

THE CITY OF LAKE FOREST
CITY COUNCIL AGENDA

Monday, April 17, 2023

Immediately following the Finance Committee meeting at 6:30pm.

220 E. Deerpath

Lake Forest, IL 60045

CALL TO ORDER AND ROLL CALL immediately following Finance Committee at 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

Eileen Looby Weber, Alderman Fourth Ward

Edward U. Notz, Jr., Alderman Second Ward

Vacant, Alderman Fourth Ward

PLEDGE OF ALLEGIANCE

REPORTS OF CITY OFFICERS

1. COMMENTS BY MAYOR

A. Resolution of Sympathy for former Mayor James E. Swarthout

A copy of the resolution can be found on **page 20**

COUNCIL ACTION: Approval of a Resolution of Sympathy for former Mayor James E. Swarthout

B. Lake Forest Day Proclamation

A copy of the Proclamation can be found on **page 22**

COUNCIL ACTION: Approve the Lake Forest Day Proclamation

C. Resolution of Appreciation for Former Fourth Ward Alderman Raymond P. Buschmann

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

COUNCIL ACTION: Approval of a Resolution of Appreciation for Former Alderman Raymond P. Buschmann

2. COMMENTS BY CITY MANAGER

A. Community Spotlight

Lake Forest Lake Bluff History Center

- Carol Summerfield, Executive Director

3. OPPORTUNITY FOR CITIZENS TO ADDRESS THE CITY COUNCIL

4. COMMITTEE REPORTS

FINANCE COMMITTEE

A. Approval of the Comprehensive Fiscal Plan for FY2024

*PRESENTED BY: James Morris, Finance Committee Chairman
Staff Contact: Elizabeth Holleb, Finance Director (847-810-3612)*

PURPOSE AND ACTION REQUESTED: Staff requests approval of the Comprehensive Fiscal Plan for Fiscal Year 2024 (May 1, 2023 to April 30, 2024).

BACKGROUND/DISCUSSION: The City Council Finance Committee has reviewed various components of the Comprehensive Fiscal Plan for FY2024 at several public meetings over the past seven months. The Comprehensive Fiscal Plan includes the annual operating and capital budget for FY24, but also incorporates other financial related aspects including the Strategic Plan, financial policies, Five-Year Capital Improvement Program, five-year financial forecasting, debt obligations, pay plan and personnel. The proposed Comprehensive Fiscal Plan is presented for final approval this evening. The document has been provided to the City Council under separate cover and was made available on the City's web site on April 10, 2023.

Changes have been made to the budget figures since the March 13 Finance Committee meeting, adding \$1.4 million in City-wide expenses, including the following:

- Compensation adjustments associated with the FY24 Pay Plan are now reflected within the operating department budgets for all funds,
- Expenses related to the proposed Apprentice Program have been added to the impacted operating budgets,
- Revisions to reflect an organizational realignment effective May 1 that will transfer Parks Maintenance and Forestry to Public Works, and Cemetery to the City Manager's Office have been made,
- FY23 year-end estimates have been reviewed and revised,
- \$400,000 has been added to the General Fund FY24 budget for a one-time City-wide bonus program to be administered by the City Manager, and
- FY24 expenses approved by the City Council on April 3 related to the Forest Park Bluff Stabilization and Boardwalk project have been added to the Park and Public Land Fund (\$545,659) and Water Capital Fund (\$314,020), as well as in the Five-Year Capital Improvement Plan.

PROJECT REVIEW/RECOMMENDATIONS:

Reviewed	Date	Comments
City Council Finance Committee	3/13/23	Operating Budget Workshop

City Council Finance Committee	1/17/23	Capital Budget Update
City Council	12/5/22	Adoption of Tax Levy; Fees
City Council	11/21/22	First Reading – Tax Levy; Fees
City Council Finance Committee	11/14/22	Capital Budget Workshop; Review of Tax Levy and Fees
City Council Finance Committee	10/17/22	Fiscal Policy; Tax Levy Estimate

BUDGET/FISCAL IMPACT: The proposed revenues for FY2024 total \$118.8 million compared to total expenditures for FY2024 of \$121.5 million. The proposed plan is balanced with all operating expenditures covered from current revenues. Capital expenditures are funded from current revenues and reserves in excess of the City Council's Fiscal Policy.

COUNCIL ACTION: Approval of the Comprehensive Fiscal Plan for Fiscal Year 2024

- B. Consideration of an Ordinance providing for the issuance of \$10,825,000 (subject to change) 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 the purchaser thereof. (Second Reading and Final Approval)

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

PURPOSE AND ACTION REQUESTED: Staff requests that City Council grant final approval of the 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 was 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	4/3/23	First reading of bond ordinance.
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: Grant final approval 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 that will include the successful bidder information and financial details.

C. Consideration of an Ordinance making a Supplemental Appropriation for the Fiscal Year Beginning May 1, 2022 and Ending April 30, 2023 (First Reading, and if Desired by the City Council, Final Approval)

PRESENTED BY: Alderman James Morris, Finance Committee Chairman and Elizabeth Holleb, Finance Director (847-810-3612)

PURPOSE AND ACTION REQUESTED: It is recommended that the City Council approve a supplemental appropriation at the end of each fiscal year for any fund that is anticipated to exceed the original appropriation. Staff requests first reading and if desired by the City Council, final approval of an Ordinance making a supplemental appropriation in Fiscal Year 2023.

BACKGROUND/DISCUSSION: Based on year-end estimates provided by operating departments during the FY2024 budget development, supplemental appropriations are anticipated to be required as follows:

Liability Insurance Fund - \$150,000

Current projections for expenses in this fund would exceed the FY23 appropriation ordinance. The Liability Insurance Fund accounts for expenses associated with the City's membership in

the Intergovernmental Risk Management Agency for property, liability and worker's compensation coverage. The overage is the result of member dues in IRMA of \$1,090,947 exceeding the budget of \$950,000.

BUDGET/FISCAL IMPACT: The supplemental appropriation required to meet legal compliance as presented in the Ordinance is: \$150,000 in the Liability Insurance Fund. The supplemental appropriation is funded from fund balance reserves.

COUNCIL ACTION: If determined to be appropriate by the City Council, waive first reading and grant final approval of the Ordinance (page 119) making a supplemental appropriation for the fiscal year beginning May 1, 2022 and ending April 30, 2023.

5. ITEMS FOR OMNIBUS VOTE CONSIDERATION
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1. Approval of April 3, 2023, City Council Meeting Minutes

A copy of the minutes can be found beginning on **page 122**

COUNCIL ACTION: Approval of April 3, 2023, City Council Meeting Minutes

2. Consideration of a Request to Waive the Fidelity Bond Requirement in Connection with Holding a Raffle in the City of Lake Forest for Lake Forest High School Foundation (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 Lake Forest High School Foundation.

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.

At this time, Lake Forest High School Foundation is 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 Lake Forest High School Foundation. (Approval by Motion)

3. Approval of Three Year Contract with Linebarger Goggan Blair & Sampson, LLP for Collection Services

STAFF CONTACT: *Diane Hall, Assistant Finance Director (847-810-3614)*

PURPOSE AND ACTION REQUESTED: Staff requests City Council approve a three year contract for the collection of outstanding financial obligations to the City.

BACKGROUND/DISCUSSION: In April 2018, City Council approved a three year contract and an additional two years in 2021. The services include collection of outstanding Accounts Receivable, Delinquent fines, Parking citations, Recreation fees, Fire Ambulance fees and Alarm Billings. Staff is requesting approval for an additional three year contract. As this service does not have a financial impact on the City, an RFP process is not required. Staff has been satisfied with services provided and has not received negative feedback from residents on the collection process.

City Code section 10.99 provides the authority to transfer outstanding payments due the City to a collection agency. Additionally the code provides the authority to pass the cost of collection to the person responsible for the outstanding balance.

PROJECT REVIEW/RECOMMENDATIONS:

Reviewed	Date	Comments
City Council	04/16/18	City Council approved contract with Linebarger Goggan Blair & Sampson, LLP
City Council	04/19/21	City Council approved years three and four of the contract

BUDGET/FISCAL IMPACT: Fees associated with the collection service are passed on to the person responsible for the outstanding obligation to the City resulting in no additional cost to the City.

COUNCIL ACTION: Approval of Three year Contract with Linebarger Goggan Blair & Sampson, LLP for Collection Services

4. Approval of FY24 Administrative Directives Updates

STAFF CONTACT: *Amber Campbell, Director of Human Resources (847-810-3532)*

PURPOSE AND ACTION REQUESTED: City Council approval of updates to FY24 Administrative Directives.

BACKGROUND/DISCUSSION: Each year the City's Administrative Directives are reviewed and updated as needed, then adopted by the City Council. The updates are designed to keep the City compliant with changing laws or to reflect actual practice. All Directives are reviewed at least every five years; sooner if changes are necessary.

Noted below is a list of key changes made to the various Directives dated May 1, 2023. Complete copies of all documents can be obtained by contacting Director Campbell.

