

CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

FINANCE COMMITTEE

THURSDAY, APRIL 27, 2023
6:00 P.M. – CITY COUNCIL CHAMBERS

AGENDA

1. Call to Order, Roll Call, and Establishment of a Quorum
2. Approval of Minutes
 - A. Finance Committee Meeting Minutes of November 17, 2022
3. Public Participation / Presentations
 - A. 2021 Audit
4. Items for Consent
 - A. Appoint Nikki Giles as the Named Principle Authority for All Illinois Funds Accounts
 - B. Ordinance No. 23-O-0008 – Second Quarter 2023 Budget Amendment
 - C. Ordinance No. 23-O-0009 – Development Agreement with 1300 Roosevelt Investors LLC
 - D. Resolution No. 23-R-0040 – Electronic Attendance Policy
 - E. Ordinance No. 23-O-0010 – Personnel Manual
5. Items for Discussion
6. Unfinished Business
7. New Business
 - A. CAO Goals
8. Reports from Staff
9. Executive Session (if needed)
10. Adjournment

MINUTES

FINANCE COMMITTEE November 17, 2022

1. Call to Order, Roll Call, and Establishment of a Quorum.

Alderman Dimas called the meeting to order at 6:00 p.m. Roll call found Aldermen Dimas, Dettmann, Sheahan, Swiatek, Stout and Morano present. Absent: Alderman Chassee.

Staff in attendance: City Administrator Michael Guttman, Interim Finance Director Nikki Giles, Community Development Director Tom Dabareiner, and Public Works Director Mehul Patel.

2. Approval of Minutes

A. Finance Committee Meeting minutes of October 27, 2022

Alderman Morano moved and Alderman Dettmann seconded a motion to approve the minutes. Voting Aye: Alderman Dimas, Dettmann, Sheahan, Swiatek, Stout and Morano. Voting Nay: 0. Absent: Alderman Chassee. Motion Carried

3. Public Participation / Presentations – None.

4. Items for Consent

A. Ordinance No. 22-O-0036 – Adopting Fiscal Year 2023 Budget

City Administrator (CA), Michael Guttman, provided a summary of the Fiscal Year 2023 Budget. He noted the General Fund has performed well due to continued construction in the City, and income, property and sales taxes have been higher each year. He noted the shifting of duties from the former Department of Administrative Services to the City Administrator's Office. CA Guttman said staff is in the process of hiring a Finance Director and an Assistant City Administrator. CA Guttman spoke on the various TIF Funds. CA Guttman noted that water and sewer rates increased in 2022 and another increase is being recommended for 2023. He stated that if the rate increase is not done, then capital improvements have to be deferred.

Alderman Dimas asked where West Chicago ranks compared to other communities on water and sewer rates. CA Guttman stated that on the water side, West Chicago is still competitive, though noted that communities like Warrenville and St. Charles will always be significantly cheaper than West Chicago because they have shallow wells and don't need a water treatment plant. On the sewer side West Chicago is not competitive, however if the rates are added together West Chicago falls in the middle when compared to the surrounding communities.

Alderman Chassee stated that the rate increase should be done at once and not to be split. Alderman Swiatek agreed with Alderman Chassee.

Alderman Morano asked if the City will be transparent and provide residents ample notice of the increase. CA Guttman stated that if the increase is done on July 1, then residents would have several utility bills with a note on the increase, there would be two newsletters with the notice as well and a narrative on the website.

Alderman Stout moved and Alderman Swiatek seconded a motion to approve the items. Voting Aye: Alderman Sheahan, Dettmann, Dimas, Morano, Stout, and Swiatek. Voting Nay: 0. Absent: Alderman Chassee. Motion Carried

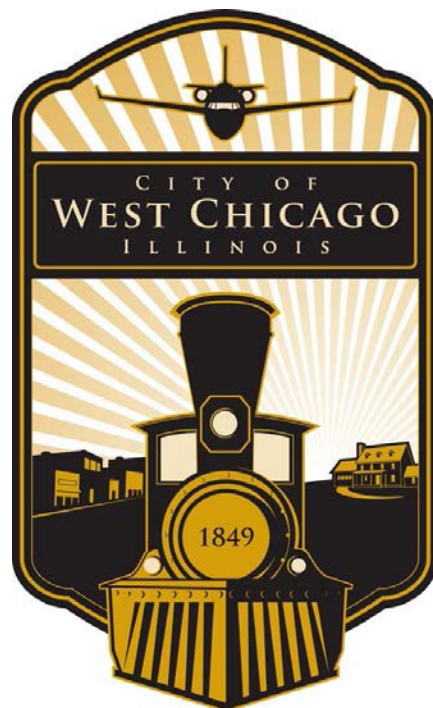
- 5. Items for Discussion – None**
- 6. Unfinished Business – None**
- 7. New Business - None**
- 8. Reports from Staff**
- 9. Executive Session (if needed) – None**
- 10. Adjournment**

Alderman Stout moved and Alderman Swiatek seconded a motion to adjourn at 6:19 p.m. Voice Vote: All Ayes.

Respectfully submitted,
Josie Avilez

CITY OF WEST CHICAGO, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

CITY OF WEST CHICAGO, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

Prepared by

Linda Martin
Director of Administrative Services

CITY OF WEST CHICAGO, ILLINOIS

TABLE OF CONTENTS

	PAGE
<hr/> <hr/>	
<u>INTRODUCTORY SECTION</u>	
Principal Officials	1
Organization Chart	2
Letter of Transmittal	7
Certificate of Achievement for Excellence in Financial Reporting	8
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	11
MANAGEMENT'S DISCUSSION AND ANALYSIS	15
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	28
Statement of Activities	30
Fund Financial Statements	
Balance Sheet – Governmental Funds	32
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position – Governmental Activities	34
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities	38
Statement of Net Position – Proprietary Funds	40
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	42
Statement of Cash Flows – Proprietary Funds	43
Statement of Fiduciary Net Position	44
Statement of Changes in Fiduciary Net Position	45
Notes to Financial Statements	46
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	88
Police Pension Fund	89

