attendance at the punch-list walk-through, as well as providing an as-built survey.

Bluff monitoring services for the first year (\$11,565) are incorporated in the proposed overall cost (\$56,565) which includes geotechnical assessment, groundwater assessment, and bluff condition observation. These assessments will be performed prior to construction to confirm that no bluff movements have occurred requiring modification of the design. In addition, the City Manager would be authorized to approve two additional one-year bluff monitoring renewals in the amount of \$11,565 per year. These additional bluff monitoring renewals will be budgeted separately in the coming years and will allow Hey and Associates to quantify the project benefits relating to groundwater and bluff stability.

#### *Construction of Base Project*

The base project includes all three retaining wall segments, wick slope drains for sub-surface drainage, surface drainage improvements, bio-swales, and restoration of any impacted areas with native seed and plant material. The boardwalk and sanitary lining were bid as alternates and will be discussed separately below. A portion of the Section B-1 wall will be funded by the Water Capital Fund as it helps protect the sanitary sewer lines.

### Installation of Boardwalk Foundations

The original boardwalk was removed in 2018 after concerns with structural integrity. On April 4, 2022, the City Council approved a design agreement with Hey & Associates to incorporate the design of the boardwalk into the overall design package. Construction of the full boardwalk bid (\$2,727,093; with 10% contingency \$2,999,803) exceeds available public funding (\$1,335,950) and private donations. Initial private-donor conversations have occurred but at this point funds have not been confirmed nor received formally. In November 2022, the Finance Committee direction was to fundraise for any additional amount needed to construct the boardwalk (re-bidding of the boardwalk would be required if awarded at a later date). The staff recommendation is to install the boardwalk concrete foundations now with this project (\$496,054). Concrete foundation costs will most likely increase if built later as not part of this project. Also, installing the foundations now utilizes specialized equipment already mobilized for the bluff wall, and minimizes disruption when the boardwalk structure is installed at a later date.

### Sanitary Lining

Included with this project is the lining of the 8" and 21" sanitary lines at the Forest Park bluff (located adjacent to the section B-1 wall). It is important to line these sanitary pipes to protect during construction as well as into the future. The lining scope at the bluff includes 283 feet of both 8" and 21" pipes. This scope was bid as an alternate with the overall bluff stabilization project. Staff also requested a quote from the City's lining contractor. Through MPI pricing, these sanitary lines will be lined at about half the cost than was included with the original bid. The contractor, Hoerr Construction, was the low bidder last year under the Municipal Partnering Initiative (MPI) with Highland Park, and Mundelein for the annual sewer lining program (award of the annual lining program is a separate item on this Council agenda).

### Project Schedule

Construction in earnest is anticipated to begin after September 18<sup>th</sup> with work slated to be completed by end of March 2024; although sanitary lining may occur beforehand which is less intrusive to activities at the beach. In general, the majority of construction will take place from down below, and staging in the south bottom parking-lot in order to limit impacts on the Forest Park tableland.

### **PROJECT REVIEW/RECOMMENDATIONS:**

Below is a cursory summary of Council action for this project dating back to the pre-design:

Reviewed	Date	Comments
Public Works Committee	3/20/2023	Reviewed & Recommended City Council Approval for construction
Finance Committee	11/14/2022	Project status update, and additional funding Included with FY '24 Capital Plan
Finance Committee	11/8/2021	FY2023 Budget for bluff approved
City Council	4/19/2021	Approved design with Hey & Associates

Public Works Committee	3/22/21	Reviewed and Recommended Award of Proposal to Hey and Associates
City Council	2/23/2021	Pre-Design Report and Options Reviewed
Finance Committee	11/9/2020	Brief Presentation on Pre-Design Reviewed, and approved design funding
City Council	5/4/2020	Approved bluff pre-design with Hey & Associates
Finance Committee	11/12/2019	Pre-design funding approved to further evaluate remaining bluff areas

**BUDGET/FISCAL IMPACT:** The project was placed out to bid in mid-January with a subsequent bid opening on February 23, 2023. There also was a mandatory on-site pre-bid meeting for interested contractors to attend and ask any questions. A total of two bids were received. The project team will work closely with the City's Communications Manager to ensure progress updates are provided weekly to the public, as well as close coordination with Parks and Recreation to minimize impacts to beach patrons.

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

Capital funds of \$3,500,000 were included with the FY2023 budget, with an additional \$1,450,000 in Capital funds included in the FY2024 budget for a total of \$4,950,000. The components of this project to be funded from the Water Capital Fund and the Park and Public Land Fund have not been included in the FY2024 preliminary budget, but with City Council approval, these items will be included in the FY24 budget presented for City Council approval in two weeks.

The following is a summary of the two bids received (contingency not shown) as sorted by project component (bold indicates low bid):

Company Name	Base Bid Amount	Sanitary Lining Bid Amount	Full Boardwalk Bid Amount*	Boardwalk Foundations Only
John Keno & Company, Inc.	<b>\$4,601,120</b>	\$117,901.00	\$2,727,093.00	<b>\$496,054</b>
V3 Construction Group	\$6,229,204	\$110,370.00	\$3,391,076.00	\$797,400
Hoerr Construction, Inc., (quote from MPI contractor)	N/A	<b>\$64,570</b>	N/A	N/A

Note\*: Full boardwalk construction is not recommended due to bids exceeding available public and private funding.

Below is a summary of the project budget as sorted by funding source, as well as which contractor the project component is being awarded:

FY 2024 Funding Source	Project Component	Contractor	Amount Budgeted	Bid Amount	Amount Requested (with 10% contingency as applies)	Budgeted Y/N
Capital Fund 311-3703-478.78-88	Construction Inspection and Bluff Monitoring	Hey and Associates, Inc.	\$4,950,000	\$56,565	\$56,565	Y
	Base project (\$4,601,120 less portion of B1wall protecting sanitary lines \$220,902)**	John Keno & Company, Inc.,		\$4,380,218	\$4,818,239.80	Y
Park and Public Land 201-8457-467.67-39	Installation of Boardwalk foundations	John Keno & Company, Inc.,	N/A	\$496,054	\$545,659.40	N*
Water Capital Fund 508-6103-467.67-46	Section B-1 Wall (that protects sanitary lines \$220,902)**	John Keno & Company, Inc.,	N/A	\$220,902	\$242,992.20	N*
	Sanitary Lining	Hoerr Construction, Inc.,	N/A	\$64,570	\$71,027	N*
GRAND TOTAL REQUESTED					\$5,734,484	
<p>*Note: Amounts to be added to FY24 Budget for City Council approval at a later date.  **Note: Total Cost of Section B-1 Wall= \$441,804; half (\$220,902) is being funded from the Water Capital Fund</p>						

Both John Keno & Company, Inc., and Hoerr Construction, Inc., have worked in Lake Forest on previous contracts with satisfactory results. The City Council's action awards the work per contractor, all three items for John Keno & Company are combined into a single action being requested.

Hey and Associates, Inc. completed the pre-design and final design for this project. Staff have been satisfied with their performance, and due to their institutional knowledge, recommend waiving the RFP process for construction inspection / bluff monitoring per *Administrative Directive 3-5, Section 6.11 – Existing Relationship*.

**COUNCIL ACTION:** Consideration to Approve Contracts and Bids for the Forest Park Bluff Slope Stabilization Project to include:

- Approval of Construction Inspection and Bluff Monitoring Services for the Forest Park Bluff Slope Stabilization Project to Hey and Associates, Inc., in the Amount of \$56,565, and Authorize the City Manager to Execute an Agreement with Two Additional One-Year Bluff Monitoring Renewals in the Amount of \$11,565 Per Year; and
- Award of the low bid for the Forest Park Bluff Slope Stabilization Project to John Keno & Company, Inc., and Authorize the City Manager to Execute an Agreement in the Amount of \$5,097,174 and a 10% Construction Contingency in the Amount of \$509,717.40, for a Total of \$5,606,891.40; and
- Award of the Low Bid for the Forest Park Bluff Sanitary Lining to Hoerr Construction, Inc., and Authorize the City Manager to Execute an Agreement in the Amount of \$64,570 and a 10% Construction Contingency in the Amount of \$6,457, for a Total of \$71,027

**9. Approval to Award a One-Year Contract for Recreation Department Program Bussing Services to Safeway.**

STAFF CONTACT: *Ken Pierini, Athletics Program Supervisor (847-810-3943)*  
*Anthony Anaszewicz, Athletics Program Manager (847-810-3945)*

**PURPOSE AND ACTION REQUESTED:** The Parks & Recreation Board requests approval to award a one-year contract for Recreation Department program bussing service to Safeway.

**BACKGROUND/DISCUSSION:** Under the City's financial policies and to lower operational costs for various Recreation Department programming, the bus transportation needs were put through the formal bid process in February 2023 for a one-year bussing contract. The City of Lake Forest's bussing needs include the usage of school busses throughout the year by the Parks & Recreation Department for summer camps and various other programs and events. All Stars & Beyond Day Camp, and McCormick Day Camp will feature morning and afternoon transportation for the convenience of our residents. Staff plan for five routes to cover the number of stops required by registration, however may have to increase or decrease the number of busses needed based on actual registration and route length. Both camps, with the inclusion of TWIGS Day Camp also feature shuttles to and from their campsites to Forest Park Beach and Lake Forest High School for swimming, as well as weekly field trips to various locations around the North Shore. Other Recreation programs including dance and squash, also utilize bussing for transportation to meets, competitions and performances throughout the year.

In June 2022, City Council approved the termination of a previously approved three-year contract with First Student for bussing services in 2023. During that approval, staff recommended going back out to bid in February of 2023 for a three-year contract. Based on fluctuation of fuel costs, staff are now recommending moving forward with a one-year contract as opposed to a three-year contract for 2023 services.

Public notice to solicit bids was provided on February 13, 2023, with a bid opening date of February 24, 2023. The chosen timetable was driven by the summer camp schedule to prepare for the upcoming camp programs.

**PROJECT REVIEW/RECOMMENDATIONS:**

Reviewed	Date	Comments
Parks & Recreation Board	3/21/2023	Approval granted

**BUDGET/FISCAL IMPACT:** Funding for camp program's is a Parks & Recreation Department program expense and is budgeted in the programs annual operating budget. This cost of bussing is covered by program fees associated with the various programs. The amount requested may vary dependent on the fluctuation of registration numbers, which impacts number of busses required for any given service type.

Staff received three bids with the pricing in the table below. Staff recommend awarding the one-year contract to Safeway based on the lowest bid price and references. This will be our first year with Safeway but staff are confident they will provide exceptional service based on their references.

COMPANY	Camp Routes	Camp Field Trips/Shuttles	Miscellaneous Recreation Programming	TOTAL
Olson Transportation	\$ 250 / bus / day	\$ 90 / hr.	\$ 90 / hr.	\$86,570
First Student	\$ 425 / bus / day	\$ 70 / hr.	\$ 70 / hr.	\$109,985
<b>Safeway</b>	<b>\$ 248 / bus / day</b>	<b>\$ 58 / hr.</b>	<b>\$ 64 / hr.</b>	<b>\$71,864</b>

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

Below is an estimated summary of Project budget:

FY2024 Funding Source	Amount Budgeted	Amount Requested	Budgeted? Y/N
Recreation Operating Budgets	\$76,950	\$71,864	Y

**COUNCIL ACTION:** Approval to Award a One-Year Contract for Recreation Department Program Bussing Services to Safeway

**10. Approval for an Advancement of Fiscal Year 2024 Capital Funding for the Installation of AquaFlex Water Play Surfacing on the Splashpad at Townline Park, to Landscape Structures, Inc., in the Amount of \$56,000.**

STAFF CONTACT: *Chuck Myers, Superintendent of Parks & Forestry, (847-810-3565)*

**PURPOSE AND ACTION REQUESTED:** City Staff and the Parks & Recreation Board requests approval to award a contract with Landscape Structures, Inc., for \$56,000 to install AquaFlex Water Play Surfacing over the existing concrete surface on the splashpad structure at Townline Park, as included in the FY2024 Parks & Public Lands Fund C.I.P. If the contract is approved by City Council, staff anticipates that the new splashpad surfacing will be installed and ready for use by June 1, 2023.

**BACKGROUND/DISCUSSION:** Townline Park was dedicated in May 2009 as a community park and has since become a premier park for the City of Lake Forest. The pavilion and athletic fields have continued to see an increase in use and hold even more potential for greater use. The park was selected for the City's first splashpad last year because it is a community park, has bathroom facilities, a large shaded area, large parking area, existing utilities, playground, and has open space available. The selection of the spot within the park was chosen so that it could be close to the bathrooms, playground, and shaded area for supervision. It is an added safety benefit that the splashpad is situated far from the vehicle traffic and parking. The trees and landscaping around it provide a wonderful, inviting natural park setting as well. The addition of the splashpad, directly adjacent to the pavilion and the playground, provided great benefit to park users, Stonebridge and Conway Park neighbors, and the community as a whole.

The construction of the splashpad was completed in June of 2022 and was a big success for the remainder of the summer. Staff received many compliments about the new amenity in the park; however, there was concern by some users that the concrete surface was too slippery when wet and could present a safety issue for young children. Staff looked at options to alleviate the potential issue and found a surface that was designed for use in water play conditions. AquaFlex is a durable, non-skid surfacing system specially designed for water play and pool decks. Chlorine resistant and UV light stable, it is comprised of tiny spheres chemically bonded to an aliphatic binder. The impact attenuating cushion layer increases slip resistance and minimizes injuries.

**PROJECT REVIEW/RECOMMENDATIONS:**

Reviewed	Date	Comments
Parks & Recreation Board	03/21/23	Recommend Approval

**BUDGET/FISCAL IMPACT:** The cost of installation of the new AquaFlex Water Play Surfacing is \$51,064, plus a contingency of \$4,936, for a total project cost of \$56,000.

Has competitive pricing been obtained for proposed goods/services? No

If no, indicate the specific exception requested: Administrative Directive 3-5, Section 6.1D – Government Joint Purchase

The purchase is being made via the national government joint purchase co-operative, Sourcwell (formerly NJPA). Per Section 6.1D of the City's Purchasing Directive, purchases can be made via a variety of governmental joint purchasing programs. Numerous pieces of equipment are bid nationally, and such bids conform to all requirements of the Illinois State bidding laws. Sourcwell, formerly National Joint Powers Alliance, was created by State law as a service cooperative to provide programs and services to members in education and



government. Sourcewell follows the competitive contracting law process to solicit, evaluate, and award cooperative purchasing contracts for goods and services.

Below is an estimated summary of Project budget:

FY2024 Funding Source	Amount Budgeted	Amount Requested	Budgeted? Y/N
201-8457-475.75-06 Parks & Public Land Fund	\$60,000	\$56,000	Y

**COUNCIL ACTION:** Approval for an Advancement of Fiscal Year 2024 Capital Funding for the Installation of AquaFlex Water Play Surfacing on the Splashpad at Townline Park, to Landscape Structures, Inc., in the Amount of \$56,000

**11. Approval to authorize the City Manager to enter into a contract with Mariani Landscape for Grounds Maintenance Services at Forest Park in the Parks FY2024 Budget, for an Amount Not to Exceed \$53,517.07**

STAFF CONTACT: *Chuck Myers, Superintendent of Parks & Forestry, (847- 810-3565)*

**PURPOSE AND ACTION REQUESTED:** City Staff and the Parks & Recreation Board requests approval to award a one-year contract with Mariani Landscape to provide mowing and grounds maintenance services at Forest Park for FY2024.

**BACKGROUND/DISCUSSION:** Forest Park is one of the oldest and most celebrated parks on the North Shore and a treasure for the residents of Lake Forest. After the completion of the highly successful rehabilitation project in 2015, the City's Parks Section resumed its maintenance responsibilities and was charged with keeping the park in its pristine condition. Since 2011, the City has been outsourcing mowing on other City-owned properties and it has proven to be a beneficial fiscal approach by reducing labor expenses and long-term capital equipment replacement costs. Given the Parks Sections current workload, City Staff recognized the need to outsource Forest Park in order to ensure that the park is maintained at the highest level possible.

For the FY2023 season, staff conducted an expansive bid process that includes mowing and extensive grounds maintenance services for Forest Park. In addition, staff included a three year option in the bid process that provided the City with the right to extend the contract after the first season or rebid the contract for FY2024 and FY2025.

In FY2020, Mariani Landscape began a new program that encompassed several sustainable practices. They deployed fully electric mowers, blowers and line trimmers in all service operations at Forest Park. This equipment delivers low noise, zero emissions and zero use of fossil fuels in the operation of this machinery. The reduction in noise pollution with electric mowers is significant and an important aspect of this program.

In FY2021, Mariani introduced a new environmentally sustainable innovation to their lawn care services at Forest Park – Auto Mowers. They are clean, ecofriendly electric powered mowers with no operators that run quietly and provide a healthy and well-maintained appearance. Seasonally, there still may be times when conventional electric equipment is used but after the

auto mowers learn the site, weekly mowing would be done by five auto mowers. There are also areas of the park where auto mowers will not work and they will need to use conventional mowers weekly. All of the above activities and procedures combine to provide the City of Lake Forest with a responsible and environmentally beneficial program in the execution of the significant grounds maintenance services they provide.

**PROJECT REVIEW/RECOMMENDATIONS:**

Reviewed	Date	Comments
Parks & Recreation Board	03/21/23	Recommend Approval

**BUDGET/FISCAL IMPACT:** Funding for the for the FY2024 Forest Park grounds maintenance contract is budgeted in the Parks Fund 220 operating budget.

Has competitive pricing been obtained for proposed goods/services? Yes  
On November 17, 2021 City staff received bids for Forest Park Grounds Maintenance Services. Mariani Landscape was selected and approved by City Council. It included 3-year bids (FY2023 – FY2025) with the bid process and can extend the contract after the first and second season or rebid the contract. City staff is satisfied with the services performed by Mariani Landscape in past contracts at Forest Park and are recommending the award of a contract with them for Forest Park Maintenance Services.

Mariani Landscape will continue to include all the sustainability components that were incorporated into the maintenance practices over the past few years, including the auto mowers.

Below is an estimated summary of Project budget:

FY2024 Funding Source	Amount Budgeted	Amount Requested	Budgeted? Y/N
220-5775-435.35-10 Parks Operating Budget	\$53,517.07	\$53,517.07	Y

**COUNCIL ACTION:** Approval to authorize the City Manager to enter into a contract with Mariani Landscape for Grounds Maintenance Services at Forest Park in the Parks FY2024 Budget, for an Amount Not to Exceed \$53,517.07

**12. Approval of the Annual Tree Purchasing for FY2024 for an Amount Not to Exceed \$100,000.**

STAFF CONTACT: Corey Wierema, City Forester/Forestry Supervisor  
(847-810-3564)

**PURPOSE AND ACTION REQUESTED:** Staff is seeking City Council approval to purchase trees/plant material from multiple vendors.

**BACKGROUND/DISCUSSION:** The City's Forestry section conducted our annual joint bid with the City of Highland Park and the Highland Park-Park District to leverage volume discounts for purchasing trees on city streets, parks, and other City-owned properties. Staff received twelve (12) bids for purchasing over 61 varieties of balled and burlaped trees and shrubs, with an average price of \$250 for a 2.5" caliper tree. Multiple vendors will be used to secure the requested number of trees, sizes, and varieties while adhering to our stringent quality controls. Based on species availability and the quality of the product, additional vendors may need to be used. Additional purchasing will comply with the City's purchasing policy. The forestry section anticipates planting 325 trees throughout City parkways and City owned properties along with various amounts of shrubs and perennials this year.

**BUDGET/FISCAL IMPACT:** Funding for the tree/plant material purchasing contract is budgeted in the Fund 220, Forestry Operating Fund. Due to the anticipated number of new trees being planted and diminishing tree availability in the nurseries, we expect to exceed \$25,000 with a single vendor.

Has competitive pricing been obtained for proposed goods/services? **No**

If no, indicate the specific waiver requested:

Administrative Directive 3-5, Section 9.0F – Government Joint Purchases

The City participated in the annual joint bid with the City of Highland Park and the Highland Park-Park District for tree purchasing.

FY2024 Funding Source	Amount Budgeted	Amount Requested	Budgeted? Y/N
220-5803-467-67.13 Forestry Operating Fund	\$100,000	\$100,000	Y

**COUNCIL ACTION:** Approval of the Annual Tree Purchasing for FY2024 for an Amount Not to Exceed \$100,000

**13. Approval to authorize the City Manager to enter into a contract with Landscape Concepts Management for City-Wide Grounds Maintenance Services in the Parks FY2024 Budget, for an Amount Not to Exceed \$181,402.**

STAFF CONTACT: *Chuck Myers, Superintendent of Parks & Forestry, (847-810-3565)*

**PURPOSE AND ACTION REQUESTED:** City Staff and the Parks & Recreation Board requests approval to award a one-year contract with Landscape Concepts Management, for \$181,402 to provide mowing and grounds maintenance services city-wide.

**BACKGROUND/DISCUSSION:** Annually, the Parks and Recreation Department researches opportunities to improve operational efficiencies and deliver services in the most cost effective manner. In 2011, the Parks section began outsourcing the mowing of many of our passive parks and miscellaneous parcels. We chose not to bid out all other park properties, such as the neighborhood parks, lakefront and community parks, due to the significant need to coordinate with ever-changing public use and athletic field schedules. The outsourcing of

mowing has proven to be a beneficial fiscal approach by reducing labor expenses and long-term capital equipment replacement costs.

In FY2022, staff conducted an expansive bid request that included the mowing on fifteen City property areas, 167 cul-de-sacs and the mowing only of twenty City right-of-ways. Additional grounds maintenance includes lawn care, weed control, and bed maintenance. Similar to the selection rationale for outsourcing areas in 2011, the right-of-ways and cul-de-sacs are also desirable to outsource because they involve routine scheduling requirements.

**PROJECT REVIEW/RECOMMENDATIONS:**

Reviewed	Date	Comments
Parks & Recreation Board	03/21/23	Recommend Approval

**BUDGET/FISCAL IMPACT:** Funding for the FY2024 City-wide Grounds Maintenance contract is budgeted in the Parks Fund 220 operating budget.

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

On December 4, 2020 City staff received bids for City-wide Grounds Maintenance Services. Landscape Concepts Management was selected and approved by City Council. In addition, the staff included 3-year bids (FY2022 - FY2024) with the bid process and can extend the contract after the second season or rebid the contract for FY2024. City staff is satisfied with the services performed by Landscape Concepts Management in FY2023 and are recommending the continuation of their services for FY2024.

Below is an estimated summary of Project budget:

FY2024 Funding Source	Amount Budgeted	Amount Requested	Budgeted? Y/N
220-5775-435.35-10 Parks Operating Budget	\$181,402	\$181,402	Y

**COUNCIL ACTION:** Approval to authorize the City Manager to enter into a contract with Landscape Concepts Management for City-Wide Grounds Maintenance Services in the Parks FY2024 Budget, for an Amount Not to Exceed \$181,402

**COUNCIL ACTION:** Approve the **thirteen (13)** omnibus items as presented

6. OLD BUSINESS

7. NEW BUSINESS

8. ADDITIONAL ITEMS FOR DISCUSSION/ COMMENTS BY COUNCIL MEMBERS

## 9. ADJOURNMENT

A copy of the Decision Making Parameters is included beginning on **page 22** of this packet.