Administrative Directives
2-4a Use of Personal Mobile Devices for City Business (BYOD) – Updated document to reflect change in Department name to Innovation & Technology, replace term user with employee, as well as minor grammar corrections.
2-7 Child Labor Policy <ul style="list-style-type: none"> • 4.2 – Added requirement of adult officiating youth sport activity if participant are at least 3 years younger than an officiating minor
2-16 Cell Phone Usage Policy – minor grammar correction and updates below <ul style="list-style-type: none"> • 3.1d – Remove requirement to use desk phone as priority over cell phone • 3.3c – Remove reference to “air time” and requirement to use desk phone or personal cell phone as priority over work cell phone • 3.3d – Add requirement for employee to reimburse the City for non-business international charges • 4.4 – Reimbursement for Official Use of Private Cell Phones – Adds Department Head recommended employees to cell phone reimbursement policy • 4.4b – Increases petty cash reimbursement amount from \$25 to \$75
3-1 City Council Fiscal Policy and Budget Guidelines – amended to provide overall budget guidelines consistent with current practices and attach most recently approved City Council Fiscal Policy.
3-2 Establishment of Procedures for Disposal of City Property – Reviewed
3-14 Sale of Tablets & Cell Phones <ul style="list-style-type: none"> • 2.3 – Establishes procedures for retiring or resigning City employees to potentially purchase their City issued smart phone and/or phone number for fair market value. • 4.5 – Added option to hold unsold devices for internal device/equipment sale
3-15 Police Restricted Funds Procedures <ul style="list-style-type: none"> • 3.1c – Fund Balance – Remove paragraph requiring sub-allocation of ending fund balance.
3-16 Amazon Account Policy <ul style="list-style-type: none"> • 3.2c – Increased order limit from \$19,999 to \$24,999 for comparative pricing • 3.2d – Signature on submitted receipt minimum Increased single purchase amount from \$1,000 to \$5,000
4-3 Response to Emergency or Disaster Situations – Updated to reflect Emergency Operations Center (EOC) Guides
6-3 Vehicle Accident and Employee Injury Investigation <ul style="list-style-type: none"> • 6.0 – Removed example of accident/injury severity • 9.2 (2) – Add required OSHA contact protocol in the event of fatality or hospitalization
6-12 Line of Duty Injury or Death – Reviewed
6-13 First Aid/CPR – Reviewed
6-15 Building Maintenance Inspection Checklist Program – Reviewed
6-16 Fuel Pump Policy <ul style="list-style-type: none"> • 3.1e – Removed requirement to not use cell phones/pagers while fueling removed

BUDGET/FISCAL IMPACT: Sufficient funding is available in the FY24 budget.

COUNCIL ACTION: Approval of FY24 Administrative Directive Changes.

5. **Approval to Engage The Driscoll Firm, LLC; Kennedy & Madonna, LLP; SL Environmental Law Group PC; Douglas & London, P.C.; Levin, Papantonio, Rafferty, Proctor, Buchanan, O'Brien, Barr, Mougey, P.A., and Taft Stettinius & Hollister, LLP Legal Services**

STAFF CONTACT: George Issakoo, Assistant City Manager (847-810-3680)

PURPOSE AND ACTION REQUESTED: The action requested today is a formal approval, authorizing the engagement of The Driscoll Firm, LLC; Kennedy & Madonna, LLP; SL Environmental Law Group PC; Douglas & London, P.C.; Levin, Papantonio, Rafferty, Proctor, Buchanan, O'Brien, Barr, Mougey, P.A., and Taft Stettinius & Hollister, LLP for legal services.

BACKGROUND/DISCUSSION: In February of 2023, City Staff held an introductory meeting with the Driscoll Law Firm and their team to discuss the potential representation of the City in litigation against companies that have contributed to the production, or infiltration of, PFAS chemicals in water distribution systems. In 2021, the City conducted PFAS testing with the Illinois Environmental Protection Agency. Those tests were conducted on March 23rd, April 7th and April 19th. Two of the three tests came back with just over two parts per trillion trace amounts of PFAS. It is important to note that drinking water currently being provided by Lake Forest meets all relevant Illinois and federal regulations relating to drinking water. However, the City is required to continuously sample, analyze, and report detections of PFAS in its drinking water supplies to regulatory agencies. These steps are costly, burdensome, and may lead to filtration requirements as regulatory limits evolve. Through this lawsuit, the City seeks to protect ratepayers and ensure that any costs associated with removing PFAS from its water supplies are borne by 3M, DuPont, and the other companies that sold and profited from their PFAS containing products, much like the City did in approving legal action against Monsanto for PCB contamination. The prudent legal and financial decision in this case is to pursue legal action to mitigate any future impacts. Neighboring Northshore communities have also engaged with this legal team, including Glencoe, Wilmette and Evanston, among many other Illinois municipalities.

The statute of limitations on pursuing legal action against these companies is two years from the date of the first positive test. the City's first positive result was the March 23rd, 2021 test. As a result, the City Manager exercised his authority to provide direction to the legal team to file a lawsuit prior to the expiration of the statute of limitations. Tonight, the request before the City Council is to formally ratify the engagement of the legal team to represent the City in this lawsuit.

BUDGET/FISCAL IMPACT: This representation is being handled on a contingency basis. In the event an award or settlement is reached, it would be paid to the attorney who will subsequently disburse attorneys' fees and submit a check to the City for the remainder.

COUNCIL ACTION:

Approval to Engage The Driscoll Firm, LLC; Kennedy & Madonna, LLP; SL Environmental Law Group PC; Douglas & London, P.C.; Levin, Papantonio, Rafferty, Proctor, Buchanan, O'Brien, Barr, Mougey, P.A., and Taft Stettinius & Hollister, LLP for Legal Services

6. Consideration of a Contribution to the History Center in the Amount of \$75,000 to Support the Garden Initiative Project. (Approve by motion.)

STAFF CONTACT: *Catherine Czerniak, Director of Community Development*
847-810-3504

PURPOSE AND ACTION REQUESTED: In recognition of the public benefits offered by the Garden Initiative project at The History Center, the City Council is asked to consider a financial contribution to support the project.

BACKGROUND AND DISCUSSION: In 2018, The History Center, formerly the Historical Society, relocated to the corner of Deerpath and Washington Road. The site offered the History Center a more prominent location in the community and since the relocation, the museum has continually elevated programming and events, drawing people in the community and beyond through its doors. The transformation of this community institution over the past five years has been significant.

The History Center will soon embark on a new project, the Garden Initiative. The project is another example of a public/private partnership in the community, funded through a grant from a private foundation, private donations, and anticipated public funding from Federal and State grants, and a contribution from The City.

The request for a contribution from The City recognizes that the Garden Initiative offers public benefits to The City and Lake Forest residents as a demonstration project that will be open to the public. The Garden Initiative will:

- Raise awareness around how private property owners can sustainably manage stormwater on their own properties through the use of swales, proper grading, rain gardens, and carefully selected plant materials.
- Reduce the velocity and volume of stormwater runoff from The History Center property which, due to the topography, receives a significant amount of stormwater from the properties to the south and west which results in ponding water and in the winter, ice, on nearby streets and sidewalks. The continuous ponding water accelerates deterioration of pavement and sidewalks.
- Slow the rate of stormwater runoff into the ravine on the east side of Washington Road.
- Educate the public about historic gardens and landscapes and their role as part of estates throughout the history of The City.
- Improve the functionality of the History Center parking lot, make the site more accessible to everyone including those with mobility challenges, and reduce the likelihood of flooding of the History Center buildings by properly managing and directing stormwater flows across the site.

BUDGET/FISCAL IMPACT:

Staff recommends Council approval of a contribution to the History Center in support of the Garden Initiative project. Funds have been allocated for this purpose as detailed below.

FY2024 Funding Source	Amount Budgeted for FY2024	Amount Requested	Budgeted? Y/N
General Fund 1011101435.35-10 (City Council Budget)	\$75,000	\$75,000	Yes

COUNCIL ACTION: Approve a motion in support of a \$75,000 contribution to The History Center to support the Garden Initiative in recognition of the public benefits offered by the project.

7. **Approval of Two Items for the Lake Woodbine Bridge- First: Approval of an Illinois Department of Transportation Resolution Appropriating an Additional \$150,000 (Total \$400,000) in Rebuild Illinois Funds to be used for Phase II Design Engineering Services of the Lake Woodbine Bridge. Second: Approval of Phase II Design Engineering Services for the Lake Woodbine Bridge Project to H.W. Lochner, Inc., and Authorize the City Manager to Execute an Agreement in the Amount of \$380,058 to Include a 5% Contingency in the Amount of \$19,003 for a Total Cost of \$399,061 in addition to authorization to complete additional paperwork as required by IDOT related to work on this Project**

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

PURPOSE AND ACTION REQUESTED: The Public Works Committee and Staff request approval of two items tonight with the first being appropriating \$150,000 of additional Rebuild Illinois Funds (RBI) be used for phase II design of the Lake Woodbine Bridge, this is in addition to the \$250,000 in RBI funds that were appropriated at the March 20, 2023, City Council Meeting for a total of \$400,000. The Illinois Highway Code requires each municipality to submit a City Council Resolution appropriating MFT funds, for which the use of Rebuild Illinois Funds follows a similar process. The second item is the approval of Phase II design engineering services to H.W. Lochner in the amount of \$380,058 plus \$19,003 contingency for a total of \$399,061. Staff requests authority to execute necessary IDOT agreements including the BLR 05530-Local Public Agency Engineering Services Agreement and any other paperwork related to the design work.

BACKGROUND/DISCUSSION: The Lake Woodbine Bridge is a three-span concrete arch bridge over a ravine, located on Lake Road near the Woodbine intersection. In February 2011, the City requested grant funds under what was then known as the Highway Bridge Replacement and Rehabilitation Program (BRP) to be used toward the design of the reconstruction of the Lake Woodbine Bridge for which the phase I design process started. The 2021 sufficiency rating of the bridge was 25 (the IDOT Bridge Sufficiency Rating Scale is from 1 to 100 with 1 being the worst and greater than 50 considered satisfactory per Federal guidelines). The load rating of the bridge has been reduced over the past several years following findings from a thorough inspection performed as part of the City's bridge study. The project will remove the existing bridge and replace it with a clear-span concrete thrust-arch structure and railings that will recognize and be compatible with the historic character of the surrounding historic district. A summary of project milestones completed over the last few years can be found below:

- Public Information/Input meeting #1 held on December 13, 2021
- Public Information/Input meeting #2 held on February 16, 2022

- Certificate of Appropriateness from the Historic Preservation Commission received on March 16, 2022
- Preliminary Bridge Design and Hydraulic Report submitted to IDOT on December 13, 2022 (approval received March 7, 2023)

Regarding the RBI resolution being requested tonight, this resolution is the first step in fulfilling IDOT's requirements (similar to MFT) for the use of Rebuild Illinois funds. The City is required to follow IDOT guidelines in terms of project design and contract specifications.