CITY OF WEST CHICAGO, ILLINOIS

TABLE OF CONTENTS

	PAGE
<hr/> <hr/>	
<u>FINANCIAL SECTION – Continued</u>	
REQUIRED SUPPLEMENTARY INFORMATION – Continued	
Schedule of Changes in the Employer’s Net Pension Liability/(Asset)	
Illinois Municipal Retirement Fund	91
Police Pension Fund	93
Schedule of Investment Returns	
Police Pension Fund	95
Schedule of Changes in the Employer’s Total OPEB Liability	
Retiree Benefits Plan	97
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	99
Public Benefit - Special Revenue Fund	100
TIF Special Tax Allocation #1 – Special Revenue Fund	101
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Revenues – Budget and Actual – General Fund	105
Schedule of Expenditures – Budget and Actual – General Fund	107
Schedule of Detailed Expenditures – Budget and Actual – General Fund	108
Schedule of Expenditures - Budget and Actual	
TIF Special Tax Allocation #1 – Special Revenue Fund	116
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Capital Improvement - Capital Projects Fund	117
Schedule of Expenditures – Budget and Actual	
Capital Improvement – Capital Projects Fund	118
Combining Balance Sheet – Nonmajor Governmental Funds	120
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental Funds	122
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
TIF Special Tax Allocation #2 – Special Revenue Fund	124
TIF Special Tax Allocation #3 – Special Revenue Fund	125
Motor Fuel Tax – Special Revenue Fund	126
Capital Equipment Replacement – Capital Projects Fund	127
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Waterworks – Enterprise Fund	128
Schedule of Operating Expenses – Budget and Actual – Waterworks – Enterprise Fund	129
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Sewerage – Enterprise Fund	132

CITY OF WEST CHICAGO, ILLINOIS

TABLE OF CONTENTS

	PAGE
<hr/> <hr/>	
<u>FINANCIAL SECTION – Continued</u>	
OTHER SUPPLEMENTARY INFORMATION – Continued	
Schedule of Operating Expenses – Budget and Actual – Sewerage – Enterprise Fund	133
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Commuter Parking – Enterprise Fund	135
Schedule of Operating Expenses – Budget and Actual – Commuter Parking – Enterprise Fund	136
Consolidated Year-End Financial Report	137
Report on Internal Control over Financial Reporting and on Compliance and Other Matters	
Based on an Audit of Financial Statements Performed in Accordance with Governmental	
<i>Auditing Standards</i>	138
 SUPPLEMENTAL SCHEDULE	
Long-Term Debt Requirements	
IEPA Waterworks Revolving Loan	141
 <u>STATISTICAL SECTION (Unaudited)</u>	
Net Position by Component – Last Ten Fiscal Years	144
Changes in Net Position – Last Ten Fiscal Years	146
Fund Balances of Governmental Funds – Last Ten Fiscal Years	148
General Governmental Revenues by Sources – Last Ten Fiscal Years	150
General Governmental Expenditures by Function – Last Ten Fiscal Years	152
Changes in Fund Balances for Governmental Funds – Last Ten Fiscal Years	154
Assessed Value and Actual Value of Taxable Property	
Last Ten Fiscal Years	156
Direct and Overlapping Property Tax Rates – Last Ten Tax Levy Years	158
Principal Property Tax Payers – Current Fiscal Year and Nine Fiscal Years Ago	160
Property Tax Levies and Collections – Last Ten Fiscal Years	161
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	162
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years	163
Schedule of Direct and Overlapping Governmental Activities Debt	164
Schedule of Legal Debt Margin	165
Pledged Revenue Coverage – Last Ten Fiscal Years	166
Demographic and Economic Statistics – Last Ten Fiscal Years	167
Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago	168
Full-Time Equivalent City Government Employees by Function – Last Ten Fiscal Years	170
Operating Indicators by Function/Program – Last Ten Fiscal Years	172
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	174

INTRODUCTORY SECTION

This section includes miscellaneous data regarding the City of West Chicago including:

- List of Principal Officials
- Organizational Chart
- Letter of Transmittal
- GFOA Certificate of Achievement for Excellence in Financial Reporting

CITY OF WEST CHICAGO, ILLINOIS

List of Principal Officials December 31, 2021

LEGISLATIVE

City Mayor: Ruben Pineda
City Clerk: Nancy M. Smith

ALDERMEN

James Beifuss

Joseph Morano

Heather Brown

Jayne Sheahan

Lori Chassee

Jeanne Short

Matthew Garling

Melissa Ferguson

Sandra Dimas

Alton Hallett

Christine Dettman

Rebecca Stout

John Jakabcsin

Christopher Swiatek

ADMINISTRATIVE

City Administrator: Michael L. Guttman

ADMINISTRATIVE SERVICES

Director of Administrative Services: Linda M. Martin
Assistant Director of Administrative Services: Nikki Giles

CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

April 13, 2023

The Honorable Mayor Ruben Pineda
Members of the West Chicago City Council
City Administrator Michael Guttman
Citizens of the City of West Chicago

The Annual Comprehensive Financial Report of the City of West Chicago (City) for the Fiscal Year ended December 31, 2021, is hereby submitted as mandated by local ordinances and state statutes. These ordinances and statutes require that the City issue a report on its financial position and activity following the end of a fiscal period, and that this report be audited by an independent accounting firm of certified public accountants.

Responsibility for both the accuracy of the data, and the completeness and reliability of the information presented in this report, including all disclosures, rests with management. The City is also responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure adequate accounting of data is compiled to allow for the preparation of the City of West Chicago's financial statements in accordance with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of the costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of West Chicago for the fiscal period ended December 31, 2021, are free of material misstatement. The auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide an introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

475 Main Street
West Chicago, Illinois
60185

T 630.293.2200
F 630.293.3028
westchicago.org

Ruben Pineda
MAYOR
Michael L. Guttman
CITY ADMINISTRATOR

PROFILE OF THE CITY OF WEST CHICAGO

The City of West Chicago is a diverse, family-oriented community with a rich cultural mix and a proud heritage, located in northeastern Illinois, approximately 30 miles west of Chicago. West Chicago is the first Illinois community established by the railroads and continues to be a convenient transportation hub served by three major rail lines, Illinois' third-busiest airport and three State highways. The population has nearly tripled since the 1970s, with an official population of 25,614, based upon the results of the census conducted in 2020. West Chicago became a home rule unit of government on March 3, 2004.

The equalized assessed valuation of the City reflects its strong economic condition. The City's assessed valuation has more than doubled since 1996, and one of the City's primary goals continues to be the active pursuit of commercial and industrial development that will aid in alleviating the tax burden on residents, while diversifying the long-term tax base.

The City operates under the Mayor-Council form of government. Policymaking and legislative authority are vested in the City Council, which is comprised of a Mayor and two Aldermen from each of seven wards. The City Council is responsible for, among many responsibilities, passing ordinances, adopting an annual budget, appointing committees and hiring the City Administrator. The Council members are elected to four-year staggered terms with seven Council members being elected every two years. The Mayor is elected to a four-year term. The City Administrator is responsible for carrying out the policies of and ordinances adopted by the City Council, for overseeing the day-to-day operations of the City, and for appointing all City staff except the Chief of Police.

