



City Council
COMMITTEE OF THE WHOLE
City of Belvidere, Illinois

Alderman Clayton Stevens,	1 st Ward	Public Works Vice Chairman
Alderman Tom Porter,	1 st Ward	Finance/Personnel Vice Chairman; City-County
Alderman Daniel Snow,	2 nd Ward	BPZ Chairman; City- County Co-Chairman
Alderman Michael Borowicz,	2 nd Ward	Public Safety Vice Chairman; City-County
Alderman Wendy Frank,	3 rd Ward	City County Coordinating - Vice Co Chairman
Alderman Thomas Ratcliffe	3 rd Ward	Finance and Personnel Chairman
Alderman Ronald Brooks,	4 th Ward	Public Works Chairman
Alderman George Crawford	4 th Ward	Public Safety Chairman
Alderman Mark Sanderson,	5 th Ward	BPZ Vice Chairman
Alderman Marsha Freeman	5 th Ward	City-County Coordinating Committee

AGENDA

November 26, 2018
6:00 p.m.
City Council Chambers
401 Whitney Boulevard, Belvidere, Illinois

Call to Order – Mayor Mike Chamberlain:

Roll Call: Present: Absent:

Public Comment:

Public Forum:

Reports of Officers, Boards, and Special Committees:

1. Public Safety, Unfinished Business: None.
2. Public Safety, New Business: None.
3. Finance & Personnel, Unfinished Business: None.

4. Finance & Personnel, New Business:
 - (A) Health Renewal CY2019 – Tim Knauf of Gallagher Williams-Manny.
 - (B) Boone County Community Foundation \$4,000 Grant.
 - (C) Sikich LLP – Re- appointment as Independent Auditors.
 - (D) 2018 Tax Levy Request from the Belvidere Fire Pension Fund.
 - (E) 2018 Tax Levy Request from the Belvidere Police Pension Fund.
 - (F) Announcement of Estimated Tax Levy for Tax Year 2018.

5. Other:
 - (A) Appointment of Carl Gnewuch to the Planning and Zoning Commission.
 - (B) Derrick Vail – Payout of vacation hours on the books.
 - (C) Soil Borings – Appleton Forcemain Extension.
 - (D) Amending City's Harassment Policy.
 - (E) An Agreement to Establish the Northern Illinois Land Bank Authority.

6. Adjournment:

City of Belvidere

Major Medical Plan Analysis

January 1, 2019 Renewal



555 S. Perryville Rd., Rockford, IL 61108 | 815-398-6800

	Current (Grandfathered)				Renewal with Rate Relief (Grandfathered)			
	BCBS		BCBS		BCBS		BCBS	
ER Contrib to EE:	88%							
Waiting Period: 31st Day	PPO BPPE2313 \$3,500 90/70		BPAVAVA5 H.S.A.		PPO BPPE2313 \$3,500 90/70		HSA BPAP1V05 \$1,350 100/80 (Agg)	
Benefits	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Office Visits								
OV - Primary/Spec	\$10/\$30	Ded+30%	Deduct	Ded+20%	\$10/\$30	Ded+30%	Deduct	Ded+20%
Urgent Care	Ded+10%	Ded+30%	Deduct	Ded+20%	Ded+10%	Ded+30%	Deduct	Ded+20%
Deductible								
Individual	\$3,500	\$7,000	\$1,300	\$1,300	\$3,500	\$7,000		\$1,350
Family	\$10,500	\$21,000	\$2,600	\$2,600	\$10,500	\$21,000		\$2,700
Coinsurance	90%	70%	100%	80%	90%	70%	100%	80%
OOP Max (Including Ded)								
Individual Med OPX	\$4,500	\$9,000	\$2,400	\$2,400	\$4,500	\$9,000		\$2,400
Family Med OPX	\$13,500	\$27,000	\$4,800	\$4,800	\$13,500	\$27,000		\$4,800
Rx OPX (Indiv/Fam)	Unlimited	Unlimited	Included	Included	Unlimited	Unlimited	Included	Included
Hospital Services								
Inpatient Hospital Admission	Ded+10%	\$300+Ded+30%	Deduct	\$300+Ded+20%	Ded+10%	\$300+Ded+30%	Deduct	\$300+Ded+20%
Outpatient Surgery	Ded+10%	Ded+30%	Deduct	Ded+20%	Ded+10%	Ded+30%	Deduct	Ded+20%
Emergency Room		\$150		Ded+10%		\$150		Ded+10%
Prescription Drugs								
Separate Rx Deductible	\$0	NA	Plan Ded	NA	\$0	NA	Plan Ded	NA
Tier 1/Tier 2/Tier 3/Specialty	\$10/\$30/\$50	See SPD	Ded+20%	See SPD	\$10/\$30/\$50	See SPD	Ded+20%	See SPD
90 Day Mail Order Available (Y/N)	2x	NA	Ded+20%	NA	2x	NA	Ded+20%	NA
Network Name	BCBS PPO	NA	BCBS PPO	NA	BCBS PPO	NA	BCBS PPO	NA
Hospitals or Web Address	www.bcbsil.com				www.bcbsil.com			
Rates	Counts							
EE	47	\$713.78	0	\$753.25	47	\$723.99	0	\$760.93
EESP	13	\$1,413.12	0	\$1,491.24	13	\$1,417.28	0	\$1,489.60
EECH	9	\$1,393.81	0	\$1,470.87	9	\$1,394.57	0	\$1,465.72
FAM	46	\$2,093.15	0	\$2,208.87	46	\$2,087.85	0	\$2,194.39
Medicare EE	4	\$442.55	0	\$467.03	4	\$440.60	0	\$463.08
Medicare Split EE/SP	0	\$885.12	0	\$934.04	0	\$881.20	0	\$926.18
Monthly Admin Fee		\$0.00		\$0.00		\$0.00		\$0.00
Est. Monthly Premium	\$162,517.61		\$0.00		\$162,806.80		\$0.00	
Est. Annual Premium	\$1,950,211.32				\$1,953,681.60			
% of Change from Current					0.2%			
Est. Annual PSF Claims & Admin	\$224,526.76		\$0.00		\$224,526.76		\$0.00	
Est. Annual Premium w/PSF	\$2,174,738.08				\$2,176,208.36			
% of Change w/PSF					0.1%			

Rates are not final until approved by insurance carrier. Illustration is for comparative purposes only. Please see carrier brochure/certificate for exact coverage.

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The information contained herein is subject to the disclosures and disclaimers on the final page of this presentation.

Accepted Opt. _____ Client Signature _____ Date _____ WM Auth Agent _____ Date _____

City of Belvidere

Dental Plan Analysis

January 1, 2019 Renewal

ER Contrib to EE, tied to Medical		Current		Renewal	
Waiting Period: 1st of the month following 30 days		Envision ASO		Envision ASO	
		ASO Dental		ASO Dental	
Benefits		In-Network	Out-of-Network	In-Network	Out-of-Network
Annual Deductible					
Single/Family		\$50/\$150		\$50/\$150	
Annual Plan Max.		\$1,500		\$1,500	
Includes Rollover/Carryover?		No		No	
Benefits					
Type I - Prev. & Diagnostic		80%		80%	
Deductible Waived (Yes/No)		Yes		Yes	
Type II - Basic Service		80%		80%	
Type III - Major Services		80%		80%	
Type IV - Orthodontic Services		50%		50%	
Orthodontia Lifetime Max		\$1,500		\$1,500	
Orthodontia Age Limit		Child & Adult		Child & Adult	
Perio & Endo Benefits					
Perio - Non-Surg/Surg		80%		80%	
Endo - Non-Surg/Surg		80%		80%	
Waiting Periods		NA		NA	
Other Features					
U & C		Negotiated Fee		Negotiated Fee	
Min. Participation Req.		Current		Current	
Network Name		Cigna Network		Cigna Network	
Network Website					
Rate Guarantee		1 Year, Renews 1/1/19		1 Year	
Rates	Counts				
EE	51	Admin Fee PEPM		Admin Fee PEPM	
EESP	13	\$2.50		\$2.50	
EECH	9	Average Monthly Claims		Average Monthly Claims	
FAM	46	\$7,941.47		\$7,941.47	
TOTAL	119				
Estimated Monthly Premium		\$8,238.97		\$8,238.97	
Estimated Annual Premium		\$98,867.64		\$98,867.64	
Percentage Change From Current					

Rates are not final until approved by insurance carrier. Illustration is for comparative purposes only. Please see carrier brochure/certificate for exact coverage.

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Accepted Opt. _____ Client Signature _____ Date _____ WM Auth Agent _____ Date _____



BOONE COUNTY
COMMUNITY
FOUNDATION

October 25, 2018

City of Belvidere
Ms. Becky Tobin
401 Whitney Blvd
Belvidere, IL 61008

Dear Becky,

The Board of Directors of the Boone County Community Foundation is pleased to inform you that the City of Belvidere has been awarded a 2019 Community Grant in the amount of \$4,000.00.

Checks will be distributed at our annual Belvidere Chamber Breakfast to be held at the Boone County Historical Museum located at 314 So. State Street, Belvidere. The breakfast is at 7:30 on November 13th, 2018. We will issue you a check at the breakfast and hope you can attend. Please contact me at 815-544-7231 or email me at execdir@boonecountycommunityfoundation.org if you will be able to attend.

A final report form will be included with your check. Please send in the completed form within one month of your project's completion. If the project has not been completed by the deadline for the next year's grant application, please send an update on the progress of the project instead. This will be necessary if you will be applying for a 2019-2020 grant. The final report will then be due after completion of the project. **Please acknowledge the Boone County Community Foundation in all of your print media for this project.**

We wish you well with your project and thank you for your fine contribution to the quality of life in Boone County.

Sincerely,

Paul Fischer,
Executive Director

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER



TRUST CHECK

70-2330
719

CHECK NO. 0252912

BCCF/GENERAL FUND
ACCT. NO. 60-4067-01-7

PAY EXACTLY

\$4,000.00

DATE

AMOUNT

*** FOUR THOUSAND AND 00/100 ***

11/08/18

\$4,000.00

TO THE
ORDER
OF

CITY OF BELVIDERE



Eric Cymeli

AUTHORIZED SIGNATURE

THE BACK OF THIS DOCUMENT CONTAINS CHECK SECURITY WATERMARK AND COIN REACTIVE INK

⑈0252912⑈ ⑆081204540⑆ 870156⑈

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

November 1, 2018

The Honorable Mayor
Members of the City Council
C/O Ms. Becky Tobin
Budget/Finance Officer
City of Belvidere
401 Whitney Blvd.
Belvidere, Illinois 61008

Dear Ladies and Gentlemen:

Sikich LLP is pleased to be considered for the re-appointment as independent auditors for the City of Belvidere (the City). We believe that our qualifications, experience and expertise are clearly distinguishable as we have demonstrated to the City over the last three years and are evident by:

- The quality of our professional staff, as noted by their advanced degrees and their active participation in numerous civic and professional organizations.
- The expertise that we possess in the state and local government industry, as demonstrated by:
 - Our clients' success in obtaining the coveted Certificate of Achievement for Excellence in Financial Reporting;
 - Our staff's presentations at conferences, seminars and training courses for various state and local government organizations; and
 - Our leadership roles in the state CPA Society and the Illinois Government Finance Officers Association on implementing complex new pronouncements.
 - The fact that we audit six of the eight AAA rated municipalities in the State of Illinois, five of the twelve AAA rated park and recreation districts, and one of only three AAA rated community colleges.
- The benefits our clients receive from the audit planning and significant preliminary work we perform so that audit issues may be identified early and resolved on a timely basis.
- The depth of our audit procedures, as depicted in our specific audit approach and as noted by our government clients.
- The quality and timeliness of the information that we provided to the City.
- The experience we have providing professional services to more than 500 units of local government in Illinois annually; which assists us in identifying best practices in the industry that we share with our clients (more than thirty percent of our practice is devoted to serving governmental entities).