Regarding the approval of phase II design engineering services being requested tonight, with the bridge's current low Sufficiency rating, staff recommends that the City proceed with completing Phase II design. Once completed, the design will be submitted to IDOT for their review and comments. The anticipated phase II duration including review time by IDOT is a minimum of 15 months. Tentative construction is late 2024 to Spring 2025 (depending on IDOT design review timelines). Continuing with the design is recommended, as all allocated Rebuild Illinois bond funds must be obligated by no later than July 1, 2025, which coincides with the end of the Rebuild Illinois Capital Program. The City originally budgeted funds in FY 2023 for this Phase II design work.

PROJECT REVIEW/RECOMMENDATIONS:

Reviewed	Date	Comments
Public Works Committee	4/3/2023	Reviewed & Recommended City Council Approval for Appropriating \$150,000 in additional RBI Funds, and Award of Design Engineering to H.W. Lochner
City Council	3/20/2023	Approval for Appropriating \$250,000 in RBI Funds
Public Works Committee	3/6/2023	Reviewed & Recommended City Council Approval for Appropriating \$250,000 in RBI Funds
Finance Committee	11/08/2021	Included in Capital Plan

BUDGET/FISCAL IMPACT: Regarding the RBI resolution portion of this council write-up, this will initiate the process with IDOT to authorize the use of additional RBI funds for the phase II design of the Lake Woodbine Bridge. Construction of this project will be partially funded by the Illinois Special Bridge Program (ISBP) with the remaining balance to be funded by Rebuild Illinois Bond funds. To date, the City has received Rebuild Illinois Bond funds of approximately \$1,270,000. Any design and construction amount above that would be local capital funds. The City submitted for an ISBP grant on October 5, 2021; and was notified on August 17, 2022, of an award of \$1,945,000 for construction. The current estimated construction cost is \$2,700,000 which is based on preliminary drawings. It is also expected that the city will consult out construction inspection as well which is estimated between \$200,000- \$300,000.

Regarding the phase II design engineering services approval portion of this council write-up, the Engineering Section solicited Request for Proposals (RFP) from professional engineering firms to perform civil/structural engineering design services. Thirteen firms acquired the RFP

package and two submitted proposals. The proposals were reviewed by a committee of staff members. The proposed bridge type is a concrete thrust-arch which is a complex-bridge to design therefore requiring complex-bridge design experience and IDOT prequalification in the complex-bridge category. One of the two submitting firms was deemed disqualified due to not having the appropriate qualifications to design a complex-bridge of this type. Staff did solicit reasons from the other qualified firms that chose not to submit which included reasons such as 1) team is lacking concrete arch bridge experience 2) team would not be efficient for this bridge type requiring IDOT review 3) decided that as firm was not involved with the Phase 1 development of this project, that it would be at a disadvantage to compete on a cost-basis.

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

The following is a summary of the two proposals received:

Company Name	Proposal Amount
H.W. Lochner, Inc.,	\$380,058
GSG Consultants, Inc.	N/A as not pre-qualified for complex-bridge design

H.W. Lochner is the current Phase I designer for the Lake Woodbine Bridge project and staff have been impressed by their ability to combine both the historical and technical structural components together. No construction support or inspection was included in this scope and will have to be solicited in the future.

Below is an estimated summary of project budget:

FY 2023 Funding Source	Amount Budgeted	Amount Requested	Budgeted Y/N
Motor Fuel Tax Fund 202-3703-478.78-92	\$225,000	\$399,061	Y

Use of an additional \$175,000 in Rebuild Illinois funds is required (\$150,000 additional authorization necessary with IDOT). A Supplemental Appropriation Ordinance will be requested at the end of the Fiscal Year 2024 if needed.

In terms of background for the RBI funding, according to the May 1, 2020, Circular Letter- The Illinois Department of Transportation (IDOT) was authorized to implement a \$1.5 billion grant program using proceeds from general obligation (transportation, series A) bonds authorized in the Rebuild Illinois capital program to provide Local Public Agencies (LPAs) with the funds for capital projects. Grants are allotted among LPAs based on the regular Motor Fuel tax (MFT) formula. The money for Rebuild Illinois grants comes from proceeds of general obligation bonds authorized pursuant to subsection (a) of Section 4 of the General Obligation Bond Act (30 ILCS 330/4). IDOT is authorized to use these funds to make grants "for planning, engineering, acquisition, construction, reconstruction, development, improvement, extension, and all construction-related expenses of the public infrastructure and other transportation improvement projects." Funds received from these Rebuild Illinois grants must be deposited into the LPA's MFT account. However, grant funds are separately accounted for, and expenditures must be in accordance with purposes authorized in subsection (a) of Section 4 of the General Obligation Bond Act.

COUNCIL ACTION: Approval of Two Items for the Lake Woodbine Bridge- First: Approval of an Illinois Department of Transportation Resolution Appropriating an Additional \$150,000 (Total \$400,000) in Rebuild Illinois Funds to be used for Phase II Design Engineering Services of the

Lake Woodbine Bridge. Second: Approval of Phase II Design Engineering Services for the Lake Woodbine Bridge Project to H.W. Lochner, Inc., and Authorize the City Manager to Execute an Agreement in the Amount of \$380,058 to Include a 5% Contingency in the Amount of \$19,003 for a Total Cost of \$399,061 in addition to authorization to complete additional paperwork as required by IDOT related to work on this project

8. Award of the Low Bid for the 2023 Patching & Resurfacing Project to J.A. Johnson Paving Co., and Authorize the City Manager to Execute an Agreement in the Amount Not to Exceed \$1,595,000

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 Lake Forest share of the Joint 2023 Annual Patching & Resurfacing to J.A. Johnson in the not to exceed amount of \$1,595,000.

BACKGROUND/DISCUSSION: Each year engineering staff develops the resurfacing program based on visual inspections, pavement testing, and input from Staff and Council. The results culminate into a 3-yr annual pavement rehabilitation program identifying the streets to be resurfaced each year.

City staff has previously briefed the City Council on Municipal Partnership Initiative (MPI), a program that takes advantage of economies of scale by securing low bid prices among neighboring municipalities who bid similar projects each year. This year, the City joined forces with Lake Bluff to have a joint bid for the Annual Street Resurfacing & Asphalt Patching Program.

In 2023, the City plans to resurface approximately 3.1 center-lane miles of streets and 3,000 square-yard of patches. The streets to be resurfaced are:

Street	From	To
Washington Rd	Walnut	Deerpath Rd
Washington Rd	Illinois Rd	Rosemary Rd
Illinois Rd	Rosemary Rd	College Rd
Wallace Rd	Suffolk Ln	Westleigh Rd
Holden Ct	Wallace Rd	East End
Grandview Ln	Cherokee Rd	Linden Ave
Old Mill Rd	Lowell Ln	Alexis Ct
Glenwood Rd	Waveland Rd	West End
Greenwood Av	Green Bay Rd	Waveland Rd
Ashlawn Dr	Waukegan Rd	Monticello Cir

Sir Williams Rd	Lawrence Av	North End
Circle Ln	Westleigh Rd	North End
Rockefeller Rd	Westleigh Rd	McCormick Dr
Bluffs Edge Dr	Westleigh Rd	North End
Westleigh Rd	Bluffs Edge Dr	East End

Upon approval of the contract, Lake Forest and Lake Bluff will meet with the contractor separately to obtain tentative schedules for each community. The schedule this year is separated into two phases with the first phase from early May to late July, while the second phase is late August / early September to mid-October. The first phase is all locations except for Sir William and streets located within the Villa Turicum neighborhood (in order to be better timed with adjacent construction work).

Upon confirming the start date of the project, a letter will be sent to residents and businesses 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	3/4/2023	Reviewed & Recommended City Council Approval
City Council	2/21/2023	Approved an MFT resolution
Finance Committee	11/14/2022	Included with FY '24 Capital Plan

BUDGET/FISCAL IMPACT: The project was placed out to bid in early-March with a subsequent bid opening on March 16, 2023. Four contractors picked up plans, with a total of three bids received. The bid prices consist of bid quantities that are to be completed by both municipalities, Lake Forest, and Lake Bluff as part of their respective resurfacing and patching programs. Both municipalities are scheduled to award their respective contracts in Spring 2023. City engineering staff will oversee the contractor in Lake Forest, and work with the Communications Manager to ensure progress updates are provided weekly to the public. MFT funds will be utilized for the resurfacing while local capital funds will be utilized for patching.

The Illinois Motor Fuel Tax (MFT) Fund is derived from a tax on the privilege of operating motor vehicles upon public highways and of operating recreational watercraft upon the waters of this State, based on the consumption of motor fuel. The motor fuel taxes that are deposited in the Illinois MFT Fund are: (a). 19.0 cents per gallon (b). 7.5 cents per gallon on diesel fuel in addition to the tax in (a) above. The Department of Transportation allocates these monies according to the provisions outlined in the MFT fund distribution statute, 35 ILCS 505/8 and initiates the process for distribution of motor fuel tax to the counties, townships, and municipalities. Each month a warrant is issued to each municipal treasurer in the amount of the municipality's share of Motor Fuel Tax Fund collected for the preceding month. Monthly distributions are posted on the department's website.

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

The following is a summary of the three bids received:

Company Name	Bid Amount
J.A. Johnson Paving Co.	\$1,553,047.59
Peter Baker & Son Co.	\$1,591,898.09
Schroeder Asphalt Services, Inc.	\$1,639,693.25

The low bidder, J.A. Johnson Paving Co., performs a lot of work for IDOT and their work is deemed satisfactory to City staff. The Lake Forest share of the bid from J.A. Johnson in the amount of \$1,553,047.59 covers all the resurfacing and patching quantities included in the bid documents. Staff recommends awarding the contract at the full budgeted amount of \$1,595,000. This is a unit-price contract in which the contractor is only paid for the actual quantity of work performed.

Below is an estimated summary of the project budget:

FY 2024 Funding Source	Total Amount Budgeted	Amount Requested	Budgeted Y/N
Motor Fuel Tax Fund 202-3703-439.76-72	\$1,500,000	\$1,500,000	Y
Capital Fund 311-3703-467.67-32	\$95,000	\$95,000	Y

COUNCIL ACTION: Award of the Low Bid for the 2023 Patching & Resurfacing Project to J.A. Johnson Paving Co., and Authorize the City Manager to Execute an Agreement in the Amount Not to Exceed \$1,595,000

9. Award of Proposal for ADA Transition Plan Design Services to LCM Architects in the Amount of \$49,750

STAFF CONTACT: *Jim Lockefer, Assistant to the Director of Public Works (810-3542)*

PURPOSE AND ACTION REQUESTED: City staff requests City Council award of proposal for ADA Transition Plan design services to LCM Architects in the amount of \$49,750.