Office of the City Manager

March 29, 2023

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.*

## **PROCLAMATION**

**WHEREAS,** Arbor Day will be officially observed in the State of Illinois on Friday, April 28, 2023, by proclamation of the Governor, and the planting of trees on Arbor Day is a traditional activity throughout the State and The City of Lake Forest, and

**WHEREAS,** Lake Forest, with its environment of natural areas, is particularly dedicated to the observance of this day and has consistency throughout its history enacted ordinances to preserve its trees and other natural assets, and

**WHEREAS,** citizen groups, garden clubs, and private and public institutions have actively supported preservation efforts and the renewal of natural areas through tree planting and landscape projects, and

**WHEREAS,** the celebration of Arbor Day 2023 in Lake Forest will include the distribution of tree seedlings to the public at designated locations, and Arbor Day 2023 will be celebrated throughout the day in programs at schools and other locations; and at Lake Forest Water Plant (located at 1441 N. Lake Rd), on Friday, April 28 at 10:00 a.m., where the City's official Arbor Day tree, one oak tree, will be planted, and

**WHEREAS,** trees in our City, wherever they are planted, increase property values, enhance our business and residential areas, beautify our community, and are a source of joy to gladden the hearts and promote the environmental well-being of present and future generations, and

**WHEREAS,** The City of Lake Forest has been recognized as Tree City USA for forty-three consecutive years by the National Arbor Day Foundation,

NOW, THEREFORE, I, George Pandaleon, Mayor of The City of Lake Forest, do hereby proclaim Friday, April 28, 2023, as ARBOR DAY in The City of Lake Forest, and I urge all citizens to support efforts to protect our trees and woodlands, to support our City's forestry program, to plant trees on this day, and to join in the celebration ceremonies.

IN WITNESS HEREOF, I have hereunder set my hand and have had the Seal of The City of Lake Forest affixed this 28<sup>th</sup> day of April, 2023.

---

George Pandaleon, Mayor

New Issue

Date of Sale: Monday, April 17, 2023  
Between 10:15 and 10:30 A.M., C.D.T.  
(Open Speer Auction)

Investment Rating:  
Moody's Investors Service ...  
(Rating Requested)

## DRAFT 3.8.23 Official Statement

Subject to compliance by the City with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. For tax years beginning after December 31, 2022, interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.



### \$10,825,000\* CITY OF LAKE FOREST Lake County, Illinois General Obligation Bonds, Series 2023

**Dated Date of Delivery**      **Not Bank Qualified**      **Book-Entry**      **Due Serially December 15, 2023-2033**

The \$10,825,000\* General Obligation Bonds, Series 2023 (the "Bonds"), are being issued by the City of Lake Forest, Lake County, Illinois (the "City"). Interest is payable semiannually on June 15 and December 15 of each year, commencing December 15, 2023. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 15, in the following years and amounts. Interest is calculated based on a 360-day year of twelve 30-day months.

#### AMOUNTS\*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS(1)

Principal Amount*	Due Dec. 15	Interest Rate	Yield or Price	CUSIP Number(1)	Principal Amount*	Due Dec. 15	Interest Rate	Yield or Price	CUSIP Number(1)
\$945,000	2023	—%	—%	—	\$1,000,000	2029	—%	—%	—
785,000	2024	—%	—%	—	1,055,000	2030	—%	—%	—
825,000	2025	—%	—%	—	1,105,000	2031	—%	—%	—
865,000	2026	—%	—%	—	1,160,000	2032	—%	—%	—
910,000	2027	—%	—%	—	1,220,000	2033	—%	—%	—
955,000	2028	—%	—%	—					

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall apply to such term bonds on the same schedule as above.

#### OPTIONAL REDEMPTION

The Bonds maturing on or after December 15, 2031, are callable at the option of the City in whole or in part on any date on or after December 15, 2030, at a price of par and accrued interest. See "OPTIONAL REDEMPTION" herein.

#### PURPOSE, LEGALITY AND SECURITY

The proceeds of the Bonds will be used to finance various capital improvements in the City, including athletic field improvements at a City park, and to pay the costs of issuance of the Bonds. See "THE PROJECT" herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

This Official Statement is dated \_\_\_\_\_, 2023, and has been prepared under the authority of the City. An electronic copy of this Official Statement is available from the [www.speerfinancial.com](http://www.speerfinancial.com) web site under "Debt Auction Center/Official Statements Sales Calendars/Competitive". Additional copies may be obtained from Ms. Elizabeth Holleb, Director of Finance, City of Lake Forest, 800 North Field Drive, Lake Forest, Illinois 60045, or from the Municipal Advisor to the City:



(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Global Services ("CGS"). CGG is managed on behalf of the American Bankers Association by FactSet Research Systems, Inc.. The City is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

\*Subject to change.



For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the City, except for the omission of certain information permitted to be omitted pursuant to such Rule.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a “Final Official Statement” of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled “Final Official Statement” rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.

Unless otherwise indicated, the City is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning DTC has been obtained from DTC. The other information set forth herein has been furnished by the City or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date of this Official Statement.

This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to herein, reference should be made to such statutes, ordinances, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the City’s beliefs as well as assumptions made by and information currently available to the City. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

**IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

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APPENDIX A - FISCAL YEAR 2022 AUDITED FINANCIAL STATEMENTS

APPENDIX B - DESCRIBING BOOK-ENTRY ONLY ISSUANCE

APPENDIX C - PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX D - FORM OF CONTINUING DISCLOSURE UNDERTAKING

OFFICIAL BID FORM

OFFICIAL NOTICE OF SALE

## BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Notice of Sale and the Official Bid Form, which are provided for convenience and which should be reviewed in their entirety by potential investors.

<b>Issuer:</b>	City of Lake Forest, Lake County, Illinois (the “City”).
<b>Issue:</b>	\$10,825,000* General Obligation Bonds, Series 2023.
<b>Dated Date:</b>	Date of delivery (expected to be on or about April 27, 2023).
<b>Interest Due:</b>	Each June 15 and December 15, commencing December 15, 2023.
<b>Principal Due:</b>	Serially each December 15, commencing December 15, 2023 through 2033, as detailed on the cover page of this Official Statement.
<b>Optional Redemption:</b>	The Bonds maturing on or after December 15, 2031, are callable at the option of the City in whole or in part on any date on or after December 15, 2030, at a price of par and accrued interest. See “ <b>OPTIONAL REDEMPTION</b> ” herein.
<b>Authorization:</b>	The Bonds are being issued pursuant to the home-rule powers of the City under Section 6, Article VII of the 1970 Constitution of the State of Illinois and a bond ordinance to be adopted by the City Council of the City on the 17 <sup>th</sup> day of April, 2023.
<b>Security:</b>	The Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount.
<b>Investment Rating:</b>	The City’s outstanding general obligation bond rating is “Aaa” from Moody’s Investors Service, New York, New York (“Moody’s”). A credit rating for the Bonds has been requested from Moody’s. See “ <b>INVESTMENT RATING</b> ” herein.
<b>Purpose:</b>	The proceeds of the Bonds will be used to finance various capital improvements in the City, including athletic field improvements at a City park, and to pay the costs of issuance of the Bonds. See “ <b>THE PROJECT</b> ” herein.
<b>Tax Exemption:</b>	Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, will provide an opinion as to the federal tax exemption of the interest on the Bonds as discussed under “ <b>TAX EXEMPTION</b> ” in this Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes. See also <b>APPENDIX C</b> for the proposed form of Bond Counsel opinion.
<b>Bond Registrar/Paying Agent:</b>	Amalgamated Bank of Chicago, Chicago, Illinois.
<b>Book-Entry Form:</b>	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Bonds. See <b>APPENDIX B</b> herein.
<b>Denomination:</b>	\$5,000 or integral multiples thereof.
<b>Delivery:</b>	The Bonds are expected to be delivered on or about April 27, 2023.
<b>Municipal Advisor:</b>	Speer Financial, Inc., Chicago, Illinois.

*\*Subject to change.*

**CITY OF LAKE FOREST**  
**Lake County, Illinois**

George A. Pandaleon  
*Mayor*

**Council Members**

Raymond Buschmann  
Ara Goshgarian  
James E. Morris

Edward U. Notz, Jr.  
Nancy P. Novit

Jim Preschlack  
Melanie K. Rummel  
Eileen Looby Weber

---

**Officials**

Jason C. Wicha  
*City Manager*

Elizabeth Holleb  
*Director of Finance*

Ancel Glink, P.C.  
*Attorneys for the City*

**AUTHORITY, PURPOSE AND GENERAL DESCRIPTION**

The Bonds are being issued pursuant to the home rule powers of the City under Section 6, Article VII of the 1970 Constitution of the State of Illinois (the “Illinois Constitution”) and an ordinance for the Bonds to be adopted by the City Council of the City (the “City Council”) on the 17th day of April, 2023 (the “Bond Ordinance”).

The proceeds of the Bonds will be used to finance various capital improvements in the City, including athletic field improvements at a City park, and to pay the costs of issuance of the Bonds. See “**THE PROJECT**” herein.

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of \$5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (“DTC”). See **APPENDIX B – BOOK-ENTRY-ONLY ISSUANCE**. Principal of and interest on the Bonds will be payable by Amalgamated Bank of Chicago, Chicago, Illinois (the “Registrar”).

The Bonds will mature as detailed on the cover page hereof. Interest on the Bonds will be payable each June 15 and December 15, beginning December 15, 2023. The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the 1st day of the month of the interest payment date.

## SECURITY

The Bonds constitute valid and legally binding full faith and credit general obligations of the City, payable from any funds of the City legally available for such purpose and ad valorem taxes levied on all taxable property in the City, without limitation as to rate or amount. The Bond Ordinance provides for the levy of ad valorem taxes, unlimited as to rate or amount (the “Pledged Taxes”), upon all taxable property within the City in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds; however the principal and interest on the Bonds payable on December 15, 2023, will be paid from available funds of the City rather than a property tax levy. The Bond Ordinance will be filed with the County Clerk of The County of Lake, Illinois (the “County Clerk”), and will serve as authorization to the County Clerk to extend and collect the Pledged Taxes as set forth in the Bond Ordinance.

## THE CITY OF LAKE FOREST

### Location

The City of Lake Forest (the “City”) is a home-rule municipality located in Lake County approximately 30 miles north of downtown Chicago. It is one of eight communities located north of Chicago, fronting on Lake Michigan, an area collectively referred to as “The North Shore.”

The City's eastern boundary is Lake Michigan with over three miles of shoreline and over a half of mile of public beach. Forest Park, a 37-acre public park is located on the table land above the beach with walking trails and spectacular views across the lake all seasons of the year. Recent public and private investment resulted in stabilization of the bluff and improvements to the public access road. Investment, both public and private, in maintaining the bluff and providing enhanced public amenities is ongoing.

To the north and south of the City-owned public beach, private homes line the bluff above the lake, many with direct access to private beaches and docks below. At the south edge of the City, a 60-acre nature preserve, McCormick Nature Preserve, extends from Sheridan Road, along a ravine, east to the lake. This high-quality natural area was recently restored and enhanced through a partnership of the City, Lake Forest Open Lands Association and the Army Corps of Engineers with plantings, trails, bridges and a stairway leading down to the Lake. Further to the south, an additional 127 acres of lakefront property is preserved for passive recreation and owned by the Lake County Forest Preserves District. A portion of this area, formerly the Fort Sheridan Military Base, is located within the city limits and presents opportunities for the future. Public access to Lake Michigan is provided in this area along with views of the lake from Sheridan Road.

The western boundary of the City is the Illinois Toll Road (I-94) providing easy access to points north and south including Chicago, O’Hare Airport and Milwaukee, Wisconsin. Making the most of the City’s location, mid-way between two larger cities, Chicago and Milwaukee, several major north/south arterials, in addition to the Tollway, facilitate access to these cities, places in between, and areas just beyond. Located near the center of Lake Forest, U.S. Route 41 (Skokie Highway) provides direct north/south access to the Edens Expressway, the Kennedy Expressway and downtown Chicago. Waukegan Road (Illinois Route 43) provides access to employment centers and commercial hubs. In east Lake Forest, scenic Green Bay Road and Sheridan Road wind through neighborhoods, past local schools and Lake Forest College, and provide access to preserved open space areas.

### History, Growth and Demographics

Long acknowledged to be one of the most prestigious residential communities in the United States, the City is rich in history. The City was incorporated by Special Charter of the General Assembly of the State of Illinois in 1869. The Charter addresses the powers of the City Council in 43 clauses setting the framework for coordinated relationships with other local entities.

The City prides itself on tradition and honoring its history while at the same time, being at the forefront of new ideas. Among the significant historic structures in the City are single family residences dating back to 1846. Market Square serves as the core of the City's Central Business District and when constructed in 1916, was reported to be the first shopping center in the U.S. Still today, Market Square is looked to as a model for other communities. Churches and educational institutions, prestigious private clubs and former estates of local and national leaders of industry and commerce are also found here. Estate homes, outbuildings and landscape features from summer homes and gentlemen's farms are adaptively reused as homes, schools and community facilities.

Unlike many other communities, Lake Forest historically was always home to both the wealthy and working-class families. This long tradition holds true today. Expansive homes fronting Lake Michigan are only blocks away from homes in more conventional small lot neighborhoods. The City actively promotes diverse housing options for all ages and all types of families, at various price points. Moderately priced and affordable housing, both rental and ownership, are available in the community in part as a result of the City's inclusionary housing requirements but more importantly because of the community's commitment to providing housing for all.

### **Development and Economic Vitality**

The City has a long tradition of careful planning. The City's first Zoning Code was adopted in 1923 and the Plan Commission was established in 1926. The City's Strategic Plan establishes community priorities and the Comprehensive Land Use Plan guides development decisions. The City reviews, re-evaluates and updates the entire Comprehensive Plan about every 20 years with interim amendments as necessary. A portion of the Comprehensive Plan was updated just prior to the pandemic, work is now underway with a focus on "Looking Forward" with respect to the City's Central Business District. Preserving, protecting and keeping the Lake Forest business district viable and distinctive for the next 20 years is the goal.

In 1956, an ordinance was adopted regulating the architectural design of buildings within the City and establishing the Building Review Board. In 1998, the City adopted an historic preservation ordinance and established the Historic Preservation Commission. These ordinances set Lake Forest apart from other suburban communities by providing the tools necessary to preserve and protect the unique character of the City's neighborhoods and ensure that changes happen in a manner that respects and builds upon the strengths of the community while at the same time, recognizing individual property rights and embracing new ideas, methodologies, technology and opportunities.

The City's planning efforts encompass other projects as well, including development of a Bicycle Master Plan and a Sustainability Plan. Both of these efforts were achieved through work with community partners and significant public input.

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### Central Business District

The City's Central Business District is anchored by Market Square, an iconic and historic development designed by famed architect and Lake Forest resident Howard Van Doren Shaw. Construction of the Square began in 1915 as a community-led initiative. As noted above, Market Square with first floor retail shops fronting on a community green space, is still seen as an extraordinary model of a town center. Market Square and the surrounding blocks that make up the City's core area are home to a mix of unique boutique retail stores, national chains, restaurants (one located in the City's former fire station), banks, real estate offices, a commuter train station, City Hall and the Post Office. Over the past ten years, more than \$6 million has been invested in Market Square to support repairs, restoration and upgrades including extensive interior alterations to second floor space which now offers Class A office space to those wishing to office in Lake Forest, near the recently restored historic train station. As with many projects in the community, the restoration of the train station was supported by public and private funding as well as grant monies. Just south of Market Square, the Deer Path Inn, a historic hotel dating back to 1929, was named the No.1 Resort Hotel in the Midwest in the *Travel + Leisure* World's Best Awards 2019 and continues to be recognized nation-wide as a distinctive historic hotel. The Inn offers guest rooms, meeting rooms, banquet spaces and dining experiences that are not available elsewhere on the North Shore or in Lake County. The Deer Path Inn easily rivals upscale hotels and restaurants in downtown Chicago. Recent extensive renovation of the Inn represents an investment exceeding \$3 million dollars.

On an ongoing basis, the City, with input from local businesses and the community, upgrades major infrastructure in the Central Business District and implements streetscape improvements. A study was recently completed that details future improvements and enhancements to Deerpath, the primary east-west street in the business district. Pedestrian amenities are planned to make the business district even more pedestrian friendly with places for people to gather, linger, eat, shop, socialize, and socialize. Property and business owners continually invest in storefront maintenance and enhancements, expansion of outdoor eating areas and updated signage. During and after the pandemic, Lake Forest has seen an influx of notable restaurants, Le Colonial and Sophia Steak for example. Moving out of the City of Chicago to better serve their patrons who live in and around The City of Lake Forest.

The historic commuter train station located in the Central Business District was recently restored, another example of a public/private partnership. The project was supported by \$2.4 million in grants and private contributions in combination with public funds. To expand support for alternate modes of transportation, the project included a new bicycle shelter and enhanced bicycle paths building on the hub of activity that occurs in the core of the City.

Over the past several years, the City has promoted increased residential density and a variety of housing products close to the Central Business District. At the north end of the Central Business District, the Kelmscott Park development, which incorporates a variety of housing types, is nearing completion. The 110 apartments, in three buildings been consistently fully occupied and are in demand, the 24 units in the first of the two condominium buildings have been sold and are occupied, and seven of the 12 single family homes are complete and occupied. Three additional single-family homes are under construction and construction on the remaining condominium building with between 14 and 18 units, is anticipated to get underway this spring. Twelve affordable apartments are incorporated into the three apartment buildings in Kelmscott Park in compliance with the City's Inclusionary Housing Ordinance.

Two new condominium buildings were also recently constructed near the core of the City's Central Business District, the McKinley Road Development, offering 20 customizable units which are now fully built out. Ground will be broken soon on a third condominium building near the core offering five or six additional high-end condominiums. Prior to the start of construction, all but one of the units are spoken for. This new development is a walkable distance to the train station, Library, retail shops, restaurants, churches, parks and one of many Lake Forest treasures, Forest Beach.

### Waukegan Road/Settlers' Square Business District

In addition to the City's Central Business District, there is a second business district in the western portion of the City, adjacent to the second Metra station that serves the community. This business district includes a grocery store, restaurants, banks, a church, medical and dental service providers and educational support services. A recently completed study supports mixed use development and increased residential densities in the area as redevelopment opportunities become available. The City Council recently approved the addition of twelve cottages for income-qualified seniors to the current five senior cottages located within walking distance to this business district. There is a significant development opportunity on a prominent corner in this area, a mix of uses is anticipated as the site is redeveloped.

The Waukegan Road Business District provides easy access to goods and services for residents living in the City's third and fourth wards and attracts daily commuters traveling through Lake Forest on Waukegan Road, a State owned north/south arterial. West Lake Forest was developed in the mid to late 90's for the most part with a focus on single family homes with yards, tree lined streets and open space. An example of the high-quality neighborhoods located in the west portion of Lake Forest is Conway Farms, a carefully planned residential neighborhood offering attached and detached single family housing located around a picturesque golf course. Conway Farms Golf Club has hosted the BMW Championship on three occasions to date bringing national attention to Lake Forest.

### Conway Park

Conway Park is a world class corporate office park located at the western gateway to the City, at the interchange of the Illinois Tollway and Illinois Route 60. Conway Park is stable despite the impact of the pandemic and the trend toward working from home. Employees have returned to the office fully at some businesses, others have moved to a three or four day in office work week still generating significant activity throughout the office park. The office park and immediate surrounding area are developed with 15 office buildings ranging in size from 60,000 to 270,000 square feet. The buildings serve as the corporate headquarters for prestigious companies with a concentration of pharma and packaging businesses. Building owners and tenants of the office park include Abbott, Pfizer, Packaging Corp of America, Pactiv-Evergreen, Trustmark, ICU Medical, and Omron Healthcare among others. Multi-tenant buildings are available for smaller firms as well. Conway Park offers amenities to the property owners and businesses including the Lake Forest Graduate School which is located in the office park and provides corporate leadership programs as well as meeting space for corporate training activities. Pedestrian pathways and a trail through an adjacent natural area are well used by employees. Construction of The Forester, a boutique Hyatt Place Hotel, was completed in 2021 in the office park responding to needs expressed by the businesses for easily accessible hotel rooms, meeting space and food options. The hotel has surpassed projections particularly since it opened in the midst of the pandemic. The Oaken, a full-service bar and restaurant, adds to the uniqueness of The Forester.

An eight-acre parcel, designated for commercial use is located just outside of the office park. Discussions are underway about development of the site with restaurants and other hospitality uses to provide additional amenities to enhance the attractiveness of the office park going forward for existing and future occupants. The potential for developing additional moderate to high end residential housing options near Conway Park is also being explored to ease the commute for employees working in the office park.



The Chicago Bears Corporate Headquarters is located north of Conway Park. The Bears' campus is comprised of administrative and owners' offices, training and wellness facilities for players, a broadcast studio, memorabilia hall, indoor and outdoor practice fields and viewing suites. This facility draws players, coaches, season ticket holders, corporate sponsors and the media to Lake Forest. Players and coaches often make Lake Forest home during their tenure with the Bears and remain here in the years after their association with the Bears because of all Lake Forest has to offer. In 2019, the Bears completed 24 months of improvements and facility expansion. The value of the recent upgrades to the Bears' campus exceeded \$80 million and resulted in what is today a cutting-edge facility which is intended to remain in Lake Forest despite the potential for a new, domed football stadium in Arlington Heights, a nearby suburb. The inaugural Chicago Bears Training Camp in Lake Forest was held in 2021. The second year of Training Camp in Lake Forest saw increased attendance and fan support with up to 1,500 visitors to Lake Forest over the course of the three weeks during which camp was held. In 2023, the City looks forward to again welcoming fans from far and wide to Bears' Training Camp.

In 2009, the City of Lake Forest's Municipal Services Facility and customer service center was relocated from the Central Business District to the single remaining parcel within the City limits located north of Conway Park. The facility houses City administrative staff from various departments in a first-class office building. The City's fleet of vehicles and equipment is also housed at this location. A high level of municipal services is expected by and delivered to the residents of Lake Forest. Almost 20 acres of the site acquired by the City is open space and wetlands as a result of a cooperative effort between the City, Lake Forest Open Lands Association, and the Lake County Forest Preserves District. The preserved area is now under the stewardship of the Forest Preserves District and is developed with walking trails for employees and residents in the area. Wildlife abounds.

Other development in the Route 60 Corridor, the area surrounding Conway Park, includes townhome, condominium and single-family home developments completed over the last 10 to 15 years with some buildout still underway.

### Looking Forward

Although Lake Forest is considered to be a nearly built out community, development continues and opportunities for redevelopment are plentiful. Buildout continues on several single family developments: Kelmscott Park (as noted above), Westleigh Farm, Oak Knoll Woodlands and The Preserve at Westleigh. Additional multi-family residential units are planned in and around the Central Business District. Demand for housing in the core of the City remains high. Local institutions - schools, churches, private clubs, Lake Forest College and Northwestern Lake Forest Hospital - continually upgrade their facilities with a major expansion of the hospital getting underway in 2023.