Our Firm's expertise will not only enable the City to apply for and receive the coveted Certificate of Achievement for Excellence in Financial Reporting if the City chooses to, but also to correctly and cost effectively implement new statements and interpretations issued by the Governmental Accounting Standards Board. We believe this proposal demonstrates our capabilities to serve not only as independent auditors, but also as valued advisors and consultants to the City, the Mayor, City Council, and management.

Our audit team is tailored to each client's specific needs drawing staff from our state and local government team. We emphasize:

- Consistency and quality of staffing in multi-year engagements, including assigning staff from our state and local government team who focus on providing services to the local government industry year round and assigning staff who are familiar with the Incode accounting software used by the City;
- A high degree of efficiency using the latest paperless audit technology available (including the use of IDEA data extraction and analysis software);
- The identification of opportunities for improved financial or procedural performance; and
- A focus on areas that present the greatest audit risk.

We are prepared to commit the resources necessary to provide services of the highest quality to the City of Belvidere. We will not only perform the audit, but we will also provide governmental accounting and financial reporting expertise and technical assistance throughout the year. We understand the scope of work to be performed and the timing requirements and are committed to performing the specified services within the stipulated timeframe.

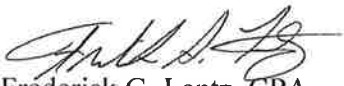
The City has requested a proposal for auditing services for the fiscal years ending April 30, 2019 through 2021, as detailed below:


	April 30, 2019	April 30, 2020	April 30, 2021
City of Belvidere Audit	\$ 21,400	\$ 21,850	\$ 22,300
Police Pension Fund Audit	3,200	3,300	3,400
Firefighters' Pension Fund Audit	3,200	3,300	3,400
Single Audit Report, if applicable	1,600	1,650	1,700
TIF Compliance Report	1,600	1,650	1,700
Ida Public Library Audit	4,000	4,100	4,200


These fees do not include the cost to implement any new GASB pronouncements during the duration of the proposal. We will separately negotiate additional fees related to any pronouncements that become effective during the duration of the proposal.

We appreciate the opportunity to present this proposal, which is a firm and irrevocable offer for sixty (60) days, and look forward to the possibility of serving the City.

Sincerely,
Sikich LLP


Frederick G. Lantz, CPA
Partner-in-Charge, Government Services


Anthony M. Cervini, CPA, CFE
Partner


Nicholas P. Bava, CPA, MAS
Manager



**CITY OF BELVIDERE
FIRE PENSION FUND**

**P.O. Box 977
Belvidere, IL 61008**

**President: Shawn Schadle
sschadle@belviderefire.com**

**Secretary: Chris Letourneau
cletourneau@belviderefire.com**

November 16, 2018

**Mayor Michael Chamberlain and Members of the City Council City of Belvidere
401 Whitney Blvd
Belvidere, Illinois 61008**

RE: 2018 Tax Levy Request from the Belvidere Fire Pension Fund

Dear Mayor Chamberlain and Members of the City Council:

The Board of Trustees of the Belvidere Fire Pension Fund recently reviewed the actuarial report prepared by Lauterbach & Amen, LLP for purposes of the next City tax levy; the Board voted unanimously at its October 2018 meeting to request that the City Council levy the suggested actuarial amount of \$1,103,286 on behalf of the Belvidere Fire Pension Fund. This amount is based using an investment return of 7.0% under the entry age normal actuarial method and following a 100% funding policy by year 2040.

Note the following highlights from the actuarial study:

- The percent funded has increased from 57.40% to 58.66%.
- The recommended contribution has increased \$37,995 from the prior year (3.6%).
- The Investment Return on Assets net of fees for the period was 7.28%.
- Net income received from the investment of assets was \$1,095,097

The Board wants to thank City Administration for your commitment to fund the trust based on the actuarial assessment done by Lauterbach and Amen. If we continue to fund the pension funds properly, we are no longer passing the buck to future generations.

Below, I would like to provide some general information, and answer some common questions I hear about police and fire pension funds.

First, what I would like to highlight is that a 100% funded pension fund does not require municipal contributions for retired employees. The employee contributions and employer contributions end at retirement, and investment returns on those funds create the needed cashflow throughout a retiree's life. For example, if our fund was 100% funded, this year's contribution would be \$311,717 or 14.9% of payroll (see page 16 of the actuarial valuation). As more of our workforce becomes tier II when tier I firefighters retire, the normal cost as a percentage of payroll will continue to decrease. The municipality



**CITY OF BELVIDERE
FIRE PENSION FUND**

**P.O. Box 977
Belvidere, IL 61008**

President: Shawn Schadle
sschadle@belviderefire.com

Secretary: Chris Letourneau
cletourneau@belviderefire.com

does not pay into social security or match any contributions, so the cost of retirement benefits does not significantly differ from private employers who offer competitive benefit packages.

This year's contribution towards the unfunded liability is \$769,749. I have heard people say, "well why do we need all that money sitting there in the pension trust?" The answer is that investment income is what allows the employee and employer contributions to end when a firefighter retires. And this investment income significantly reduces the employee and employer contributions. The actuarial assumption is that the fund is expected over time, to average 7% returns on investments, net of fees. Another way of looking at that is that the City is borrowing money (unfunded liability of \$11,165,235) from the pension fund with an interest fee of 7%. The lost investment income on that unfunded liability this year was \$812,829. If the actuarial return on investment was 0, then the entire amount of the retirement would be based solely on contributions. I am not sure what that number would look like but, the required contribution would increase to some massive figure. Not having those funds invested would be like having your personal retirement funds in cash in a safe deposit box in the bank. And every year the buying power of those funds would decrease as inflation increases, and overall your cashflow when your start drawing on your savings would be significantly reduced.

I have also heard people compare the sustainability of fire pension funds and funded percentage compared with IMRF. That is like comparing apples to oranges. IMRF requires funding. It never was optional, so IMRF funds were never withheld to balance budgets like police and fire pensions. That is one reason that the funded percentage of IMRF funds is much higher. The second reason is that state statute limits the percent of police and fire trusts that can be invested in securities/equities. In 2011, a police or fire pension fund could only invest 35% of the fund in equities and 65% in fixed income. Now, funds over \$10,000,000 can invest up to 65% in equities. I don't believe IMRF has ever had similar limitations.

As far as the efficiency of the fund, our asset managers manage 2.5 billion in funds, most of which are Illinois police and fire funds. They can purchase investments with institutional rates and their own fees are only 25 basis points, therefore our investment administrative costs are very low.

Thank you for taking the time to read this and thank you for your continued efforts to provide funds to provide retirement security to those who serve the community.

Sincerely,

Shawn Schadle

President-Belvidere Firefighters Pension Trust Fund

**THE CITY OF BELVIDERE, ILLINOIS
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2018**

The Pension Board certifies to the City Council of the Belvidere of Belvidere, Illinois on the condition of the Pension Fund at the end of its most recently completed fiscal year the following information:

- 1) The total cash and investments, including accrued interest, of the fund at market value and the total net position of the Pension Fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Total Cash and Investments (including accrued interest)	<u>\$15,533,184</u>	<u>\$14,534,497</u>
Total Net Position	<u>\$15,530,800</u>	<u>\$14,531,667</u>

- 2) The estimated receipts during the next succeeding fiscal year from deductions from the salaries of firefighters' and from other sources:

Estimated Receipts - Employee Contributions	<u>\$202,500</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>\$1,087,300</u>
Municipal Contributions	<u>\$1,103,286</u>

- 3) The estimated amount necessary during the fiscal year to meet the annual actuarial requirements of the pension fund as provided in Sections 4-118 and 4-120:

Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance	<u>N/A</u>
Private Actuary - Lauterbach & Amen, LLP	
Recommended Municipal Contribution	<u>\$1,103,286</u>
Statutory Municipal Contribution	<u>\$904,100</u>

**THE CITY OF BELVIDERE, ILLINOIS
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2018**

- 4) The total net income received from investment of assets along with the assumed investment return and actual investment return received by the fund during its most recently completed fiscal year compared to the total net income, assumed investment return, and actual investment return received during the

	Current Fiscal Year	Preceding Fiscal Year
Net Income Received from Investment of Assets	\$1,095,097	\$1,278,591
Assumed Investment Return		
Illinois Department of Insurance	N/A	6.50%
Private Actuary - Lauterbach & Amen, LLP	7.00%	7.00%
Actual Investment Return	7.28%	9.11%

- 5) The increase in employer pension contributions that results from the implementation of the provisions of P.A. 93-0689:

Illinois Department of Insurance	N/A
Private Actuary - Lauterbach & Amen, LLP	N/A

- 6) The total number of active employees who are financially contributing to the fund:

Number of Active Members	29
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- 7) The total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits:

	Number of	Total Amount Disbursed
(i) Regular Retirement Pension	11	\$666,900
(ii) Disability Pension	9	\$369,750
(iii) Survivors and Child Benefits	9	\$249,709
Totals	29	\$1,286,360

**THE CITY OF BELVIDERE, ILLINOIS
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2018**

8) The funded ratio of the fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Illinois Department of Insurance	<u>N/A</u>	<u>57.24%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>58.66%</u>	<u>57.40%</u>

9) The unfunded liability carried by the fund, along with an actuarial explanation of the unfunded liability:

Unfunded Liability:

Illinois Department of Insurance	<u>N/A</u>
Private Actuary - Lauterbach & Amen, LLP	<u>\$11,165,235</u>

The accrued liability is the actuarial present value of the portion of the projected benefits that has been accrued as of the valuation date based upon the actuarial valuation method and the actuarial assumptions employed in the valuation. The unfunded accrued liability is the excess of the accrued liability over the actuarial value of assets.

10) The investment policy of the Pension Board under the statutory investment restrictions imposed on the fund.

Investment Policy - See Attached.

Please see Notes Page attached.

CERTIFICATION OF MUNICIPAL FIREFIGHTERS'
PENSION FUND COMPLIANCE REPORT

The Board of Trustees of the Pension Fund, based upon information and belief, and to the best of our knowledge, hereby certify pursuant to §4-134 of the Illinois Pension Code 40 ILCS 5/4-134, that the preceding report is true and accurate.