BACKGROUND/DISCUSSION: Over the last two years, municipal ADA Transition Plans have become an important topic of conversation within the Chicago region. In 2021, the Metropolitan Planning Council (MPC) and Chicago Metropolitan Agency for Planning (CMAP) found that only 22 municipalities out of 200 surveyed had a formal ADA Transition Plan. As required by the Americans with Disabilities Act, local governments with 50 or more employees must create a formal ADA Transition Plan that can be made publicly available (e.g. on the City's website).

An ADA Transition Plan identifies existing programs, services, facilities, policies, and procedures that require changes, and outlines the steps necessary to become accessible. While The City

of Lake Forest does not currently have formal ADA Transition Plan, there have been numerous policies and programs adopted to ensure that City facilities and other public areas are accessible for everyone. This includes, but is not limited to, the City's Complete Streets Policy, the Sidewalk Evaluation Program, and facility assessments. Additionally, City staff continuously evaluates and identifies opportunities to improve accessibility when completing projects.

These ADA Transition Plan design services will assist the City in developing a future ADA Transition Plan that will meet all Americans with Disabilities Act requirements. A formal plan will help to ensure that continues to provide accessibility for everyone. The plan will also make sure that the City is compliant with federal grant programs and agencies when seeking potential grant funding for projects at the federal level.

BUDGET/FISCAL IMPACT: On February, 9 2023, City staff initiated the public Request for Proposal (RFP) process for this project. On February 23, 2023, the City received three proposals as outlined below.

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

Firm Name	Bid Total
LCM Architects	\$49,750
Altura Solutions, LLC	\$74,700
Senga Architects	\$539,000

LCM Architects has considerable municipal ADA Transition Plan and ADA Title II consulting experience both locally and nationally. All firm reference checks were very positive.

Below is an estimated summary of Project budget:

Funding Source	Amount Budgeted	Amount Requested	Budgeted? Y/N
FY23 Capital Fund 311-1503-435.35-10	\$50,000	\$49,750	Y

COUNCIL ACTION: Award of Proposal for ADA Transition Plan Design Services to LCM Architects in the Amount of \$49,750

10. Consideration of the Waiver of Permit Fees Related to the Construction of a Monument in Veterans Park on the Southeast Corner of Deerpath and Green Bay Road. (Approval by Motion)

STAFF CONTACT: Catherine Czerniak
Director of Community Development (810-3504)

PURPOSE AND ACTION REQUESTED: As provided for in the City's Administrative Directives, City Council approval of the waiver of permit fees related to construction of a monument in Veterans Park is requested.

BACKGROUND/DISCUSSION: The Lake Forest American Legion, McKinlock Post 264, is constructing the City's first significant monument to honor Lake Forest Veterans in all branches of the military who have served in wars throughout the Country's history. The monument is

being constructed in the City's Veterans Park and includes the installation of an elevated concrete base, a monument, donor board, and flagpole. The monument was previously reviewed and approved by the City's Historic Preservation Commission. The City routinely waives permit fees associated with construction and site improvements on City owned property including in City parks.

Per Administrative Directive 3-7, fee waivers in excess of \$5,000 require approval by the City Council.

BUDGET/FISCAL IMPACT: The amount of the permit fees to be waived is noted below.

Construction Permit Fees	Permit Fees	Amount of Fee Waiver Requested
Veterans Park	\$5,070.00	\$5,070.00

COUNCIL ACTION: If desired by the City Council, approve a motion waiving permit fees in the amount of \$5,070.00 for work related to a monument honoring Lake Forest Veterans.

11. Consideration of an Ordinance Approving a Recommendation from the Building Review Board. (First Reading, and if Desired by the City Council, Final Approval)

STAFF CONTACT: *Catherine Czerniak,*
Director of Community Development (810-3504)

PURPOSE AND ACTION REQUESTED: The following recommendation from the Building Review Board is presented to the City Council for consideration as part of the Omnibus Agenda.

BACKGROUND/DISCUSSION:

524 Illinois Road – The Building Review Board recommended approval of demolition of the existing coach house and approval replacement coach house which generally replicates the existing coach house. The Board also recommended approval of the associated building scale variance. No public testimony was presented on this petition. (Board vote: 6 - 0, approved)

The Ordinance approving the petition as recommended by the Building Review Board, with key exhibits attached, is included in the Council packet beginning on **page 128**. The Ordinance, complete with all exhibits, is available for review in the Community Development Department.

COUNCIL ACTION: If determined to be appropriate by the City Council, waive first reading and grant final approval of the Ordinance approving the petition in accordance with the Building Review Board's recommendation.

COUNCIL ACTION: Approve the eleven (11) 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 19** of this packet.

Office of the City Manager

April 12, 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.

Resolution of Sympathy

WHEREAS, on behalf of The City of Lake Forest, the City Council expresses its profound sadness at the passing of James E. Swarthout at the age of ninety-four, on March 30, 2023; and

WHEREAS, James E. Swarthout was a life-long resident of Lake Forest; Jim and his beloved wife Terry lived in the house he built for \$10,000 in the West Park neighborhood, for sixty-seven years; and

WHEREAS, together, Jim and Terry raised four children in the home, Jimmy, Tom, Dave, and Cindy and over the years, grandchildren, great grandchildren, extended family, and many friends were welcomed into the home, the door was always open; and

WHEREAS, James E. Swarthout served the community in ways too numerous to mention offering his wisdom, enthusiasm, and time to the City's Recreation Board, the North Shore Sanitary District, and the Water Plant Adhoc Committee to name just a few; and

WHEREAS, James E. Swarthout served as Mayor of The City of Lake Forest from 1975 to 1978 and under his leadership much was accomplished always in the interest of looking out for the long term good of the entire City, notably: the Audit Committee was established to watch over and safe guard the City's Finances, a referendum to support the construction of the City's Recreation Center was passed, and the Comprehensive Land Use Plan was adopted. After his Mayoral term ended, Jim joined with others in support of a referendum for the Lake Forest Beach; and

WHEREAS, James E. Swarthout's public service went well beyond his elected positions including serving as a volunteer fireman in his early years protecting residents and property in the community, Jim treasured his "souvenirs" from that time and took great pride and joy in retelling stories of those days; and

WHEREAS, in 2004, James E. Swarthout was awarded the City's highest honor, the Larry Temple Public Service Award, an award that recognizes a living person who embodies the true spirit of the community; giving and devoted, a person who leaves the community better, a person who leaves an enduring legacy of public service; and

WHEREAS, James E. Swarthout personally believed in and invested in the community, specifically in the Central Business District, he built buildings, improved infrastructure, and over

the years, brought in various businesses to provide goods and services to meet the needs of Lake Forest residents and visitors alike. Jim's vision and investment continues to give back to the community even today with the recent opening of Hometown Coffee in a building that Jim and his family built; and

WHEREAS, Jim was often recognized by many as he drove his red truck to the compost center or to Egg Harbor, he was quick with a smile, a hug, and words of encouragement, and he took the time to get to know people, running into Jim often made someone's day, he made people feel valued, inspired, and respected; and

WHEREAS, James E. Swarthout leaves a remarkable legacy and will long be remembered by his family and his friends for his many accomplishments and contributions to The City of Lake Forest but more importantly, Jim will long be remembered for **who he was**, a hard-working, kind, and humble man who loved his wife, children, grandchildren, great grandchildren, and his extended family, and cared deeply for his community. "They don't make 'em like Jim Swarthout anymore."

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lake Forest in session on April 17, 2023, hereby expresses its deep regret and sincere sympathy to all the members of the Swarthout Family.

BE IT FURTHER RESOLVED that this Resolution be appropriately inscribed and conveyed to Mrs. Swarthout and the Swarthout family, with a copy to be included in the official minutes of the April 17, 2023, meeting of the Lake Forest City Council.

George A. Pandaleon
Mayor



PROCLAMATION

WHEREAS, the McKinlock Post 264 of the American Legion has undertaken to provide appropriate exercises and entertainment in celebration of LAKE FOREST DAY on WEDNESDAY, AUGUST 2, 2023, with a view to bringing together the people of our City in the furtherance of civic interest and advancement of community fellowship; and

WHEREAS, the McKinlock Post 264 of the American Legion honors Lake Forest residents, employees, neighbors and friends by saluting *“The Lake Forest Community Service Organizations that do so much for the City”* as this year’s Lake Forest Day theme.

NOW, THEREFORE, BE IT HEREBY PROCLAIMED that said LAKE FOREST DAY celebration is declared to be a City Fair and in pursuance thereof, and Tuesday, August 1, 2023, and Wednesday, August 2, 2023, shall be observed as a holiday in The City of Lake Forest and our people are urged to forsake their ordinary pursuits and gather in West Park in a spirit of comradeship and good will in support of the ideals of our City.

George A. Pandaleon, Mayor

RESOLUTION OF APPRECIATION

for

RAYMOND P. BUSCHMANN FOURTH WARD ALDERMAN

WHEREAS, Raymond P. Buschmann served as a member of the City Council as Fourth Ward Alderman and as a member of the Finance Committee from December, 2016 through April, 2023; and

WHEREAS, during his tenure on the City Council, Ray served on the Public Works Committee, the Personnel, Compensation and Administration Committee, and the Property and Public Lands Committee, and at various times, was the City Council liaison to the Parks, Recreation and Forestry Department, Lake Forest Open Lands Association, and the City's Legal Committee; and

WHEREAS, prior to his time on the City Council, Ray served on the Building Review Board from 2003 to 2009, and in 2005 was appointed Chairman and served in that role until the end of his term, he also served on the Legal Committee from 2009 to 2015 and as Chairman beginning in 2012; and

WHEREAS, Ray was always prepared for meetings, he did his homework and more, and took his appointed and elected positions seriously; and

WHEREAS, Ray listened to residents, asked questions, and often took up causes that his constituents believed were important; and

WHEREAS, Ray did not shy away from taking positions that at times differed from the majority, he spoke his mind, with attention to details, always with the best interests of the community and its residents in mind; and

WHEREAS, Ray took particular interest in assuring the vitality of the Waukegan Road Business District for the long term; and

WHEREAS, Raymond P. Buschmann devoted much time and careful attention to preserving the character of The City of Lake Forest and the quality of life that residents enjoy here, and

WHEREAS, the citizens of Lake Forest recognize and deeply appreciate Ray's dedication and service to the community.