The City provides a full range of services, including: police protection, the construction and maintenance of streets and other infrastructure, water and wastewater treatment, the distribution of potable water, the collection of wastewater and stormwater, cultural events, as well as community and economic development.

The annual budget serves as the foundation for the City's financial planning and control. It further prioritizes our core services and administrative functions and reflects the policy direction established by the City Council. All department directors of the City are required to submit their budget requests to the City Administrator, who then uses these requests as the starting point for developing a proposed budget. The City Administrator presents the proposed budget to the City Council, and budget workshops with the Finance Committee begin shortly thereafter. The City targets budget adoption at a Council meeting approximately one month prior to the beginning of the fiscal year. Once approved, the City Administrator is given the flexibility to transfer amounts between Department Budgets and line items within a Fund, but City Council action is necessary to transfer money between Funds. The following are some of the major components of the Budget Policy that the City Council has used as a continuing foundation for fiscal discipline:

- Revenues are conservatively projected using historical trends, reasonably expected changes in the coming year, and an analysis of anticipated economic conditions in the region, the state and the nation.

- Expenditures reflect realistic projections of anticipated expenses. Efforts are made to ensure that programs and services are realistically funded. Expenditures will be paid with current revenues.

MAJOR INITIATIVES

The City has been involved in a variety of projects throughout the year, which reflect its commitment to ensuring that its citizens are able to experience a high quality of life in an enviable environment. The most significant of these projects are outlined below:

- Over \$3.7 million in infrastructure projects were completed in 2021, including the rehabilitation of two wells, improvements to the wastewater treatment system and the entire resurfacing of Commerce Drive.
- After investigating the desirability and feasibility of extinguishing the existing Downtown TIF District, which was nearing completion, the area was re-defined to create a new, smaller and more concise Downtown TIF 2 District, which will allow the City to promote the redevelopment of the Downtown and take financial advantage of potential development opportunities; this initiative was unanimously endorsed by the Joint Review Board.
- Healthy West Chicago raised over \$4,600 in its program specific funding efforts for 2021, while also securing \$76,000 in future multi-year pledges from local community partners including Pritzker Realty Group, Ball Horticultural, DS Containers and OSI Industries, as well as the West Chicago Library District, West Chicago School District 33, DuPage County and Winfield Township.

FACTORS AFFECTING LOCAL FINANCIAL CONDITION

Local Economy

As West Chicago has persistently transitioned itself into a center for commerce and industry, the diversity of its retail and industrial bases has helped to reduce dependency on outside revenues. The City continues to aggressively pursue economic development opportunities and partnerships with commercial and corporate developers and business owners, while supporting existing relationships, despite the current state of the economy.

Long-term Financial Planning

The City performs an annual review of its strategy designed to address the structural and cyclical financial challenges that continue to face the City. This strategy includes five major components:

Reduction in Operating Expenditures – To address the structural problem of rising operating costs, the City annually undergoes a target budgeting process to manage the organization's expenditure and revenue patterns. Additionally, a comprehensive multi-phased review of both the budget and cost for services continued to determine alternative ways of providing existing services, with any cost savings that result from such adjustments being reallocated to other operational and maintenance needs.

Systematic Use of Fund Reserves – As part of its Policy, the City met its reserve target for the fiscal period ending December 31, 2021. The City maintains operating reserves that may be utilized during economic downturns and other unexpected circumstances. The systematic use of reserves helps to smooth the City’s expenditure patterns and minimize fluctuations in the level of services provided and maintained.

Identification and Implementation of New Revenues – The City annually assesses new sources of revenue to ensure the continued delivery of core services to our customers. New revenue sources that are adopted adhere to the City Council’s direction that users should pay for certain services from which only they benefit and/or require.

Increased Economic Development Focus – The City’s Economic Development Program is designed to increase and diversify the City’s sales tax, utility tax and real estate tax bases. By doing so, the City has become more self-sufficient, generating revenues and reducing dependency on outside revenue sources.

Maintain and Improve City Services – The City has a proud history of providing exceptional services. During the implementation of this strategy, it was imperative that the residents and businesses not experience a reduction in service levels unless absolutely necessary. With few exceptions, the City has been able to provide excellent service with fewer employees and leaner budgets.

In addition to this financial strategy, the City continues to have a five-year Capital Improvement Plan (CIP) and a process that projects future operating budgets. The CIP lends guidance and continuity in the planning and development of budgets, but more importantly, it identifies and prioritizes infrastructure maintenance and replacement needs, and plans for projects several years in advance. The Capital Projects Fund, Water Fund and Sewer Fund each have their respective five-year plans.

Financial Policies

The following policies had significant impact on the City’s financial statements:

The City Council has continued its policy to participate in local agency and other agreements to maximize infrastructure improvements by way of federal funding, and to seek out various intergovernmental partnerships to further subsidize the cost of such improvements. These proactive measures have allowed the City to continue its aggressive street reconstruction, maintenance and resurfacing programs, along with other public infrastructure improvements. In 2021, notable infrastructure improvements include the resurfacing of approximately 1 ¾ miles of Prince Crossing Road, with 70% of project funding received from CMAP’s Surface Transportation Program, as well as the rehabilitation of over two miles of City streets between Route 59 and Bishop Street from Forest Avenue to Dayton Avenue, which was subsidized with 44% funding through the Community Development Block Grant Program.

The City Council’s continued partnership with the Boards of the Fire Protection District, School District 33, School District 94, DuPage Airport Authority and the Library District allowed for a partial property tax abatement relative to the development of the Greco/DeRosa Property (The Cheese Merchants), Discovery Drive Investors II (Suncast) and OSI Industries. This continued

development is expected to enhance the work force and have a meaningful impact on economic development in the area.

Remaining committed to prioritizing additional financial opportunities, the City successfully registered to receive funds earmarked by the American Rescue Plan Act, and is positioned to receive the second of two tranche payments, as well as \$600,000 for an environmental remediation project and \$600,000 for the installation of a traffic signal in 2022.

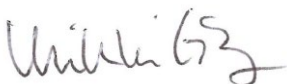
AWARDS AND ACHIEVEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Chicago for its annual comprehensive financial report for the fiscal year ended December 31, 2020. This was the twenty-second consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. This report can be viewed on the City's website at www.westchicago.org. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

The preparation of this report was made possible by the dedicated service of the entire staff of the Department of Administrative Services, which will reorganize in 2022 to become the Finance Department. Each member of the Department has my sincere appreciation for the contribution made in the preparation of this report.