## **Municipal and Other Governmental Services**

The governing and legislative body of the City is the Council composed of a Mayor (elected bi-annually on an at-large basis) and two aldermen from each of four wards who are each eligible to serve three, two-year terms. Pursuant to an ordinance adopted in 1956, a professional City Manager is responsible for the day-to-day operations of the City and its 212 full-time employees (excluding Library employees). The employees in a collective bargaining unit include 30 police officers, 54 public works/parks employees and 27 fire fighters/fire lieutenants. The City's Police and Fire departments include 40 uniformed police and 33 uniformed fire personnel. Of the City's 212 full-time positions, the firefighters, lieutenants, police officers and selected public works and parks/recreation employees are represented by collective bargaining agreements. The contract with firefighters and lieutenants runs through fiscal year 2026. The contract with selected public works and parks/recreation employees runs through fiscal year 2023. The contract with police officers runs through fiscal year 2024.

The excellence of the Fire Department is highlighted by the City's Class 3 fire insurance rating which exceeds that of over 90% of the fire departments/districts in the State of Illinois. Some of the municipal services provided for and funded out of the tax rate include the public library (approximately 9,347 registered borrowers); twice weekly backdoor refuse pick-up and paramedic service (since 1974).

Unlike many other Illinois communities, the Parks and Recreation Department is part of the City, not a separate taxing body. With support from the Friends of the Park Foundation, the City recently completed an updated Park Master Plan. The Plan assessed all existing park and recreational facilities, identified current and future needs based in part on public input and recommends and prioritizes improvements to existing facilities and parks, and new facilities. The Plan includes cost estimates and recommends fiscally responsible phasing options for achieving the desired enhancements. The City's parks facilities include a 145-acre 18 hole golf course, 14 community and neighborhood parks with a total acreage of 493 acres, a ½ mile expanse of public beach with swimming and sailing and the following recreation facilities: Stirling Hall Arts Center, Kinderhaven Preschool, the Everett fieldhouse, various park pavilions and the Community Recreation Center which houses the Fitness Center.

Through various agreements, the City provides services to a number of adjacent communities. The City provides ambulance transport, building inspection and plan review, youth and senior services to the Village of Lake Bluff. On a contractual basis, the City provides building inspection and plan review services to the Village of Bannockburn. A recently implemented intergovernmental agreement provides for fire and ambulance services to be provided to residents of the Knollwood Fire Protection District cooperatively with the Village of Libertyville. The City also provides water plant operation services to the City of Highwood. In 2014, the City implemented an intergovernmental agreement with the villages of Glenview and Lake Bluff, as well as the cities of Highland Park and Highwood, for the provision of consolidated dispatch services. These agreements help to ensure that services are provided to the residents of Lake Forest in the most cost-effective and fiscally sustainable manner.

The City draws water for its plant from Lake Michigan. The proceeds of the \$26 million Series 2002A Bonds were used for water and sewer system improvements, including water treatment plant improvements, a 36-inch transmission main, and certain sanitary sewers. In 2017, the City issued \$9.295 million in bonds to fund further improvements and provide increased capacity at the City's water plant. Taking advantage of new technology, a new membrane system was designed and installed with a 14 million-gallon-per-day capacity. These improvements were completed in 2019.

The City's Comprehensive Annual Financial Report has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Governmental Finance Officers' Association (GFOA) of the United States and Canada, for the City's FY1979-2022 reports. The significance of the GFOA's award is emphasized by their statement: "The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting and its attainment represents a significant accomplishment by a governmental unit and its management." The City annually prepares a "Comprehensive Fiscal Plan" which includes operating and capital Budgets for the current year; a Five-Year Financial Analysis and Plan; and a Five-Year Projection for Personnel, Capital Investment and Equipment costs. The City has received the GFOA's Distinguished Budget Presentation Award for its FY2017-2023 Budget documents. The City has been awarded by GFOA the Popular Annual Financial Report (PAFR) award for the FY21 PAFR. As a new recipient of the award, the City has joined the elite "Triple Crown" group which designates those units of government that have received all three GFOA awards. Only 293 units of government in the United States have achieved this recognition. The City has an independent Audit Committee consisting of Council members and residents having expertise in the area of financial administration and auditing that serves as an oversight body on behalf of the City Council. The City has been self-insured since 1981 through participation with the Intergovernmental Risk Management Agency (IRMA), which is a proprietary venture established to manage and fund claims for its 70+ member municipalities and special districts.

## Schools/Hospitals

Lake Forest School District No. 67, which serves nearly the City's entire tax base, has a current enrollment of 1,587 students. The District operates three K-4 schools and one middle school for grades 5-8. The Lake Forest Community High School District No. 115 serves Lake Forest, Lake Bluff, and surrounding unincorporated areas including Knollwood. The Lake Forest High School District has an enrollment of approximately 1,400. Private primary and secondary schools are also located in Lake Forest providing educational options for not only Lake Forest residents but also attracting students from around the country and the world - Woodlands Academy, Lake Forest Academy, Lake Forest Country Day School and St. Mary's School.

The City's diverse and strong educational institutions continue to grow, upgrade and adapt in response to education trends. Lake Forest College (enrollment 1,650), a private liberal arts college, was established even before the City itself. The College continually upgrades residence halls and academic buildings, most recently completing a new science complex representing a \$40 million-dollar investment in the campus. The science complex offers state of the art laboratories, research facilities and classrooms. Although focused on liberal arts, science and technology are integrated into many disciplines and the new facility will position the College well to attract talented students as well as faculty. A new academic classroom wing and athletic field upgrades are in the planning stages.

The new Northwestern Lake Forest Hospital opened in March 2018 after an investment of \$180 million. Expansion of the hospital is underway with a parking garage targeted for completion in 2024. As currently anticipated, additional hospital beds and a new emergency room will open in 2025. The hospital serves a broad region of Lake County providing routine and specialty services in a state of the art facility.

## **SOCIOECONOMIC INFORMATION**

The following statistics pertain principally to the City. Additional comparisons are made with Lake County (the "County") and the State of Illinois (the "State").

### **Employment**

Following are lists of large employers located in the City and in the surrounding area.

#### **Major City Employers(1)**

<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Northwestern Lake Forest Hospital.....	General Medical and Surgical Hospital.....	1,545
Pfizer, Inc. ....	Healthcare Products .....	1,350
Abbott.....	Healthcare Products .....	1,136
Hospira Inc. ....	Pharmaceuticals .....	921
Trustmark Insurance Company.....	Health and Life Insurance Benefits and Administration .....	498
Pactiv LLC.....	Corporate Headquarters and Specialty Packaging Products .....	492
Lake Forest College (excludes student employees) .....	Higher Education .....	438
Lake Forest Community High School District No. 115.....	Secondary Education.....	321
Lake Forest School District No. 67.....	Elementary Education.....	304
Packaging Corp. of America .....	Corporate Headquarters and Containerboard and Corrugated Packaging .....	298
City of Lake Forest.....	Municipal Government.....	212

Note: (1) Source: The City and the 2023 Illinois Manufacturers Directory, 2023 Illinois Services Directory. The COVID-19 pandemic, and the response thereto, has negatively impacted businesses throughout the State and may have had an adverse impact on these employers. The City makes no prediction as to the effect of COVID-19 on the information set forth in this table. See **"RISK FACTORS - Potential Impact of COVID-19"** herein.

## Major Area Employers(1)

<u>Location</u>	<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
North Chicago .....	Great Lakes Training Center .....	Military .....	11,000(2)
Deerfield .....	Walgreens Boots Alliance, Inc. ....	Drug Stores Corporate Headquarters .....	9,000
Gurnee .....	Gurnee Mills .....	Shopping Center .....	4,000
Multiple .....	Baxter Healthcare Corp. ....	Medical and Hospital Equipment .....	3,400(3)
North Chicago .....	AbbVie, Inc. ....	Pharmaceutical Products Headquarters .....	3,400
Gurnee .....	Six Flags Great America .....	Amusement Park .....	3,000(4)
Riverwoods .....	Discover Financial Services, LLC .....	Company Headquarters and Financial Services .....	3,000
Waukegan .....	Lake County .....	Government .....	2,698(5)
Libertyville .....	Advocate Condell Medical Center .....	Hospital .....	2,200
Grayslake .....	College of Lake County .....	Community College .....	1,818
Buffalo Grove .....	Siemens Building Technologies .....	Building Control Systems Corporate Headquarters .....	1,800
Barrington .....	Advocate Good Shepherd Hospital .....	Hospital Care .....	1,700
Multiple .....	Cardinal Health .....	Hospital Supply and Equipment Distribution Corporate Headquarters .....	1,540(6)
Multiple .....	Medline Industries, Inc. ....	Surgical and Medical Instruments .....	1,500(7)
Waukegan .....	Southwire Co., LLC .....	Electronic and Electric Wire & Cable .....	1,200

- Notes: (1) Source: 2023 Illinois Manufacturers Directory, 2023 Illinois Services Directory and a selective telephone survey. The COVID-19 pandemic, and the response thereto, has negatively impacted businesses through the State and may have had an adverse impact on these employers. The District makes no prediction as to the effect of COVID-19 on the information set forth in this table. See **"RISK FACTORS - Potential Impact of COVID-19"** herein.
- (2) Civilian and military personnel.
- (3) Includes 2,500 in Deerfield and 1,900 in Round Lake.
- (4) Employment is seasonal.
- (5) The County employs a total of 2,513 full-time and 185 part-time budget positions for a total of 2,698 budgeted positions.
- (6) Includes 1,200 in McGaw Park and 340 in Waukegan.
- (7) Includes 900 in Mundelein and 600 in Waukegan.

The following tables show employment by industry and by occupation for the City, Lake County (the "County") and the State of Illinois (the "State") as reported by the U.S. Census Bureau 2017-2021 American Community Survey 5-year estimated values.

## Employment by Industry(1)

<u>Classification</u>	<u>The City</u>		<u>The County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Agriculture, Forestry, Fishing and Hunting, and Mining .....	10	0.1%	1,294	0.4%	63,543	1.0%
Construction .....	207	2.4%	17,615	5.0%	341,322	5.4%
Manufacturing .....	996	11.7%	55,764	15.7%	736,045	11.7%
Wholesale Trade .....	370	4.4%	14,519	4.1%	180,597	2.9%
Retail Trade .....	597	7.0%	41,487	11.7%	650,853	10.4%
Transportation and Warehousing, and Utilities .....	201	2.4%	15,649	4.4%	422,657	6.7%
Information .....	176	2.1%	5,425	1.5%	108,866	1.7%
Finance and Insurance, and Real Estate and Rental and Leasing .....	997	11.8%	28,762	8.1%	462,893	7.4%
Professional, Scientific, and Management, and Administrative and Waste Management Services .....	1,922	22.7%	51,226	14.4%	772,112	12.3%
Educational Services and Health Care and Social Assistance .....	1,827	21.5%	69,310	19.5%	1,468,505	23.4%
Arts, Entertainment and Recreation and Accommodation and Food Services .....	447	5.3%	30,405	8.5%	541,868	8.6%
Other Services, Except Public Administration .....	421	5.0%	14,335	4.0%	288,901	4.6%
Public Administration .....	309	3.6%	9,948	2.8%	235,311	3.8%
Total .....	8,480	100.0%	355,739	100.0%	6,273,473	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 to 2021.

### Employment by Occupation(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts .....	5,529	65.2%	162,375	45.6%	2,555,193	40.7%
Service .....	770	9.1%	51,245	14.4%	1,038,968	16.6%
Sales and Office .....	1,799	21.2%	77,001	21.6%	1,310,129	20.9%
Natural Resources, Construction, and Maintenance.....	47	0.6%	20,647	5.8%	450,520	7.2%
Production, Transportation, and Material Moving .....	335	4.0%	44,471	12.5%	918,663	14.6%
Total .....	8,480	100.0%	355,739	100.0%	6,273,473	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 to 2021.

Unemployment rates for the City are well below the County and the State levels, as shown below.

### Annual Average Unemployment Rates(1)

Calendar Year	The City	The County	The State
2011.....	5.6%	9.4%	9.8%
2012.....	5.3%	8.7%	8.9%
2013.....	7.1%	8.7%	9.2%
2014.....	5.4%	6.5%	7.1%
2015.....	4.7%	5.5%	5.9%
2016.....	N/A	5.2%	5.9%
2017.....	3.5%	4.4%	4.7%
2018.....	4.0%	4.5%	4.3%
2019.....	3.5%	4.5%	4.0%
2020(2).....	6.0%	8.2%	9.2%
2021(2).....	3.8%	5.3%	6.1%
2022(2)(3).....	N/A	4.1%	4.2%

- Notes: (1) Source: Illinois Department of Employment Security.  
(2) The City attributes the increase in unemployment rates to be affected by the COVID-19 pandemic. See “**RISK FACTORS – Potential Impact of COVID-19**” herein.  
(3) Preliminary rates for the month of December, 2022.

### Building Permits

#### City Building Permits(1)

Fiscal Year	Building Permits Issued	Residential Construction	Commercial Construction
2013.....	3,197	7	2
2014.....	3,418	17	1
2015.....	3,668	15	1
2016.....	3,855	51	1
2017.....	3,632	21	1
2018.....	3,753	9	4
2019.....	4,275	13	0
2020.....	3,716	19	1
2021.....	3,847	29	2
2022.....	4,446	32	2

Note: (1) Source: The City.

## Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City's owner-occupied homes was \$812,900. This compares to \$279,500 for the County and \$212,600 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2017-2021 American Community Survey.

### Home Values(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$50,000 .....	100	1.6%	5,434	2.9%	192,095	5.9%
\$50,000 to \$99,999 .....	71	1.2%	7,581	4.1%	403,882	12.3%
\$100,000 to \$149,999 .....	21	0.3%	20,433	11.0%	444,981	13.6%
\$150,000 to \$199,999 .....	40	0.7%	26,955	14.4%	496,767	15.1%
\$200,000 to \$299,999 .....	188	3.1%	40,231	21.6%	747,742	22.8%
\$300,000 to \$499,999 .....	845	13.9%	47,445	25.4%	663,366	20.2%
\$500,000 to \$999,999 .....	2,980	49.0%	32,063	17.2%	268,376	8.2%
\$1,000,000 or more .....	1,836	30.2%	6,400	3.4%	62,113	1.9%
Total .....	6,081	100.0%	186,542	100.0%	3,279,322	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 to 2021.

### Mortgage Status(1)

	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage .....	3,649	60.0%	125,192	67.1%	2,051,911	62.6%
Housing Units without a Mortgage .....	2,432	40.0%	61,350	32.9%	1,227,411	37.4%
Total .....	6,081	100.0%	186,542	100.0%	3,279,322	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 to 2021.

## Income

### Per Capita Personal Income for the Highest Income Counties in the State(1)

Rank		2017 to 2021
1 .....	DuPage County .....	\$50,344
2 .....	<b>Lake County .....</b>	<b>49,440</b>
3 .....	Monroe County .....	43,614
4 .....	McHenry County .....	43,047
5 .....	Cook County .....	41,706
9 .....	Kane County .....	40,661
7 .....	Will County .....	40,493
6 .....	Menard County .....	39,054
8 .....	Woodford County .....	38,480
10 .....	Kendall County .....	38,343
12 .....	Grundy County .....	38,206
11 .....	Sangamon County .....	37,892

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-Year estimates 2017 to 2021.

The following shows the median family income for counties in the Chicago metropolitan area.

### Ranking of Median Family Income(1)

County	Family Income	Rank
DuPage County.....	\$122,334	1
<b>Lake County.....</b>	<b>117,633</b>	<b>2</b>
Will County .....	110,844	3
Monroe County.....	110,229	4
McHenry County .....	108,681	5
Kendall County .....	107,982	6
Kane County .....	103,791	7
Cook County .....	89,553	14

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-Year estimates 2017 to 2021.

The U.S. Census Bureau 5-year estimated values reported that the City had a median family income of \$224,450. This compares to \$117,633 for the County and \$91,408 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2017-2021 American Community Survey.

### Family Income(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000 .....	32	0.6%	3,866	2.1%	99,702	3.2%
\$10,000 to \$14,999 .....	6	0.1%	2,162	1.2%	56,625	1.8%
\$15,000 to \$24,999 .....	73	1.4%	5,589	3.1%	146,576	4.7%
\$25,000 to \$34,999 .....	57	1.1%	7,837	4.3%	183,329	5.9%
\$35,000 to \$49,999 .....	125	2.5%	12,258	6.7%	296,320	9.5%
\$50,000 to \$74,999 .....	281	5.5%	22,273	12.2%	488,349	15.6%
\$75,000 to \$99,999 .....	372	7.3%	21,998	12.0%	434,374	13.9%
\$100,000 to \$149,999 .....	669	13.2%	38,460	21.1%	654,077	20.9%
\$150,000 to \$199,999 .....	543	10.7%	24,416	13.4%	347,963	11.1%
\$200,000 or more.....	<u>2,927</u>	<u>57.6%</u>	<u>43,845</u>	<u>24.0%</u>	<u>424,363</u>	<u>13.6%</u>
Total .....	5,085	100.0%	182,704	100.0%	3,131,678	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 to 2021.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$194,267. This compares to \$97,127 for the County and \$72,563 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2017-2021 American Community Survey.

### Household Income(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000 .....	152	2.2%	9,484	3.8%	289,764	5.9%
\$10,000 to \$14,999 .....	25	0.4%	5,780	2.3%	172,660	3.5%
\$15,000 to \$24,999 .....	190	2.7%	13,282	5.3%	365,922	7.4%
\$25,000 to \$34,999 .....	264	3.8%	14,620	5.8%	379,283	7.7%
\$35,000 to \$49,999 .....	241	3.4%	21,105	8.4%	528,830	10.7%
\$50,000 to \$74,999 .....	648	9.2%	34,553	13.7%	801,687	16.3%
\$75,000 to \$99,999 .....	480	6.8%	30,814	12.2%	634,032	12.9%
\$100,000 to \$149,999 .....	823	11.7%	47,055	18.6%	841,113	17.1%
\$150,000 to \$199,999 .....	771	11.0%	27,637	10.9%	418,667	8.5%
\$200,000 or more.....	<u>3,420</u>	<u>48.8%</u>	<u>48,401</u>	<u>19.2%</u>	<u>498,297</u>	<u>10.1%</u>
Total .....	7,014	100.0%	252,731	100.0%	4,930,255	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 to 2021.

## Retail Activity

The table below shows certain sales tax receipts collected by the City as an indicator of commercial activity.

### Retailers' Occupation, Service Occupation and Use Tax<sup>(1)</sup>

Calendar Year	State Sales Tax Distribution <sup>(2)</sup>	Annual Change + (-)
2012.....	2,564,875	8.22%
2013.....	2,799,061	9.13%(3)
2014.....	2,809,989	0.39%
2015.....	2,651,326	(5.65%)
2016.....	2,642,980	(0.31%)
2017.....	2,567,599	(2.85%)
2018.....	2,388,832	(6.96%)
2019.....	3,257,716	36.37%(4)
2020.....	2,735,596	(16.03%)
2021.....	4,198,485	53.48%(5)
Growth from 2012 to 2021.....		63.69%

- Notes: (1) Source: the City.  
(2) Tax distributions are based on records of the City relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the City, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State. Includes Home Rule Sales Taxes.  
(3) The 2013 percentage is based on 2012 sales tax receipts of \$2,584,875.  
(4) Effective July 1, 2019, the home rule sales tax increased from 0.50% to 1.00%.  
(5) The increase in sales taxes is primarily due to rebound in sales from the COVID-19 pandemic, as well as sales of the Covid-19 vaccine by drug manufacturers in Lake Forest.

## THE PROJECT

The proceeds of the Bonds will be used to finance various capital improvements in the City, including athletic field improvements at a City park (the "Project"), and to pay the costs of issuance of the Bonds. The Project includes the construction of improvements to the City's Deerpath Park Athletic Field, including the site work, design and engineering related thereto.

## RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.



## Construction Risks

There are potential risks that could affect the ability of the City to timely complete the Project. While preliminary costs have been projected by the City's consulting architects, not all of the construction contracts have been let by the City. No assurance can be given that the cost of completing the Project will not exceed available funds. Completion of the Project involves many risks common to construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.

## Finances of the State of Illinois

The State of Illinois (the "State") has experienced adverse fiscal conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. The State's long-term general obligation bonds carry the lowest ratings of all the states.

The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017, which had a significant, negative impact on the State's finances, although certain spending occurred through statutory transfers, statutory continuing appropriations, court orders and consent decrees, including spending for elementary and secondary education. The State enacted full budgets for the State fiscal years ending June 30, 2018 (the "Fiscal Year 2018 Budget"), June 30, 2019 (the "Fiscal Year 2019 Budget"), June 30, 2020 (the "Fiscal Year 2020 Budget"), June 30, 2021 (the "Fiscal Year 2021 Budget"), June 30, 2022 (the "Fiscal Year 2022 Budget"), and June 30, 2023 (the "Fiscal Year 2023 Budget").

Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the City. The State's general fiscal condition and the underfunding of the State's pension systems have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the City. In addition, the Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget and the Fiscal Year 2020 Budget contained a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the City, by 10% for State Fiscal Year 2018 and by 5% for State Fiscal Year 2019 and State Fiscal Year 2020. The Fiscal Year 2021 Budget, the Fiscal Year 2022 Budget, and the Fiscal Year 2023 Budget did not include any such reduction. The Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget, the Fiscal Year 2020 Budget, the Fiscal Year 2021 Budget, the Fiscal Year 2022 Budget, and the Fiscal Year 2023 Budget also include a service fee for collection and processing of local-imposed sales taxes. Such fee was 2% of such sales taxes for State Fiscal Year 2018 and was reduced to 1.5% of such sales taxes for State Fiscal Year 2019, State Fiscal Year 2020, State Fiscal Year 2021, State Fiscal Year 2022, and the Fiscal Year 2023 Budget.

The City can give no assurance that there will not be additional changes in applicable law modifying the manner in which local revenue sharing is allocated by the State, nor can the City predict the effect the State's financial problems, including those caused by the various governmental or private actions in reaction to the Novel Coronavirus 2019 ("COVID-19"), may have on the City's future finances. Despite moneys the State has received and is expected to receive from the federal government, the actions taken in response to COVID-19 have had, and are likely to continue to have, a significant impact on the State's economy. See **"Potential Impact of COVID-19"** below.

## Potential Impact of COVID-19

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on global economies, including economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy was broad based and negatively impacted national, state and local economies.

In response to the pandemic, former President Trump declared a “national emergency” and designated the State as part of a national disaster area, which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. Federal legislation, particularly (i) the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), signed into law on March 27, 2020, and (ii) the federal American Rescue Plan Act of 2021, which was signed into law on March 12, 2021 (the “ARP Act”), are each directed at mitigating the economic downturn and health care crisis caused by COVID-19. The CARES Act allocates approximately \$4.9 billion to the State for expenditures incurred due to the public health emergency with respect to COVID-19, split between the State (\$2.7 billion) and local governments (the City of Chicago and Illinois counties with populations that exceed 500,000) (\$2.2 billion). The American Rescue Plan (the “ARP Act”) provides additional federal money for states and local governments to combat the COVID-19 pandemic including, but not limited to, funds to replace revenues lost as a result of the pandemic. The City received \$899,471 in CARES Act funds and received \$2,646,302 pursuant to the ARP Act.