Adopted this 29th day of October, 2018

President  Date 10/27/18

Secretary  Date 10/31/2018

**THE CITY OF BELVIDERE, ILLINOIS
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2018**

INDEX OF ASSUMPTIONS

- 1) Total Cash and Investments - as Reported at Market Value in the Audited Financial Statements for the Years Ended April 30, 2018 and 2017.

Total Net Position - as Reported in the Audited Financial Statements for the Years Ended April 30, 2018 and 2017.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended April 30, 2018 plus 5.55% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest \$100.

Estimated Receipts - All Other Sources:

Investment Earnings - Cash and Investments as Reported in the Audited Financial Statements for the Year Ended April 30, 2018, times 7% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100.

- 3) Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance - No April 30, 2018 Actuarial Valuation available at the time of this report.

Private Actuary - Lauterbach & Amen, LLP:

Recommended Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2018 Actuarial Valuation.

Statutorily Required Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2018 Actuarial Valuation.

**THE CITY OF BELVIDERE, ILLINOIS
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2018**

INDEX OF ASSUMPTIONS - Continued

- 4) Net Income Received from Investment of Assets - Investment Income (Loss) net of Investment Expense, as Reported in the Audited Financial Statements for the Years Ended April 30, 2018 and 2017.

Assumed Investment Return:

Illinois Department of Insurance - Preceding Fiscal Year Interest Rate Assumption as Reported in the April 30, 2017 Actuarial Valuation. No April 30, 2018 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Lauterbach & Amen, LLP, April 30, 2018 and 2017 Actuarial Valuations.

Actual Investment Return -Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning and Ending Balances of the Fiscal Year Cash Investments, Excluding Net Investment Income, Gains, and Losses for the Fiscal Year Return Being calculated, as Reported in the Audited Financial Statements for the Fiscal Years Ended

- 5) Illinois Department of Insurance - Amount of total suggested tax levy to be excluded from the property tax extension limitation law as contemplated by 35 ILCS 200/18-185.

Private Actuary - No Private Actuarial Valuation amount available at the time of this report.

- 6) Number of Active Members - Illinois Department of Insurance Annual Statement for April 30, 2018 - Schedule P.

- 7) (i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for April 30, 2018 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed.

(ii) Disability Pension - Same as above.

(iii) Survivors and Child Benefits - Same as above.

**THE CITY OF BELVIDERE, ILLINOIS
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2018**

INDEX OF ASSUMPTIONS - Continued

8) The funded ratio of the fund:

Illinois Department of Insurance - Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the April 30, 2017 Actuarial Valuation. No April 30, 2018 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the Lauterbach & Amen, LLP, April 30, 2018 and April 30, 2017 Actuarial Valuations.

9) Unfunded Liability:

Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) - No April 30, 2018 Actuarial Valuation available at the time of this report.

Private Actuary - Deferred Asset (Unfunded Accrued Liability) as Reported by Lauterbach & Amen, LLP in the April 30, 2018 Actuarial Valuation.

October 19, 2018

Mayor Michael Chamberlain and Members of the City Council
City of Belvidere
401 Whitney Blvd
Belvidere, Illinois 61008

RE: Tax Levy Request from the Belvidere Police Pension Fund

Dear Mayor Chamberlain and Members of the City Council:

Section 3-125 of the Illinois Pension Code provides that the City of Belvidere must annually levy a tax to meet the annual actuarial requirements of the police pension fund (40 ILCS 5/3-125). The Board of Trustees of the Belvidere Police Pension Fund recently reviewed the actuarial valuation prepared by actuary Todd A. Schroeder of Lauterbach & Amen, LLP for purposes of the next City tax levy.

In light of the Board's fiduciary obligation to ensure funds are available to meet the actuarial requirements of the Fund, the Board voted to request that the City Council levy the recommended amount of \$1,304,118 on behalf of the Belvidere Police Pension Fund in December 2018. This amount is based on Mr. Schroeder's calculation using an investment return of 7.0% under the entry age normal actuarial method and following a 100% funding policy by year 2040. Note the following highlights from the actuarial valuations:

- The recommended contribution has increased \$57,691 from the prior year (a 4.6% increase).
- The funded percentage has improved to 63.16% based on the actuarial value of assets.
- The return on investments was 6.5%, net of all administrative expenses. When smoothing (the recognition of gains and losses over five years) was considered, the return on investments on the actuarial value of assets was 4.9% net of administrative expenses.
- The Fund paid out over \$1.5 million in benefits last fiscal year.

Note that the DOI has lowered its investment return assumption for the Fund to 6.5%. Before next year's actuarial valuation is prepared, the Board will be reviewing the investment return assumption with Mr. Schroeder to determine whether it would be prudent to reduce the investment return assumption he is using in his report, as well, in an effort to more accurately reflect the expected returns in the future.

The Board appreciates the City's continued commitment to proper funding. Enclosed please find the annual municipal compliance report for your review. If you have any questions regarding the Board's request or would like a representative of the Board to attend the City Council meeting at which our request will be discussed, please let us know.

Sincerely,

BELVIDERE POLICE PENSION FUND


Matt Wallace, President

Enclosures

- Lauterbach & Amen's Actuarial Valuation as of May 1, 2018
- Municipal Compliance Report
- Investment Policy

cc: Becky Tobin, City Finance Director (w/ enclosures)
Ric Brereton, City Treasurer (w/ enclosures)

THE CITY OF BELVIDERE, ILLINOIS
POLICE PENSION FUND

PUBLIC ACT 95-0950
MUNICIPAL COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2018



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

368 N. RIVER ROAD • NAPERVILLE, ILLINOIS 60563

PHONE 630.393.1483 • FAX 630.393.2316

www.lauterbachamen.com

October 25, 2018

Members of the Pension Board of Trustees
Belvidere Police Pension Fund
Belvidere, Illinois

Enclosed please find a copy of your Municipal Compliance Report for the Belvidere Police Pension Fund for the fiscal year ended April 30, 2018. We have prepared the report with the most recent information available at our office. Should you have more current information, or notice any inaccuracies, we are prepared to make any necessary revisions and return them to you.

The President and Secretary of the Pension Fund are required to sign the report on page 3. If not already included with the enclosed report, please also include a copy of the Pension Fund's most recent investment policy.

The signed Public Act 95-0950 - Municipal Compliance Report must be provided to the Municipality before the tax levy is filed on the last Tuesday in December. We are sending the report via email to promote an environmentally-friendly work atmosphere.

If you have any questions regarding this report, please contact your Client Manager or PSA.

Respectfully submitted,

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

**THE CITY OF BELVIDERE, ILLINOIS
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2018**

The Pension Board certifies to the City Council of the City of Belvidere, Illinois on the condition of the Pension Fund at the end of its most recently completed fiscal year the following information:

- 1) The total cash and investments, including accrued interest, of the fund at market value and the total net position of the Pension Fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Total Cash and Investments (including accrued interest)	<u>\$21,242,325</u>	<u>\$19,987,751</u>
Total Net Position	<u>\$21,227,512</u>	<u>\$19,976,484</u>

- 2) The estimated receipts during the next succeeding fiscal year from deductions from the salaries of police officers and from other sources:

Estimated Receipts - Employee Contributions	<u>\$325,600</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>\$1,487,000</u>
Municipal Contributions	<u>\$1,304,118</u>

- 3) The estimated amount required during the next succeeding fiscal year to (a) pay all pensions and other obligations provided in Article 3 of the Illinois Pension Code, and (b) to meet the annual requirements of the fund as provided in Sections 3-125 and 3-127:

(a) Pay all Pensions and Other Obligations	<u>\$1,912,000</u>
(b) Annual Requirement of the Fund as Determined by:	
Illinois Department of Insurance	<u>N/A</u>
Private Actuary - Lauterbach & Amen, LLP	
Recommended Municipal Contribution	<u>\$1,304,118</u>
Statutory Municipal Contribution	<u>\$1,023,608</u>

**THE CITY OF BELVIDERE, ILLINOIS
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2018**

- 4) The total net income received from investment of assets along with the assumed investment return and actual investment return received by the fund during its most recently completed fiscal year compared to the total net income, assumed investment return, and actual investment return received during the preceding fiscal year:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Net Income Received from Investment of Assets	<u>\$1,317,562</u>	<u>\$1,249,839</u>
Assumed Investment Return		
Illinois Department of Insurance	<u>N/A</u>	<u>6.50%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>7.00%</u>	<u>7.00%</u>
Actual Investment Return	<u>6.39%</u>	<u>6.47%</u>

- 5) The total number of active employees who are financially contributing to the fund:

Number of Active Members	<u>43</u>
--------------------------	-----------

- 6) The total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits:

	<u>Number of</u>	<u>Total Amount Disbursed</u>
(i) Regular Retirement Pension	<u>22</u>	<u>\$1,204,623</u>
(ii) Disability Pension	<u>1</u>	<u>\$26,380</u>
(iii) Survivors and Child Benefits	<u>6</u>	<u>\$214,198</u>
Totals	<u>29</u>	<u>\$1,445,201</u>

**THE CITY OF BELVIDERE, ILLINOIS
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2018**

7) The funded ratio of the fund:

	Current Fiscal Year	Preceding Fiscal Year
Illinois Department of Insurance	N/A	61.58%
Private Actuary - Lauterbach & Amen, LLP	63.16%	62.35%

8) The unfunded liability carried by the fund, along with an actuarial explanation of the unfunded liability:

Unfunded Liability:

Illinois Department of Insurance	N/A
Private Actuary - Lauterbach & Amen, LLP	\$12,829,111

The accrued liability is the actuarial present value of the portion of the projected benefits that has been accrued as of the valuation date based upon the actuarial valuation method and the actuarial assumptions employed in the valuation. The unfunded accrued liability is the excess of the accrued liability over the actuarial value of assets.

9) The investment policy of the Pension Board under the statutory investment restrictions imposed on the fund.

Investment Policy - See Attached.


Please see Notes Page attached.

CERTIFICATION OF MUNICIPAL POLICE
PENSION FUND COMPLIANCE REPORT

The Board of Trustees of the Pension Fund, based upon information and belief, and to the best of our knowledge, hereby certify pursuant to §3-143 of the Illinois Pension Code 40 ILCS 5/3-143, that the preceding report is true and accurate.

Adopted this 18th day of Oct., 2018

President  Date 10/27/2018

Secretary  Date 10/27/2018

**THE CITY OF BELVIDERE, ILLINOIS
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2018**

INDEX OF ASSUMPTIONS

- 1) Total Cash and Investments - as Reported at Market Value in the Audited Financial Statements for the Years Ended April 30, 2018 and 2017.

Total Net Position - as Reported in the Audited Financial Statements for the Years Ended April 30, 2018 and 2017.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended April 30, 2018 plus 4.87% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest \$100.

Estimated Receipts - All Other Sources:

Investment Earnings - Cash and Investments as Reported in the Audited Financial Statements for the Year Ended April 30, 2018, times 7% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100.

- 3) (a) Pay all Pensions and Other Obligations - Total Non-Investment Deductions as Reported in the Audited Financial Statements for the Year Ended April 30, 2018, plus a 25% Increase, Rounded to the Nearest \$100.

(b) Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance - No April 30, 2018 Actuarial Valuation available at the time of this report.

Private Actuary - Lauterbach & Amen, LLP:

Recommended Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2018 Actuarial Valuation.