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

Adopted by the City Council of
The City of Lake Forest this
seventeenth day of April 2023.

George A. 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 3.30.23
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 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"). CGS 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

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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.

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

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(I)

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(I)

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.....	Lake County 49,440
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)

<u>County</u>	<u>Family Income</u>	<u>Rank</u>
DuPage County.....	\$122,334	1
Lake County.....	117,633	2
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)

<u>Value</u>	<u>The City</u>		<u>The County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under \$10,000.....	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.....	2,927	57.6%	43,845	24.0%	424,363	13.6%
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)

<u>Value</u>	<u>The City</u>		<u>The County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under \$10,000.....	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.....	3,420	48.8%	48,401	19.2%	498,297	10.1%
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(1)

Calendar Year	State Sales Tax Distribution(2)	Annual Change + (-)
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)
2022.....	4,852,744	15.58%(5)
Growth from 2013 to 2022.....		73.37%

- 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. The total cost of the Project is approximately \$16.4 million. The Project is to be financed from \$12 million in Bond proceeds, \$4 million from the City's General Fund and \$400,000 from the City's Parks and Recreation Fund.

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)

	Outstanding Debt		Applicable to City Percent(2)	Amount
<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)

	Amount Applicable	Ratio To Equalized Assessed	Estimated Actual	Per Capita (2020 Census 19,367)
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)	(16,030,000)	(0.67%)	(0.22%)	\$(827.70)
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
City Rates:					
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.

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Statement of Net Position

	Audited as of April 30				
	2018	2019	2020	2021	2022
ASSETS:					
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	94,038,770	90,525,705	88,623,947	85,689,936	82,370,013
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>
DEFERRED OUTFLOWS OF RESOURCES:					
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	0	26,656	326,875	300,562	267,588
Total Deferred Outflows of Resources	<u>\$ 3,269,723</u>	<u>\$ 16,990,694</u>	<u>\$ 15,223,565</u>	<u>\$ 10,096,167</u>	<u>\$ 8,523,886</u>
LIABILITIES:					
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	76,818,472	96,756,505	95,062,788	74,563,511	80,579,595
Total Liabilities	<u>\$ 85,506,970</u>	<u>\$108,108,723</u>	<u>\$104,388,267</u>	<u>\$ 84,480,868</u>	<u>\$ 92,695,841</u>
DEFERRED INFLOWS OF RESOURCES:					
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	6,480,158	2,471,434	5,361,510	19,017,112	14,060,874
Total Deferred Inflows of Resources	<u>\$ 33,615,033</u>	<u>\$ 30,478,002</u>	<u>\$ 34,700,667</u>	<u>\$ 49,979,179</u>	<u>\$ 46,157,522</u>
NET POSITION:					
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	(11,006,718)	(14,809,677)	(18,261,240)	(14,713,066)	(21,655,117)
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
GOVERNMENTAL ACTIVITIES(1):					
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>
GENERAL REVENUES:					
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.....	<u>(4,343,841)</u>	<u>786,850</u>	<u>(198,500)</u>	<u>(29,500)</u>	<u>(52,500)</u>
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
ASSETS:					
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.....	<u>150,038</u>	<u>129,280</u>	<u>143,703</u>	<u>208,661</u>	<u>91,038</u>
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>
LIABILITIES:(1)					
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.....	<u>1,788,636</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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>
DEFERRED INFLOWS OF RESOURCES:					
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.....	<u>0</u>	<u>0</u>	<u>346,782</u>	<u>0</u>	<u>0</u>
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>
FUND BALANCE:					
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
REVENUES:					
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.....	<u>\$35,846,518</u>	<u>\$38,043,693</u>	<u>\$37,805,297</u>	<u>\$39,105,911</u>	<u>\$42,057,376</u>
EXPENDITURES:					
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.....	<u>\$30,213,544</u>	<u>\$31,336,019</u>	<u>\$32,904,992</u>	<u>\$33,871,215</u>	<u>\$35,368,098</u>
Excess (Deficiency) of Revenues Over Expenditures.....	\$ 5,632,974	\$ 6,707,674	\$ 4,900,305	\$ 5,234,696	\$ 6,689,278
OTHER FINANCING SOURCES (USES):					
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.....	<u>\$ (5,929,540)</u>	<u>\$ (7,043,372)</u>	<u>\$ (4,268,104)</u>	<u>\$ (6,455,153)</u>	<u>\$ (6,082,481)</u>
Net Change in Fund Balance.....	\$ (296,566)	\$ (335,698)	\$ 632,201	\$ (1,220,457)	\$ 606,797
Fund Balance - Beginning of Year.....	<u>\$29,577,448</u>	<u>\$29,280,882</u>	<u>\$28,945,184</u>	<u>\$29,577,385</u>	<u>\$28,356,928</u>
Fund Balance - End of Year.....	<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>

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 <u>4/30/2023</u>	Amended Budget(1) <u>4/30/2023</u>	Projected Actual Budget <u>4/30/23</u>
REVENUES:			
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
EXPENDITURES:			
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 March 1, 2023.

(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 Project, reducing the amount of proceeds needed from the Bonds to approximately \$12 million. See **"THE PROJECT"** for a summary of the Project.

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. 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 APRIL 30</u>	<u>TOTAL PENSION LIABILITY</u>	<u>FIDUCIARY NET POSITION</u>	<u>NET PENSION LIABILITY/(ASSET)</u>	<u>FIDUCIARY NET POSITION AS A % 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 Date	Fiscal Year	Fire	Police	Combined
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</u> <u>APRIL 30</u>	<u>ACTUARIALLY</u> <u>DETERMINED</u> <u>CONTRIBUTION</u>	<u>POLICE PENSION</u> <u>PLAN CONTRIBUTION</u>	<u>CONTRIBUTION</u> <u>(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</u> <u>APRIL 30</u>	<u>TOTAL PENSION</u> <u>LIABILITY</u>	<u>PLAN FIDUCIARY NET</u> <u>POSITION</u>	<u>NET PENSION</u> <u>LIABILITY</u>	<u>FIDUCIARY NET POSITION AS A</u> <u>% 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 1st day of the month of any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be 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.

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:
Wire Transfer ☐

Amount: \$216,500

Account Manager Information

Name _____

Address _____

By _____

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)

	Bid	Post Sale Revision
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, 38th 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 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**.

**Subject to change.*

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 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 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

ORDINANCE NO. _____

**AN ORDINANCE MAKING A SUPPLEMENTAL APPROPRIATION FOR
THE FISCAL YEAR BEGINNING MAY 1, 2022
AND ENDING APRIL 30, 2023**

WHEREAS, on July 18, 2022, The City of Lake Forest adopted Ordinance No. 2022-034 entitled *“An Ordinance Making Appropriation for Corporate Purposes and for the Public Schools of the City of Lake Forest, County of Lake and State of Illinois, for the Fiscal Year Commencing May 1, 2022 and Ending April 30, 2023”* (*“Appropriation Ordinance”*); and

WHEREAS, there is either additional revenue available to the City or estimated to be received by the City, which additional revenue became available or was estimated to be received subsequent to the adoption of the Appropriation Ordinance, or there is revenue available to the City from fund balances available when the Appropriation Ordinance was adopted but that were not appropriated at that time; and

WHEREAS, pursuant to 65 ILCS 5/8-2-9, the Mayor and City Council have determined that it is proper and necessary to appropriate such revenue through the adoption of this Ordinance;

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

SECTION ONE: Recitals. The foregoing recitals are incorporated as the findings of the City Council and are hereby incorporated into and made a part of this Ordinance.

SECTION TWO: Supplemental Appropriation. The City Council hereby approves a supplemental appropriation for the objects and purposes as set forth in the schedule attached hereto as Exhibit A.

SECTION THREE: Effective Date. This Ordinance shall be in full force and effect upon its passage, approval, and publication in pamphlet form in the manner provided by law.

Passed this ____ day of _____, 2023

AYES:

NAYS:

ABSENT:

ABSTAIN:

Approved this __ day of _____, 2023

Mayor

ATTEST:

City Clerk

EXHIBIT A:

Supplemental Appropriation Schedule

Liability Insurance Fund \$150,000

The City of Lake Forest
CITY COUNCIL MEETING
Proceedings of the Monday, April 3, 2023
City Council Meeting – City Council Chambers
220 E Deerpath, Lake Forest, IL 60045

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

Present: Alderman Morris, Alderman Novit, Alderman Rummel, Alderman Notz, Alderman Goshgarian, Alderman Buschmann, and Alderman Weber.

Absent: Alderman Preschlack

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE was recited.

REPORTS OF CITY OFFICERS

COMMENTS BY MAYOR

Mayor Pandaleon acknowledged the recent passing of former Mayor Jim Swarthout, who contributed to the community in so many ways including acquisition of the Chicago Bears within Lake Forest, Deerpath Park, and the Recreation Center. He also noted that a formal resolution of sympathy will be heard at the next City Council meeting.

Mayor Pandaleon also reminded the public that City Hall is no longer open for voting, also noting that changes to voting locations can be found on the Lake County website.

Mayor Pandaleon shared the news that the proposed legislation changes regarding legal defendants for public comment has been passed in the Illinois House and is now onto the Senate, he congratulated the City Attorney.

A. Arbor Day Proclamation

Mayor Pandaleon read the Arbor Day Proclamation.

Mayor Pandaleon reported that the opening of the tenth new restaurant within Lake Forest in three years, Hometown Coffee and Juice. He then concluded his comments by noting omnibus item #3, proposing Lake Forest as an idle-free community, where he highlighted student submissions from an art contest held in March.