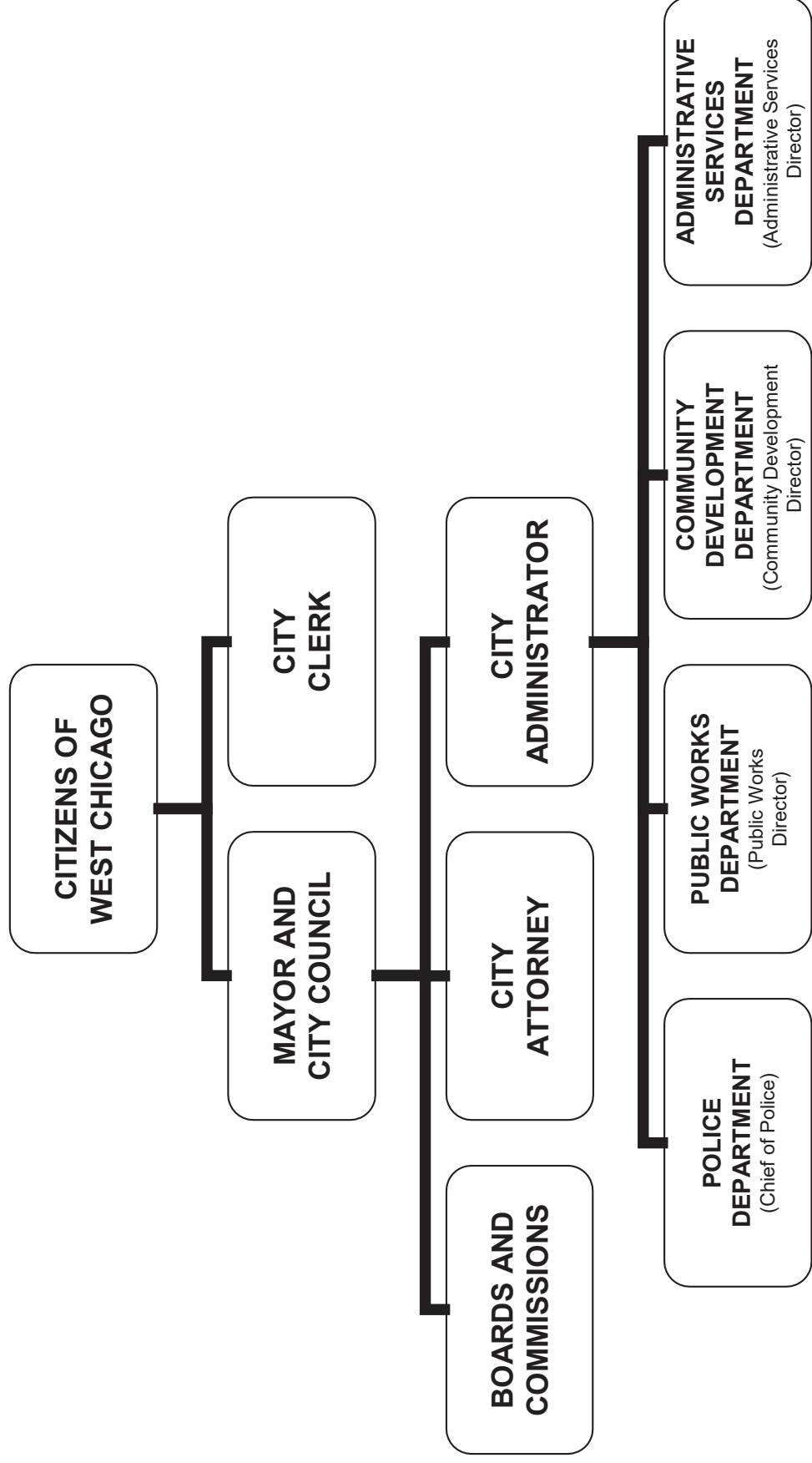
In closing, I would like to acknowledge and thank the Mayor and City Council for their leadership and support in planning and conducting the financial operations of the City in a progressive manner throughout the year, and for their support in maintaining high standards of professionalism in the management of the City's finances.

Respectfully submitted,



Nikki Giles
Director of Finance

CITY OF WEST CHICAGO ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of West Chicago
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedule

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITOR'S REPORT

April 13, 2023

The Honorable City Mayor
Members of the City Council
City of West Chicago, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Chicago, Illinois, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Chicago, Illinois, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, the GASB-required pension and the other post-employment benefit (OPEB) reporting, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Chicago, Illinois' basic financial statements. The other supplementary information and supplemental schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2021

Our discussion and analysis of the City of West Chicago's financial performance provides an overview of the City of West Chicago's financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the transmittal letter, which can be found in the introductory section of this report and the City of West Chicago's financial statements, located in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The City's net position increased as a result of this year's operations. Net position of business-type activities decreased by \$909,569, or 1.2 percent, while net position of the governmental activities increased by \$11,158,943 or 24.6 percent.
- During the year, government-wide revenues for the primary government totaled \$43,500,899, while expenses totaled \$33,251,525, resulting in an increase to net position of \$10,249,374.
- The City of West Chicago's net position totaled \$130,851,989 at December 31, 2021, which includes \$145,041,943 net investment in capital assets, \$8,687,702 subject to external restrictions, and \$22,877,656 unrestricted deficit net position that is relative to a multi-year trend of spending reserves and current assets.
- The General Fund reported an increase this year of \$3,270,890, resulting in an ending fund balance of \$22,310,225, an increase of 17.2 percent.

USING THIS REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City of West Chicago as a whole and present a longer-term view of the City's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City of West Chicago's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the City of West Chicago's finances, in a manner similar to a private-sector business.