Statutorily Required Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2018 Actuarial Valuation.

**THE CITY OF BELVIDERE, ILLINOIS
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2018**

INDEX OF ASSUMPTIONS - Continued

- 4) Net Income Received from Investment of Assets - Investment Income (Loss) net of Investment Expense, as Reported in the Audited Financial Statements for the Years Ended April 30, 2018 and 2017.

Assumed Investment Return:

Illinois Department of Insurance - Preceding Fiscal Year Interest Rate Assumption as Reported in the April 30, 2017 Actuarial Valuation. No April 30, 2018 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Lauterbach & Amen, LLP, April 30, 2018 and 2017 Actuarial Valuations.

Actual Investment Return - Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning and Ending Balances of the Fiscal Year Cash Investments, Excluding Net Investment Income, Gains, and Losses for the Fiscal Year Return Being calculated, as Reported in the Audited Financial Statements for the Fiscal Years Ended

- 5) Number of Active Members - Illinois Department of Insurance Annual Statement for April 30, 2018 - Schedule P.
- 6) (i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for April 30, 2018 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed.
- (ii) Disability Pension - Same as above.
- (iii) Survivors and Child Benefits - Same as above.

**THE CITY OF BELVIDERE, ILLINOIS
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2018**

INDEX OF ASSUMPTIONS - Continued

7) The funded ratio of the fund:

Illinois Department of Insurance - Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the April 30, 2017 Actuarial Valuation. No April 30, 2018 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the Lauterbach & Amen, LLP, April 30, 2018 and April 30, 2017 Actuarial Valuations.

8) Unfunded Liability:

Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) - No April 30, 2018 Actuarial Valuation available at the time of this report.

Private Actuary - Deferred Asset (Unfunded Accrued Liability) as Reported by Lauterbach & Amen, LLP in the April 30, 2018 Actuarial Valuation.

Announcement of Estimated Tax Levy for Tax Year 2018

The estimated amount of the tax levy needed to finance the various City needs and activities is \$5,144,325 with an additional \$733,832 for the operations of the Ida Public Library.

To confirm and record this announcement, the following motion is recommended:

"motion to approve the estimated tax levy of \$5,878,157 as announced by the Finance Director."

Please note:

This will all come back in ordinance form.

Per the Truth in Taxation Act:

At least 20 days prior to the passage of the tax levy ordinance, the municipality's corporate authorities must estimate the amount of the tax levy. This estimate should be announced at a meeting of the corporate authorities and should be approved by a majority of the corporate authorities.

Announcement of estimated levy	November 26, 2018
Planned 1st reading of the tax levy ordinance	December 3, 2018
Public hearing of the levy ordinance	December 17, 2018
2nd reading and passage of the tax levy ordinance	December 17, 2018

Date: November 26, 2018

To: Mayor Chamberlain
Aldermen

From: Becky Tobin

Re: Data for the December 2018 Tax Levy Request of **\$5,144,325**

Attached is the tax levy comparison between last year's tax levy request and the request for this year. The tax levy request is \$5,144,325 an increase of \$160,391 from last year's tax levy request or 3.22%. The CPI increase allowed under tax caps for this tax levy year is 2.1%. This, and all of the remaining data, is exclusive of the Library's needs and requests.

The Library's tax levy request last year was \$710,939. Their request this year is an increase to \$733,832. This amounts to an increase of \$22,893 or 3.22%.

Shown below is the history of the Equalized Assessed Value (EAV):

Tax Yr	Estimate	Actual EAV	Actual % of change	\$ Amount Change in EAV
2002	245,324,948	257,081,839	10.43%	24,286,246
2003	271,352,511	278,776,975	8.44%	21,695,136
2004	291,849,526	297,096,290	6.57%	18,319,315
2005	315,780,861	331,454,024	11.56%	34,357,734
2006	355,448,012	377,708,700	13.96%	46,254,676
2007	404,400,000	416,732,752	10.33%	39,024,052
2008	432,115,141	443,600,125	6.45%	26,867,373
2009	452,045,804	438,938,620	-1.05%	(4,661,505)
2010	415,154,200	395,816,101	-9.82%	(43,122,519)
2011	348,074,832	352,948,663	-10.83%	(42,867,438)
2012	327,073,973	319,404,850	-9.50%	(33,543,813)
2013	287,869,996	287,602,559	-9.96%	(31,802,291)
2014	283,691,002	285,968,423	-0.57%	(1,634,136)
2015	289,763,045	290,237,142	1.33%	4,268,719
2016	306,212,453	298,523,596	5.50%	8,286,454
2017	315,191,809	313,938,613	5.58%	15,415,017
2018	331,020,261			

Listed below is the history of taxes levied and extended:

	Levied	Extended	Difference between Levied & Extended
2001	2,294,200	2,295,602	1,402
2002	2,508,150	2,509,895	1,745
2003	2,695,150	2,697,729	2,579
2004	3,016,400	2,897,584	(118,816)
2005	3,191,500	3,193,234	1,734
2006	3,506,750	3,509,297	2,547
2007	3,851,200	3,761,018	(90,182)
2008	4,059,738	4,063,826	4,088
2009	4,224,563	4,109,914	(114,649)
2010	4,244,800	4,237,013	(7,787)
2011	4,321,900	4,119,723	(202,177)
2012	4,462,000	4,462,309	309
2013	4,573,750	4,573,917	167
2014	4,673,148	4,673,353	205
2015	4,741,324	4,741,604	280
2016	4,812,958	4,813,126	168
2017	4,983,934	4,989,840	5,906
2018	5,144,325		

Tax Levy Comparison with last Year

Levy Category	for Fund	Fund #	(Levy) Dec 17	(Extension) Dec 17	(Levy) Dec 18	% of chng Levy 18 to Levy of 17
Gen Corporate	General	01	1,694,385	1,696,281	1,743,657	2.91%
Police Protection	General	01	20,000	20,049	20,000	0.00%
Fire Protection	General	01	20,000	20,049	20,000	0.00%
Audit	General	01	20,000	20,049	20,000	0.00%
Street Lighting	General	01	210,000	210,257	210,000	0.00%
Civil Defense	General	01	7,000	7,011	7,000	0.00%
Street & Bridge	General	01	60,000	60,093	70,000	16.67%
Tort (legal fees)	General	01	75,000	75,117	75,000	0.00% (1)
Forestry Program	General	01	40,000	40,073	40,000	0.00%
I.M.R.F.	General	01	65,000	65,087	65,000	0.00% (2)
Social Security Tax	General	01	200,000	200,232	200,000	0.00%
Refuse/Landfill	General	01	50,000	50,068	50,000	0.00%
Insurance/Tort	General	01	300,000	300,368	310,000	3.33%
For General Fund			2,761,385	2,764,735	2,830,657	2.51%
Public Benefit	Capital Proj	41	40,000	40,073	40,000	0.00%
Police Pension	Pension	81	1,181,417	1,182,762	1,237,250	4.73%
Fire Pension	Pension	82	1,001,132	1,002,269	1,036,418	3.52%
TOTAL CITY LEVY			4,983,934	4,989,840	5,144,325	3.22%
City's actual EAV and tax rate				313,938,613	331,020,261	1.5894% 1.5541%
Library		18	710,939	711,738	733,832	3.22%
TOTAL LEVY			5,694,873	5,701,578	5,878,157	3.22%

(1) Portion of City Attorney's salary (excludes benefits) - "costs of protecting itself or its employees against liability"

(2) Employer rate 9.63% (Calendar year 2019)

**Illinois Department of Revenue
History of CPI's Used for the PTELL
01/12/2018**

Year	December CPI-U	% Change From Previous December	% Use for PTELL	Comments	Levy Year	Years Taxes Paid
1991	137.900	--				
1992	141.900	2.9%	2.9%		1993	1994
1993	145.800	2.7%	2.7%	(5 % for Cook)	1994	1995
1994	149.700	2.7%	2.7%		1995	1996
1995	153.500	2.5%	2.5%		1996	1997
1996	158.960	3.6%	3.6%		1997	1998
1997	161.300	1.5%	1.5%		1998	1999
1998	163.900	1.6%	1.6%		1999	2000
1999	168.300	2.7%	2.7%		2000	2001
2000	174.000	3.4%	3.4%		2001	2002
2001	176.700	1.6%	1.6%		2002	2003
2002	180.900	2.4%	2.4%		2003	2004
2003	184.300	1.9%	1.9%		2004	2005
2004	190.300	3.3%	3.3%		2005	2006
2005	196.800	3.4%	3.4%		2006	2007
2006	201.800	2.5%	2.5%		2007	2008
2007	210.036	4.08%	4.1%		2008	2009
2008	210.228	0.1%	0.1%		2009	2010
2009	215.949	2.7%	2.7%		2010	2011
2010	219.179	1.5%	1.5%		2011	2012
2011	225.672	3.0%	3.0%		2012	2013
2012	229.601	1.7%	1.7%		2013	2014
2013	233.049	1.5%	1.5%		2014	2015
2014	234.812	0.8%	0.8%		2015	2016
2015	236.525	0.7%	0.7%		2016	2017
2016	241.432	2.1%	2.1%		2017	2018
2017	246.524	2.1%	2.1%		2018	2019

Contact

515 Carpenter Street
Belvidere IL 61008
carl.gnewuch@edwardjones.com

www.linkedin.com/in/carl-gnewuch-b1695b39 (LinkedIn)
www.edwardjones.com/carl-gnewuch (Company)

Top Skills

Organizational Development
Non-profit Administration
Community Outreach

Carl Gnewuch

Financial Advisor
Rockford, Illinois Area

Summary

For over 25 years, I've built trust with individuals from all walks of life by providing hope and serving with integrity. As a financial advisor, I seek to understand what's important to my clients, follow an established process that builds personalized investment strategies, then partner with them to help them stay on track.

Outside the office, I volunteer at community organizations and run marathons. I promote health and wealth as complementary lifestyles that both may improve with good coaching, long-term planning, and consistent effort.

Experience

Edward Jones
Financial Advisor
June 2018 - Present
Belvidere, IL

Prince of Peace Lutheran Church
Senior Pastor
September 2014 - April 2017 (2 years 8 months)
Springfield, VA

Historic Trinity Lutheran Church
Cathedral Pastor
March 2010 - August 2014 (4 years 6 months)

Our Shepherd Lutheran Church Birmingham
Senior Pastor
February 2004 - August 2014 (10 years 7 months)
Birmingham, Michigan

Risen Christ Lutheran Church
Senior Pastor

1996 - January 2004 (8 years 1 month)

St Michael Lutheran Church

Associate Pastor

June 1991 - 1996 (5 years 7 months)

Wayne, Michigan

Education

Concordia University-River Forest

BA, Sociology · (1983 - 1987)

Concordia Seminary St. Louis

Master of Divinity · (1987 - 1991)

Memo

To: Mayor and City Council
From: Brent Anderson, Director of Public Works
Date: November 20, 2018
Re: Vacation Carry-Over

Attached is a request from Derrick Vail, Street Department Mechanic, to be paid for his remaining unused vacation time of 57 hours. Due to Ryan Morey's relocating to Florida, Derrick has been unable to use his vacation time prior to his anniversary date of November 22, 2018. Per Article 6.5 Non-Accumulation of Vacation of the contract (copy attached), if operational requirements of the Department prohibit an Employee from taking vacation during the applicable vacation year, the Department Head shall make a written request to the City Council to take any unused vacation in the following vacation year. If the City Council denies such a request, the employee shall be paid for the unused vacation time at his regular straight time rate of pay in effect as of the last day of his applicable vacation year.