COMMENTS BY CITY MANAGER

A. Community Spotlight

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

City Manager Jason Wicha introduced John Johnson to give a presentation on the Lake Forest Library. Mr. John Johnson provided background to the City Council, explaining the programs and milestones accomplished by the library which includes popular digital resources, special collections such as accessibility

kits, and apps. Mr. Johnson also reported that the Dome Project will be completed in the summer, and future finances will focus on infrastructure and ADA accessibility. The ribbon cutting for the Dome Project will be on July 8. Mr. Johnson concluded his presentation by noting that the 125th Anniversary of the Library will include a family friendly celebration and a “Night at the Library” on November 3.

City Manager Jason Wicha then reminded all of the public that Ward meetings officially begin next week.

City Manager Wicha furthered his remarks by noting proposed EPA changes to federal drinking water regulations to six different PFA chemicals. Stating that it is currently under review, he stated that all historic drinking water sampling within Lake Forest continues to meet applicable state and federal regulations, including the proposed changes. He concluded his comments by noting that the city recently joined other north shore communities in filing a lawsuit against many PFA’s manufacturers, noting additional information on the City’s website.

OPPORTUNITY FOR CITIZENS TO ADDRESS THE CITY COUNCIL

Mary Matthews offered comments to the City Council, noting PFA health risks in relation to materials and chemicals utilized within the Deerpath Park Project.

COMMITTEE REPORTS

FINANCE COMMITTEE

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

Mayor Pandaleon reminded the City Council that contracts have already been executed and construction has begun, noting that the issuance of bonds is related to whether to fund the project. Mayor Pandaleon then introduced Elizabeth Holleb, Finance Director.

Ms. Holleb reported to the Council that City staff has been working with Speer Financial and Bond Council, Chapman and Cutler LLP, on preparing for the bond sale occurring on April 17. She advised the Council that city staff has directed Speer Financial to generate the lowest possible bond issue that would generate a net \$12 million after bond issuance costs. Ms. Holleb concluded by noting a meeting with Moody’s rating analysts on March 29, with a response expected on April 12.

The City Council had a discussion on environmental concerns, overbuilding, additional costs, and the potential use of the reserve fund balance.

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

COUNCIL ACTION: Approval of first reading of the bond ordinance. 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.

Alderman Goshgarian made a motion to approve first reading of the bond ordinance authorizing the issuance of general obligation bonds, series 2023, noting that on April 17 staff will present City Council with 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, seconded by Alderman Morris. The following voted “Aye”: Alderman Weber, Morris, Notz, and Goshgarian. The following voted “Nay”: Alderman Novit, Rummel, and Buschmann. 4-Ayes, 3-Nays. Members of the City Council had discussion with City Attorney Julie Tappendorf on when and

whether the Mayor can offer a vote on this matter. Based on the Mayors choice, he chose to vote and Mayor Pandaleon voted “Aye” 5-Ayes, 3-Nays, motion carried.

PUBLIC WORKS COMMITTEE

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

Mayor Pandaleon introduced Michael Thomas, Director of Public Works, and Byron Kutz, Superintendent of Engineering, to give an overview of the Forest Park Bluff Slope Stabilization project. Mr. Thomas gave the City Council a detailed background of the project, noting a timeline with three bid opening periods, and the overall benefits associated with the project.

Byron Kutz, Superintendent of Engineering, provided the Council with mapping and cost explanations, noting the boardwalk design and a detailed explanation of funding sources and contractors. Mr. Kutz also reported that the anticipated construction start date is September 18 and is expected to be completed in March of 2024, with landscaping to follow.

The City Council had a discussion on sustainability elements within the projects, with city staff noting native planting that will increase bioswales and additional shrubbery planting. This item is part of the omnibus vote consideration.

ITEMS FOR OMNIBUS VOTE CONSIDERATION

- 1. Approval of March 20, 2023, City Council Meeting Minutes**
- 2. 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**
- 4. Approval of a Resolution 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)**
- 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**
- 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**
- 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**
- 9. 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.**
- 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**
- 12. 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.**

COUNCIL ACTION: Approval of the thirteen (13) Omnibus items as presented.

Mayor Pandaleon asked members of the City Council if there were any item that they would like to be removed or taken separately. Seeing none, he asked for a motion.

Alderman Weber made a motion to approve the thirteen (13) Omnibus items as presented, seconded by Alderman Rummel. 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.

OLD BUSINESS

NEW BUSINESS

ADDITIONAL ITEMS FOR COUNCIL DISCUSSION/COMMENTS BY COUNCIL MEMBERS
--

Alderman Buschmann offered his resignation to Mayor Pandaleon and members of the City Council, noting an upcoming Ward relocation.

Final words for departing Council Member from remaining Council Members

Each Alderman, Mayor Pandaleon, and City Manager Wicha expressed sincere gratitude for the service of Alderman Buschmann.

Alderman Buschmann made closing remarks to the Council, residents and City Staff.

ADJOURNMENT

There being no further business Mayor Pandaleon asked for a motion. Alderman Buschmann made a motion to adjourn, seconded by Alderman Rummel. Motion carried unanimously by voice vote at 8:02p.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. Click on I Want To, then click on View, then choose Archived Meetings Videos..



Board of Trustees

Chair
Suzanne Sands

Chair-Elect
Maureen Fitzgerald

Executive Board
Amie Marks
Treasurer
Eileen Peters
Secretary
Keevie Silvay
Business Incubator

Betsy Mackey
Communications
Jodi Cofer

Development
Heather Minger
Events
Jennifer Fitzgerald
Grants

Deb Bradley
Nominating

Board Members
Peter Clemens
Megan Engelberg
Ann Kiesling

Nicole Korczak
Amanda Lamberti
Beth Laufenberg
Kristen Lee

Susan Loiacano
Michele Marx
Megan Michael
Nicole Nassar

Liz Olsen
Kristin O'Neil
Nicole Phelan
Heather Richmond
Camille Stohlgren
Christiana Walsh
Tammy Ward
Melissa Williams-
Mullenbach

Technology Liaison
Corey Holmer

Faculty Liaison
Ashleigh Malec

Board of Education
Liaison
David Burns

Ex Officio Members
Dr. Matthew Montgomery
Superintendent
Dr. Erin Lenart
Principal

April 12, 2023

Mayor Pandaleon
The City of Lake Forest
220 E. Deerpath
Lake Forest, IL 60045

Dear Mayor Pandaleon,

Lake Forest High School Foundation, a local not-for-profit, is asking for the City Council's consideration of a waiver for the requirements of the fidelity bond, with regards to our SPRING LUNCHEON RAFFLE license application. The SPRING LUNCHEON RAFFLE includes items with an estimated value of approximately \$2,420.00 and we anticipate the number of tickets to be sold at 700.

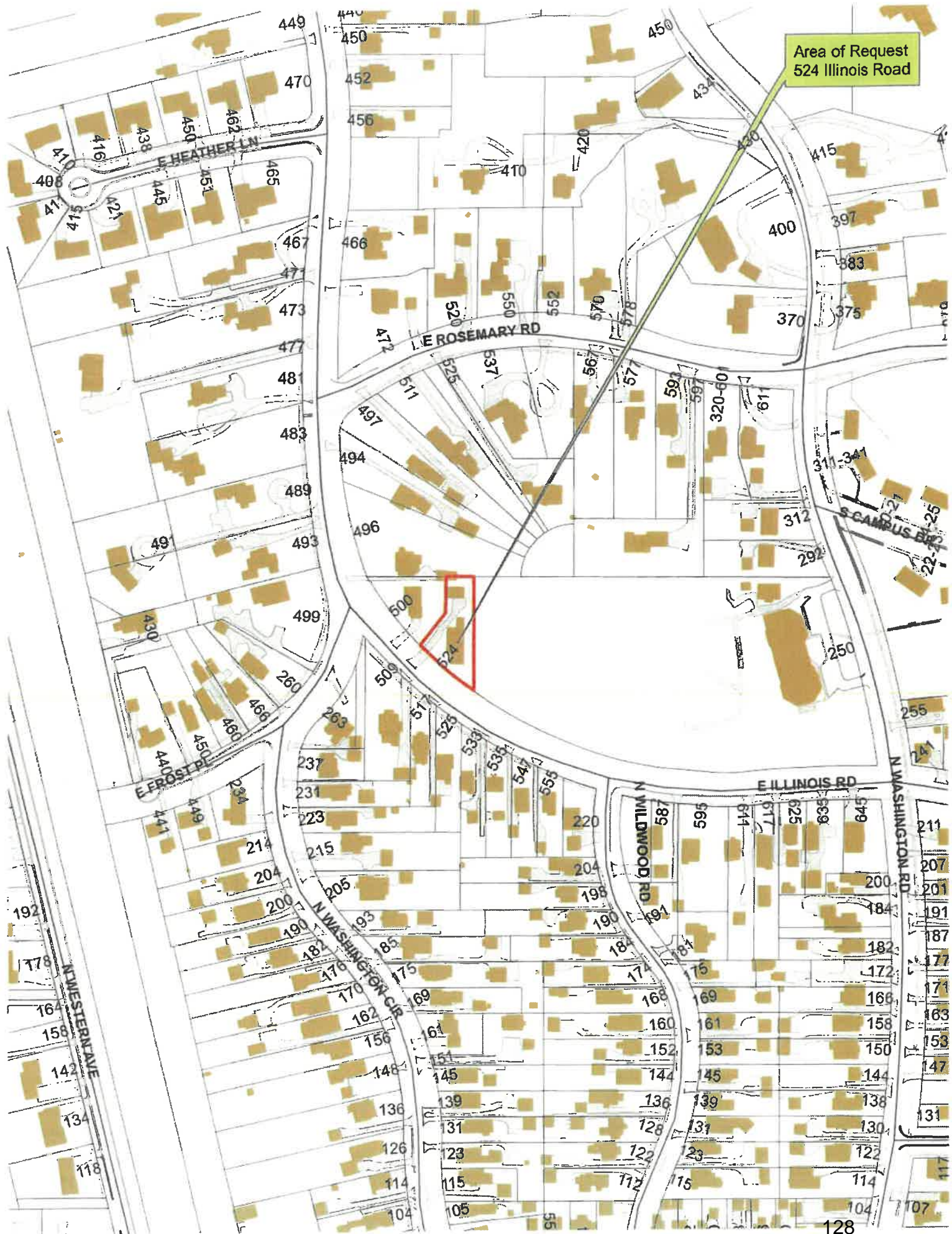
Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Suzanne", written in a cursive style.