The Statement of Net Position reports information on all of the City of West Chicago's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Consideration of other non-financial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, is needed to assess the overall health of the City of West Chicago.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2021

USING THIS REPORT – Continued

Government-Wide Financial Statements – Continued

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of West Chicago that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of West Chicago include general government, public safety and culture and recreation. The business-type activities of the City of West Chicago include waterworks, sewerage and commuter parking operations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of West Chicago, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal period. Such information may be useful in evaluating the City of West Chicago's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City of West Chicago maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Benefit Fund, TIF Special Tax Allocation #1 Fund, and Capital Improvement Fund, all of which are considered major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2021

USING THIS REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

The City of West Chicago adopts an annual budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

Proprietary Funds

The City of West Chicago maintains one proprietary fund type: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of West Chicago utilizes enterprise funds to account for its water and sewer operations, water and sewer construction, water and sewer debt retirement, and commuter parking operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks and Sewerage Funds, which are considered to be major funds of the City, and the Commuter Parking Fund, which is a nonmajor fund.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of West Chicago's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of West Chicago's Illinois Municipal Retirement Fund (I.M.R.F.), Police Pension Fund, and retiree benefits plan, as well as budgetary comparison schedules for the General Fund and any major special revenue funds. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the City of West Chicago, assets/deferred outflows exceeded liabilities/deferred inflows by \$130,851,989.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current Assets	\$ 47,692,010	\$ 36,887,030	\$ (10,476,861)	\$ (13,283,384)	\$ 37,215,149	\$ 23,603,646
Capital Assets	52,198,435	53,700,103	94,871,879	96,752,296	147,070,314	150,452,399
Total Assets	99,890,445	90,587,133	84,395,018	83,468,912	184,285,463	174,056,045
Deferred Outflows	5,849,356	8,310,088	1,078,107	1,124,743	6,927,463	9,434,831
Total Assets/Deferred Outflows	105,739,801	98,897,221	85,473,125	84,593,655	191,212,926	183,490,876
Current Liabilities	4,735,335	3,859,961	3,673,944	2,039,989	8,409,279	5,899,950
Noncurrent Liabilities	24,268,677	31,576,084	4,513,902	5,544,412	28,782,579	37,120,496
Total Liabilities	29,004,012	35,436,045	8,187,846	7,584,401	37,191,858	43,020,446
Deferred Inflows	20,166,819	18,051,149	3,002,260	1,816,666	23,169,079	19,867,815
Total Liabilities/Deferred Inflows	49,170,831	53,487,194	11,190,106	9,401,067	60,360,937	62,888,261
Net Position						
Net Investment in Capital Assets	52,198,435	53,700,103	92,843,508	94,081,605	145,041,943	147,781,708
Restricted	8,507,381	5,316,225	180,321	180,321	8,687,702	5,496,546
Unrestricted (Deficit)	(4,136,846)	(13,606,301)	(18,740,810)	(19,069,338)	(22,877,656)	(32,675,639)
Total Net Position	\$ 56,568,970	\$ 45,410,027	\$ 74,283,019	\$ 75,192,588	\$ 130,851,989	\$ 120,602,615

A large portion of the City's net position, \$145,041,943, reflects its investment in capital assets (i.e., land, construction in progress, land improvements, buildings and improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$8,687,702, of the City of West Chicago's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$22,877,656 represents unrestricted deficit net position that is relative to a multi-year trend of spending reserves and current assets.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 5,322,060	\$ 5,733,341	\$ 9,990,809	\$ 7,108,241	\$ 15,312,869	\$ 12,841,582
Operating Grants/Contrib.	376,506	7,227	-	-	376,506	7,227
Capital Grants/Contrib.	1,700,033	1,643,965	-	-	1,700,033	1,643,965
General Revenues						
Property Taxes	5,134,372	4,713,460	11,005	9,916	5,145,377	4,723,376
Other Taxes	800,371	681,403	-	-	800,371	681,403
Sales and Use Taxes	10,385,591	8,163,522	-	-	10,385,591	8,163,522
Income Taxes	3,566,536	2,943,407	-	-	3,566,536	2,943,407
Replacement Taxes	295,815	166,337	-	-	295,815	166,337
Utility Taxes	2,156,333	2,083,483	-	-	2,156,333	2,083,483
Interest Income	1,643	6,086	-	1,538	1,643	7,624
Miscellaneous	3,386,106	1,690,936	373,719	354,935	3,759,825	2,045,871
Total Revenues	33,125,366	27,833,167	10,375,533	7,474,630	43,500,899	35,307,797
Expenses						
General Government	7,502,977	12,085,019	-	-	7,502,977	12,085,019
Public Safety	8,922,067	10,448,934	-	-	8,922,067	10,448,934
Culture and Recreation	47,062	49,692	-	-	47,062	49,692
Streets and Highways	5,494,248	1,170,904	-	-	5,494,248	1,170,904
Interest on Long-Term Debt	69	1,115	-	-	69	1,115
Waterworks	-	-	5,826,807	7,223,329	5,826,807	7,223,329
Sewerage	-	-	5,365,676	5,895,441	5,365,676	5,895,441
Commuter Parking	-	-	92,619	100,012	92,619	100,012
Total Expenses	21,966,423	23,755,664	11,285,102	13,218,782	33,251,525	36,974,446
Change in Net Position	11,158,943	4,077,503	(909,569)	(5,744,152)	10,249,374	(1,666,649)
Net Position - Beginning	45,410,027	41,332,524	75,192,588	80,936,740	120,602,615	122,269,264
Net Position - Ending	\$ 56,568,970	\$ 45,410,027	\$ 74,283,019	\$ 75,192,588	\$ 130,851,989	\$ 120,602,615

Net position of the City of West Chicago's governmental activities increased 24.6 percent (\$56,568,970 at December 31, 2021, compared to \$45,410,027 at December 31, 2020). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$4,136,846 at December 31, 2021.

Net position of business-type activities decreased 1.2 percent (\$74,283,019 at December 31, 2021 compared to \$75,192,588 at December 31, 2020). The City reported a deficit of \$738,272 in the Waterworks Fund and a deficit of \$118,410 in the Sewerage Fund and a deficit of \$52,887 in the Commuter Parking Fund.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2021

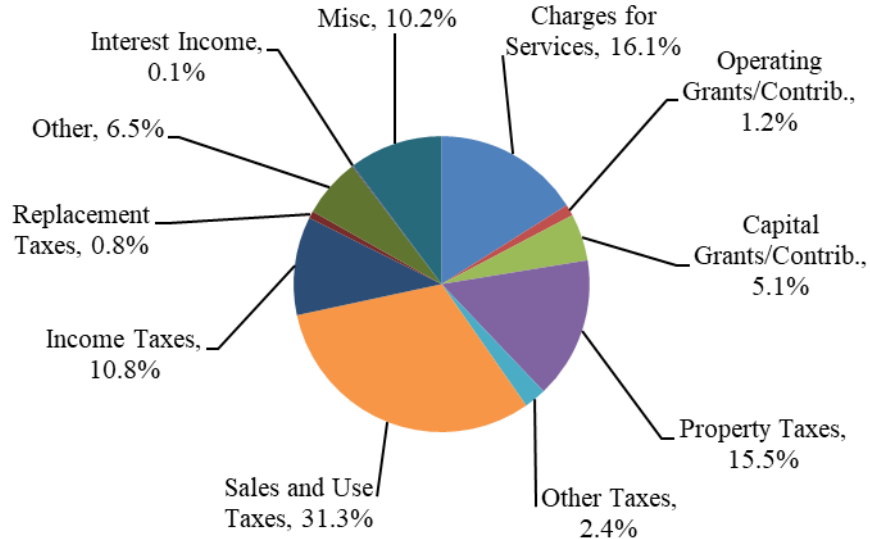
GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities

Revenues for governmental activities totaled \$33,125,366 while the cost of all governmental functions totaled \$21,966,423. This results in a net position increase of \$11,158,943 at December 31, 2021. At December 31, 2020, revenues for governmental activities totaled \$27,833,167, while the cost of all governmental functions totaled \$23,755,664, which resulted in a surplus of \$4,077,503. Revenues for operating grants/contributions, sales and use taxes, and miscellaneous revenues increased \$369,279, \$2,222,069, and \$1,695,170, respectively. Revenues for charges for services and interest income decreased by \$411,281 and \$4,443, respectively.