In accordance with Derrick's request, I would recommend denying the carry-over of fifty-seven (57) hours of unused vacation time, which would allow the remaining vacation time to be paid to Mr. Vail.

(c) Wastewater Treatment Plant

One (1) laboratory and two (2) outside employees may be off on vacation at the same time.

6.4 Vacation Pay.

Vacation pay shall be paid at the Employee's regular straight time rate of pay in effect for his or her regular job on the day immediately preceding the vacation period.

6.5 Non-Accumulation of Vacation.

The Employee's vacation year commences on his anniversary date in the applicable calendar year and continues through the day before his anniversary date in the following year. No vacation will carry over from one vacation year to another. If the operational requirements of a Department prohibit an Employee from taking his vacation during the applicable vacation year, the Employee's Department Head shall make a written request to the City Council to allow the Employee to take any unused vacation in the following vacation year. If the City Council denies such a request, the employee shall be paid for the unused vacation time at his or her regular straight time rate of pay in effect as of the last day of his applicable vacation year.

6.6 Payment Upon Separation from Employment.

Any Employee who is laid off, discharged, retired, dies or is otherwise separated from the service of the City for any reason shall be paid for any accrued but unused vacation on a prorated basis at the time of separation, provided the Employee has no outstanding debt due to the City. In the event of death of an Employee, such vacation pay shall be payable as designated by the Employee or as otherwise provided by statute. In event that an Employee changes from one City Department to another (excluding transfers within the Public Works Department), all vacation rights will be considered those of a new employee.

ARTICLE 7

HOLIDAYS

7.1. Recognized Holidays.

The City and the Union recognize and agree upon the following paid holidays.

1. New Year's Day
2. Martin Luther King's birthday

Comp Pay Request Form

Derrick VanD is requesting 57 hours of
(Name)

Vacation
~~Comp~~ time to be turned in.

*I would like to turn in remainder of
vacation due to circumstances of being the only
mechanic and unable to take time off until
Thank You. The new one starts*

OK DA 11-16-18

Derrick VanD
(Employee Signature)

11-16-18
(Date)

[Signature]
(Supervisor Signature)

11/16/18
(Date)

MEMO

To: Public Works Committee
From: Brent Anderson, Director of Public Works
Subject: Soil Borings – Appleton Forcemain Extension
Date: November 20, 2018

In order to complete the final engineering plans and specifications for the Appleton Road Forcemain Extension, three soil borings must be done. The borings, ranging in depth from 25 to 35 feet, will be used to determine soil types, water levels, water content and unconfined compressive strength at various depths. This work is outside of the scope of services provided in the CES engineering agreement. Proposals were solicited for this work and the following is a summary of the proposals received:

- | | |
|--|------------|
| 1. Soil and Material Consultants, Inc
8 West College Drive
Arlington Heights, Illinois 60004 | \$3,154.00 |
| 2. Terracon Consultants, Inc.
4836 Colt Road
Rockford, Illinois 61109 | \$5,200.00 |
| 3. Testing Service Corporation
2235 23 rd Avenue
Rockford, Illinois 61104 | \$5,375.00 |

The recommendation of CES and this department is to approve the proposal from Soil and Material Consultants, Inc. to complete the soil borings for the Appleton Forcemain Extension at a lump sum cost of \$3,154.00. This work will be paid for from Line Item #61-5-820-6190.

Memo

To: Mayor and City Council
From: Mike Drella
CC: City Clerk
Date: October 22, 2018
Re: Harassment Policy

Attached is a proposed amendment to the City's Harassment Policy to reflect changes under Illinois Law. The General Assembly recently increased the time within which to file a claim with the Illinois Department of Human Rights from 180 days to 300 days. Rather than list the specific time frames within our policy, I have simply referred to the applicable statutes or regulations. In this manner, we will not need to amend our policies simply due to a legislative change.

RESOLUTION:
A RESOLUTION AMENDING THE SEXUAL HARASSMENT
POLICY AS REQUIRED BY
PUBLIC ACT 100-0554.

IT IS THEREFORE RESOLVED, by the Mayor and City Council of the City of Belvidere as follows:

- 1) The Corporate Authorities amend the Sexual Harassment Policy adopted December 5, 2017 to read as set forth in the attached Exhibit A which is incorporated herein by this reference and which shall apply to all officials and employees of the City of Belvidere.

Approved:

Mayor

Attest:

City Clerk

Ayes:

Nays:

Absent:

Date Approved:

EXHIBIT A

NO HARASSMENT POLICY

I. General

It is unlawful to engage in sexual harassment as defined below. All persons have a right to work in an environment free from sexual harassment. Sexual harassment of any person by any municipal official, agent, employee, agency or office on the basis of sex or gender is prohibited regardless of any employment relationship or lack thereof. An employer who violates this Article shall be disciplined up to and including termination. All investigations and discipline shall comply with relevant state statutes and collective bargaining agreements. This Article shall apply to all officials and employees of the City regardless of their status under a relevant collective bargaining agreement.

II. Definition of Sexual Harassment.

- a) Sexual harassment is a form of discrimination under Title VII of the U.S. Civil Rights Act of 1964, as amended. According to the Illinois Human Rights Act, sexual harassment is defined as: Any unwelcome sexual advances or requests for sexual favors or any conduct of a sexual nature when:
 - (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment,
 - (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or
 - (3) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.
- b) Conduct which may constitute sexual harassment includes:
 - (1) Verbal – sexual innuendoes, suggestive comments, insults, humor and jokes about sex, anatomy or gender-specific traits, sexual propositions, threats, repeated requests for dates, or statements of a sexual nature about other employees who are not present.
 - (2) Non-Verbal – suggestive or insulting sounds, whistling, leering, obscene gestures, sexually suggestive bodily gestures, “catcalls”, “smacking” or “kissing” noises.
 - (3) Visual – posters, signs, pin-ups or slogans of a sexual nature.
 - (4) Physical – touching, unwelcome hugging or kissing, pinching, brushing the body, coerced sexual intercourse, or actual assault.

- (5) Textual/Electronic: "sexting" (electronically sending messages with sexual content, including pictures and video), the use of sexually explicit language, harassment, cyber stalking and threats via all forms of electronic communication (e-mail, text/picture/video messages, intranet/on-line postings, blogs, instant messages and social network websites like Facebook and Twitter).
- c) The most severe and overt forms of sexual harassment are easier to determine. On the other end of the spectrum, some sexual harassment is more subtle and depends to some extent on individual perception and interpretation. Sexual harassment is assessed and determined by a standard of what would offend a "reasonable person".

III. Responsibility of Employees

- a) Each individual employee has the responsibility to refrain from Sexual Harassment, or any harassment.
- b) An individual employee who sexually harasses a fellow worker is, of course, liable for his or her individual conduct. The harassing employee will be subject to disciplinary action up to and including discharge in accordance with City policy or a relevant collective bargaining agreement, as appropriate.

IV. Responsibility of Supervisory Personnel

- a) Each supervisor is responsible for maintaining a workplace free of sexual harassment. This is accomplished by promoting a professional environment and by dealing immediately with sexual harassment as with all other forms of employee misconduct.
- b) Supervisors shall act quickly and responsibly to investigate reports of sexual harassment, report it, end it, implement appropriate disciplinary action, and observe strict confidentiality upon any complaint of sexual harassment. This also applies to cases in which an employee tells the supervisor about behavior considered sexual harassment but does not want to make a formal complaint. Investigations of employees subject to the jurisdiction of the Board of Fire & Police Commission shall comply with all relevant statutes.
- c) In addition, supervisors must ensure that no retaliation will result against an employee making a sexual harassment complaint.

V. Procedure for Reporting Sexual Harassment:

- a) An employee who either observes sexual harassment or believes herself/himself to be the object of sexual harassment should deal with the incident(s) as directly and firmly as possible by clearly communicating her/his position to the offending employee, and her/his immediate supervisor. It is not necessary for sexual harassment to be directed at the person making the report.

b) Any employee may report conduct which is believed to be sexual harassment, including the following:

(1) *Electronic/Direct Communication.* If there is sexual harassing behavior in the workplace, or outside the workplace, the harassed employee should directly and clearly express her/his objection that the conduct is unwelcome and request that the offending behavior stop. The initial message may be verbal. If subsequent messages are needed, they should be put in writing in a note or a memo.

(2) *Contact with Supervisory Personnel.* At the same time direct communication is undertaken, or in the event the employee feels threatened or intimidated by the situation, the problem must be promptly reported to the immediate supervisor of the person making the report, a department head, a director of human resources, an ethics officer, the city manager or administrator, or the chief executive officer of the municipality.

The employee experiencing what he or she believes to be sexual harassment must not assume that the employer is aware of the conduct. If there are no witnesses and the victim fails to notify a supervisor or other responsible officer, the municipality will not be presumed to have knowledge of the harassment.

(3) *Resolution Outside Municipality.* The purpose of this policy is to establish prompt, thorough and effective procedures for responding to every report and incident so that problems can be identified and remedied by the municipality. However, all municipal employees have the right to contact the Illinois Department of Human Rights (IDHR) or the Equal Employment Opportunity Commission (EEOC) for information regarding filing a formal complaint with those entities. An IDHR or EEOC complaint must be filed within the times permitted under Illinois Human Rights Act or the regulations of the EEOC. ~~within 180 days of the alleged incident(s) unless it is a continuing offense. A complaint with the EEOC must be filed within 300 days.~~

c) Documentation of any incident may be submitted with any report (what was said or done, the date, the time and the place), including, but not limited to, written records such as letters, notes, memos and telephone messages.

All allegations, including anonymous reports, will be accepted and investigated regardless of how the matter comes to the attention of the municipality. However, because of the serious implications of sexual harassment charges and the difficulties associated with their investigation and the questions of credibility involved, the claimant's willing cooperation is a vital component of an effective inquiry and an appropriate outcome.

VI. Prohibitions on Retaliation for Reporting Sexual Harassment Allegations

- a) No municipal official, municipal agency or municipal employee shall take any retaliatory action against any municipal employee due to a municipal employee's:
 - (1) Disclosure or threatened disclosure of any violation of this policy,
 - (2) The provision of information related to or testimony before any public body conducting an investigation, hearing or inquiry into any violation of this policy, or
 - (3) Assistance or participation in a proceeding to enforce the provisions of this policy.

- b) For the purposes of this policy, retaliatory action means the reprimand, discharge, suspension, demotion, denial of promotion or transfer, or change in the terms or conditions of employment of any municipal employee that is taken in retaliation for a municipal employee's involvement in protected activity pursuant to this policy.