In addition to the federal COVID-19 response, Governor Pritzker (the “Governor”) signed various executive orders (each with 30-day periods of effectiveness which have been extended several times) to prevent the further spread of COVID-19 that have called for social distancing and masking and imposed restrictions on personal mobility, business operations and congregate activities. The Governor implemented a five-phase approach to reopening the State’s businesses (the “Reopening Plan”), with each successive phase easing certain of the restrictions previously imposed by such prior executive orders. On June 11, 2021, the State began the fifth and final phase of the Reopening Plan.

Under Phase 5 of the Reopening Plan, all sections of the Illinois economy have reopened, with no limitations on the size of gatherings and most public activities, including parties, festivals, weddings, places of worship, conferences and sporting events. Businesses and local municipalities are permitted to continue to enforce more stringent rules. If there is a resurgence of COVID-19 cases, with an increase in hospitalizations and capacity issues for intensive care unit beds, the State could return to a previous phase of the Reopening Plan that would reinstate public health restrictions and mitigations.

The City cannot predict the effect the spread of COVID-19 or the various governmental or private actions in reaction thereto will have on its finances or operations, including receipt of sales, income and utility tax revenue and real estate tax collections. As of March 1, 2023, the City’s finances have not been significantly negatively impacted by COVID-19. If there is a negative impact on the receipt of such revenues and/or extension and collection of real estate taxes, the City may have difficulty paying debt service on the Bonds.

## Future Pension Plan Funding Requirements

The City participates in the Police Pension Plan and the Fire Pension Plan, both as hereinafter defined, both of which are defined benefit pension plans. Under the Illinois Pension Code, as amended (the “Pension Code”), the City is required to contribute to each plan in order to achieve a Funded Ratio of 90% by 2040. In order to achieve the 90% Funded Ratio for both plans by 2040, it is expected that the annual employer contributions required by the City will increase over time. The City also participates in the Illinois Municipal Retirement Plan (the “IMRF Plan”), which is a defined benefit pension plan administered by the Illinois Municipal Retirement Fund (“IMRF”); employer contributions are projected by the IMRF to increase over time. Increasing annual required employer contributions for the City could have a material adverse effect on the finances of the City.

The Pension Code allows the State Comptroller, after proper procedures have taken place, to divert State payments intended for the City to the Police Pension Plan and the Fire Pension Plan to satisfy contribution shortfalls by the City. If the City does not make 100% of its annual required contributions to the Police Pension Plan and Fire Pension Plan, the City may have revenues intercepted by the State Comptroller and deposited directly to the Police Pension Plan or Fire Pension Plan. Such withholdings by the State Comptroller could adversely affect the City's financial health and operations. See **"RETIREMENT PLANS"** herein for a more complete discussion.

## **Cybersecurity**

Computer networks and data transmission and collection are vital to the efficient operation of the City. Despite the implementation of network security measures by the City, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the City does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the City's operations and financial health. Further, as cybersecurity threats continue to evolve, the City may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

## **Local Economy**

The financial health of the City is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the City.

## **Loss or Change of Bond Rating**

The Bonds have received a credit rating from Moody's Investors Service, Inc., New York, New York ("Moody's") New York, New York. See **"INVESTMENT RATING"** herein. The rating can be changed or withdrawn at any time for reasons both under and outside the City's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

## **Secondary Market for the Bonds**

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

## **Continuing Disclosure**

A failure by the City to comply with the Undertaking for continuing disclosure (see **“CONTINUING DISCLOSURE”** herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and may adversely affect the transferability and liquidity of the Bonds and their market price.

## **Suitability of Investment**

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

## **Future Changes in Laws**

Various state and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City, or the taxing authority of the City. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Likewise, the tax treatment of municipal bonds are controlled by federal and state laws. Future actions of the State may affect the overall financial conditions of the City, the taxable value of property within the City, and the ability of the City to levy property taxes or collect revenues for its ongoing operations.

## **Factors Relating to Tax Exemption**

As discussed under **“TAX EXEMPTION”** herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Bond Ordinance. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States (“Congress”) legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the City’s ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the City.

The tax-exempt bond office of the Internal Revenue Service (the “Service”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the City could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

## **Bankruptcy**

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel (as defined herein) to be delivered with respect to the Bonds will be similarly qualified.

## **Climate Change Risk**

There are potential risks to the State, the City and their respective financial condition that are associated with changes to the climate over time and with increases in the frequency, timing and severity of extreme weather events, causing or increasing the severity of flooding and other natural disasters. The City cannot predict how or when various climate change risks may occur, nor can it quantify the impact on the State or the City, its population or its financial condition. Over time, the costs could be significant and could have a material adverse effect on the City's finances.

## **DEBT INFORMATION**

After issuance of the Bonds, the City will have outstanding \$44,240,000\* principal amount of general obligation bonded debt. Approximately 36% of this indebtedness, \$16,030,000\*, is expected to be repaid from sources other than City-wide property taxes, principally water system revenues and tax increment finance revenues. In addition, the City had \$389,821 aggregate principal amount of special service area bonds as of April 30, 2022, with \$150,611 aggregate principal amount of special service area bonds as of March 1, 2023. The City does not intend to issue additional debt in 2023.

In 2004, the City voted to become a home rule unit under the Illinois Constitution and, as such, has no statutory general obligation debt limit, is not required to seek referendum approval for the issuance of the Bonds, and has no statutory tax rate limitations for any purpose. The City Council, however, has pledged to abide by the "property tax cap" limitations of the Property Tax Extension Limitation Law ("PTELL"), unless: (i) the City Council has determined that a bona fide emergency or legal requirement dictates said increase, or (ii) that an advisory referendum has determined support with the City for said increase.

Pursuant to Ordinance Number 2013-070 adopted by the City Council on December 2, 2013, and notwithstanding the City's home rule status, the City has adopted a limit on the amount of property taxes it may levy on an annual basis to provide for debt service payments on its outstanding general obligation bonds to an amount not exceeding its 2004 debt service property tax levy (as adjusted for Municipal Price Index increases) plus levies for capital improvements. The City also agreed to abide by the "property tax cap" for the City's aggregate levy in accordance with PTELL. Ordinance 2013-070 provides that any general obligation bonds intended to be paid from alternate revenue sources does not apply to the limit. The City may, however, increase its aggregate levy by more than the "property tax cap" (but not more than 5%) by a three-fourths vote of the City Council, but only if the moneys raised by such increase in property taxes in excess of the aggregate levy otherwise authorized under PTELL are used either: (a) for supplementing the City's Capital Improvement Fund; or (b) to replace revenues lost because of changes in the amount of the State Revenue Sharing Moneys paid to the City.

When issued, the Bonds will meet the restrictions of the City self-imposed tax cap described above and consequently are full faith and credit general obligation bonds and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount.

*\*Subject to change.*

### Outstanding Bonded Debt(1)(2)

Fiscal Year Ending April 30	Series 2015	Series 2017	Series 2019	Series 2021	The Bonds(3)	Total Bonded Debt(3)	Cumulative Retirement(3)	
							Amount	Percent
2024 .....	\$ 370,000	\$ 515,000	\$2,370,000	\$ 590,000	\$ 945,000	\$ 4,790,000	\$ 4,790,000	10.83%
2025 .....	385,000	525,000	630,000	600,000	785,000	2,925,000	7,715,000	17.44%
2026 .....	405,000	535,000	660,000	615,000	825,000	3,040,000	10,755,000	24.31%
2027 .....	410,000	550,000	695,000	615,000	865,000	3,135,000	13,890,000	31.40%
2028 .....	435,000	565,000	730,000	625,000	910,000	3,265,000	17,155,000	38.78%
2029 .....	650,000	580,000	735,000	705,000	955,000	3,625,000	20,780,000	46.97%
2030 .....	695,000	590,000	755,000	715,000	1,000,000	3,755,000	24,535,000	55.46%
2031 .....	740,000	610,000	780,000	820,000	1,055,000	4,005,000	28,540,000	64.51%
2032 .....	705,000	630,000	810,000	890,000	1,105,000	4,140,000	32,680,000	73.87%
2033 .....	720,000	645,000	845,000	870,000	1,160,000	4,240,000	36,920,000	83.45%
2034 .....	1,530,000	665,000	0	0	1,220,000	3,415,000	40,335,000	91.17%
2035 .....	330,000	685,000	0	0	0	1,015,000	41,350,000	93.47%
2036 .....	340,000	710,000	0	0	0	1,050,000	42,400,000	95.84%
2037 .....	350,000	730,000	0	0	0	1,080,000	43,480,000	98.28%
2038 .....	0	760,000	0	0	0	760,000	44,240,000	100.00%
Total .....	\$8,065,000	\$9,295,000	\$9,010,000	\$7,045,000	\$10,825,000	\$44,240,000		

Notes: (1) Source: the City.  
(2) Mandatory redemption amounts shown for term bonds.  
(3) Subject to change.

## General Obligation Debt Outstanding – By Issue(1) (Principal Only)

<u>Property Tax Supported:</u>	<u>Amount</u>
General Obligation Bonds, Series 2015 - (Laurel Avenue Portion) .....	\$ 4,040,000
General Obligation Refunding Bonds, Series 2019 (Property Tax Supported) .....	7,245,000
General Obligation Refunding Bonds, Series 2021 .....	7,045,000
The Bonds (2) .....	<u>9,880,000</u>
Total Property Tax Supported(2) .....	\$28,210,000
 <u>Self-Supporting:</u>	
General Obligation Bonds, Series 2015 - (TIF Portion) .....	\$ 4,025,000
General Obligation Bonds, Series 2017 .....	9,295,000
General Obligation Refunding Bonds, Series 2019 (Self Supported) .....	1,765,000
The Bonds(2) .....	<u>945,000</u>
Total Self-Supporting .....	\$16,030,000

Notes: (1) Source: the City.  
(2) Subject to change.

## Detailed Overlapping Bonded Debt(1) (As of February 15, 2023)

	<u>Outstanding Debt</u>		<u>Applicable to City</u>
		<u>Percent(2)</u>	<u>Amount</u>
<u>Schools:</u>			
School District No. 67 .....	\$ 2,080,000	99.94%	\$ 2,078,676
School District No. 103 .....	6,395,000	0.01%	702
High School District No. 115 .....	14,200,000	77.77%	11,043,309
Community College District No. 532 .....	84,145,000	9.13%	<u>7,681,633</u>
Total Schools .....			\$20,804,320
 <u>Others:</u>			
Lake County .....	\$126,785,000	8.70%	\$11,027,153
Lake County Forest Preserve District .....	166,060,000	8.70%	<u>22,598,600</u>
Total Others .....			<u>\$33,625,753</u>
Total Overlapping Debt .....			\$54,430,073

Notes: (1) Source: Lake County Clerk.  
(2) Overlapping percentages are based on 2021 EAVs, the most current available.

## Statement of Bonded Indebtedness(1)

	<u>Amount Applicable</u>	<u>Ratio To</u>		<u>Per Capita (2020 Census 19,367)</u>
		<u>Equalized Assessed</u>	<u>Estimated Actual</u>	
City EAV of Taxable Property, 2021 .....	\$2,381,873,010	100.00%	33.33%	\$122,986.16
Estimated Actual Value, 2021 .....	\$7,145,619,030	300.00%	100.00%	\$368,958.49
Total Direct Bonded Debt(2) .....	\$ 44,240,000	1.86%	0.62%	\$ 2,284.30
Less: Self-Supporting Debt(2) .....	<u>(16,030,000)</u>	<u>(0.67%)</u>	<u>(0.22%)</u>	<u>\$(827.70)</u>
Total Net Direct Bonded Debt(2) .....	\$ 28,210,000	1.18%	0.39%	\$ 1,456.60
 <u>Overlapping Bonded Debt(3)</u>				
Schools .....	\$ 20,804,320	0.87%	0.29%	\$ 1,074.21
Others .....	<u>33,625,753</u>	<u>1.41%</u>	<u>0.47%</u>	<u>1,736.24</u>
Total Overlapping Bonded Debt .....	<u>\$ 54,430,073</u>	<u>2.29%</u>	<u>0.76%</u>	<u>\$ 2,810.45</u>
Total Direct and Overlapping Bonded Debt(2) .....	\$ 82,640,073	3.47%	1.16%	\$ 4,267.06

Notes: (1) Source: Lake County Clerk and the City.  
(2) Subject to change.  
(3) Overlapping bonded debt as of February 15, 2023.

## DEFAULT RECORD

The City has no record of default and has met its debt repayment obligations promptly.

## SHORT-TERM BORROWING

The City has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

## PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2021 levy year, the City's EAV was comprised of approximately 90% residential, 9% commercial, and less than 1% industrial, farm and railroad property valuations.

### City Equalized Assessed Valuation(1)(2)

	Levy Years				
	2017	2018	2019	2020	2021
Property Class:					
Residential .....	\$2,309,650,453	\$2,305,181,606	\$2,222,762,174	\$2,168,305,007	\$2,149,678,467
Farm .....	4,543,630	4,683,551	3,390,118	3,664,694	3,666,706
Commercial .....	215,722,819	214,536,978	228,895,482	221,826,768	225,662,484
Industrial .....	51,936	52,832	53,502	55,722	55,419
Railroad .....	2,298,064	2,469,112	2,695,322	2,809,934	2,809,934
Total .....	\$2,532,266,902	\$2,526,924,079	\$2,457,796,598	\$2,396,662,125	\$2,381,873,010
Percent Change +/- .....	3.65%(3)	(0.21%)	(2.74%)	(2.49%)	(0.62%)

- Notes: (1) Source: Lake County Clerk.  
(2) Excludes the incremental valuation in the City's tax increment financing district.  
(3) Percentage change based on 2016 EAV of \$2,442,982,041.

There is one tax increment finance (TIF) district within the City. The levy year 2018 frozen EAV for such district was \$90,630, with a levy year 2021 valuation of \$25,028,375. Only the frozen EAV is included in the table above.

### Representative Tax Rates(1) (Per \$100 of Equalized Assessed Valuation)

	Levy Years				
	2017	2018	2019	2020	2021
<b>City Rates:</b>					
Bonds and Interest .....	\$0.061	\$0.066	\$0.074	\$0.077	\$0.077
Social Security and Pensions (Police, Fire, IMRF) .....	0.130	0.223	0.261	0.295	0.312
Library .....	0.161	0.165	0.174	0.183	0.188
Parks, Playgrounds and Recreation .....	0.285	0.207	0.216	0.245	0.250
Revenue Recapture .....	0.000	0.000	0.000	0.000	0.011
Corporate Fund .....	0.600	0.617	0.646	0.663	0.683
Total City Rate .....	\$1.237	\$1.278	\$1.372	\$1.464	\$1.522
 Lake County and Forest Preserve Dist. ....	 \$0.809	 \$0.794	 \$0.703	 \$ 0.780	 \$0.777
North Shore Water Reclamation District .....	0.153	0.153	0.136	0.157	0.158
Lake Forest Elementary School District No. 67 .....	1.355	1.391	1.095	1.551	1.606
Lake Forest High School No. 115 .....	1.314	1.336	1.101	1.445	1.494
Community College Dist.No. 532 .....	0.281	0.282	0.218	0.290	0.293
All Other .....	0.066	0.066	0.873	0.070	0.072
Total(2) .....	\$5.214	\$5.301	\$5.498	\$5.757	\$5.922
 City as a Percent of Total .....	 23.72%	 24.11%	 24.96%	 25.43%	 25.69%

- Notes: (1) Source: Lake County Clerk.  
(2) Representative tax rates are from Shields Township Tax Code 14, which represents the largest portion of the City's 2021 EAV, the most current available.



### City Tax Extensions and Collections(1) (Excludes Road and Bridge)

Levy Year	Coll. Year	Taxes Extensions	Total Collections Amount	Percent
2012.....	2013.....	\$27,299,981	\$27,199,369	99.63%
2013.....	2014.....	28,124,272	28,016,462	99.62%
2014.....	2015.....	28,673,693	28,622,736	99.82%
2015.....	2016.....	29,528,749	29,479,003	99.83%
2016.....	2017.....	29,970,699	29,839,889	99.56%
2017.....	2018.....	31,313,227	31,259,308	99.83%
2018.....	2019.....	32,533,539	32,429,304	99.68%
2019.....	2020.....	33,955,314	33,779,422	99.48%
2020.....	2021.....	35,081,741	35,150,336	100.20%
2021.....	2022.....	36,244,390	36,074,868	99.53%
2022.....	2023.....	37,642,487(2)	-----In Collection-----	

Notes: (1) Source: The City and the Lake County Treasurer.  
(2) Approved by the City but not yet extended.

### Major City Taxpayers(1)

Major Taxpayers	Business/Service	2021 EAV(2)
Chicago Title Land and Trust.....	Real Property.....	\$ 23,597,558
Hospira Inc. ....	Corporate HQ and Surgical and Medical Instruments.....	17,184,303
Kelmscott Apartments Illinois LLC.....	Apartments.....	15,721,450
Abbott Laboratories.....	Real Property.....	14,493,994
Lake Forest Landmark.....	Real Property.....	12,593,117
Lake Forest Place LLC.....	Retirement Facility.....	12,431,475
Chicago Bears Football Club Inc.....	Professional Football Facility.....	11,495,453
Conway Gateway LLC.....	Real Property.....	10,634,216
CAI Investments Lake Forest Global.....	Real Property.....	10,022,781
Lake Forest Investments LLC.....	Real Property.....	7,616,280
Total.....		\$135,790,627
Ten Largest as a percent of the City's 2021 EAV (\$2,381,873,010).....		5.70%

Notes: (1) Source: Lake County Clerk.  
(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2021 EAV is the most current available.

## REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

### Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay the principal of and certain interest on the Bonds will be levied on all taxable real property within the City. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

### Tax Levy and Collection Procedures

Local assessment officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local assessment officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

## **Exemptions**

The Illinois Property Tax Code, as amended (the “Property Tax Code”), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (“Residential Property”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000. Beginning with tax year 2023, the maximum reduction in the five collar counties (DuPage, Kane, Lake, McHenry and Will) (the “Collar Counties”) is \$8,000.

The Homestead Improvement Exemption applies to Residential Property that has been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years, to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is \$5,000. Beginning with tax year 2023, the maximum exemption in the Collar Counties is \$8,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$55,000 for assessment year 2008 through assessment year 2017. Beginning in assessment year 2018, the maximum income limitation is \$65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen’s residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Purchasers of certain single-family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by CPI. Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the “Natural Disaster Exemption”) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran’s disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans’ Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

### **Property Tax Extension Limitation Law**

The Property Tax Extension Limitation Law (the “Limitation Law”) limits the rate of growth of the annual increase in property taxes to be extended for certain Illinois non-home rule units of government. In general, the Limitation Law restricts the rate of growth of such increases to the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Currently, the Limitation Law applies only to and is a limitation upon all non-home rule taxing bodies in Cook County, the five collar counties (DuPage, Kane, Lake, McHenry and Will) and several downstate counties.

Home rule units, including the City, are exempt from the limitations contained in the Limitation Law. If the Limitation Law were to apply in the future to the City, the limitations set forth therein will not apply to any taxes levied by the City to pay the principal of and interest on the Bonds.

## **Truth in Taxation Law**

Legislation known as the Truth in Taxation Law (the “Law”) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds.

## **FINANCIAL INFORMATION**

### **Budgetary Information**

The City Council follows these procedures in establishing the budgetary and appropriations data reflected in its financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and estimated revenues.
2. Public budget and appropriations meetings are conducted by the City to obtain taxpayer comments.
3. The budget and the appropriation ordinance, which is 10% higher than the budget, are both legally enacted through action of the City Council. Once enacted, the budget cannot be amended without approval from the City Council. Funds may have expenditures in excess of budgeted amounts, but legally may not have expenditures in excess of appropriations.
4. The legal level of budgetary control is the fund level. Management may make transfers of appropriations within a fund. Any expenditures that exceed the total appropriations at the fund level must be approved by the City Council.
5. Formal budgetary integration and legally adopted budgets are employed as a management control device during the year for all Funds, through an internal reporting system. Such budgetary integration permits the City's department managers to monitor actual revenues and expenditures relative to budgets on an ongoing basis throughout the year. Formal encumbrance accounting is not used, and appropriations not used by the end of the fiscal year lapse.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

### **Investment Policy**

The City is authorized to invest in the following types of securities under Illinois law and the City's investment policy:

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America;
- Bonds, notes, debentures, or other similar obligations of U.S. Government or its agencies, or government sponsored enterprises (GSEs);

- Interest bearing bonds of any county, township, city, incorporated town, municipal corporation, or school district, and the bonds shall be registered in the name of the municipality or held under a custodial agreement at a bank, provided the bonds shall be rated at the time of purchase within the three (3) highest general classifications established by a nationally recognized statistical rating organization (NRSRO);
- Interest-bearing savings accounts, interest-bearing certificates of deposit, interest-bearing deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act (205 ILCS 5/1 et seq.), provided, however, that such investments may be made only in banks which are insured by the Federal Deposit Insurance Corporation;
- Certificate of Deposit Account Registry Service (CDARS) certificates of deposit or Insured Cash Sweep (ICS) service;
- 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 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 which are guaranteed by the full faith and credit of the federal government as to principal and interest;
- Short term discount obligations of the Federal National Mortgage Association (established by or under the National Housing Act (1201 U.S.C. 1701 et seq.)), or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of Illinois or any other state or under the laws of the United States, provided, however, that the shares or investment certificates of such savings banks or savings and loan associations are insured by the Federal Deposit Insurance Corporation;
- Dividend-bearing share accounts, share certificates accounts, or class of share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States; provided, however, the principal office of the credit unions must be located within the State of Illinois; and, provided further, that such investments may be made only in those credit unions the accounts of which are insured by applicable law;
- Illinois Funds;
- Illinois Metropolitan Investment Fund (IMET) – (1) 1-3-year Fund and (2) Convenience Fund;
- 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); and
- Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 (15 U.S.C.A. § 780-5) subject to the provisions of that Act and the regulations issued thereunder, provided, however, that such government securities, unless registered or inscribed in the name of the City, shall be purchased through banks or trust companies authorized to do business in the State of Illinois; and such other repurchase agreements as are authorized in subsection (h) of Section 2 of the Public Funds Investment Act (30 ILCS 235/2). Repurchase agreements may be executed only with approved financial institutions or broker/dealers meeting the City's established standards, which shall include mutual execution of a Master Repurchase Agreement adopted by the City.

## Financial Reports

The City's financial statements are audited annually by certified public accountants. The City's financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to governmental entities. See **APPENDIX A** for more detail.

## No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the "Excerpted Financial Information") contained in this **"FINANCIAL INFORMATION"** section are from the audited financial statements of the City, including the audited financial statements for the fiscal year ended April 30, 2022 (the "2022 Audit") which was approved by formal action of the City Council and is attached hereto as **APPENDIX A**. The 2022 Audit was prepared by Baker Tilly US, LLP, the City's independent auditor (the "Auditor"). The Auditor has not been engaged to perform and has not performed since the date of its 2022 Audit report, any procedures on the financial statements addressed in the 2022 Audit report. The Auditor also has not performed any procedures relating to this Official Statement.

The City has not requested the Auditor to update information contained in the Excerpted Financial Information; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Excerpted Financial Information has not been updated since the date of the 2022 Audit. The inclusion of the Excerpted Financial Information in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2022 Audit. Questions or inquiries relating to financial information of the City since the date of the 2022 Audit should be directed to the City.

## Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. The City has budgeted for a surplus in its General Fund for the fiscal year ending April 30, 2023. See the table titled **"General Fund Budget Financial Information"** below. To date, revenue and expenditures are generally within budgeted amounts. See **APPENDIX A** for the City's 2022 fiscal year audit.

## Statement of Net Position

	Audited as of April 30				
	2018	2019	2020	2021	2022
<b>ASSETS:</b>					
Cash and Cash Equivalents .....	\$ 52,586,986	\$ 59,331,141	\$ 58,220,309	\$ 63,241,382	\$ 75,101,100
Investments .....	6,065,340	6,579,706	7,077,796	10,216,223	9,058,582
Receivables (net):					
Property Taxes .....	27,134,875	28,006,568	29,307,116	30,539,126	31,597,331
Other Taxes .....	383,312	383,900	219,993	366,880	430,632
Accounts .....	1,826,593	2,134,281	1,708,468	1,376,157	1,386,656
Loans .....	311,283	13,147	5,005	10,559	4,318
Other .....	2,427,752	3,139,477	4,090,950	5,622,731	7,043,293
Due from Other Governments .....	1,358,723	1,454,205	1,946,969	2,164,910	2,401,865
Internal Balances .....	(583,562)	(751,614)	(847,037)	(1,019,708)	(1,056,992)
Inventories .....	396,478	394,865	430,849	520,639	589,309
Prepays .....	667,413	677,246	711,309	757,056	748,187
Due from Fiduciary Funds .....	87,136	126,463	167,340	222,845	38,713
Net Pension Asset .....	0	0	0	3,773,917	12,844,903
Capital Assets:					
Not Being Depreciated .....	104,945,459	106,161,487	106,928,647	107,476,009	109,668,130
Being Depreciated, Net .....	<u>94,038,770</u>	<u>90,525,705</u>	<u>88,623,947</u>	<u>85,689,936</u>	<u>82,370,013</u>
Total Assets .....	<u>\$291,646,558</u>	<u>\$298,176,577</u>	<u>\$298,591,661</u>	<u>\$310,958,662</u>	<u>\$332,226,040</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred Loss on Refunding .....	\$ 21,789	\$ 4,536	\$ 0	\$ 0	\$ 151
Resources Related to Pensions .....	3,247,934	16,959,502	14,896,690	9,795,605	8,256,147
Deferred Outflows Related to					
Total OPEB Liability .....	<u>0</u>	<u>26,656</u>	<u>326,875</u>	<u>300,562</u>	<u>267,588</u>
Total Deferred Outflows of Resources .....	\$ 3,269,723	\$ 16,990,694	\$ 15,223,565	\$ 10,096,167	\$ 8,523,886
<b>LIABILITIES:</b>					
Accounts Payable .....	\$ 1,672,002	\$ 3,461,056	\$ 2,757,223	\$ 2,570,986	\$ 2,525,840
Accrued Liabilities .....	1,764,767	1,872,250	1,979,802	1,606,468	1,558,607
Accrued Interest Payable .....	360,188	346,817	270,751	260,061	304,891
Deposits .....	948,296	920,787	1,031,883	920,335	1,407,129
Due to Fiduciary Funds .....	43,663	72,152	72,180	72,962	74,076
Unearned Revenue - Other .....	2,349,957	2,828,305	1,183,551	2,356,880	3,877,747
Long Term Obligations:					
Due within One Year .....	1,549,625	1,850,851	2,030,089	2,129,665	2,367,956
Due in More than One Year .....	<u>76,818,472</u>	<u>96,756,505</u>	<u>95,062,788</u>	<u>74,563,511</u>	<u>80,579,595</u>
Total Liabilities .....	\$ 85,506,970	\$108,108,723	\$104,388,267	\$ 84,480,868	\$ 92,695,841
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Property Tax Levies for Future Periods .....	\$ 27,134,875	\$ 28,006,568	\$ 29,307,114	\$ 30,539,126	\$ 31,597,333
Deferred Charge on Refunding .....	0	0	32,043	28,365	0
Resources Related to Total OPEB Liability .....	0	0	0	394,576	499,315
Resources Related to Pensions .....	<u>6,480,158</u>	<u>2,471,434</u>	<u>5,361,510</u>	<u>19,017,112</u>	<u>14,060,874</u>
Total Deferred Inflows of Resources .....	\$ 33,615,033	\$ 30,478,002	\$ 34,700,667	\$ 49,979,179	\$ 46,157,522
<b>NET POSITION:</b>					
Investment in Capital Assets,					
Net of Related Debt .....	\$166,607,491	\$164,675,251	\$165,179,598	\$164,798,332	\$165,811,050
Restricted For:					
Capital Projects .....	6,338,753	11,298,736	11,670,812	16,222,288	22,371,936
Debt Service .....	1,161,697	1,292,816	1,596,241	1,640,674	1,289,569
Culture and Recreation .....	3,170,905	3,333,955	2,528,867	3,077,211	4,378,607
Highways and Streets .....	514,629	1,019,023	1,757,894	1,344,272	2,395,746
Public Safety .....	643,857	663,539	979,033	1,224,850	1,632,878
Cemetery Purposes .....	6,945,742	7,767,095	8,065,569	11,353,154	10,643,506
Affordable Housing .....	1,417,922	1,339,808	1,209,518	1,647,067	2,183,485
Employee Retirement .....	0	0	0	0	12,844,903
Unrestricted .....	<u>(11,006,718)</u>	<u>(14,809,677)</u>	<u>(18,261,240)</u>	<u>(14,713,066)</u>	<u>(21,655,117)</u>
Total Net Position .....	<u>\$175,794,278</u>	<u>\$176,580,546</u>	<u>\$174,726,292</u>	<u>\$186,594,782</u>	<u>\$201,896,563</u>

**Statement of Activities  
Governmental Activities  
Net (Expense) Revenue and Charges in Net Position**

	Audited Fiscal Year Ended April 30				
	2018	2019	2020	2021	2022
<b>GOVERNMENTAL ACTIVITIES(1):</b>					
Primary Government:					
General Government.....	\$ (3,966,839)	\$ (8,024,829)	\$ (8,738,538)	\$ (8,900,374)	\$ (4,793,688)
Highways and Streets .....	(8,104,676)	(5,859,522)	(5,779,532)	(3,648,383)	(3,003,430)
Sanitation .....	(1,864,664)	(1,830,423)	(1,638,755)	(1,385,224)	(919,209)
Culture and Recreation .....	(6,093,485)	(5,522,668)	(6,183,627)	(7,392,758)	(6,089,562)
Public Safety .....	(15,013,038)	(17,612,606)	(20,798,620)	(14,329,462)	(17,621,965)
Interest on Long-Term Debt .....	(1,271,181)	(1,231,944)	(1,115,802)	(920,485)	(871,548)
Total Governmental Activities .....	<u>\$ (36,313,883)</u>	<u>\$ (40,081,992)</u>	<u>\$ (44,254,874)</u>	<u>\$ (36,576,686)</u>	<u>\$ (33,299,402)</u>
<b>GENERAL REVENUES:</b>					
Property Taxes .....	\$ 26,193,444	\$ 27,591,773	\$ 28,569,827	\$ 30,459,112	\$ 32,149,905
Replacement Taxes .....	135,417	127,460	140,924	179,967	396,217
Sales Tax .....	2,688,837	2,700,829	3,632,304	3,256,753	4,760,729
Income Tax .....	2,272,639	2,593,506	2,584,198	3,223,407	3,829,655
Utility Tax .....	2,358,448	2,437,127	2,177,783	2,282,346	2,562,347
Real Estate Transfer Tax .....	1,622,900	1,471,595	1,256,265	2,735,405	2,652,110
Other Taxes .....	1,237,671	261,974	237,860	156,412	441,292
Telecommunication .....	1,081,917	1,166,254	993,112	820,169	723,424
Investment Income .....	1,665,391	2,215,202	1,664,355	3,564,117	(883,765)
Other .....	222,057	1,416,128	1,303,992	1,294,923	1,793,870
Coronavirus Relief Fund .....	0	0	0	502,065	227,899
Gain (Loss) on Sale of Assets .....	(3,874)	7,775	38,500	0	0
Transfers .....	(4,343,841)	786,850	(198,500)	(29,500)	(52,500)
Total General Revenues .....	<u>\$ 35,131,006</u>	<u>\$ 42,776,473</u>	<u>\$ 42,400,620</u>	<u>\$ 48,445,176</u>	<u>\$ 48,601,183</u>
Change in Net Position .....	<u>\$ (1,182,877)</u>	<u>\$ 2,694,481</u>	<u>\$ (1,854,254)</u>	<u>\$ 11,868,490</u>	<u>\$ 15,301,781</u>
Net Position - Beginning of Year .....	<u>176,977,155</u>	<u>173,886,065(2)</u>	<u>176,580,546</u>	<u>174,726,292</u>	<u>186,594,782</u>
Net Position - End of Year .....	<u>\$175,794,278</u>	<u>\$176,580,546</u>	<u>\$174,726,292</u>	<u>\$186,594,782</u>	<u>\$201,896,563</u>

Notes: (1) Expenses Less Program Revenue of Charges for Service, Operating Grants, and Capital Grants.  
(2) As restated.

**General Fund  
Balance Sheet**

	Audited as of April 30				
	2018	2019	2020	2021	2022
<b>ASSETS:</b>					
Cash and Investments .....	\$30,715,101	\$30,458,960	\$30,997,596	\$28,883,403	\$29,740,933
Property Taxes Receivable .....	18,979,072	18,704,847	19,927,292	20,571,984	21,552,635
Other Receivables .....	1,298,990	1,693,915	1,743,437	1,674,989	1,723,924
Due from other Governments .....	1,306,270	1,400,215	1,349,689	1,280,112	1,726,218
All Other Assets .....	150,038	129,280	143,703	208,661	91,038
Total Assets .....	<u>\$52,449,471</u>	<u>\$52,387,217</u>	<u>\$54,161,717</u>	<u>\$52,619,149</u>	<u>\$54,834,748</u>
<b>LIABILITIES:(1)</b>					
Accounts Payable/Accrued Payroll .....	\$ 563,045	\$ 543,479	\$ 1,367,869	\$ 416,536	\$ 595,501
Deferred Property Tax Revenues .....	1,837,836	0	0	0	0
Unearned Revenue .....	0	2,347,787	874,025	1,708,921	1,781,263
Accrued Liabilities .....	0	901,404	1,010,874	617,483	510,292
Deposits .....	0	872,364	985,310	874,335	1,357,256
Due to Fiduciary Funds .....	0	72,152	72,180	72,962	74,076
All Other Liabilities .....	1,788,636	0	0	0	0
Total Liabilities .....	<u>\$ 4,189,517</u>	<u>\$ 4,737,186</u>	<u>\$ 4,310,258</u>	<u>\$ 3,690,237</u>	<u>\$ 4,318,388</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Property Tax Levies for a Future Period .....	\$18,979,072	\$18,704,847	\$19,927,292	\$20,571,984	\$21,552,635
Other Unavailable Revenues .....	0	0	346,782	0	0
Total Deferred Inflows of Resources .....	<u>\$18,979,072</u>	<u>\$18,704,847</u>	<u>\$20,274,074</u>	<u>\$20,571,984</u>	<u>\$21,552,635</u>
<b>FUND BALANCE:</b>					
Nonspendable .....	\$ 150,038	\$ 129,280	\$ 143,703	\$ 208,661	\$ 91,038
Unreserved - Undesignated - Unassigned .....	<u>29,130,844</u>	<u>28,815,904</u>	<u>29,433,682</u>	<u>28,148,267</u>	<u>28,872,687</u>
Total Fund Balance .....	<u>\$29,280,882</u>	<u>\$28,945,184</u>	<u>\$29,577,385</u>	<u>\$28,356,928</u>	<u>\$28,963,725</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance .....	<u>\$52,449,471</u>	<u>\$52,387,217</u>	<u>\$54,161,717</u>	<u>\$52,619,149</u>	<u>\$54,834,748</u>

Note: (1) Format change in 2019.



## General Fund Revenues and Expenditures(1)

	Audited Fiscal Year Ended April 30				
	2018	2019	2020	2021	2022
<b>REVENUES:</b>					
Taxes:					
Property .....	\$18,186,629	\$19,235,378	\$18,930,909	\$20,128,373	\$20,785,656
Other .....	3,115,606	3,231,992	2,350,852	2,371,746	2,900,697
Intergovernmental Revenues .....	5,781,763	6,172,591	6,509,510	6,591,951	8,058,224
Grants and Contributions .....	18,950	27,560	12,028	857,585	238,424
Charges for Services .....	3,568,354	3,354,997	4,796,048	4,358,718	4,893,680
Licenses and Permits .....	3,232,276	3,456,703	2,954,115	3,133,137	3,460,452
Fines and Forfeitures .....	345,438	355,304	271,235	260,726	256,681
Investment Income .....	486,609	859,448	679,423	109,451	122,020
Other .....	1,110,893	1,349,720	1,301,177	1,294,224	1,341,542
Total Revenues .....	\$35,846,518	\$38,043,693	\$37,805,297	\$39,105,911	\$42,057,376
<b>EXPENDITURES:</b>					
Current:					
General Government .....	\$ 9,851,906	\$ 9,904,969	\$ 9,860,981	\$10,436,328	\$10,913,887
Highways and Streets .....	2,354,587	2,472,144	2,303,462	2,643,326	2,853,140
Sanitation .....	2,290,986	2,480,420	2,575,451	2,628,512	2,573,258
Public Safety .....	15,181,216	16,478,486	18,165,098	18,163,049	18,965,034
Capital Outlay .....	51,489	0	0	0	62,779
Debt Service .....	483,360	0	0	0	0
Total Expenditures .....	\$30,213,544	\$31,336,019	\$32,904,992	\$33,871,215	\$35,368,098
Excess (Deficiency) of Revenues Over Expenditures .....	\$ 5,632,974	\$ 6,707,674	\$ 4,900,305	\$ 5,234,696	\$ 6,689,278
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In .....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers Out .....	(5,929,540)	(7,043,372)	(4,268,104)	(6,455,153)	(6,082,481)
Total Other Financing Sources and Uses, Net.....	\$ (5,929,540)	\$ (7,043,372)	\$ (4,268,104)	\$ (6,455,153)	\$ (6,082,481)
Net Change in Fund Balance .....	\$ (296,566)	\$ (335,698)	\$ 632,201	\$ (1,220,457)	\$ 606,797
Fund Balance - Beginning of Year .....	\$29,577,448	\$29,280,882	\$28,945,184	\$29,577,385	\$28,356,928
Fund Balance - End of Year .....	\$29,280,882	\$28,945,184	\$29,577,385	\$28,356,928	\$28,963,725

Note: (1) This condensed financial information has been excerpted from the full Annual Comprehensive Financial Report of The City of Lake Forest. The full financial statements, together with the report of the City's independent accountants, are available upon request. The General Corporate Fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (both measurable and available), Expenditures, other than interest on long-term debt, are recorded when the liability is incurred, if measurable. Property taxes due within the current fiscal year and collected within the current fiscal year or within 60 days of the end of the fiscal year are recorded as revenue. As a result, the current year tax levy, which has a payment due date after the end of the current fiscal year, is not recorded as revenue but rather as a receivable with a corresponding amount of deferred revenue.

## General Fund Budget Financial Information

	Original Budget 4/30/2023	Amended Budget(1) 4/30/2023	Projected Actual Budget 4/30/23
<b>REVENUES:</b>			
Property Taxes .....	\$21,613,823	\$21,613,823	\$21,182,642
Sales Tax.....	2,783,994	2,783,994	2,913,042
Telecommunication and Utility Tax.....	3,043,162	3,043,162	3,568,702
State Income Tax/Local Use .....	2,651,603	2,651,603	3,768,438
Other Taxes.....	772,320	772,320	1,001,990
Building Permits.....	1,200,000	1,200,000	1,923,000
Licenses .....	1,450,518	1,450,518	1,452,530
Fines.....	213,050	213,050	252,200
Interest.....	65,000	65,000	1,050,000
Charges for Services.....	4,666,608	4,666,608	4,805,561
Grants and Contributions.....	6,000	6,000	28,796
Miscellaneous.....	<u>1,270,449</u>	<u>1,270,449</u>	<u>1,329,424</u>
Total Revenues .....	\$39,736,527	\$39,736,527	\$43,276,325
<b>EXPENDITURES:</b>			
Office of the City Manager.....	\$ 848,093	\$ 854,718	\$ 878,178
City Council .....	1,113,368	1,191,307	1,110,839
Cable TV.....	28,759	28,759	24,509
Finance.....	886,161	896,030	903,428
Information Technology .....	1,154,524	1,163,354	1,141,191
CROYA.....	654,745	658,362	657,957
Police.....	11,818,238	11,889,355	11,761,063
Fire .....	8,158,249	8,249,017	8,218,206
Human Resources .....	581,151	606,395	603,568
Community Development .....	2,354,717	2,421,110	2,252,911
Public Works/Engineering .....	8,656,336	8,802,787	8,822,113
Non-Department.....	<u>2,908,121</u>	<u>2,662,262</u>	<u>6,851,166(2)</u>
Total Expenditures.....	\$39,162,462	\$39,423,456	\$43,225,129
Revenues over (under)			
Expenditures.....	\$ 574,065	\$ 313,071	\$ 51,196

Notes: (1) Amended Budget as of           , 20

(2) Due to better than anticipated revenue collections, the City Council has approved a \$4 million transfer from the General Fund to the Capital Improvements Fund to partially finance the Deerpath Park Improvement Project, reducing the debt financing required to \$12 million.

## EMPLOYEE RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS

The City participates in three defined benefit pension plans: (i) the IMRF Plan, (ii) the Police Pension Plan (the “Police Pension Plan”), and (iii) the Firefighters’ Pension Plan (the “Fire Pension Plan” and, together with the IMRF Plan and the Police Pension Plan, the “Pension Plans”). The Pension Plans provide defined benefit pension benefits to the City’s employees, retirees and beneficiaries. The IMRF Plan is an agent multiple-employer public employee retirement system, and the Police Pension Plan and the Fire Pension Plan are single-employer pension plans. The City makes certain contributions to the Pension Plans on behalf of its employees, as further described in this section. The operations of the Pension Plans, including the contributions to be made to the Pension Plans, the benefits provided by the Pension Plans, and the actuarial assumptions and methods employed in generating the liabilities and contributions of the Pension Plans, are governed by the Pension Code. This section first describes certain concepts related to pensions generally, then describes the applicable provisions of Pension Plans. These concepts are more completely described in Note 4 to the 2022 Audit, as hereinafter defined, as well as the supplementary schedules thereto, attached hereto as **APPENDIX A**.

The Pension Code allows the State Comptroller to intercept State payments intended for the City to the Police Pension Plan and the Fire Pension Plan to satisfy contribution shortfalls by the City (the “Recapture Provisions”). If the City fails to contribute to the Police Pension Plan or the Fire Pension Plan as required by the Pension Code, the City will be subject to a reallocation of payments of State funds to the City if (i) the City fails to make the required payment for 90 days past the due date, (ii) the subject retirement fund gives notice of the failure to the City, and (iii) such retirement fund certifies to the State Comptroller that such payment has not been made. Upon the occurrence of these events, the State Comptroller will intercept payments of State funds to the City in an amount not in excess of the delinquent payment amount in the proportion of 100% of the amount of any payments of State funds to the City. Should the Recapture Provisions be enforced as a result of the City’s failure to contribute all of its required contribution, a reduction in payments of State funds may have an adverse impact on the City’s finances.

For fiscal year 2022, the City contributed \$2,398,803 or 99.68% of the actuarially determined contribution to the Fire Pension Plan and \$3,379,444 or 99.75% of the actuarially determined contribution to the Police Pension Plan. In each case, such actuarially determined contribution exceeded 100% of the statutory actuarial minimum required contribution.

## **Background Regarding Pension Plans**

### *The Actuarial Valuation*

The disclosures in the 2022 Audit related to the Pension Plans are based in part on the actuarial valuations of the Pension Plans. In the actuarial valuations, the actuary for each of the Pension Plans measures the financial position of a Pension Plan, determines the amount to be contributed to a Pension Plan pursuant to statutory requirements, and produces information mandated by the financial reporting standards issued by the Governmental Accounting Standards Board (“GASB”), as described below.

In producing an actuarial valuation, the actuary for a Pension Plan uses demographic data (including employee age, salary and service credits), economic assumptions (including estimated future salary and interest rates), and decrement assumptions (including employee turnover, mortality and retirement rates) and employs various actuarial methods to generate the information required to be included in such valuation.

### *GASB Standards*

For the City’s fiscal years up to and including the fiscal year ended April 30, 2014, the applicable GASB financial reporting standard pursuant to which the City’s financial statement disclosures related to pensions were prepared was GASB Statement No. 27 (the “Prior GASB Standard”). Beginning with the City’s fiscal year ending April 2015, the applicable GASB financial reporting standard pursuant to which the City’s financial statement disclosures related to pensions will be prepared is GASB Statement No. 68 (the “New GASB Standard”).

The Prior GASB Standard required, among other things, the determination of an “Actuarially Required Contribution” and the calculation of pension funding statistics such as the unfunded actuarial accrued liability and the funded ratio. Unlike the Prior GASB Standard, the New GASB Standard does not establish an approach to funding pension plans. Instead, the New GASB Standard provides standards solely for financial reporting and accounting related to pension plans. The New GASB Standard requires calculation and disclosure of a “Net Pension Liability,” which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the New GASB Standard (referred to in such statements as the “Total Pension Liability”) and the fair market value of the pension plan’s assets (referred to as the “Fiduciary Net Position”).

The New GASB Standard requires that the Net Pension Liability be disclosed in the notes to the financial statements of the pension system and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of an employer. In addition, the New GASB Standard requires an expense (the “Pension Expense”) to be recognized on the income statement of an employer.

#### *Pension Plans Remain Governed by the Pension Code*

As described above, each of the Prior GASB Standards and the New GASB Standards establish requirements for financial reporting purposes. However, the Pension Plans are ultimately governed by the provisions of the Pension Code in all respects, including, but not limited to, the amounts to be contributed by the City to the Pension Plans in each year.

#### **Illinois Municipal Retirement Fund**

The City participates in the IMRF Plan, which is a defined-benefit, agent multiple employer pension plan administered by the IMRF that acts as a common investment and administrative agent for units of local government and school districts in Illinois. All employees (other than those covered by the Police Pension Plan and the Fire Pension Plan), including Library employees, hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. At December 31, 2021, the measurement date, membership in the City’s and Library’s IMRF Plan was: 306 retirees and beneficiaries, 191 inactive, non-retired members, and 191 active members.

The IMRF Plan is established and administered under statutes adopted by the General Assembly. The Pension Code sets the benefit provisions of the IMRF Plan, which can only be amended by the General Assembly.

Each employer participating in the IMRF Plan, including the City, has an employer reserve account with the IMRF Plan separate and distinct from all other participating employers (the “IMRF Account”) along with a unique employer contribution rate determined by the IMRF Board of Trustees (the “IMRF Board”), as described below. The employees of a participating employer receive benefits solely from such employer’s IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information which may be viewed at the IMRF’s website.