The following table graphically depicts the major revenue sources of the City of West Chicago. It depicts very clearly the reliance on property taxes, sales and use taxes, charges for services and other general revenues to fund governmental activities. It also clearly identifies the less significant percentage the City receives from replacement taxes.

Revenues by Source - Governmental Activities



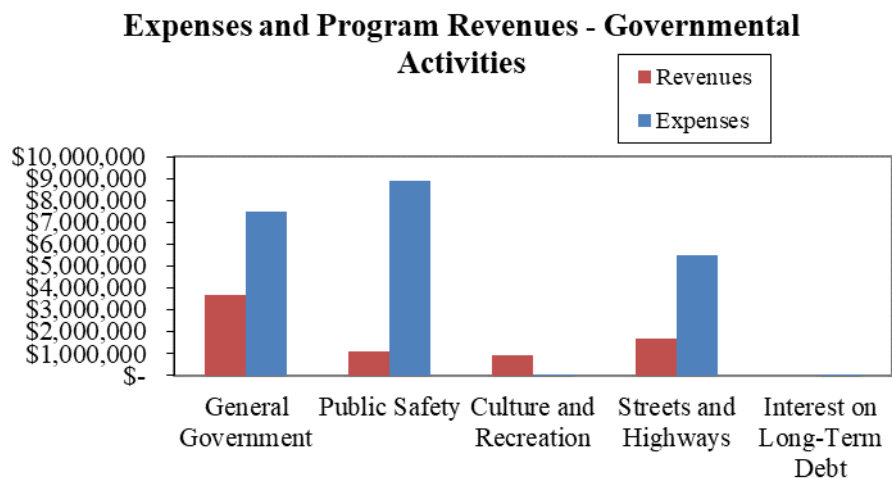
CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

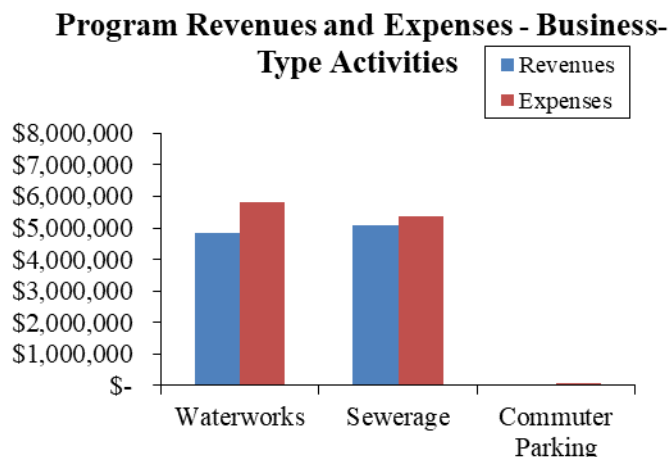
The 'Expenses and Program Revenues' Chart identifies those governmental functions where program expenses greatly exceed revenues. These expenses and revenues do not include the major revenue sources, such as property taxes, sales and use taxes and income taxes, described earlier. The Statement of Activities further outlines those revenues and expenses considered program specific.



Business-Type Activities

Business-type activities posted total revenues of \$10,375,533, while the cost of all business-type activities totaled \$11,285,102. This results in a net position decrease of \$909,569. At December 31, 2020, revenues of \$7,474,630, were less than expenses of \$13,218,782, resulting in a decrease of \$5,744,152.

The chart below compares program revenues to expenses for business-type activities.



CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of West Chicago uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City of West Chicago's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2021, the City's governmental funds reported combined ending fund balances of \$36,797,256, which is an increase of \$8,900,146 from last year's total of \$27,897,110. Of the \$36,797,256 total, \$19,254,290, or 52.3 percent, of the fund balance constitutes unassigned fund balance, while \$111,749, or 0.3 percent, is designated as nonspendable, \$8,507,381, or 23.1 percent, has been classified as restricted funds and \$8,923,836, or 24.3 percent, has been classified as assigned funds.

The General Fund is the chief operating fund of the City. The General Fund reported an increase change in fund balance for the fiscal year of \$3,270,890, an increase of 17.2 percent. The General Fund increase was due to final budgeted expenditures totaling \$21,074,300 while actual expenditures totaled \$19,289,893 due to continued restricted spending as the uncertainty of the pandemic's impact continued to unfold. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The Public Benefit Fund is used to account for the accumulation of funds from Kerr McGee to fund projects that meet the criteria established by the City Council and as detailed in the City Code. The Public Benefit Fund fund balance remained stable for the fiscal year, reporting an increase of \$102,070.

The TIF Special Tax Allocation #1 Fund reported a decrease of \$298,964 for the year, this decrease was due to a transfer out of \$1,220,000 to the General, Public Benefit, and Capital Improvement Funds. The TIF Special Tax Allocation #1 Fund will be subsequently closed, with non-property tax revenue transferred to other funds and the remaining surplus balance rebated to the County for distribution to the appropriate taxing bodies.

The Capital Improvement Fund reported an increase in fund balance of \$2,539,153 for the year, which resulted from actual revenues of \$5,301,531 exceeding actual expenditures totaling \$3,512,378, due to the impact from the ongoing pandemic. With respect to the resulting material and labor shortages, the Annual Pavement Striping and Crack Sealing Programs were not completed.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Proprietary Funds

The City of West Chicago's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City reports the Waterworks Fund and the Sewerage Funds as two major proprietary funds. The Waterworks Fund accounts for all of the operations of the municipal water plant and distribution system while the Sewerage Fund accounts for all of the operations of the municipal sewer treatment plant and collection system. Water is sold to municipal customers at a rate of \$3.88 per one thousand gallons of water (\$2.90 per one hundred cubic feet for water) and a rate of \$5.61 per one thousand gallons of sewer (\$4.20 per one hundred cubic feet for sewer). The variance between the cost of operations and the rates charged to customers is intended to finance the debt and infrastructure of the utility system, including labor costs, supplies, infrastructure maintenance and future infrastructure improvements. The Commuter Parking Fund is recorded as a nonmajor fund.