- c) No individual making a report will be retaliated against even if a report made in good faith is not substantiated. In addition, any witness will be protected from retaliation. Similar to the prohibition against retaliation contained herein, the State Officials and Employees Ethics Act (5 ILCS 430/15-10) provides whistleblower protection from retaliatory action such as reprimand, discharge, suspension, demotion, or denial of promotion or transfer that occurs in retaliation for an employee who does any of the following:
 - (1) Discloses or threatens to disclose to a supervisor or to a public body an activity, policy, or practice of any officer, member, State agency, or other State employee that the State employee reasonably believes is in violation of a law, rule, or regulation,
 - (2) Provides information to or testifies before any public body conducting an investigation, hearing, or inquiry into any violation of a law, rule, or regulation by any officer, member, State agency or other State employee, or
 - (3) Assists or participates in a proceeding to enforce the provisions of the State Officials and Employees Ethics Act.

- d) Pursuant to the Whistleblower Act (740 ILCS 174/15(a)), an employer may not retaliate against an employee who discloses information in a court, an administrative hearing, or before a legislative commission or committee, or in any other proceeding, where the employee has reasonable cause to believe that the information discloses a violation of a State or federal law, rule, or regulation. In addition, an employer may not retaliate against an employee for disclosing information to a government or law enforcement agency, where the employee has reasonable cause to believe that the information discloses a violation of a State or federal law, rule, or regulation. (740 ILCS 174/15(b)).

- e) According to the Illinois Human Rights Act (775 ILCS 5/6-101), it is a civil rights violation for a person, or for two or more people to conspire, to retaliate against a person because he/she has opposed that which he/she reasonably and in good faith believes to be sexual harassment in employment, because he/she has made a charge, filed a complaint, testified, assisted, or participated in an investigation, proceeding, or hearing under the Illinois Human Rights Act.
- f) An employee who is suddenly transferred to a lower paying job or passed over for a promotion after filing a complaint with IDHR or EEOC, may file a retaliation charge due within 180 days (IDHR) or 300 days (EEOC) of the alleged retaliation.

VII. Consequences For Knowingly Making A False Report

A false report is a report of sexual harassment made by an accuser using the sexual harassment report to accomplish some end other than stopping sexual harassment or retaliation for reporting sexual harassment. A false report is not a report made in good faith which cannot be proven. Given the seriousness of the consequences for the accused, a false or frivolous report is a severe offense that can itself result in disciplinary action. Any person who intentionally makes a false report alleging a violation of any provision of this policy shall be subject to discipline or discharge pursuant to applicable municipal policies, employment agreements, procedures, employee handbooks and/or collective bargaining agreements.

In addition, any person who intentionally makes a false report alleging a violation of any provision of the State Officials and Employees Ethics Act to an ethics commission, an inspector general, the State Police, a State's Attorney, the Attorney General, or any other law enforcement official is guilty of a Class A misdemeanor. An ethics commission may levy an administrative fine of up to \$5,000 against any person who intentionally makes a false, frivolous or bad faith allegation.

INTERGOVERNMENTAL AGREEMENT AND BY-LAWS

AN AGREEMENT TO ESTABLISH THE NORTHERN ILLINOIS LAND BANK AUTHORITY

This Intergovernmental Contract and By-Laws Agreement is entered this the _____ day of _____, 20__ by and among the undersigned units of local government (each a "Member") for the purpose of creating and establishing an intergovernmental entity to administer and operate a land bank in member communities ("Region"). The land bank will be a separate entity whose purpose will be to administer and carry out the objectives of this Agreement, in accordance with the terms of this Agreement, as written or amended in accordance with its terms. This Agreement is made pursuant to Article VII, Section 10 of the Illinois Constitution of 1970 (the "Constitution") and the Illinois Intergovernmental Cooperation Act (5 ILCS 220/1 *et seq.*) (the "Act") and has been authorized by the corporate authorities of each Member.

WHEREAS, in recent years a substantial number of properties in the Region have become vacant, dilapidated, and non-revenue generating; and

WHEREAS, these properties contain numerous violations of health and safety ordinances, contribute to the blight and deterioration within the Region, and impose a significant economic burden upon municipalities within the Region; and

WHEREAS, there exists within the Region the need for (i) the creation of safe, decent housing for existing and future residents, (ii) the return of abandoned properties to productive use including, but not limited to, the payment of tax revenues, (iii) opportunities for the revitalization of deteriorating residential, retail, industrial and commercial neighborhoods, and (iv) available properties for use as public parks, green spaces, water retention and other public purposes; and

WHEREAS, the Members desire to enter into this cooperation agreement to create an intergovernmental entity as a land banking authority in order to address most efficiently and effectively these needs within the Region; and

WHEREAS, the Members agree that the establishment of such an authority would be beneficial to the people and local governments within the Region; and

WHEREAS, for administrative purposes, the Region 1 Planning Council shall be the Land Bank fiscal agent; and

NOW, THEREFORE, the Members agree to the following terms in accordance with the authority set forth in the Illinois Constitution and laws of the State of Illinois:

ARTICLE I
AUTHORITY

Section 1.01. Authority. This Agreement is entered into pursuant to the authority set forth in Article VII, Section 10 of the Illinois Constitution and the laws of the State of Illinois set forth in 5 ILCS 220/1 *et seq.*, and the authority granted to governments by Constitutional and statutory powers.

ARTICLE II
PURPOSE

Section 2.01. Purpose. Pursuant to and in accordance with this Agreement, the Members shall jointly form and operate a land banking authority, named Northern Illinois Land Bank Authority (the "Land Bank"), to foster the public purpose of combating community deterioration by returning property to productive use in order to provide open space, housing, industry, and employment for citizens within the Region.

Section 2.02. Duties. In carrying out its purpose, the Land Bank shall, in accordance with applicable laws, codes, policies and procedures approved by the Land Bank Board and otherwise without limitation, acquire, manage and dispose of certain real and personal property and perform other functions, services, and responsibilities as may be assigned to the Land Bank by its Members.

ARTICLE III
CREATION OF THE LAND BANK

Section 3.01. Creation and Legal Status of the Land Bank. The Members agree to cause the creation of the Land Bank as an intergovernmental entity to implement the functions, services, and responsibilities contemplated by this Agreement.

Section 3.02. Title to Land Bank Assets. Except as otherwise provided in this Agreement, the Land Bank shall have exclusive title to all real property transferred to, purchased by, or otherwise acquired by the Land Bank. No Member shall have an ownership interest in any real or personal property held in the Land Bank's name.

Section 3.03. Compliance with Law. The Land Bank shall comply with all applicable federal and State laws, rules, regulations, and orders.

Section 3.04. Relationship of Members. The Members agree that no Member shall be responsible or liable, in whole or in part, for the acts of the Land Bank, or the employees, agents, and servants of the Land Bank, or any other Member acting separately or in conjunction with the implementation of this Agreement. The Members shall only be bound and obligated under this Agreement as expressly agreed to by each Member. No Members may obligate any other Member. No member shall be obligated or liable for any debt, obligation, or liability of the Land Bank.

Section 3.05. No Third-Party Beneficiaries. Except as otherwise specifically provided, this Agreement does not create in any person or entity other than a Member any direct or indirect benefit, obligation, duty, promise, right to be indemnified, right to be subrogated to any Member's rights under this Agreement, and/or any other right or benefit.

ARTICLE IV
POWERS OF THE LAND BANK

Section 4.01. Powers of the Land Bank. The Members hereby confer upon the Land Bank, to the full extent of the Member's constitutional and statutory authority, the authority to do all things necessary or convenient to implement the purposes, objectives, and provisions of this Agreement, and take all related actions. Among other powers, the Land Bank shall exercise and enjoy the authority of its home rule Members to:

- (a) Purchase, accept or otherwise acquire real and personal property from any entity, including, but not limited to, other governmental units and private third parties;
- (b) Hold real and personal in its name of the Land Bank for the purposes set forth herein;
- (c) Sell real and personal property held by the Land Bank to any entity, including, but not limited to, other governmental units and private third parties;
- (d) Hold property exempt from real estate taxes pursuant to the Property Tax Code, 35 ILCS 200/1-1 *et. seq.*;
- (e) Extinguish past due tax liens to the extent permitted by Illinois law, including but not limited to exercise of authority provided in 35 ILCS 200/21-95;
- (e) Exercise the statutory authority of its Members to take removal action, lien property, foreclose on liens, and petition a Circuit Court for a declaration of abandonment pursuant to 65 ILCS 5/11-31-1(d), as an agent of an individual Member;
- (f) Sue and be sued in its own name, including, defending the actions of the Land Bank;
- (g) Borrow money and issue notes through the Land Bank, and secure debt by mortgaging Land Bank property;
- (h) Enter into contracts and other instruments in any capacity, necessary, incidental, or convenient to the performance of the Land Bank's duties and the exercise of its powers, including, but not limited to, agreements with Members or other local governments regarding the disposition of Land Bank properties located within their respective municipal boundaries;
- (i) Solicit and accept gifts, grants, labor, loans, and other aid from any person or entity, or the federal government, the State of Illinois, or a political subdivision of the State of Illinois, or any agency of the federal government;

- (j) Procure insurance or another method to reduce loss in connection with the property, assets, or activities of the Land Bank;
- (k) Invest money of the Land Bank, in instruments, obligations, securities, or property which are permitted investments of a unit of local government;
- (l) Employ and terminate employment of any legal and technical consultants, other officers, agents, or employees, to be paid from the funds of the Land Bank. The Land Bank shall determine the qualifications, duties, and compensation of those it employs. The Board of Trustees of the Land Bank may delegate to one or more, officers, agents, or employees any powers or duties it considers proper;
- (m) Contract for goods and services and engage personnel as necessary, to be paid from the funds of the Land Bank;
- (n) Study, develop, and prepare any reports or plans the Land Bank considers necessary to assist it in the exercise of its powers under this Agreement and to monitor and evaluate the progress of the Land Bank under this Agreement;
- (o) Enter into contracts for the demolition of, the maintenance, management, and improvement of, the collection of rent from, or the sale of real property held by the Land Bank;
- (p) Acquire properties, without a cash bid, from the County Trustee for Taxing Districts, through the entity appointed as Tax Agent pursuant to 35 ILCS 200/21-90,
- (q) Exercise authority held by county Members pursuant to 35 ILCS 200/21-90, in concert with any Tax Agent that has been retained by the county Member to act on its behalf pursuant to 35 ILCS 200/21-90;
- (r) Collect a membership and/or a transaction fee from Member, and;
- (s) Do all other things necessary or convenient to achieve the objectives and purposes of the Land Bank or other laws that relate to the purposes and responsibilities of the Land Bank.

Section 4.02. Limitation on Political Activities. The Land Bank shall not spend any public funds on political activities.

Section 4.03. Non-Discrimination. The Land Bank shall comply with all applicable laws prohibiting discrimination. The Land Bank shall not fail or refuse to hire, recruit, or promote; demote; discharge; or otherwise discriminate against a person with respect to employment, compensation, or a term, condition, or privilege of employment because of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan considerations, disability, or genetic information that is unrelated to the person's ability to

perform the duties of a particular job or position. The Land Bank shall not provide services in a manner that discriminates against a person with respect to employment, compensation, or a term, condition, or privilege of employment because of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan considerations, disability, or genetic information that is unrelated to the person's ability to receive services from the Land Bank.