Suzanne Sands
Chair, LFHS Foundation

Area of Request
524 Illinois Road



THE CITY OF LAKE FOREST

ORDINANCE NO. 2023-____

AN ORDINANCE APPROVING DEMOLITION, ARCHITECTURAL AND SITE DESIGN
REVIEW, AND GRANTING A FLOOR AREA EXCEPTION FOR
THE PROPERTY LOCATED AT 524 ILLINOIS ROAD

WHEREAS, Dean and Lori Thuent ("**Owners**") are the owners of that certain real property commonly known as 524 Illinois Road, Lake Forest, Illinois and legally described in Exhibit A, attached hereto ("**Property**"); and

WHEREAS, the Property is located in the R-1, Single Family Residence District; and

WHEREAS, the Owners desire to demolish the existing coach house and construct a replacement coach house ("**Improvements**") as depicted on the site plan and architectural drawings that are attached hereto as Group Exhibit B ("**Plans**"); and

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

WHEREAS, the Improvements as depicted on the Plans would exceed the maximum floor area allowances as set forth in Section 150.148 (C) of the City Code, which apply to new construction on, or additions and alterations to existing construction on, residential property; and

WHEREAS, pursuant to notice duly published, the BRB reviewed and evaluated the Plans at a public hearing held on March 1, 2023; and

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

1. the Property is located within the R-1 District under the City Code,
2. Owners propose to construct the Improvements as depicted on the Plans,
3. as depicted on the Plans, a portion of the Improvements exceed the maximum floor area allowances set forth in Section 150.148(C) of the City Code,
4. the Improvements are consistent with the design standards in Section 150.147 of the City Code,
5. mature trees, other vegetation, and the existing residence on the Property effectively mitigate the appearance of excessive mass of the structure and as a result, the proposed development of the Improvements as set forth on the Plans is in keeping with the streetscape and overall neighborhood,
6. the Improvements are sited in a manner that minimizes the appearance of mass from the streetscape and sited in the generally location of the existing structure which will be demolished,
7. the proposed Improvements will not have a significant negative impact on the light to or views from neighboring homes,
7. the height and mass of the Improvements will generally be compatible with the height and mass of structures on adjacent lots and with the structure that will be demolished, buildings on the street and on adjacent streets, and other residences and garages in the same neighborhood, the Lake Forest College football field is located directly east of the proposed replacement structure,.
8. the evidence presented indicates that the construction of the Improvements, if undertaken in conformity with this Ordinance, the recommended conditions, and the Plans,

will meet the standards and requirements of Sections 150.147 and 150.148 of the City Code,

and recommended that the City Council approve the Application and the Plans and grant an exception to the maximum allowable floor area consistent with the Plans, subject to the terms and conditions hereinafter set forth; and

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

WHEREAS, the Mayor and City Council further determine in the exercise of the City's home rule powers that it is in the best interests of the City and its residents to grant Owners' request for exceptions to the otherwise applicable maximum floor area requirements, subject to the terms and conditions hereinafter set forth;

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

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

SECTION TWO: Approval of Application. Pursuant to Section 150.147 of the City Code, and subject to the limitations therein and the conditions set forth in Section Four of this Ordinance, the City Council does hereby grant approval of

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

SECTION THREE: Maximum Floor Area Exception Granted. Pursuant to Section 150.148 of the City Code, and subject to the limitations therein and the conditions set forth in Section Four of this Ordinance, the City Council does hereby grant an exception to the maximum floor area requirements set forth in Section 150.148(D) of the City Code, as more fully depicted on the Plans, by allowing the Improvements and other structures on the Property to have a maximum square footage not to exceed 3,624 square feet.

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

- A. No Authorization of Work. This Ordinance does not authorize commencement of any work on the Property. Except as otherwise specifically provided in writing in advance by the City, no work of any kind shall be commenced on the Property pursuant to the approvals granted in this Ordinance except only after all permits, approvals, and other authorizations for such work have been properly applied for, paid for, and granted in accordance with applicable law.
- B. Compliance with Laws. Chapters 150, regarding building and construction, 156, regarding subdivisions, and 159, regarding zoning, of the City Code, and all other applicable ordinances and regulations of the City shall continue to apply to the Property, and the development and use of the Property shall be in compliance with all laws and regulations of all other federal, state, and local governments and agencies having jurisdiction.

- C. Tree Preservation. The Owners will fully comply with Chapter 99 of the City Code, regarding trees, as it relates to the construction of the Improvements.
- D. Compliance with the Plans. The Improvements must be developed on the Property in substantial compliance with the Plans.
- E. Fees and Costs. The Owners shall be responsible for paying all applicable fees relating to the granting of the approvals set forth herein in accordance with the City Code. In addition, the Owners shall reimburse the City for all of its costs (including without limitation engineering, planning, and legal expenses) incurred in connection with the review, consideration, approval, implementation, or successful enforcement of this Ordinance. Any amount not paid within 30 days after delivery of a demand in writing for such payment shall, along with interest and the costs of collection, become a lien upon the Property, and the City shall have the right to foreclose such lien in the name of the City as in the case of foreclosure of liens against real estate.
- F. Other conditions. The improvements shall be substantially in conformance with the Board's deliberations as reflected on Exhibit C, Notice of Action – Board Recommendation, attached hereto.

SECTION FIVE: Effective Date. This Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form in the manner provided by law; provided, however, that this Ordinance shall, in the discretion of the City Council, be of no force or effect if Owners have not (i) executed and (ii) thereafter filed with the City Clerk, within 90 days following the passage of this Ordinance, the unconditional agreement and consent, in the form attached hereto as Exhibit D and by this reference made a part hereof, to accept and abide by each and all of the terms, conditions, and limitations set forth herein. The City Clerk is hereby directed to record this Ordinance and such agreement and consent with the Recorder of Deeds of Lake County.

PASSED THIS __ DAY OF _____, 2023.

AYES: ()

NAYS: ()

ABSENT: ()

ABSTAIN: ()

PASSED THIS __ DAY OF _____, 2023.

Mayor

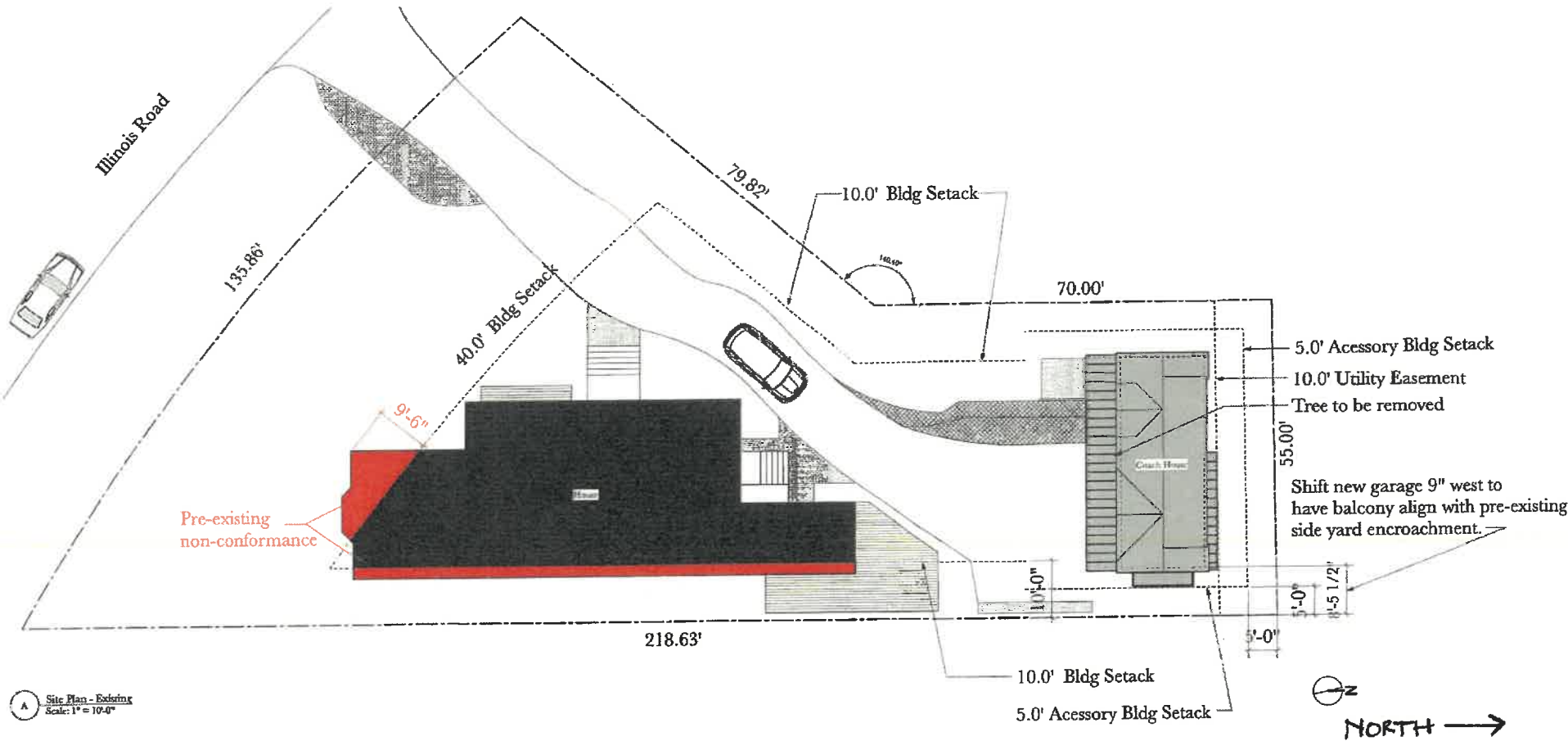
ATTEST:

City Clerk

GROUP EXHIBIT B

The Plans

PROPOSED SITE PLAN



Coachhouse for the
Thuerle
Residence

524 E. Illinois Road Lake Forest, IL 60045

General Notes

2. Revised for City of L.F. Bldg Review 02/15/2023

3. Re-issued for City of L.F. Bldg Review 02/16/2023

1. Issued for City of L.F. Bldg Review 01/27/2023

lake effect
847.234.4688 WWW.LEFFECT.COM
ARCHITECTS

Site Plan Proposed

A-0.3

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GROUP EXHIBIT B

The Plans

PROPOSED REPLACEMENT COACH HOUSE - SOUTH ELEVATION



Coachhouse for the
Thuente
Residence

524 E. Illinois Road Lake Forest, IL 60045

General Notes

3. Recheck for City of LP BCR Review 02/15/2025
2. Re-check for City of LP BCR Review 02/10/2025
1. Issued for City of LP BCR Review 01/27/2025

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South Elevation
Proposed

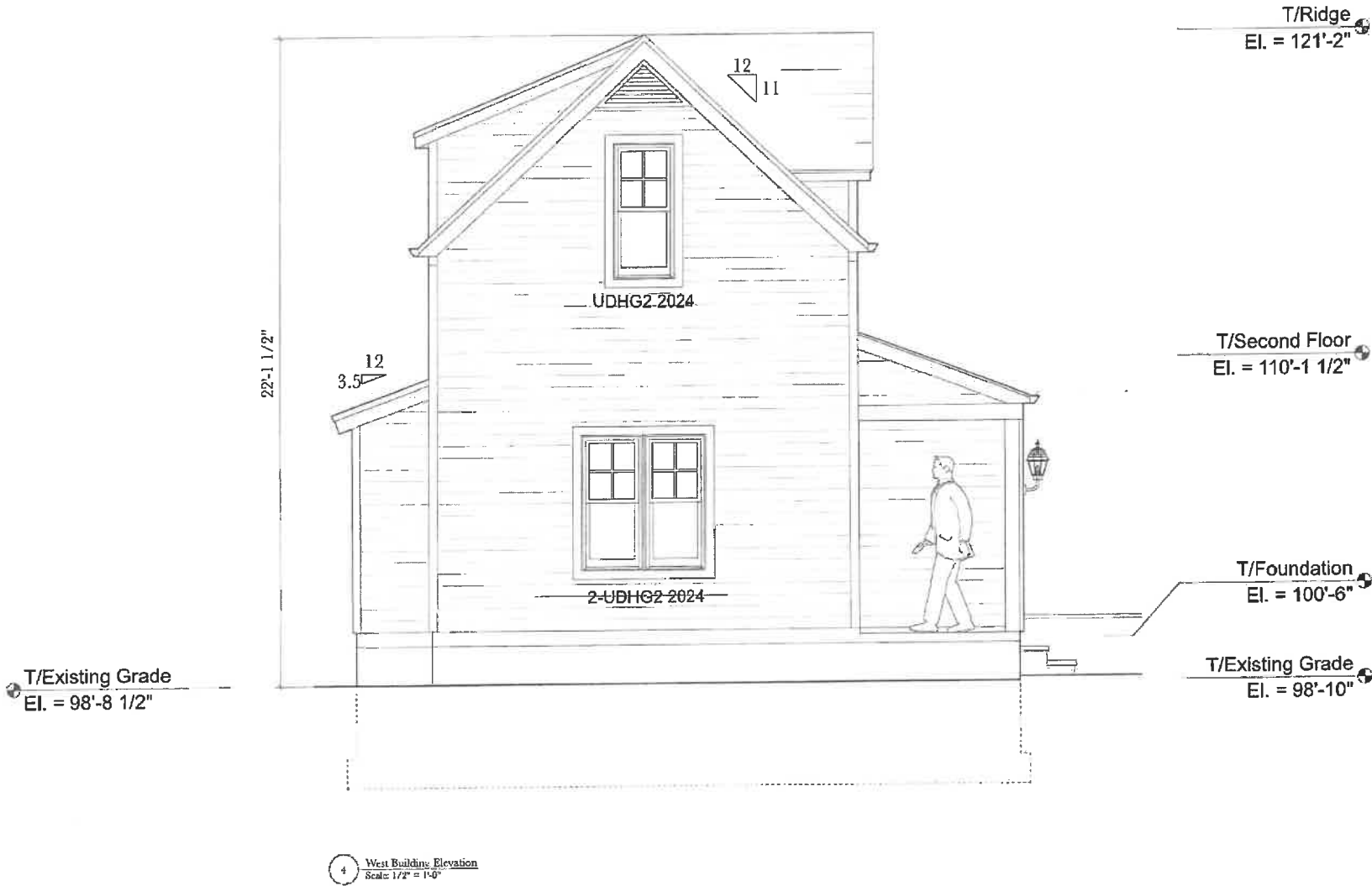
A-4.1

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GROUP EXHIBIT B

The Plans

PROPOSED REPLACEMENT COACH HOUSE - WEST ELEVATION



Coachhouse for the
Thuente
Residence

524 E. Minneb Road Lake Forest, IL 60045

General Notes

1. Re-sub for City of LF HRB Review	10/15/2024
2. Re-sub for City of LF HRB Review	10/16/2024
3. Re-sub for City of LF HRB Review	01/22/2025

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West Elevation
Proposed

A-4.4

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GROUP EXHIBIT B

The Plans

PROPOSED REPLACEMENT COACH HOUSE - NORTH ELEVATION



3 North Building Elevation
Scale: 1/2" = 1'-0"

Coachhouse for the
Thuente
Residence

524 E. Illinois Road Lake Forest, IL 60043

General Notes

1. Revised for City of LP BRB Review	02/13/2023
2. Re-issued for City of LP BRB Review	02/10/2023
3. Issued for City of LP BRB Review	01/21/2023

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North Elevation
Proposed

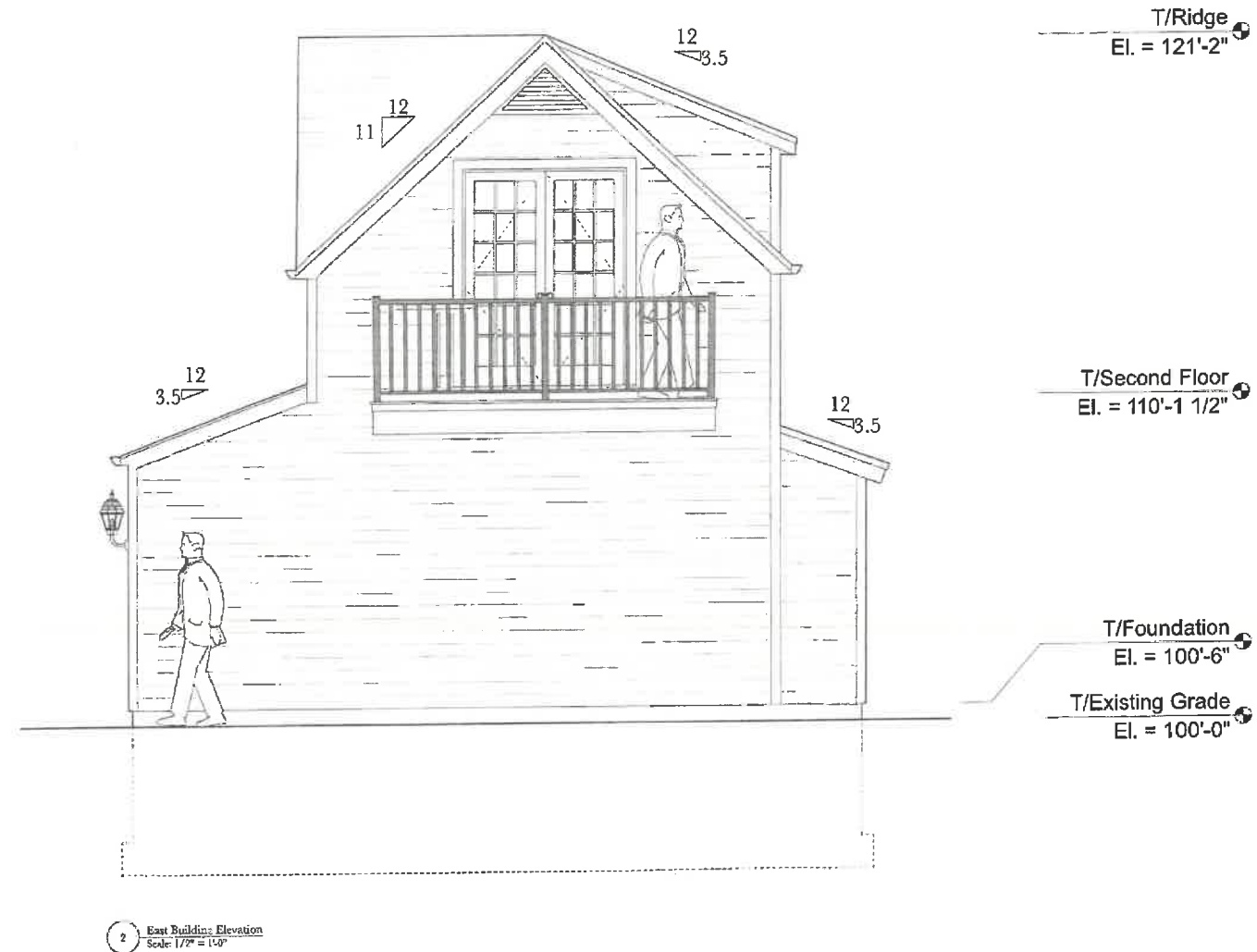
A-4.3

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GROUP EXHIBIT B

The Plans

PROPOSED REPLACEMENT COACH HOUSE - EAST ELEVATION



Coachhouse for the
Thuente
Residence

329 E. Hinsie Road, Lake Forest, IL 60045

General Notes

3. Revised for City of LP BRB Review	10/15/2012
2. Reissued for City of LP BRB Review	02/10/2012
1. Issued for City of LP BRB Review	01/22/2012

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East Elevation
Proposed

A-4.2

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