See Note 4 to the 2022 Audit for additional information on the IMRF Plan’s actuarial methods and assumptions.

#### *Contributions*

Both employers and employees contribute to the IMRF Plan. At present, City and Library employees contribute 4.50% of their salary to the IMRF Plan, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF Plan to its employees. The annual rate at which an employer must contribute to the IMRF Plan is established by the IMRF Board. The City’s and Library’s actuarially determined rate for calendar year 2021 was 11.66% of annual covered payroll. For the fiscal year ended April 30, 2022, the City contributed \$1,708,477 to the IMRF Plan, which compares to contributions of \$1,683,644 and \$1,356,572 in fiscal years 2021 and 2020, respectively.

### Measures of Financial Position

The following table presents the measures of the IMRF Account's financial position for the City and Library as of fiscal years ended April 30, 2018, 2019, 2020, 2021, and 2022 which are presented pursuant to the New GASB Standards. Such measures were calculated pursuant to the Discount Rates shown below.

<u>FISCAL YEAR ENDED</u> <u>APRIL 30</u>	<u>TOTAL PENSION</u> <u>LIABILITY</u>	<u>FIDUCIARY NET</u> <u>POSITION</u>	<u>NET PENSION</u> <u>LIABILITY/(ASSET)</u>	<u>FIDUCIARY NET POSITION AS A %</u> <u>OF TOTAL PENSION LIABILITY</u>	<u>DISCOUNT RATE</u>
2018	\$101,973,214	\$100,777,356	\$ 1,195,858	98.83%	7.50%
2019	109,106,649	94,013,796	15,092,853	86.17%	7.25%
2020	113,959,748	108,616,550	5,343,188	95.31%	7.50%
2021	115,430,285	120,235,433	(4,805,148)	104.16%	7.25%
2022	120,837,426	137,117,281	(16,279,855)	113.47%	7.25%

Source: The 2022 Audit.

See Note 4 to the 2022 Audit, and the related required supplementary information disclosures, for a description of the IMRF Plan, the IMRF Account, the City's funding policy, information on the assumptions and methods used by the Actuary, and the financial reporting information required by the New GASB Standards.

### Lake Forest Public Safety Pension Funding

In 2017, the City created a Pension Subcommittee made up of the City Council Finance Chair, another Alderman, the City Manager and the City Finance Director. The Pension Subcommittee works in conjunction with the City's independent actuary and the Fire and Police Pension Boards to develop recommendations for the City Council to consider in meeting its statutory obligations in the most fiscally responsible and sustainable manner. Based upon such recommendations, the City Council considers revisions to its pension funding policy. On August 3, 2020, the City revised its pension funding policy (as revised, the "Policy"). The City has done the following in recent years:

- Reduced its investment return assumption from 7.5% in April 2013 to 6.50% beginning in April 2020;
- Adjusted the mortality table to PubS-2010 for April 2019; and
- Reduced the payroll growth rate assumption from 5.5% to 2.0%.

In the summer of 2020, the Pension Subcommittee recommended an additional \$500,000 contribution from the City's General Fund to both the police and fire pension funds due to low investment returns for fiscal year 2020. This additional transfer was approved by the City Council and made in July of 2020.

Currently, the City funds its public safety pension obligations based on a 100% funded ratio in 2040. However, the Policy provides for phasing in a 15-year open amortization period as the most fiscally sustainable method of funding. The Policy also establishes the statutory minimum contribution in any given year as the minimum. The City's contribution is funded through a combination of the property tax levy and a public safety pension fee that was effective May 1, 2017. Following is a five-year summary of the City's contribution compared to the Statutory Minimum.

	Actuarial Valuation				
	<u>Date</u>	<u>Fiscal Year</u>	<u>Fire</u>	<u>Police</u>	<u>Combined</u>
City Policy	4/30/21	FY23	\$2,344,403	\$3,338,755	\$5,683,158
Statutory Minimum	4/30/21	FY23	1,878,808	2,870,405	4,749,213
City Policy	4/30/20	FY22	2,406,318	\$3,388,076	\$5,794,394
Statutory Minimum	4/30/20	FY22	1,994,103	2,969,740	4,963,843
City Policy	4/30/19	FY21	2,075,171	3,090,726	5,165,897
Statutory Minimum	4/30/19	FY21	1,696,742	2,742,544	4,439,286
City Policy	4/30/18	FY20	1,826,568	2,594,845	4,421,413
Statutory Minimum	4/30/18	FY20	1,487,136	2,266,450	3,753,586
City Policy	4/30/17	FY19	1,721,953	2,505,888	4,227,841
Statutory Minimum	4/30/17	FY19	1,397,971	2,188,687	3,586,658

## Police Pension Plan

The City provides retirement, death and disability benefits to its sworn police personnel and retirees and their beneficiaries through the Police Pension Plan. The Police Pension Plan is a single-employer defined benefit contribution plan. The benefits provided by the Police Pension Plan and the amount of employer and employee contributions to the Police Pension Plan are governed by the Pension Code and may only be amended by the General Assembly. As of April 30, 2022, the Police Pension Plan had a membership of 95.

### Contributions

As stated above, both the City and its participating employees make contributions to the Police Pension Plan. At present, employees contribute 9.91% of their base salary to the Police Pension Plan. The City is required to make all additional contributions necessary to fund the benefits provided by the Police Pension Plan to its members.

The Pension Code requires that the City contribute annually the amount necessary to fund the normal cost of the Police Pension Plan for such year plus an amount sufficient to bring the total assets of the Police Pension Plan up to 90% of the total actuarial liabilities of the Police Pension Plan by the end of fiscal year 2040, as determined by an actuary (the "Funding Requirement"). The Pension Code provides a levy of a separate tax annually by the City to generate the funds necessary to make this contribution.

As the Funding Requirement represents an amortization of the unfunded portion of the actuarial liabilities of the Police Pension Plan over a closed period of time, the City's required contributions to the Police Pension Plan are expected to increase, possibly by a significant margin, during the period of fiscal years leading up to 2040.

For fiscal year ended April 30, 2022, the City's contribution to the Police Pension Plan was 74.64% of covered payroll. For the fiscal years ended April 30, 2018, 2019, 2020, 2021, and 2022 the City contributed the following amounts to the Police Pension Plan:

<u>FISCAL YEAR ENDED APRIL 30</u>	<u>ACTUARIALLY DETERMINED CONTRIBUTION</u>	<u>POLICE PENSION PLAN CONTRIBUTION</u>	<u>CONTRIBUTION (DEFICIENCY)/EXCESS</u>
2018	\$1,832,059	\$2,094,124	\$262,065
2019	2,505,888	2,504,581	(1,307)
2020	2,594,845	2,589,534	(5,311)
2021	3,090,726	3,581,389	490,663
2022	3,388,076	3,379,444	(8,632)

Source: The 2022 Audit.

### *Measures of Financial Position*

The following table provides statistical information produced pursuant to the New GASB Standards with respect to the Police Pension Plan for each of the last five fiscal years. The Total Pension Liability was calculated pursuant to the Discount Rates shown below.

<u>FISCAL YEAR ENDED APRIL 30</u>	<u>TOTAL PENSION LIABILITY</u>	<u>PLAN FIDUCIARY NET POSITION</u>	<u>NET PENSION LIABILITY</u>	<u>FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY</u>	<u>DISCOUNT RATE</u>
2018	\$58,400,246	\$31,650,935	\$26,749,311	54.20%	7.00%
2019	66,252,095	33,350,826	32,901,269	50.34%	6.75%
2020	69,868,229	33,562,715	36,305,514	48.04%	6.50%
2021	73,432,245	43,199,932	30,232,313	58.83%	6.50%
2022	75,529,445	42,611,874	32,917,571	56.42%	6.50%

Source: The 2022 Audit.

See Note 4 to the 2022 Audit, and the related required supplementary information disclosures, for a description of the Police Pension Plan, the City's funding policy, information on the assumptions and methods used by the actuary for the Police Pension Plan, and the financial reporting information required by the New GASB Standards.

### **Fire Pension Plan**

The City provides retirement, death and disability benefits to its sworn fire personnel and retirees and their beneficiaries through the Fire Pension Plan. The Fire Pension Plan is a single-employer defined benefit contribution plan. The benefits provided by the Fire Pension Plan and the amount of employer and employee contributions to the Fire Pension Plan are governed by the Pension Code and may only be amended by the General Assembly. As of April 30, 2022, the Fire Pension Plan had a membership of 81.

## Contributions

As stated above, both the City and its participating employees make contributions to the Fire Pension Plan. At present, employees contribute 9.455% of their salary to the Fire Pension Plan. The City is required to make all additional contributions necessary to fund the benefits provided by the Fire Pension Plan to its members.

The Pension Code requires that the City contribute annually the Funding Requirement, the same being the amount necessary to fund the normal cost of the Fire Pension Plan for such year plus an amount sufficient to bring the total assets of the Fire Pension Plan up to 90% of the total actuarial liabilities of the Fire Pension Plan by the end of fiscal year 2040, as determined by an actuary. The Pension Code provides a levy of a separate tax annually by the City to generate the funds necessary to make this contribution.

As the Funding Requirement represents an amortization of the unfunded portion of the actuarial liabilities of the Fire Pension Plan over a closed period of time, the City's required contributions to the Fire Pension Plan are expected to increase, possibly by a significant margin, during the period of fiscal years leading up to 2040.

For fiscal year ended April 30, 2022, the City's contribution to the Fire Pension Plan was 68.08% of covered payroll. For the fiscal years ended April 30, 2018, 2019, 2020, 2021, and 2022 the City contributed the following amounts to the Fire Pension Plan:

<u>FISCAL YEAR ENDED APRIL 30</u>	<u>ACTUARIALLY DETERMINED CONTRIBUTION</u>	<u>FIRE PENSION PLAN CONTRIBUTION</u>	<u>CONTRIBUTION (DEFICIENCY)/EXCESS</u>
2018	\$1,298,188	\$1,308,348	\$10,160
2019	1,721,953	1,719,445	(2,508)
2020	1,826,568	1,822,064	(4,504)
2021	2,075,171	2,567,216	492,045
2022	2,406,318	2,398,803	(7,515)

Source: The 2022 Audit.

## Measures of Financial Position

The following table provides statistical information produced pursuant to the New GASB Standards with respect to the Fire Pension Plan for each of the last five fiscal years. The Total Pension Liability was calculated pursuant to the Discount Rates shown below.

<u>FISCAL YEAR ENDED APRIL 30</u>	<u>TOTAL PENSION LIABILITY</u>	<u>PLAN FIDUCIARY NET POSITION</u>	<u>NET PENSION LIABILITY</u>	<u>FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY</u>	<u>DISCOUNT RATE</u>
2018	\$51,327,313	\$36,256,485	\$15,070,828	70.64%	7.00%
2019	56,470,867	38,685,520	17,785,347	68.51%	6.75%
2020	60,620,657	39,069,288	21,551,369	64.45%	6.50%
2021	63,740,015	49,844,811	13,895,204	78.20%	6.50%
2022	66,590,834	46,876,015	19,714,819	70.39%	6.50%

Source: The 2022 Audit.



See Note 4 to the 2022 Audit, and the related required supplementary information disclosures, for a description of the Fire Pension Plan, the City's funding policy, information on the assumptions and methods used by the actuary for the Fire Pension Plan, and the financial reporting information required by the New GASB Standards.

### **Downstate Police and Fire Pension Consolidation Bill**

Public Act 101-0610 ("P.A. 101-610") authorizes the consolidation of more than 650 police and firefighter pension funds that provide benefits to police and firefighters located outside the boundaries of the City of Chicago, Illinois, into two statewide funds: The Police Officers' Pension Investment Fund (the "Consolidated Police Pension Fund") and The Firefighters' Pension Investment Fund (the "Consolidated Firefighters' Pension Fund," and together with the Consolidated Police Pension Fund, the "Consolidated Pension Funds"). Upon consolidation, the Consolidated Police Pension fund and the Consolidated Firefighters' Pension Fund will have in excess of \$8 billion and \$6 billion in assets, respectively. The purpose of consolidating local pension funds into the Consolidated Pension Funds is to invest assets more efficiently and to reduce administrative costs in order to generate higher investment returns.

The Consolidated Pension Funds will be governed by their respective 9-member board of trustees and managed by their respective executive directors. The Consolidated Pension Funds are authorized to manage the reserves, funds, assets, securities, properties and moneys of the participating police and fire pension funds which will make up the Consolidated Pension Funds.

Under P.A. 101-610, each underlying police and fire pension fund will maintain an individual and separate account within the newly established Consolidated Pension Funds. Therefore, no assets or liabilities of any individual police or fire pension fund can be shifted from one pension fund to another. Further, investment returns earned by the Consolidated Pension Funds will be allocated and distributed pro rata among each participating pension fund account in accordance with the value of the pension fund assets attributable to each fund.

The City cannot determine at this time the financial impact P.A. 101-610 will have on its pension funds. The effectiveness of P.A. 101-610 in reducing costs and generating additional investment returns may not be determinable for several years.

### **Other Post-Employment Benefits**

In addition to providing the pension benefits described above, the City provides post-employment healthcare benefits ("OPEB") for eligible retired employees, City and library, through a single employer defined benefit plan (the "OPEB Plan"). The benefits, benefit levels, employee contributions and employer contributions are governed by the City Council and can be amended by the City through its personnel manual and union contracts. As of April 30, 2022, the OPEB Plan had a membership of 271. For additional information regarding the OPEB Plan, see Note 4 to the 2022 Audit. The City does not currently fund the cost of benefits due under the OPEB Plan in advance of the payment of such expenses. Active employees do not contribute to the OPEB Plan until retirement.

The City provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. All health care benefits are provided through the City's health insurance plan. The benefit levels are the same as those afforded to active employees. All retirees contribute 100% of the actuarially determined premium to the plan.

The City's total OPEB liability, including the library's OPEB liability, as of April 30, 2022 was \$2,260,732. For additional information on the City's post-employment benefits other than pensions, see Note 4 and the required supplementary information to the 2022 Audit.

## **REGISTRATION, TRANSFER AND EXCHANGE**

### **Registration**

The registered owner of a Bond will be deemed and regarded as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal of, premium, if any, or interest thereon and for all other purposes whatsoever, and all such payments so made to such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Registrar will be affected by any notice to the contrary.

### **Transfers and Exchanges**

The transfer of Bonds will be registerable only upon the registration books maintained by the City for that purpose at the principal corporate trust office of the Registrar, by the registered owner thereof or by his attorney duly authorized in writing, upon surrender thereof together with an instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his duly authorized agent. Upon such surrender for transfer, the City will execute and the Registrar will authenticate and deliver a new Bond or Bonds of any authorized denominations, registered in the name of the transferee, and of the same aggregate principal amount, maturity and interest rate as the surrendered Bond.

Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate and of any authorized denominations, upon surrender thereof as the principal corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized agent.

For every such exchange or registration of transfer of Bonds, the City or the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption. No charge will be made in connection with such exchange or registration of transfer to pay the cost of preparing each new Bond issued upon such exchange or registration of transfer.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 1<sup>st</sup> day of the month of any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

## **TAX EXEMPTION**

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "Code"). For tax years beginning after December 31, 2022, interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the City complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

See **APPENDIX C** for a proposed form of opinion of Bond Counsel.

## CONTINUING DISCLOSURE

The City will enter into a Continuing Disclosure Undertaking (the “Undertaking”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the “MSRB”) pursuant to the requirements of the Rule. No person, other than the City, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth in **APPENDIX D - FORM OF CONTINUING DISCLOSURE UNDERTAKING**.

The City Council is expected to amend its existing disclosure policies and procedures to include additional procedures to be followed by the City in relation to the two new reportable events added to the list of reportable events for which the City must provide notice to the EMMA system.

There have been no instances in the previous five years in which the City failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. A failure by the City to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The City must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

## OPTIONAL REDEMPTION

The Bonds maturing on or after December 15, 2031, are subject to redemption prior to maturity at the option of the City in whole or in part on any date on or after December 15, 2030, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot.

The Registrar will give notice of redemption, identifying the Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Registrar. Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the City will not redeem such Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the City will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on the date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Ordinance, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Registrar at the redemption price.

## **LITIGATION**

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof.

## **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the “Bond Counsel”), who has been retained by, and acts as, Bond Counsel to the City. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the City, reviewed only those portions of this Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), and the description of the federal tax exemption of the interest on the Bonds. This review was undertaken solely at the request and for the benefit of the City and did not include any obligation to establish or confirm factual matters set forth herein.

## **OFFICIAL STATEMENT AUTHORIZATION**

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the City, and all expressions of opinion, whether or not so stated, are intended only as such.

## **INVESTMENT RATING**

The City has supplied certain information and material concerning the Bonds and the City to Moody’s, including certain information and materials which may not have been included in this Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of Moody’s and an explanation of the significance of such rating may be obtained from Moody’s. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment rating may be obtained from the rating agency: Moody’s Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658. The City will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

## UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on April 17, 2023. The best bid submitted at the sale was submitted by \_\_\_\_\_ (the “Underwriter”). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$ \_\_\_\_\_. The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the addendum to this Official Statement.

## MUNICIPAL ADVISOR

The City has engaged Speer Financial, Inc. as municipal advisor (the “Municipal Advisor”) in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in the Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the City’s continuing disclosure undertaking.

## CERTIFICATION

I have examined this Official Statement dated \_\_\_\_\_, 2023, for the \$10,825,000\* General Obligation Bonds, Series 2023, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of my knowledge and belief information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/

\_\_\_\_\_  
*Director of Finance*  
CITY OF LAKE FOREST  
Lake County, Illinois

\*Subject to change.

**APPENDIX A**

**CITY OF LAKE FOREST, LAKE COUNTY, ILLINOIS**

**FISCAL YEAR 2022 COMPREHENSIVE ANNUAL FINANCIAL REPORT**



## **APPENDIX B**

### **DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

**APPENDIX C**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**[LETTERHEAD OF CHAPMAN AND CUTLER LLP]  
[TO BE DATED CLOSING DATE]**

City of Lake Forest  
Lake County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the City Council of the City of Lake Forest, Lake County, Illinois (the “*City*”), passed preliminary to the issue by the City of its fully registered General Obligation Bonds, Series 2023 (the “*Bonds*”), to the amount of \$\_\_\_\_\_, dated \_\_\_\_\_, 2023, due serially on December 15 of the years and in the principal amounts and bearing interest as follows:

\$	%
	%
	%
	%
	%
	%
	%
	%
	%
	%

the Bonds maturing on and after December 15, 20\_\_, being subject to redemption prior to maturity at the option of the City as a whole or in part in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 15, 20\_\_, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the City and is payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the City's compliance with certain covenants, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. For tax years beginning after December 31, 2022, interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such City covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts within the City's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

## APPENDIX D

### CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (the “*Agreement*”) is executed and delivered by the City of Lake Forest, Lake County, Illinois (the “*Issuer*”), in connection with the issuance of \$\_\_\_\_\_ General Obligation Bonds, Series 2023 (the “*Bonds*”). The Bonds are being issued pursuant to an ordinance passed by the City Council of the Issuer on the 17th day of April, 2023 (the “*Ordinance*”).

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the beneficial owners thereof, the Issuer covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the Issuer as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Issuer represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

*Annual Financial Information* means information of the type contained under the following headings and subheadings of, and in the following appendices and exhibits to, the Official Statement:

1. The table under the heading “Retailers’ Occupation, Service Occupation and Use Tax” within the Official Statement;
2. All of the tables under the heading “PROPERTY ASSESSMENT AND TAX INFORMATION” within the Official Statement;
3. All of the tables under the heading “DEBT INFORMATION” within the Official Statement;  
and
4. All of the tables under the heading “FINANCIAL INFORMATION” within the Official Statement.

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

*Audited Financial Statements* means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I*.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent's successors and assigns.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*Financial Obligation* of the Issuer means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Final Official Statement, dated \_\_\_\_\_, 2023, and relating to the Bonds.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

*Reportable Event* means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

*Reportable Events Disclosure* means dissemination of a notice of a Reportable Event as set forth in Section 5.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*State* means the State of Illinois.

*Undertaking* means the obligations of the Issuer pursuant to Sections 4 and 5.

3. CUSIP NUMBERS The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the Issuer will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to the extent the Issuer remains legally liable for the payment of such Bonds; *provided, however*, that the Issuer will not be required to make such filings under new CUSIP Numbers unless the Issuer has been notified in writing by the Participating Underwriter or the Issuer's financial advisor that new CUSIP Numbers have been assigned to the Bonds. The Issuer will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to "material" in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Ordinance.

6. CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION. The Issuer shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Ordinance, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Issuer by ordinance authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Issuer, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Issuer (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance.

9. FUTURE CHANGES TO THE RULE. As set forth in Section 1 of this Agreement, the Issuer has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the Issuer shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the Issuer shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.



11. **ADDITIONAL INFORMATION.** Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

12. **BENEFICIARIES.** This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. **RECORDKEEPING.** The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. **ASSIGNMENT.** The Issuer shall not transfer its obligations under the Ordinance unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

15. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State.

CITY OF LAKE FOREST,  
LAKE COUNTY, ILLINOIS

By \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_, 2023

OFFICIAL BID FORM  
(Open Speer Auction)

City of Lake Forest  
220 East Deerpath  
Lake Forest, Illinois 60045

April 17, 2023  
Speer Financial, Inc.

City Council Members:

For the \$10,825,000\* General Obligation Bonds, Series 2023 (the "Bonds"), of the City of Lake Forest, Lake County, Illinois (the "City"), as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you \$ \_\_\_\_\_ (no less than \$10,738,400). The Bonds are dated the date of delivery, expected to be on or about April 27, 2023. The Bonds will bear interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). Coupon interest rates for each maturity of the Bonds shall not exceed five percent (5%). **The premium or discount, if any, is subject to adjustment allowing the same gross spread per \$1,000 bond as bid herein.**

**MATURITIES\* – DECEMBER 15**

\$945,000 .....	2023	\$ 910,000 .....	2027	\$1,055,000 .....	2030
785,000 .....	2024	955,000 .....	2028	1,105,000 .....	2031
825,000 .....	2025	1,000,000 .....	2029	1,160,000 .....	2032
865,000 .....	2026			1,220,000 .....	2033

*Any consecutive maturities may be aggregated into term bonds at the option of the bidder,  
in which case the mandatory redemption provisions shall be on the same schedule as above.*

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois. The City will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the City's good faith bank and under the terms provided in the Official Notice of Sale for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the order of the Treasurer of the City in the amount of the Deposit under the terms provided in the Official Notice of Sale for the Bonds. In submitting this bid, we represent that (i) this bid constitutes a firm offer to purchase the Bonds, on the terms set forth in this bid form and the Official Notice of Sale and is not subject to any conditions, except as permitted by the Official Notice of Sale, and (ii) we have an established industry reputation for underwriting new issuances of municipal bonds and notes.

**Form of Deposit (Check One)**

**Prior to Bid Opening:**

Certified/Cashier's Check ☐  
Wire Transfer ☐

**Within TWO hours of Bidding:** By \_\_\_\_\_

Wire Transfer ☐

Amount: \$216,500

**Account Manager Information**

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State/Zip \_\_\_\_\_

Direct Phone (\_\_\_\_\_) \_\_\_\_\_

FAX Number (\_\_\_\_\_) \_\_\_\_\_

E-Mail Address \_\_\_\_\_

The foregoing bid was accepted and the Bonds sold pursuant to an ordinance of the City Council of the City adopted on April 17, 2023, and receipt is hereby acknowledged of the Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

**CITY OF LAKE FOREST, LAKE COUNTY, ILLINOIS**

\_\_\_\_\_  
Its \_\_\_\_\_

\*Subject to change.