ARTICLE V **BOARD OF TRUSTEES**

Section 5.01. Land Bank Board Composition. The Land Bank shall be governed by the Board of Trustees (the "Board"), which shall be appointed as follows:

As a Member, Winnebago County's Board Chairman shall appoint by resolution of its governing body one (1) representative to serve for a three-year term as Trustee of the Land Bank.

As a Member, Boone County's Board Chairman shall appoint by resolution of its governing body one (1) representative to serve for a three-year term as Trustee of the Land Bank.

As a Member, the City of Rockford's Mayor shall appoint by resolution of its governing body one (1) representatives to serve for a three-year term as Trustee of the Land Bank.

As a Member, the City of Belvidere's Mayor shall appoint by resolution of its governing body one (1) representatives to serve for a three-year term as Trustee of the Land Bank.

As the host organization of the Land Bank, the Region 1 Planning Council's Executive Director shall serve as the Presiding Officer of the Land Bank. The representative appointed by Region 1 Planning Council shall not have a voting interest on the Board.

All other local government Members ("Additional Member") shall each appoint, by resolution of their governing bodies, one (1) representative to serve for a three-year term as a Trustee of the Land Bank. If a local government Member has a population of less than 6,000, the appointed Trustee shall be an ex-officio member. Ex-officio members shall not have a vote during Board of Trustee meetings. Refer to Section 11.02 for admittance procedures for Additional Members.

All Trustees serve until a successor is appointed. All Trustees shall have equal voting rights, with the exception of the Region 1 Planning Council Executive Director and any ex-officio member. The Presiding Officer and the Ex-Officio Members shall not have a vote. A Trustee may assign his/her voting powers to a proxy for one or more meetings. The temporary proxy assignment must be in written form, identify the duration of the assignment, contain an original signature of the Trustee, and be

presented to the Presiding Officer of the Land Bank's Board of Trustees prior to the effective date of the assignment.

Section 5.02. Removal. A member of the Land Bank Board appointed under Section 5.01 may be removed for any reason deemed in the best interests of the Land Bank by action of the Board of Trustees.

Section 5.03. Vacancies. Any vacancy among the Board caused by death, resignation, disqualification, or removal shall be filled as soon as practicable. The vacancy shall be filled for the remainder of the unexpired term in the same manner as the original appointment.

Section 5.04. Duties of Officers.

- (a) Presiding Officer. The Presiding Officer shall be the principal executive officer of the Land Bank and shall preside at all meetings of the Board of Trustees. Subject to any policies adopted by the Board of Trustees, the Presiding Officer shall have the right to supervise and direct the management and operation of the Land Bank and to make all decisions as to policy and operations which may arise between meetings of the Board of Trustees. Unless otherwise provided by the Board, the officers and employees shall be under the Presiding Officer's supervision and control. The Presiding Officer shall give, or cause to be given, notice of all meetings of the Board of Trustees. The Presiding Officer's duties shall include execution of all deeds, leases, contracts and other documents that arise in the normal course of business for the Land Bank, subject to limits and direction provided by the Board. The Presiding Officer shall perform such other duties and have such other authority and powers as the Board of Trustees may from time to time prescribe.

The Presiding Officer shall be responsible for the administrative functions of the Land Bank including record keeping, correspondence, document maintenance, website, general information dissemination to the public, other supportive services to the Land Bank member agencies, and the financial record keeping in coordination with the Region Planning Council staff. The Presiding Officer, or designee, shall schedule meetings, prepare agendas, issue notices, prepare minutes and generally ensure that all meetings are conducted in accordance with the Illinois Open Meetings Act.

- (b) Treasurer. The Treasurer shall be responsible for all of the following tasks:
1. The Treasurer shall be elected from the pool of Trustees, by a majority vote of the Board of Trustees, to serve a two-year term.
 2. The Treasurer shall be responsible financial oversight of the Land Bank. The Treasurer shall ensure the Land Bank has the custody of the Land Bank funds and securities and shall ensure that the Land Bank keeps full and accurate accounts of receipts and disbursements of the Land Bank, and shall ensure that all the deposit of monies and other valuables are in the name and to the

credit of the Land Bank into depositories designated by the Region 1 Planning Council.

3. The Treasurer shall ensure the disbursement of funds of the Land Bank as ordered by the Board of Trustees, and that financial statements are prepared each month or at such other intervals as the Board of Trustees shall direct.
4. The Treasurer shall be under the supervision of the Presiding Officer. The Treasurer shall perform such other duties and have such other authority and powers as the Board of Trustees may from time to time prescribe or as the Presiding Officer may from time to time delegate.

Section 5.05. Meetings. The Land Bank Board shall meet at least quarterly. The place, date, and time of the Land Bank Board's meetings shall be determined at the discretion of the Land Bank Board in accordance with all applicable Illinois laws. The Land Bank Board may meet at any time and at any frequency that is consistent with Illinois law. Meetings may be called by the Presiding Officer or any two voting members of the Land Bank Board. To the extent it applies, meetings shall be held in compliance with the Illinois Open Meetings Act, 5 ILCS 120/1 *et seq.* ("Open Meetings Act").

Section 5.06. Quorum and Voting. A quorum shall be necessary for the transaction of any business by the Land Bank Board. A majority of the voting members of the Land Bank Board shall constitute a quorum for the transaction of business. Except as otherwise provided in this Agreement, the Land Bank Board shall only act: 1) in meetings attended by a quorum of the Board; and 2) by a majority vote of all Trustees present. The Board can permit electronic or remote attendance in accordance with the Open Meetings Act.

Section 5.07. Records of Meetings. Minutes shall be transcribed for all meetings, approved by the Land Bank Board, and maintained by the Land Bank.

Section 5.08. Fiduciary Duty. The members of the Land Bank Board have a fiduciary duty to conduct the activities and affairs of the Land Bank in the Land Bank's best interests. The members of the Land Bank Board shall discharge their duties in good faith and with the care an ordinarily prudent individual would exercise under similar circumstances.

Section 5.09. Compensation. The members of the Land Bank Board shall receive no compensation for the performance of their duties. The Land Bank may reimburse members of the Land Bank Board for actual and necessary expenses incurred in the discharge of their official duties.

Section 5.10. Conflict of Interest. No member of the Land Bank Board shall vote on any matter in which such Trustee or any parent, spouse, child, partner, employer, client or similar business or personal relationship or entity has an interest in any property or business that would be affected by such action. Trustees shall annually disclose all known conflicts of interest. In the event that a Trustee abstains from a specific vote due to a conflict of interest, the conflict shall be identified in the Board's meeting minutes.

ARTICLE VI
POWERS AND DUTIES OF THE REGION 1 PLANNING COUNCIL

The Region 1 Planning Council (RPC) shall supervise and coordinate the activities of the Land Bank and coordinate fiscal affairs of the Land Bank.

The RPC Executive Director shall be the Presiding Officer of the Land Bank and have the responsibility to direct the work of RPC staff for Land Bank activities. The Land Bank will rely on RPC staff for operations and overhead. RPC is expected to bill the Land Bank for employee (including Land Bank Director) costs related to operations, residual overhead, facility use, and other related costs.

The Region 1 Planning Council shall serve as the fiscal, operational and administrative agent and be responsible including but not limited to coordination of human resources, payroll, finance, benefits, IMRF and legal services as well as adjunct services of the Land Bank, including record keeping, correspondence, local funding disbursement and management, document maintenance, general information dissemination to the public, auditing, financial reporting and other supportive services.

ARTICLE VII
PROPERTY ACQUISITION, MANAGEMENT, AND DISPOSITION

Section 7.01. Acquisition of Property. Except as otherwise provided in this Agreement, the Land Bank may exercise the powers of its Members, including but not limited to its home rule Members, to acquire by gift, devise, transfer, exchange, foreclosure, purchase, or any other means real or personal property or rights or interests in real or personal property on terms and conditions and in a manner the Land Bank considers proper or necessary to carry out the purposes of this Agreement. Unless otherwise indicated by the Board, the Land Bank will exercise the authority of its home rule Members to acquire, hold, and dispose of real property. Real property acquired by the Land Bank by purchase may be made by purchase contract, lease purchase agreement, installment sales contract, land contract, donative transfer, grant, or otherwise. Home rule Members transfer and jointly exercise its authority to acquire and own real property outside of its corporate boundaries for the Land Bank, as directed by the Land Bank Board of Trustees pursuant to this Agreement.

Section 7.02. Execution of Legal Documents Relating to Property. All deeds, mortgages, contracts, leases, purchases, or other agreements regarding property of the Land Bank, including agreements to acquire or dispose of real property, shall be approved by and executed in the name of the Northern Illinois Land Bank Authority in accordance with policies and procedures that are approved by the Land Bank Board.

Section 7.03. Holding and Managing Property. The Land Bank may exercise the authority of its home rule Members to hold and own in the Land Bank's name any property acquired by the Land Bank or otherwise transferred or conveyed to the Land Bank by a government unit, an intergovernmental entity, or any other public or private person or entity. Exercising the home

rule authority of its Members, the Land Bank may control, hold, manage, maintain, operate, repair, lease, convey, demolish, relocate, rehabilitate, or take all other actions necessary to preserve the value of the property it holds or owns.

Section 7.04. Transfer of Interests in Property. The Land Bank may exercise the authority of its home rule Members to convey, sell, transfer, exchange, lease, or otherwise dispose of property or rights or interests in property in which the Land Bank holds a legal interest to any public or private person or entity for any amount of consideration the Land Bank considers appropriate and consistent with the policies and procedures approved by the Board of Trustees.

Section 7.05. Trustee Approval and Veto Authority. Notwithstanding any other provision herein, the Land Bank may not acquire or sell any property within the corporate limits of a Member jurisdiction without the prior consent, in writing, from the Trustee representing that Member jurisdiction.

ARTICLE VIII **BORROWING, CHECKS, DEPOSITS AND FUNDS**

Section 8.01. Bonding and Borrowing. Any borrowing of money or notes by the Land Bank shall be approved by the Board of Trustees.

Section 8.02. Checks, Drafts, Notes, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Land Bank shall be signed by such officer or officers, agent or agents, of the Land Bank and in such other manner as may from time to time be determined by resolution of the Board of Trustees. In the absence of such determination by the Board of Trustees, such instruments shall be signed by the Region 1 Planning Council Executive Director and countersigned by the Treasurer of the Land Bank. The Board of Trustees shall require all individuals who handle funds of the Land Bank to qualify for a security bond to be obtained by the Land Bank, at the expense of the Land Bank, in an amount not less than \$100,000.00.

Section 8.03. Deposits. All funds of the Land Bank shall be deposited from time to time to the credit of the Land Bank in such banks, trust companies or other depositories as the Region 1 Planning Council, as fiscal agent, may direct.

Section 8.04. Gifts. The Land Bank may acquire by gift, bequest, or devise any real or personal property or interests in real or personal property for the general purposes or for any special purpose of the Land Bank on terms and conditions and in a manner the Board of Trustees considers appropriate.

ARTICLE IX **BOOKS, RECORDS, AND FINANCES**

Section 9.01. Land Bank Records. The Land Bank shall keep and maintain at its principal office, all documents and records of the Land Bank, which shall be available to the Members

upon request. The records shall include, but not be limited to, a copy of this Agreement along with any amendments to the Agreement. The records and documents shall be maintained until the termination of this Agreement and shall be delivered to any successor entity.

Section 9.02. Annual Reports. Not less than annually, the Land Bank shall file with the Members a report detailing the activities of the Land Bank, the total income and expenses of the Land Bank, an inventory of real property held by the Land Bank, and a list of employees of the Land Bank. The Land Bank shall provide any additional information as may be reasonably requested by the Members.

Section 9.03. Freedom of Information Act. To the extent that the Illinois Freedom of Information Act (FOIA), 5 ILCS 140/1 *et seq.*, applies to the Land Bank, the Secretary shall be the designated FOIA officer for all requests.

Section 9.04. Establishment of Budget and Annual Contribution. The Land Bank Board shall establish the Land Bank's budget annually and submit this budget to the Members for each Fiscal Year. The Budget may be amended by action of the Board. The Budget may provide for requested annual contributions, if any, from the Members, as approved by the Board.

Section 9.05. Financing. The Members may, but shall not be obligated to, grant or loan funds to the Land Bank for operations of the Land Bank. The Members may, but shall not be obligated to, enter into separate agreements with the Region 1 Planning Council for the performance of services, functions and responsibilities related to project or operations of the Land Bank.

Section 9.06. Deposits and Investments. The Land Bank shall deposit and invest funds of the Land Bank, not otherwise employed in carrying out the purposes of the Land Bank, in accordance with an investment policy established by the Region 1 Planning Council, as fiscal agent.

Section 9.07. Disbursements. Disbursements of funds shall be in accordance with guidelines established by the Land Bank Board.

Section 9.08. Financial Statements and Reports. As the fiscal agent, the RPC shall include the Land Bank as a part of the annual audit of the Region 1 Planning Council. Such financial statements shall be prepared in accordance with generally accepted accounting principles and accompanied by a written opinion of an independent certified public accounting firm.

Section 9.09. Fiscal Year. The fiscal year of the Land Bank shall begin on July 1 of each year and end on the following June 30.

ARTICLE X
INDEMNITY AND INSURANCE

Section 10.01. General. Notwithstanding any provision in this Agreement to the contrary, individuals who serve as Trustees, officers, employees and agents shall have all rights of indemnification and defense provided under law.

Section 10.02. Third Party Actions. The Land Bank shall hold harmless, defend and indemnify any person or Member, who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, administrative or investigative (other than an action by or in the right of the Land Bank) by reason of the fact that he, she or it is or was a Trustee, officer, member, employee or agent of the Land Bank, or who is or was serving at the request of the Land Bank as a Trustee, officer, employee, or agent of another Land Bank, partnership, joint venture, trust or other enterprise, against any amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, if such person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Land Bank.

Section 10.03. Insurance. As the Land Bank's fiscal agent, the RPC shall purchase and maintain insurance on behalf of any person who is or was a Trustee, officer, employee or agent of the Land Bank, or who is or was serving at the request of the Land Bank as a Trustee, officer, employee or agent of another Land Bank, partnership, joint venture, trust or other enterprise, against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his or her status as such.

Section 10.04. No Waiver of Governmental Immunity. The Members agree that no provision of the Agreement is intended, nor shall it be construed, as a waiver by any Member of any governmental immunity provided under any applicable law.

ARTICLE XI
COMMENCEMENT ADDITIONAL MEMBERS AND WITHDRAWALS

Section 11.01. Commencement. The Land Bank shall commence its existence as an intergovernmental entity when two (2) or more of the Members, whose names are set forth on Exhibit "A," attached to and made a part of this Agreement have, by acts of their Corporate Authorities, approved this Intergovernmental Agreement and By-Laws document. Once in existence, the initial term of the Land Bank shall be for the remainder of that portion of the fiscal year to come, which shall end June 30th.

Section 11.02. Additional Members. The Board of Trustees may admit Members as members of the Land Bank upon a concurrence of at least two-thirds (2/3) of all voting members of the Board of Trustees, appointed and serving. The Member may be admitted to membership under whatever terms and conditions the Board of Trustees shall establish, but such new Members shall be subject to at least the minimum requirements, which apply to all other Members. By a unanimous vote of the Board of Trustees, the power to admit new Members may be assigned to the Land Bank Presiding Officer under whatever terms and conditions are included within the

authorizing resolution. Additional "Members" shall be limited to units of local government in the State of Illinois.

Section 11.03. Withdrawal as a Party. Any Member to this Agreement shall have the right to withdraw as a party to this Agreement, and thereby terminate its participation in the Land Bank at the expiration of the first term and thereafter at any subsequent one-year term by giving sixty (60) calendar days advance written notice to all other parties to this Agreement. Upon the effective withdrawal of any Member to this Agreement, the Member so withdrawing will forfeit any and all rights to whatever funds or other assets the Member has contributed to the Land Bank. To the extent that any withdrawing Member incurs an obligation to the Land Bank prior to withdrawal, said Member shall remain legally and financially responsible for that obligation after withdrawal.

Section 11.04. Expulsion of Members. By the concurring vote of at least two-thirds (2/3) of the entire voting members of the Board of Trustees, in each case appointed and serving, any Member may be expelled. Such expulsion may be carried out for one or more of the following reasons: (a) Failure to make payments due to the Land Bank; (b) Failure to transfer property to the Land Bank which it had previously agreed in writing to do; (c) Failure to maintain or clear property, prior to transfer to the Land Bank or at any time for which it had made a written pledge to carry out such activities; (d) Failure to carry out any obligation of a Member which impairs the ability of the Land Bank to carry out its purpose or powers. No Member may be expelled except after notice from the Presiding Officer of the alleged failure, along with a reasonable opportunity of not less than thirty (30) days to cure the alleged failure. The Member may request a hearing before the Board of Trustees before any decision is made as to whether the expulsion shall take place. The Board shall set the date for hearing which shall not be less than fifteen (15) days after the expiration of the time to cure has passed. The decision by the Board to expel a Member after notice and hearing and a failure to cure the alleged defect shall be final in the absence of fraud or a gross abuse of discretion. The Board of Trustees shall select the date at which the expulsion of the Member shall be effective. If the motion to expel the Member, made by the Board of Trustees or a subsequent motion does not state the time at which the expulsion shall take place, such expulsion shall take place thirty (30) days after the date of the vote of the Board of Trustees expelling the Members. A motion to expel a Member for the reasons set forth in Subsection (a) or Subsection (d) or more than one failure to cure may be made and be effective immediately after the vote of the Board of Trustees expelling the Member. After expulsion, the former Member shall continue to be fully obligated for its portion of any payments due to the Land Bank or other obligations which were created during the time of its membership.

ARTICLE XII

AMENDMENTS TO AGREEMENT

Section 12.01. Amendments. Any amendments to this Agreement shall be in writing and shall have a concurrence of at least two-thirds (2/3) of all voting Trustees, appointed and serving.

ARTICLE XIII
DURATION, TERMINATION AND DISSOLUTION OF AGREEMENT

Section 13.01. Duration of Agreement. Except for the initial period of the Land Bank's existence, which extends until the beginning of the first complete fiscal year on July 1st, this Agreement shall remain in full force and effect for periods of one (1) fiscal year. At the beginning of each fiscal year, the Agreement shall be renewed automatically unless terminated in accordance with the provisions of this Agreement.

Section 13.02. Decision to Dissolve. A decision to dissolve the Land Bank and to distribute the Land Bank's assets in a particular manner in accordance with this Agreement shall require a concurring vote of at least two-thirds (2/3) of all voting members of the Board of Trustees, appointed and serving, and provided that written notice of such meeting has included a full description of the plan of dissolution.

Section 13.03. Dissolution and Distribution of Assets. In the event this Agreement is terminated, the Land Bank shall dissolve and conclude its affairs, first paying all of the Authorities' debts, liabilities, and obligations to its creditors and then paying any expenses incurred in connection with the termination of the Land Bank. If any assets remain, they shall be distributed to any successor entity, subject to a concurring vote of at least two-thirds (2/3) of the entire voting members of the Board of Trustees in each case appointing and serving. In the event that no successor entity exists, the remaining assets shall be distributed to the Members or in a manner as otherwise agreed upon by them.

ARTICLE XIV
MISCELLANEOUS

Section 14.01. Notices. Any and all correspondence or notices required, permitted, or provided for under this Agreement to be delivered to any Member shall be sent to that Member by first-class mail. All correspondence shall be considered delivered to a Member as of the date that such notice is deposited with sufficient postage with the United States Postal Service. Any notice of withdrawal shall be sent via certified mail. Correspondence or notices shall be sent to the persons and addresses indicated below or to such other addresses as a Member shall notify the other Members of in writing pursuant to the provisions of this section:

If to Winnebago County:

If to Boone County:

If to City of Rockford:

If to City of Belvidere:

If to the _____:

Section 14.02. Entire Agreement. This Agreement sets forth the entire agreement between the Members and supersedes any and all prior agreements or understandings between them in any way related to the subject matter of this Agreement. The terms and conditions of this Agreement are contractual.

Section 14.03. Interpretation of Agreement. All powers granted to the Land Bank under this Agreement shall be interpreted broadly to effectuate the intent and purposes of the Agreement and not to serve as a limitation of powers. The language of all parts of this Agreement shall in all cases be construed as a whole according to its plain and fair meaning and not construed strictly for or against any Member.

Section 14.04. Severability of Provisions. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion thereof, shall not affect the validity of the remaining provisions of this Agreement.

Section 14.05. Governing Law. This Agreement is made and entered into in the State of Illinois and shall in all respects be interpreted, enforced, and governed under the laws of the State of Illinois without regard to the doctrines of conflict of laws. Jurisdiction and agreed upon venue shall be in the Circuit Court of Winnebago County.

Section 14.06. Captions and Headings. The captions, headings, and titles in this Agreement are intended for the convenience of the reader and are not intended to have any substantive meaning or to be interpreted as part of this Agreement.

Section 14.07. Terminology. All terms and words used in this Agreement, regardless of the number, are deemed to include any other number as the context may require.

Section 14.08. Effective Date. This Agreement shall become effective as of the date of approval below.

Section 14.09. Binding Land Bank. The individuals executing this Agreement on behalf of the Members represent that they have the legal power, right, and actual Land Bank to bind their respective Member to the terms and conditions of this Agreement.

Section 14.10. Counterparts. This Agreement may be executed in counterparts, each of which shall be considered an original and together shall be one and the same Agreement.

[REMAINDER LEFT BLANK]

This Intergovernmental Contract and By-Laws Agreement was Approved by the Corporate Authorities of the _____ of _____ on the _____ day of _____, 20____.

Mayor/President/Chairman

Attest

EXHIBIT A

LIST OF MEMBERS

County of Winnebago, Illinois

County of Boone, Illinois

City of Rockford, Illinois

City of Belvidere, Illinois