----- **NOT PART OF THE BID** -----  
(Calculation of true interest cost)

	<b>Bid</b>	<b>Post Sale Revision</b>
Gross Interest	\$	\$
Less Premium/Plus Discount	\$	\$
True Interest Cost	\$	\$
True Interest Rate	%	%
BOND YEAR DOLLARS	65,165.83	\$
AVERAGE LIFE	6.020 Years	Years

## OFFICIAL NOTICE OF SALE

**\$10,825,000\***  
**CITY OF LAKE FOREST**  
**Lake County, Illinois**  
**General Obligation Bonds, Series 2023**

*(Open Speer Auction)*

The City of Lake Forest, Lake County, Illinois (the "City"), will receive electronic bids on the SpeerAuction ("SpeerAuction") website address "www.SpeerAuction.com" for its \$10,825,000\* General Obligation Bonds, Series 2023 (the "Bonds"), on an all or none basis between 10:15 A.M. and 10:30 A.M., C.D.T., Monday, April 17, 2023. To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City's sale (as described below). Award will be made or all bids rejected at a meeting of the City on that date. The City reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount.

### Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds.

- (1) All bids must be submitted on the SpeerAuction website at www.SpeerAuction.com. **No telephone, telefax or personal delivery bids will be accepted.** The use of SpeerAuction shall be at the bidder's risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.
- (2) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid the prior bid will remain valid.
- (3) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.
- (4) The last valid bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.
- (5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)
- (6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

### Rules of SpeerAuction

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

### Establishment of Issue Price

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A** to this Official Notice of Sale, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"). All actions to be taken by the City under this Official Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor, Speer Financial, Inc., Chicago, Illinois ("Speer"), and any notice or report to be provided to the City may be provided to Speer. Within one hour of the award, the winning bidder will confirm to the City the expected initial offering prices of the Bonds, which the winning bidder used in formulating its bid.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Requirements") because:

- (1) the City shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

*\*Subject to change.*

(c) In the event that the Competitive Sale Requirements are not satisfied, the City shall so advise the winning bidder. The City may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity, or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The City will not require bidders to comply with the "hold-the-offering-price rule" and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity, unless the winning bidder elects to comply with the hold-the-offering-price rule. The City shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule or both. Bids will **not** be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied. **Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds unless the winning bidder elects to comply with the hold-the-offering-price rule.**

(d) If the Competitive Sale Requirements are not satisfied and the winning bidder selects the hold-the-offering-price rule, then by submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public. Within one hour of the award, the winning bidder will inform the City of the initial offering price for each maturity of the Bonds.

(e) If the Competitive Sale Requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date (expected to be April 27, 2023) has occurred, until either (i) all Bonds of that maturity have been sold to the public or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that the winning bidder's reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the City or Bond Counsel. In addition, if the 10% test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the winning bidder shall provide the City with a representation as to the price or prices, as of the date of closing, at which the purchaser reasonably expects to sell the remaining Bonds of such maturity.

(f) The City acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold the offering price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold the offering price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold the offering price rule, if applicable to the Bonds, as set forth in the third party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold the offering price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker dealer that is a party to a third party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold the offering price rule, if applicable to the Bonds.

(g) By submitting a bid, each bidder confirms that:

- (1) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable: (A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold to the public or it is notified by the winning bidder that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, (B) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.
- (2) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon the request of the winning bidder or such underwriter, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth business day following the date of the award.

(h) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

- (1) “public” means any person other than an underwriter or a related party,
- (2) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (4) “sale date” means the date that the Bonds are awarded by the City to the winning bidder.

## Rules

- (1) A bidder (“Bidder”) submitting a winning bid (“Winning Bid”) is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the City, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the City.
- (2) Neither the City, Speer nor Grant Street Group (the “Auction Administrator”) is responsible for technical difficulties that result in loss of Bidder’s internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.
- (3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the City exercises its right to reject bids, as set forth herein.
- (4) Bids which generate error messages are not accepted until the error is corrected and bid is received prior to the deadline.
- (5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.
- (6) Neither the City, Speer nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Official Statement as they appear on SpeerAuction.
- (7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.
- (8) Neither the City, Speer nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder’s SpeerAuction password.
- (9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost, the first confirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.
- (10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to SpeerAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Bonds are definitively awarded to the winning bidder only upon official award by the City. If, for any reason, the City fails to: (i) award Bonds to the winner reported by SpeerAuction, or (ii) deliver Bonds to winning bidder at settlement, neither the City, Speer nor the Auction Administrator will be liable for damages.

The City reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the City reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry only form. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the first day of the month in which an interest payment date occurs. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar in Chicago, Illinois. Semiannual interest is due June 15 and December 15 of each year commencing December 15, 2023 and is payable by Amalgamated Bank of Chicago, Chicago, Illinois (the “Bond Registrar”). The Bonds are dated date of delivery, expected to be on or about April 27, 2023.

If the winning bidder is not a direct participant of DTC and does not have clearing privileges with DTC, the Bonds will be issued as Registered Bonds in the name of the purchaser. At the request of such winning bidder, the City will assist in the timely conversion of the Registered Bonds into book-entry bonds with DTC as described herein.

## MATURITIES\* – DECEMBER 15

\$945,000 .....	2023	\$ 910,000 .....	2027	\$1,055,000 .....	2030
785,000 .....	2024	955,000 .....	2028	1,105,000 .....	2031
825,000 .....	2025	1,000,000 .....	2029	1,160,000 .....	2032
865,000 .....	2026			1,220,000 .....	2033

*Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.*

\*Subject to change.

The Bonds maturing on or after December 15, 2031, are callable at the option of the City in whole or in part on any date on or after December 15, 2030, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot.

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. Coupon interest rates for each maturity of the Bonds shall not exceed five percent (5%). The differential between the highest rate bid and the lowest rate bid shall not exceed five percent (5%). All bids must be for all of the Bonds and must be for not less than \$10,738,400.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the City as determined by the Speer, which determination shall be conclusive and binding on all bidders; *provided*, that the City reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of profit per \$1,000 bond as submitted on the Official Bid Form.

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by Speer, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The City or Speer will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-32. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per bond.

The winning bidder is required to wire transfer from a solvent bank or trust company to the City's good faith bank the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the City. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received within such two hour time period provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

The Deposit of the successful bidder will be retained by the City pending delivery of the Bonds and all others will be promptly returned. Should the successful bidder fail to take up and pay for the Bonds when tendered in accordance with this Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the City caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Bonds. No interest on the Deposit will accrue to the purchaser.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago  
Corporate Trust  
30 N. LaSalle Street, 38<sup>th</sup> Floor  
Chicago, IL 60602  
ABA # 071003405  
Credit To: 3281 Speer Bidding Escrow  
RE: City of Lake Forest, Lake County, Illinois bid for  
\$10,825,000\* General Obligation Bonds, Series 2023

Contemporaneously with such wire transfer, the bidder shall send an email to [biddingscrow@aboc.com](mailto:biddingscrow@aboc.com) with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such bidder is not awarded the Bonds. The City and any bidder who chooses to wire the Deposit hereby agree irrevocably that Speer shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful bidder; (ii) if the bid is accepted, the Deposit shall be forwarded to the City; (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the bidder; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

The City covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the City for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the Bonds.

The winning bidder shall provide a certificate, in form as drafted by or acceptable to Bond Counsel, to evidence the issue price of each maturity of the Bonds, form of which certificate is attached hereto as **Exhibit A**.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the City in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the City in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about April 27, 2023. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in the Rule. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda. By awarding the Bonds to any underwriter or underwriting syndicate, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 100 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the City it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the unqualified opinion of Chapman and Cutler LLP, Chicago, Illinois, that the Bonds are valid and legally binding obligations of the City in accordance with their terms; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the City.

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Bonds. Copies of such Official Statement or additional information may be obtained from Ms. Elizabeth Holleb, Director of Finance, City of Lake Forest, 800 North Field Drive, Lake Forest, Illinois 60045; telephone (847) 810-3612 or an electronic copy of this Official Statement is available from the [www.speerfinancial.com](http://www.speerfinancial.com) web site under "Debt Auction Center/Official Statements Sales Calendar/Competitive" from the Municipal Advisor to the City, Speer Financial, Inc., 230 West Monroe Street, Suite 2630, Chicago, Illinois 60606, telephone (312) 346-3700.

/s/ **ELIZABETH HOLLEB**  
Director of Finance  
CITY OF LAKE FOREST  
Lake County, Illinois

\*Subject to change.

## **Exhibit A**

### **CERTIFICATE OF PURCHASER**

The undersigned, on behalf of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (the “*Purchaser*”), hereby certifies as set forth below with respect to the sale and issuance of the \$\_\_\_\_\_ General Obligation Bonds, Series 2023 (the “*Bonds*”), of the City of Lake Forest, Lake County, Illinois (the “*City*”).

#### **I. General**

On the Sale Date the Purchaser purchased the Bonds from the City by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Sale” and having its bid accepted by the City. The Purchaser has not modified the terms of the purchase since the Sale Date.

#### **II. Price**

##### **A. 10% Test, All Maturities Sold by Closing**

As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Schedule A* (the “*First Sale Price*”).

##### **B. Competitive Sale Requirements Met (3 bids received)**

###### **1. Reasonably Expected Initial Offering Price.**

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in *Schedule A* (the “*Expected Offering Prices*”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as *Schedule B* is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.



**C. Competitive Sale Requirements Not Met (3 bids not received)**

1. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Schedule A*.

2. With respect to each of the \_\_\_\_\_ Maturities of the Bonds:

(a) As of the date of this certificate, the Purchaser has not sold at least 10% of the Bonds of this Maturity at any price.

(b) As of the date of this certificate, the Purchaser reasonably expects that the first sale to the Public of an amount of Bonds of this Maturity equal to 10% or more of this Maturity will be at or below the Expected Sale Price listed on the attached *Schedule A* (the “*Expected First Sale Price*”).

**D. Some Maturities Use Hold-the-Offering-Price**

1. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Schedule A*.

2. A. The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in *Schedule A* (the “*Initial Offering Prices*”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as *Schedule B*.

B. As set forth in the Notice of Sale and bid award, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “*Hold-The-Offering-Price Rule*”), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any third party distribution agreement would contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-The-Offering-Price Rule.

C. No Underwriter (as defined below) has offered or sold any Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity during the Holding Period.]

**III. Defined Terms**

[1. *General Rule Maturities* means those Maturities of the Bonds not listed in *Schedule A* hereto as the “Hold-the-Offering-Price Maturities.”]

[2. *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in *Schedule A* hereto as the “Hold-the-Offering-Price Maturities.”]

[3. *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (\_\_\_\_\_, 2023), or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

4. *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

5. *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

6. A person is a “*Related Party*” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

7. *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is April 17, 2023.

8. *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, including, specifically, the Purchaser, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

#### **IV. Use of Representations**

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in its documents and with respect to compliance with the federal income tax rules affecting the Bonds, and by

Chapman and Cutler LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the City from time to time relating to the Bonds.

IN WITNESS WHEREOF, I hereunto affix my signature, this \_\_\_\_ day of \_\_\_\_\_,  
2023.

\_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_

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

## **SCHEDULE A**

**SCHEDULE B**

**[PURCHASER'S BID]**

**[PRICING WIRE OR EQUIVALENT COMMUNICATION]**

**ORDINANCE NO. 2023-\_\_**

AN ORDINANCE providing for the issuance of [\$10,825,000] General Obligation Bonds, Series 2023, of the City of Lake Forest, Lake County, Illinois, for the purpose of financing improvements to the City's Deerpath Park Athletic Field, including the site work, design and engineering related thereto, providing for the levy and collection of a direct annual tax sufficient to pay the principal and interest on said bonds, and authorizing the sale of said bonds to \_\_\_\_\_

\_\_\_\_\_.

WHEREAS, the City of Lake Forest, Lake County, Illinois (the "*City*"), elected on November 2, 2004, pursuant to the provisions of the 1970 Constitution of the State of Illinois and particularly Article VII, Section 6(a) thereof, to become a home rule unit and as such may exercise any power or perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and to incur debt; and

WHEREAS, pursuant to the provisions of said Section 6, the City has the power to incur debt payable from ad valorem property tax receipts or from any other lawful source and maturing within 40 years from the time it is incurred without prior referendum approval; and

WHEREAS, the City Council of the City (the "*Council*") has considered the needs of the City and has determined and does hereby determine that it is necessary, desirable and in the best interests of the City to borrow at this time the sum of [\$10,825,000] to finance a portion of the construction of improvements to the City's Deerpath Park Athletic Field, including the site work, design and engineering related thereto (the "*Project*"); and

WHEREAS, it is in the best interest of the City to issue bonds of the City (the "*Bonds*") in the aggregate principal amount of [\$10,825,000] to evidence said borrowing and for the purpose of paying costs of the Project; and

WHEREAS, pursuant to Ordinance No. 2013-070, adopted by the Council on the 2nd day of December, 2013 ("*Ordinance No. 2013-070*"), and notwithstanding the City's home rule status, the City has adopted a limit on the amount of property taxes it may levy on an annual basis to

provide for debt service payments on its outstanding general obligation bonds to an amount not exceeding its 2004 debt service property tax levy (as adjusted for Municipal Price Index increases) plus levies for capital improvements (the “*City Debt Limit*”); and

WHEREAS, the City has three outstanding series of general obligation bonds that are subject to the City Debt Limit, namely, the portion of the General Obligation Bonds, Series 2015, that financed various capital expenditures in the City’s Five Year Capital Improvement Program, the portion of the General Obligation Refunding Bonds, Series 2019, that financed the construction of the Municipal Services building, and the General Obligation Refunding Bonds, Series 2021 (collectively, the “*Outstanding Tax-Capped Bonds*”);and

WHEREAS, the City has three outstanding series of general obligation bonds that are not subject to the City Debt Limit because such bonds when issued were expected to be repaid from sources other than general property taxes, namely, the portion of the General Obligation Bonds, Series 2015, that financed Tax Increment Finance (TIF) projects, the General Obligation Bonds, Series 2017, and the portion of the General Obligation Refunding Bonds, Series 2019, that financed waterworks and golf course improvements; and

WHEREAS, the Council does hereby find and determine that upon the issuance of the Bonds, the aggregate outstanding unpaid bonded indebtedness of the City, including the Bonds, the Outstanding Tax-Capped Bonds and any separate property taxes levied for capital improvements, will not exceed the City Debt Limit, and thus the County Clerk of The County of Lake, Illinois (the “*County Clerk*”), is authorized to extend and collect direct annual ad valorem taxes so levied for the payment of the Bonds without limitation as to rate or amount:

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Lake Forest, Lake County, Illinois, in the exercise of its home rule powers, as follows:

*Section 1. Incorporation of Preambles.* The Council hereby finds that all of the recitals contained in the preambles to this Ordinance are true, correct and complete and does incorporate them into this Ordinance by this reference.

*Section 2. Authorization.* It is hereby found and determined that pursuant to the provisions of the Illinois Municipal Code, as supplemented and amended, and the home rule powers of the City under Section 6 of Article VII of the Illinois Constitution of 1970 (in the event of conflict between the provisions of said code and home rule powers, the home rule powers shall be deemed to supersede the provisions of said code) (together, the “Act”), the Council has been authorized by law to borrow the sum of [\$10,825,000] upon the credit of the City and as evidence of such indebtedness to issue bonds of the City in said amount, the proceeds of said bonds to be used for the Project, and that it is necessary to borrow [\$10,825,000] of said authorized sum and issue the Bonds in evidence thereof, and these findings and determinations, together with those set forth in the preambles to this Ordinance, shall be deemed conclusive.

*Section 3. Bond Details.* There be borrowed by for and on behalf of the City the sum of [\$10,825,000] for the purpose aforesaid, and that bonds of the City shall be issued in said amount and shall be designated “General Obligation Bonds, Series 2023”. The Bonds shall be dated April 27, 2023, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each or authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Bonds shall become due and payable serially (subject to prior redemption as



hereinafter set forth) on December 15 of each of the years, in the amounts and bearing interest per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT (\$)	RATE OF INTEREST (%)
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 15 and December 15 of each year, commencing on December 15, 2023.

Interest on each Bond shall be paid by check or draft of Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar and paying agent (the “*Bond Registrar*”), payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the 1st day of the month of the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the principal corporate trust office of the Bond Registrar.

*Section 4. Execution; Authentication.* The Bonds shall be executed on behalf of the City by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, as they shall determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the City. In case any such officer whose signature shall

appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance.

*Section 5. Registration of Bonds; Persons Treated as Owners. (a) General.* The City shall cause books (the “*Bond Register*”) for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the City. The City is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the City of any fully registered Bond shall constitute

full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, *provided, however*, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 1st day of the month of any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

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

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

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as described in Section 3 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto ("*Cede*"), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns

(“DTC”). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. Any officer of the City who is a signatory on the Bonds is authorized to execute and deliver, on behalf of the City, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the “*Representation Letter*”), which Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the City and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “*DTC Participant*”) or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to the principal of or interest on the Bonds. The City and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or

upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the City to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions in Section 3 hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 1st day of the month of the applicable interest payment date, the name "Cede" in this Ordinance shall refer to such new nominee of DTC.

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

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

*Section 6. Redemption.* The Bonds maturing on or after December 15, 2031, shall be subject to redemption prior to maturity at the option of the City as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 15, 2030, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

The Bonds shall be redeemed only in the principal amount of \$5,000 and integral multiples thereof. The City shall, at least forty-five (45) days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond Registrar shall make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

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

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

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar, and
- (6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the City shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the City

shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

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

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

*Section 8. Form of Bond.* The Bonds shall be in substantially the following form; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, “See Reverse Side for Additional Provisions”, shall be omitted and paragraphs [6] through [11] shall be inserted immediately after paragraph [1]:



[FORM OF BOND - FRONT SIDE]

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF LAKE  
CITY OF LAKE FOREST  
GENERAL OBLIGATION BOND, SERIES 2023**

See Reverse Side for  
Additional Provisions

Interest                      Maturity                      Dated  
Rate: \_\_\_\_\_%      Date: December 15, 20\_\_\_\_      Date: April 27, 2023      CUSIP: 509696 \_\_\_\_\_

Registered Owner:

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS that the City of Lake Forest, Lake County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, such interest to be payable on June 15 and December 15 of each year, commencing December 15, 2023, until said Principal Amount is paid or duly provided for. The principal of this Bond is payable in lawful money of the United States of America upon presentation hereof at the principal corporate trust office Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar and paying agent (the “Bond Registrar”). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Bond Registrar, at the close of business on the 1st day of the month of the interest payment date. Interest shall be paid by check

or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books, or at such other address furnished in writing by such Registered Owner to the Bond Registrar. For the prompt payment of this Bond both principal and interest at maturity, the full faith, credit and resources of the City are hereby irrevocably pledged.

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

[3] It is hereby certified and recited that all conditions, acts and things required by the Constitution and Laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, including the hereinafter defined Act, have existed and have been properly done, happened and been performed in regular and due form and time as required by law; that the indebtedness of the City, represented by the Bonds, and including all other indebtedness of the City, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the City sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

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

[5] IN WITNESS WHEREOF, the City of Lake Forest, Lake County, Illinois, by its City Council, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

SPECIMEN

\_\_\_\_\_  
Mayor, City of Lake Forest,  
Lake County, Illinois

ATTEST:

SPECIMEN

\_\_\_\_\_  
City Clerk, City of Lake Forest  
Lake County, Illinois

[SEAL]

Date of Authentication: \_\_\_\_\_, 20\_\_

CERTIFICATE  
OF  
AUTHENTICATION

Bond Registrar and Paying Agent:  
Amalgamated Bank of Chicago,  
Chicago, Illinois

This Bond is one of the Bonds described in the within mentioned ordinance and is one of the General Obligation Bonds, Series 2023, of the City of Lake Forest, Lake County, Illinois.

AMALGAMATED BANK OF CHICAGO,  
as Bond Registrar

By \_\_\_\_\_  
Authorized Officer

[FORM OF BOND - REVERSE SIDE]

**CITY OF LAKE FOREST, LAKE COUNTY, ILLINOIS**

**GENERAL OBLIGATION BOND, SERIES 2023**

[6] This Bond is one of a series of bonds (the “*Bonds*”) issued by the City for the purpose of financing the Deerpath Park Athletic Field improvements, including the site work, design and engineering related thereto, and paying expenses incidental thereto, all as described and defined in the Ordinance of the City, passed by the City Council on the 17th day of April, 2023, authorizing the Bonds (the “*Ordinance*”), pursuant to and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as amended; as further supplemented and, where necessary, superseded, by the powers of the City as a home rule unit under the provisions of Section 6 of Article VII of the Illinois Constitution of 1970 (collectively, such Illinois Municipal Code and constitutional home rule powers, being the “*Act*”), and with the Ordinance, which has been duly approved by the Mayor, and published, in all respects as by law required.

[7] Bonds of the issue of which this Bond is one maturing on and after December 15, 2031, are subject to redemption prior to maturity at the option of the City as a whole, or in part in integral multiples of \$5,000 in any order of their maturity as determined by the City (less than all the Bonds of a single maturity to be selected by lot by the Bond Registrar), on December 15, 2030, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

[8] Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to bear interest on the

specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

[9] This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[10] The Bonds are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the Ordinance. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 1st day of the month of any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

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

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned sells, assign, and transfers unto \_\_\_\_\_

Here insert Social Security Number,  
Employer Identification Number or  
other Identifying Number

\_\_\_\_\_

\_\_\_\_\_  
(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_

\_\_\_\_\_

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

Dated: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

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

*Section 9. Sale of Bonds.* The Bonds shall be executed as in this Ordinance provided as soon after the passage hereof as may be, shall be deposited with the City Treasurer, and shall be by the City Treasurer delivered to \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, the purchaser thereof (the "*Purchaser*"), upon receipt of the purchase price therefor, the same being \$ \_\_\_\_\_; the contract for the sale of the Bonds (the "*Purchase Contract*") heretofore entered into is in all respects ratified, approved and confirmed, and the officers of the City designated in the Purchase Contract are authorized and directed to execute the Purchase Contract on behalf of the City, it being hereby declared that, to the best of the knowledge and belief of the Council, after due inquiry, no person holding any office of the City, either by election or appointment, is in any manner financially interested, either directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds and before the Council at the time of the adoption hereof (the "*Official Statement*") is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Council are hereby authorized to take any action as may be required on the part of the City to consummate the transactions contemplated by said contract for the purchase of the Bonds, this Ordinance, said Preliminary Official Statement, the Official Statement and the Bonds.

*Section 10. Tax Levy; Abatement.* For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, there is hereby levied upon all of the taxable property within the City, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that

purpose; and there is hereby levied on all of the taxable property in the City, in addition to all other taxes, the following direct annual tax (the “*Pledged Taxes*”), to-wit:

FOR THE YEAR		A TAX SUFFICIENT TO PRODUCE THE SUM OF:
2023	\$	for interest and principal up to and including December 15, 2024
2024	\$	for interest and principal
2025	\$	for interest and principal
2026	\$	for interest and principal
2027	\$	for interest and principal
2028	\$	for interest and principal
2029	\$	for interest and principal
2030	\$	for interest and principal
2031	\$	for interest and principal
2032	\$	for interest and principal

Principal or interest maturing at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the City, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall be collected. There are no Pledged Taxes being levied to pay principal of and interest on the Bonds through December 15, 2023; such debt service shall be paid from lawfully available moneys of the City.

The City covenants and agrees with the purchasers and the holders of the Bonds that so long as any of the Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the foregoing tax levy and the City and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

In the event that funds from any other lawful source are made available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the taxes levied herein for the payment of same, the Council shall, by proper proceedings, direct the transfer of



such funds to the hereinafter defined Bond Fund, and shall then further direct the abatement of the taxes by the amount so deposited. The City covenants and agrees that it will not direct the abatement of taxes until money has been deposited into the Bond Fund in the amount of such abatement. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerk in a timely manner to effect such abatement.

*Section 11. Filing with County Clerk.* Forthwith upon the passage of this Ordinance, the City Clerk of the City is hereby directed to file a certified copy of this Ordinance with the County Clerk; and the County Clerk shall in and for each of the years 2023 to 2032, inclusive, ascertain the rate necessary to produce the tax herein levied; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the City for general corporate purposes of the City; and, subject to abatement as stated hereinabove, in said years such annual tax shall be levied and collected by and for and on behalf of the City in like manner as taxes for general corporate purposes for said years are levied and collected, and in addition to and in excess of all other taxes, and when collected, the taxes hereby levied shall be placed to the credit of a special fund to be designated “Bond and Interest Fund Account of 2023” (the “*Bond Fund*”), which taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds.

*Section 12. Use of Bond Proceeds.* Accrued interest, if any, received on the delivery of the Bonds is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund. The principal proceeds of the Bonds and any premium received from the sale of the Bonds are hereby appropriated to pay the costs of issuance of the Bonds and for the purpose of paying the cost of the Project, and that portion thereof not needed to pay such costs of issuance is hereby ordered deposited into the Capital Improvement Account of the City (the “*Project Fund*”). At the time of the issuance of the Bonds, the costs of

issuance of the Bonds may be paid by the Purchaser on behalf of the City from the proceeds of the Bonds.

*Section 13. Non-Arbitrage and Tax-Exemption.* The City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”), or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service (the “IRS”) of the exemption from Federal income taxation for interest paid on the Bonds, under present rules, the City may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination.

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

The Council hereby authorizes the officials of the City responsible for issuing the Bonds, the same being the Mayor and City Clerk, to make such further covenants and certifications regarding the specific use of the proceeds of the Bonds as approved by the Council and as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be exempt from federal income taxation. In connection therewith, the City and the Council further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or

advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the City in such compliance.

*Section 14. List of Bondholders.* The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

*Section 15. Duties of Bond Registrar.* If requested by the Bond Registrar, the Mayor and City Clerk of the City are authorized to execute the Bond Registrar's standard form of agreement between the City and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the City upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of the Bonds as provided herein;
- (d) to cancel and/or destroy Bonds which have been paid at maturity or upon redemption prior to maturity or submitted for exchange or transfer;
- (e) to furnish the City at least annually a certificate with respect to Bonds cancelled and/or destroyed; and
- (f) to furnish the City at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

*Section 16. Continuing Disclosure Undertaking.* The Mayor or City Treasurer is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking

(the “*Continuing Disclosure Undertaking*”) in connection with the issuance of the Bonds, with such provisions therein as he or she shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of such provisions. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

*Section 17. Record-Keeping Policy and Post-Issuance Compliance Matters.* On August 3, 2015, the Council adopted a record-keeping policy (the “*Policy*”) in order to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the debt obligations of the City, the interest on which is excludable from “gross income” for federal income tax purposes or which enable the City or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds. The Council and the City hereby reaffirm the Policy.

*Section 18. Defeasance.* Any Bond or Bonds which (a) are paid and cancelled, (b) which have matured and for which sufficient sums been deposited with the Bond Registrar to pay all principal and interest due thereon, or (c) for which sufficient (i) full faith and credit obligations of the United States, the timely payment of which are guaranteed by the United States Treasury, (ii) certificates of participation in a trust comprised solely of full faith and credit obligations of the United States, or (iii) cash, have been deposited with the Bond Registrar or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on or right to receive or be paid from the Pledged Taxes and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein as such relates to lien and security of the outstanding Bonds. All covenants relative to the tax-exempt status of the Bonds; and payment, registration, transfer, and exchange; are expressly continued for all Bonds whether outstanding Bonds or not.

*Section 19. Superseder and Effective Date.* All ordinances, resolutions, and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded, including expressly Ordinance No. 2013-070 to the extent necessary for the Bonds to be payable from a direct annual ad valorem tax levied against all taxable property in the City, without limitation as to rate or amount; and this Ordinance shall be in full force and effect immediately upon its passage and approval.

ADOPTED: April 17, 2023

AYES: \_\_\_\_\_

\_\_\_\_\_

NAYS: \_\_\_\_\_

ABSTENTION: \_\_\_\_\_

ABSENT: \_\_\_\_\_

Approved: April 17, 2023

\_\_\_\_\_  
Mayor, City of Lake Forest,  
Lake County, Illinois

ATTEST:

\_\_\_\_\_  
City Clerk, City of Lake Forest,  
Lake County, Illinois

Recorded in the City Records on April 17, 2023.

The City of Lake Forest  
CITY COUNCIL MEETING  
***Proceedings of the Monday, March 20, 2023***  
City Council Meeting – City Council Chambers  
**220 E Deerpath, Lake Forest, IL 60045**

CALL TO ORDER AND ROLL CALL: Margaret Boyer, City Clerk asked the Council for a motion to appoint Alderman Rummel as Mayor Pro-Tem for the evening. Alderman Buschmann made a motion, seconded by Alderman Notz. All in favor. Motion carried unanimously by voice vote.

Mayor Pro Tem Rummel called the meeting to order at 6:31p.m, and City Clerk Margaret Boyer called the roll of Council members.

Present: Honorable Mayor Pro Tem Rummel, Alderman Novit, Alderman Notz, Alderman Preschlack, Alderman Goshgarian, Alderman Buschmann, and Alderman Weber

Absent: Honorable Mayor Pandaleon, Alderman Morris

**CALL TO ORDER AND ROLL CALL**

**PLEDGE OF ALLEGIANCE** was recited.

**REPORTS OF CITY OFFICERS**

**COMMENTS BY MAYOR**

**A. Donation to the Lake Forest Lake Bluff History Center**  
**- Elise Blochwitz, Archive Intern and Margaret Boyer, City Clerk**

City Clerk Margaret Boyer introduced Carol Summerfield, Executive Director of the Lake Forest Lake Bluff History Center. She updated the City Council on timely funding opportunities related to preservation. She then introduced Elise Blochwitz, Archivist Intern, to give a presentation on the work she has completed during her three-year internship.

Ms. Blochwitz gave a presentation on the progress of archiving the library, as well as to announce a donation to the Lake Forest Lake Bluff History Center. She shared her internship timeline, which involved establishing an early library system in the spring of 2022, library overhaul and research in the fall of 2022, with preservation and material donation happening in the spring of 2023. She mentioned that long term goals of the project include digitization, community involvement, and public access.

The City Council had discussion on the bindings of the documents, the future of Elise's career, and lectures at the Lake Forest Lake Bluff History Center.

Mayor Pro Tem Rummel then announced Leslie Pedley as the recent winner of How Well Do You Know Sustainability in Lake Forest, a contest within the Spring Dialogue newsletter that highlights the sustainability elements of Lake Forest.

Mayor Pro Tem Rummel then noted the upcoming Ward meetings where residents will get a chance to speak and have questions answered by their Alderman and many City staff. The dates are April 18 for Ward 1, April 25 for Ward 2, April 11 for Ward 3, and April 13 for Ward 4.

#### **COMMENTS BY CITY MANAGER**

City Manager Jason Wicha reminded the community that the vehicle sticker and parking permit renewal process was recently initiated by the Finance Department. The sticker design this year highlights the library, which will celebrate the 125<sup>th</sup> year anniversary.

City Manager Wicha introduced Dana Olson, Communications Manager, to give a brief update on Deerpath Community Park Improvement Project, noting her involvement in external communications with multiple city departments.

**A. Update on Deerpath Community Park Improvement Project**  
- **Dana Olson, Communications Manager**

Communications Manager Dana Olson reported that construction activities for the project will begin soon, noting increased truck traffic, increased noise. She shared the construction area map, the schedule of events, the expected notification methods which includes a live construction camera, and a reminder of the groundbreaking ceremony for the project on Thursday, April 6.

The City Council had discussion on availability of summer school, bus routes, central business district stakeholder participation, and proximity communications.

#### **COMMITTEE REPORTS**

##### **PUBLIC WORKS COMMITTEE**

**1. Update on Sir William Lane Watermain Replacement Project**  
- **Byron Kutz, Superintendent of Engineering**

Byron Kutz provided the City Council with an update on the Sir William Lane Watermain Replacement Project, noting the project's background, the request for bid process, and the anticipated completion date, which he noted would be by the end of August. Mr. Kutz shared the recommendation to award A Lamp Concrete Contractors Inc. with the construction bid.

The City Council had discussion on the relevance of stormwater issues in the area and the replacement of existing valves.

#### **OPPORTUNITY FOR CITIZENS TO ADDRESS THE CITY COUNCIL**

#### **ITEMS FOR OMNIBUS VOTE CONSIDERATION**

- 1. Approval of March 6, 2023, City Council Meeting Minutes**
- 2. Annual Vendor Approval for FY2024**
- 3. Grant Approval to Convey Justice Civil Dockets, Justice Criminal Dockets and Arrest Book Records of Historic Value for Preservation to the Lake Forest Lake Bluff History Center on behalf of the Lake Forest Police Department (Approval by Motion)**
- 4. Award of the Lowest Responsive and Responsible Proposal for Dialogue Newsletter Printing Services to Vogue Printers, in the amount of \$26,076 and a 10.0% contingency in the amount of \$2,607 for a grand total of \$28,683.**



5. **Approval to Purchase the Verkada Security Camera System from Modern Media Technologies in the Amount of \$51,490, and Structured Cabling from Graybar in the Amount of \$15,515**
6. **Approval of an Illinois Department of Transportation Resolution Appropriating \$250,000 in Rebuild Illinois Funds to be used for Phase II Design Engineering Services of the Lake Woodbine Bridge**
7. **Approval of a Public Works Committee Recommendation to Purchase of 2,000 Tons of Road Salt from Morton Salt in the Amount of \$164,129 for the FY '24 Winter**
8. **Award the Low Bid for the Sir William Lane Watermain Replacement Project to A Lamp Concrete Contractors, Inc., and Authorize the City Manager to Execute an Agreement in the Amount of \$888,645 and a Contingency in the Amount of \$61,355 for a Total Project Cost of \$950,000**
9. **Consideration of an Ordinance Approving a Recommendation from the Building Review Board. (First Reading, and if Desired by the City Council, Final Approval)**

**COUNCIL ACTION: Approve the nine (9) omnibus items as presented.**

Mayor Pro Tem Rummel asked members of the Council if they would like to remove any item or take it separately. Alderman Buschmann asked for clarification on item #4.

Mayor Pro Tem Rummel again asked if member of the City Council would like to remove any items or take it separately. Seeing none, she asked for a motion.

Alderman Weber made a motion to approve the nine (9) Omnibus items as presented, seconded by Alderman Novit. The following voted "Aye": Alderman Rummel, Novit, Notz, Preschlack, Goshgarian, Buschmann, and Weber. 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.*

<b>OLD BUSINESS</b>
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<b>NEW BUSINESS</b>
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<b>ADDITIONAL ITEMS FOR COUNCIL DISCUSSION/COMMENTS BY COUNCIL MEMBERS</b>
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<b>ADJOURNMENT</b>
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There being no further business Mayor Pro Tem Rummel asked for a motion. Alderman Notz made a motion to adjourn, seconded by Alderman Weber. Motion carried unanimously by voice vote at 7:20p.m.

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](http://www.cityoflakeforest.com). Click on I Want To, then click on View, then choose Archived Meetings Videos..*

**RESOLUTION NO. \_\_\_\_\_**

**AN RESOLUTION ENCOURAGING ALL WHO LIVE IN AND VISIT THE CITY LAKE FOREST, ILLINOIS TO BE  
RECOGNIZED AS AN IDLE-FREE COMMUNITY**

**WHEREAS**, emissions from vehicle idling contributes significantly to air pollution, greenhouse gas emissions, climate change and increased rates of cancer, heart and lung diseases, which adversely affect health; and

**WHEREAS**, emissions from vehicle idling significantly affects the natural environment and economic wellbeing of residents, guests and visitors of the City of Lake Forest; and

**WHEREAS**, idling a typical vehicle for longer than ten seconds consumes more fuel than restarting that vehicle, resulting in unnecessary and excessive emissions as well as wasted fuel; and

**WHEREAS**, every citizen can improve the City's air quality by turning off vehicles whenever they are going to idle for more than three minutes; and

**WHEREAS**, reducing needless vehicle idling is in keeping with the City's promotion as a sustainable community and in alignment with the City's Sustainability Plan supported by the Environmental Sustainability Committee; and

**WHEREAS**, education about reducing unnecessary engine idling can raise community awareness, encourage consumers to develop idle free habits, and influence adoption of idle free policies within City government; and

**WHEREAS**, the City of Lake Forest desires to take a proactive position on air pollution and reduction of greenhouse gas emissions to protect the livability and viability of the City and its residents, visitors and guests; and

**WHEREAS**, it is in the public interest that residents, guests and visitors of the City reduce vehicle emissions to protect the health, economy and natural environment of the City of Lake Forest and the surrounding area;

**NOW, THEREFORE, BE IT RESOLVED**, BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LAKE FOREST, LAKE COUNTY, ILLINOIS AS FOLLOWS:

**SECTION ONE: NO IDLING GUIDELINES.**

The City encourages residents, guests, visitors, City employees and other individuals within the City limits to not exceed a three minute idling time in their gasoline or diesel-powered motor vehicles. Exceptions to these idling guidelines include the following:

- A. The vehicle is forced to remain motionless on a public road because of traffic conditions.
- B. The vehicle is an emergency vehicle involved in an emergency incident.
- C. Vehicle idling is necessary for auxiliary power for law enforcement equipment, refrigeration units and loading/unloading lifts.
- D. Vehicle idling is necessary for repair or inspection of the vehicle.

- E. The health or safety of a driver or passenger requires the vehicle to idle, including instances where the outside air temperature is below 32 degrees F or above 90 degrees F.
- F. This Resolution is not enforceable by citation or fine. Compliance shall be strictly voluntary.

**SECTION TWO: DECLARATION.** The City Council hereby proclaims and encourages the City of Lake Forest to be an Idle-Free Community.

**SECTION THREE: EFFECTIVE DATE.** This Resolution shall take effect upon adoption by the City Council.

*Adopted by the City Council of*

*The City of Lake Forest this*

*XXXXXX day of MONTH, 2023.*

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Mayor, George Pandaleon

**ATTEST:**

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City Clerk, Margaret Boyer

January 17, 2023

Mr. Jason Wicha, Village Manager  
City of Lake Forest  
Sent via email to: wichaj@cityoflakeforest.com

Dear Mr. Wicha:

I am writing to request your municipality's participation in Lake County's Private Activity Bond Clearinghouse (PABC) in 2023. Each year, Lake County Partners contacts the home rule communities in Lake County to request a pooling together of the volume cap to ensure the best use of our collective private activity bond allocation. The PABC cap for each year is transferred to the Village of Buffalo Grove, the Pool's host home rule community. *If your municipality is interested in participating, your governing body must approve a resolution and submit it to the Governor's Office before April 29, 2023. A sample resolution is attached for your use.*

Since its inception, the Lake County PABC has funded nearly \$200,000,000 in local projects, which has resulted in the construction of over 360,000 sq. ft. of new manufacturing space, the creation of 648 new manufacturing jobs, the renovation of 1,600 multi-family dwelling units, the purchase of an estimated 251 homes by first-time homebuyers, the expansion of a Montessori School, and the construction of a new solid waste disposal cell.

Please click on the following link to review the: "State of Illinois' Guidelines and Procedures for the Allocation of Private Activity Bonding Authority in Accordance with the Tax Reform Act of 1986 and 30 ILCS 345". Per page 5 of this document, this year's per capita amount is \$120.00, and the population data estimates outlined within these guidelines are based on Census information. **The population estimate for City of Lake Forest is 19,253, bringing your municipality's 2023 allocation to \$2,310,360.00.**

Your municipality's approval of a resolution to transfer its volume cap to the Village of Buffalo Grove will preserve the volume cap in Lake County for a three-year period for the important reasons outlined above. **Lake County Partners therefore requests that you place a resolution similar to the attached example on your Board's schedule for approval and forward the approved resolution to the attention of the Governor's Office as soon as possible in the manner outlined within page 3 of the above hyperlinked Guidelines and Procedures document; please note that all reporting submissions are to be submitted in both hard copy and electronic format.**

**Please copy me at [bprusila@lakecountypartners.com](mailto:bprusila@lakecountypartners.com) on your Board's actions and subsequent notification to the Governor's Office, or notify me if your community chooses not to participate in this year's pool so that we may more effectively manage the process next year.** If you have any specific questions or concerns, please feel free to get in touch directly at 773-706-0057.

We appreciate your support and look forward to working with you.

Sincerely,



Barbara C. Prusila  
Marketing & Communications Director

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY OF LAKE FOREST, ILLINOIS  
REALLOCATING 2023 VOLUME CAP  
TO THE VILLAGE OF BUFFALO GROVE, ILLINOIS**

WHEREAS, the City of Lake Forest, Lake County, Illinois the ("City"), is a municipality and a home rule unit of government duly organized and validly existing under Section 6(a) of Article VII of the 1970 Constitution and laws of the State of Illinois; and

WHEREAS, certain tax exempt private activity bonds may be issued only if sufficient volume cap pursuant to Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), is available for the bonds; and

WHEREAS, pursuant to the Code, the City has been allocated volume cap equal to \$120.00 per resident of the City in calendar year 2023, or \$2,310,360 for the issuance of such tax exempt private activity bonds; and

WHEREAS, pursuant to Section 6 and Section 6.1 of the Illinois Private Activity Bond Allocation Act, 30 ILCS 345/1 *et seq.* (the "Bond Allocation Act), and the Guidelines and Procedures promulgated thereunder, the City may, prior to May 1, 2023, reallocate to other home rule units of government the volume cap allocated to the City by the Code for their issuance of such tax exempt private activity bonds or for subsequent transfer or reallocation; and

WHEREAS, the City has not used any of its 2023 volume cap and has no present intention to use the same; and

WHEREAS, the Lake County Partnership for Economic Development, Inc. has offered Lake County home rule communities the opportunity to participate in a program to combine their respective volume cap allocations and create a Private Activity Bond Clearinghouse Pool (the "Pool") to facilitate the issuance of tax-exempt private activity bonds to finance, manufacturing and multi-family housing commercial projects in Lake County, Illinois, for economic development purposes ("Eligible Projects"); and

WHEREAS, the Village of Buffalo Grove, a home rule unit of government ("Buffalo Grove"), pursuant to its Resolution No. 2001-51 adopted December 17, 2001, agreed to host the Pool and to reserve its own volume cap, and accept volume cap reallocated to Buffalo Grove by other home rule units of government, for the issuance of tax-exempt private activity bonds placed through the Pool to finance Eligible Projects; and

WHEREAS, Buffalo Grove has requested that the City reallocate all of its 2023 volume cap to Buffalo Grove to be used for the issuance of tax-exempt private activity bonds placed through the Pool to finance Eligible Projects;

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

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

Section 2:     Transfer and Reallocation of 2023 Volume Cap. Pursuant to Section 6 and Section 6.1 of the Bond Allocation Act and the Guidelines and Procedures promulgated thereunder, the City irrevocably agrees to, and does hereby, transfer and reallocate all of its 2023 volume cap to Buffalo Grove to be used for the issuance of tax-exempt private activity bonds placed through the Pool to finance Eligible

Projects as directed by the Advisory Committee created pursuant to Buffalo Grove Resolution No. 2001-51.

Section 3: Agreement. This Resolution shall constitute the agreement of the City to a different allocation under Section 146(e)(3) of the Code and the writing required under Section 6 of the Bond Allocation Act.

Section 4: Warranty. The City covenants and warrants that it has taken no action or issued bonds that would abrogate, diminish, or impair its ability to fulfill the written agreement, covenants, and undertakings on its part under this Resolution.

Section 5: Authorization. As required by the Bond Allocation Act and the Guidelines and Procedures promulgated thereunder, a certified copy of this Resolution shall be transmitted to the Office of the Governor of the State of Illinois. Any and all appropriate and proper officers, officials, agents, and employees of the City are hereby authorized, empowered, and directed to take all necessary and advisable actions, and to execute all such documents and certificates, as may be necessary to further the purposes and intent of this Resolution.

Section 6: Maintain Record. The City shall maintain a written record of this Resolution in its records for so long as the bonds to which the volume cap transferred by this Resolution is reallocated remain outstanding.

Section 7: Effective Date. This Resolution shall be in full force and effect from and after its passage and approval as required by law and is enacted by the City pursuant to its powers under the laws of the State of Illinois and the Illinois Constitution of 1970 and its home rule powers.

PASSED this \_\_\_\_ day of \_\_\_\_\_, 2023

AYES:

NAYS:

ABSENT:

APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2023

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

March 13, 2023

Mayor Pandaleon  
The City of Lake Forest  
220 E. Deerpath  
Lake Forest, IL 60045

Dear Mayor Pandaleon,

Lake Forest Baseball Association is asking for the City Council's consideration of a waiver for the requirements of the fidelity bond, with regards to our LFBA 50/50 Raffle license application. LFBA 50/50 Raffle includes items with an estimated value of approximately \$2,000.00 and we anticipate the number of tickets to be sold at 500.

Thank you in advance, for your consideration.

Sincerely,

Erica Granado



1844 Hackberry Lane  
Lake Forest, IL 60045  
[ericagranado@gmail.com](mailto:ericagranado@gmail.com)  
773-580-3408



THE CHURCH OF THE HOLY SPIRIT  
*Episcopal*

March 21, 2023

Mayor Pandaleon  
The City of Lake Forest  
220 E. Deerpath  
Lake Forest, IL 60045

Dear Mayor Pandaleon,

The Church of the Holy Spirit is asking for the City Council's consideration of a waiver for the requirements of the fidelity bond, with regards to our Needlepoint Advent Calendar raffle license application. The Needlepoint Advent Calendar raffle includes items with an estimated value of approximately \$1,000 and we anticipate the number of tickets to be sold at 250.

Please contact Vicki Hollander, Financial Secretary, at 847-235-1115 or [vhollander@chslf.org](mailto:vhollander@chslf.org) with any questions or concerns.

Thank you in advance, for your consideration.

Sincerely,

The Rev. N. Luke Back  
Rector