Each year, the City of West Chicago projects the user rates charged to be sufficient that the funds operate at a breakeven level, including amortization of future capital costs. Periodically, there will be an annual surplus or decrease due to the timing of capital projects. The decrease in net position in the Waterworks Fund during the fiscal year was \$738,272, while the decrease in the previous fiscal year was \$3,384,427.

The Sewerage Fund experienced a decrease in net position of \$118,410, while the previous fiscal year reported a decrease of \$2,304,146. The Commuter Parking Fund had a decrease in net position for the fiscal year of \$52,887 compared to the decrease in the previous fiscal year of \$55,579. Total net position in the Proprietary Funds was \$74,283,019 (net investment in capital assets, restricted, and unrestricted) at December 31, 2021.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City of West Chicago Council made two budget amendments to the General Fund during the fiscal year. General Fund actual revenues for the year totaled \$25,560,783 compared to budgeted revenues of \$19,088,200. There was better than anticipated actual results within all revenue categories, except interest income which came in slightly lower than anticipated. Overall General Fund revenues were increased \$6,472,583 due to building and engineering permit revenues and a large transfer from the TIF #1 Special Tax Allocation Fund.

Original budgeted expenditures of \$20,406,300 were increased \$668,000 for other contractual services. The General Fund actual expenditures for the year were \$1,784,407 lower than budgeted (\$19,289,893 actual compared to \$21,074,300 final budgeted). The general government's actual expenditures were lower than budgeted expenditures by \$1,742,476 due to overall cost controlling measures. In addition, public safety actual expenditures were lower than budgeted expenditures by \$41,931 due to overall cost controlling measures.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of West Chicago's investment in capital assets for its governmental and business type activities as of December 31, 2021 was \$147,070,314, net of accumulated depreciation. This investment in capital assets includes land, construction on progress, land improvements, buildings and improvements, machinery and equipment, and infrastructure.

	Capital Assets - Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land	\$ 20,218,128	\$ 20,218,128	\$ 28,040,111	\$ 28,040,111	\$ 48,258,239	\$ 48,258,239
Construction in Progress	-	-	661,069	1,065,717	661,069	1,065,717
Land Improvements	1,325,643	1,381,959	453,496	485,608	1,779,139	1,867,567
Buildings and Improvements	3,941,213	4,067,014	16,982,486	16,883,311	20,923,699	20,950,325
Machinery and Equipment	2,752,224	2,630,304	3,065,401	3,221,716	5,817,625	5,852,020
Infrastructure	23,961,227	25,402,698	45,669,316	47,055,833	69,630,543	72,458,531
Totals	\$ 52,198,435	\$ 53,700,103	\$ 94,871,879	\$ 96,752,296	\$ 147,070,314	\$ 150,452,399

This year's major additions included:

Construction in Progress	\$ 460,675
Machinery and Equipment	564,059
	<u>\$ 1,024,734</u>

Additional information on the City of West Chicago's capital assets can be found in Note 3 of this report.

CITY OF WEST CHICAGO, ILLINOIS

Management's Discussion and Analysis December 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At December 31, 2021, the City of West Chicago had total outstanding debt of \$2,028,371 as compared to \$2,670,691 at December 31, 2020, a decrease of \$642,320. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
IEPA Revolving Loan	\$ -	\$ -	\$ 2,028,371	\$ 2,670,691	\$ 2,028,371	\$ 2,670,691

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin. The City is a home rule municipality and to date, the Illinois General Assembly has set no limits for home rule municipalities. Additional information on the City of West Chicago long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of West Chicago's elected and appointed officials considered many factors when setting the fiscal year 2022 budget, tax rates and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. Unemployment Rates for December 31, 2021, for DuPage County was 2.8 percent and the state and national unemployment rates were 4.9 and 3.9 percent, respectively. The City of West Chicago's unemployment rate was 4.9 percent, which peaks in the winter months due to the seasonal nature of a larger portion of its workforce.

Amounts available for appropriation in the General Fund are \$20,939,000, a decrease of 0.64% from the final 2021 budget of \$21,074,300. The City of West Chicago has budgeted increases in sales and electricity use tax of 3 percent and 1.50 percent, respectively. The City of West Chicago's major initiatives in the 2022 budget include a return to an aggressive street resurfacing program and the engineering and construction improvement to Lift Station #5. The City of West Chicago maintains its strong commitment to fiscal accountability and pledges to continue to seek innovative strategies to maximize financial responsibility.

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the City's operations and financial position cannot be determined.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of West Chicago's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Director of Administrative Services, City of West Chicago, 475 Main Street, West Chicago, IL 60185.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Position
December 31, 2021**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

Statement of Net Position

December 31, 2021

	Governmental Activities	Business -Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 15,790,800	\$ 358,168	\$ 16,148,968
Receivables - Net of Allowances	10,984,891	4,723,454	15,708,345
Internal Balances	18,348,201	(18,348,201)	-
Prepays/Inventories	111,749	19,770	131,519
Total Current Assets	45,235,641	(13,246,809)	31,988,832
Noncurrent Assets			
Capital Assets			
Nondepreciable	20,218,128	28,701,180	48,919,308
Depreciable	78,486,684	110,672,772	189,159,456
Accumulated Depreciation	(46,506,377)	(44,502,073)	(91,008,450)
Total Capital Assets	52,198,435	94,871,879	147,070,314
Other Assets			
Net Pension Asset - IMRF	2,456,369	2,769,948	5,226,317
Total Noncurrent Assets	54,654,804	97,641,827	152,296,631
Total Assets	99,890,445	84,395,018	184,285,463
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	221,414	249,681	471,095
Deferred Items - Police Pension	5,567,942	-	5,567,942
Deferred Items - ARO	60,000	828,426	888,426
Total Deferred Outflows of Resources	5,849,356	1,078,107	6,927,463
Total Assets and Deferred Outflows of Resources	105,739,801	85,473,125	191,212,926

The notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business -Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 778,116	\$ 884,169	\$ 1,662,285
Accrued Payroll	486,171	170,655	656,826
Accrued Interest Payable	-	17,378	17,378
Deposits Payable	2,011,727	-	2,011,727
Due to Other Funds	749,322	-	749,322
Other Payables	300,416	1,906,687	2,207,103
Current Portion of Long-Term Debt	409,583	695,055	1,104,638
Total Current Liabilities	4,735,335	3,673,944	8,409,279
Noncurrent Liabilities			
Compensated Absences Payable	1,638,334	144,486	1,782,820
Net Pension Liability - Police Pension	17,725,625	-	17,725,625
Total OPEB Liability - RBP	4,829,718	2,149,978	6,979,696
IEPA Revolving Loan Payable	-	1,369,438	1,369,438
Asset Retirement Obligation	75,000	850,000	925,000
Total Noncurrent Liabilities	24,268,677	4,513,902	28,782,579
Total Liabilities	29,004,012	8,187,846	37,191,858
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	2,662,382	3,002,260	5,664,642
Deferred Items - Police Pension	13,391,804	-	13,391,804
Property Taxes	4,112,633	-	4,112,633
Total Deferred Inflows of Resources	20,166,819	3,002,260	23,169,079
Total Liabilities and Deferred Inflows of Resources	49,170,831	11,190,106	60,360,937
NET POSITION			
Net Investment in Capital Assets	52,198,435	92,843,508	145,041,943
Restricted - Motor Fuel Tax	5,198,059	-	5,198,059
Restricted - Public Safety	1,147,083	-	1,147,083
Restricted - Property Taxes - TIF	1,115,448	-	1,115,448
Restricted - Public Benefit Projects	1,046,791	-	1,046,791
Restricted - Water	-	180,321	180,321
Unrestricted (Deficit)	(4,136,846)	(18,740,810)	(22,877,656)
Total Net Position	\$ 56,568,970	\$ 74,283,019	\$ 130,851,989

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2021

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 7,502,977	\$ 3,657,317	\$ 21,591	\$ -
Public Safety	8,922,067	1,093,943	-	-
Culture and Recreation	47,062	570,800	354,915	-
Streets and Highways	5,494,248	-	-	1,700,033
Interest and Fiscal Charges	69	-	-	-
Total Governmental Activities	21,966,423	5,322,060	376,506	1,700,033
Business-Type Activities				
Waterworks	5,826,807	4,857,273	-	-
Sewerage	5,365,676	5,093,945	-	-
Commuter Parking	92,619	39,591	-	-
Total Business-Type Activities	11,285,102	9,990,809	-	-
Total Primary Government	\$ 33,251,525	\$ 15,312,869	\$ 376,506	\$ 1,700,033

General Revenues

Taxes

Property Taxes

Telecommunications Taxes

Amusement Taxes

Cannabis Taxes

Intergovernmental - Unrestricted

Sales and Use Taxes

Income Taxes

Replacement Taxes

Utility Taxes

Interest Income

Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
\$ (3,824,069)	\$ -	\$ (3,824,069)
(7,828,124)	-	(7,828,124)
878,653	-	878,653
(3,794,215)	-	(3,794,215)
(69)	-	(69)
(14,567,824)	-	(14,567,824)
-	(969,534)	(969,534)
-	(271,731)	(271,731)
-	(53,028)	(53,028)
-	(1,294,293)	(1,294,293)
(14,567,824)	(1,294,293)	(15,862,117)
5,134,372	11,005	5,145,377
659,823	-	659,823
103,148	-	103,148
37,400	-	37,400
10,385,591	-	10,385,591
3,566,536	-	3,566,536
295,815	-	295,815
2,156,333	-	2,156,333
1,643	-	1,643
3,386,106	373,719	3,759,825
25,726,767	384,724	26,111,491
11,158,943	(909,569)	10,249,374
45,410,027	75,192,588	120,602,615
\$ 56,568,970	\$ 74,283,019	\$ 130,851,989

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2021**

		Special
	General	Public Benefit
ASSETS		
Cash and Investments	\$ 1,870,653	\$ 1,046,791
Receivables - Net of Allowances		
Property Taxes	4,069,961	-
Other	5,733,453	-
Due From Other Funds	18,348,201	-
Prepays/Inventories	110,793	-
Total Assets	<u>30,133,061</u>	<u>1,046,791</u>
LIABILITIES		
Accounts Payable	523,634	-
Accrued Payroll	468,192	-
Deposits Payable	2,011,727	-
Due to Other Funds	749,322	-
Other Payables	-	-
Total Liabilities	<u>3,752,875</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	4,069,961	-
Total Liabilities and Deferred Inflows of Resources	<u>7,822,836</u>	<u>-</u>
FUND BALANCES		
Nonspendable	110,793	-
Restricted	2,945,142	1,046,791
Assigned	-	-
Unassigned	19,254,290	-
Total Fund Balances	<u>22,310,225</u>	<u>1,046,791</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 30,133,061</u>	<u>\$ 1,046,791</u>

The notes to the financial statements are an integral part of this statement.

Revenue TIF Special Tax Allocation #1	Capital Projects Capital Improvement	Nonmajor	Totals
\$ 960,692	\$ 6,131,280	\$ 5,781,384	\$ 15,790,800
-	-	-	4,069,961
-	1,139,093	42,384	6,914,930
-	-	-	18,348,201
-	956	-	111,749
960,692	7,271,329	5,823,768	45,235,641
57,968	161,543	34,971	778,116
9,974	8,005	-	486,171
-	-	-	2,011,727
-	-	-	749,322
-	300,416	-	300,416
67,942	469,964	34,971	4,325,752
-	288	42,384	4,112,633
67,942	470,252	77,355	8,438,385
-	956	-	111,749
892,750	-	3,622,698	8,507,381
-	6,800,121	2,123,715	8,923,836
-	-	-	19,254,290
892,750	6,801,077	5,746,413	36,797,256
\$ 960,692	\$ 7,271,329	\$ 5,823,768	\$ 45,235,641

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

December 31, 2021

Total Governmental Fund Balances	\$ 36,797,256
---	----------------------

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	52,198,435
---	------------

A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	
Net Pension Asset - IMRF	2,456,369

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(2,440,968)
Deferred Items - Police Pension	(7,823,862)
Deferred Items - Asset Retirement Obligation	60,000

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(2,047,917)
Net Pension Liability - Police Pension	(17,725,625)
Total OPEB Liability - RBP	(4,829,718)
Asset Retirement Obligation	<u>(75,000)</u>

Net Position of Governmental Activities	<u>\$ 56,568,970</u>
--	-----------------------------

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2021**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2021**

		Special
	General	Public Benefit
Revenues		
Taxes	\$ 4,692,736	\$ -
Intergovernmental	13,619,883	-
Charges for Services	2,587,822	32,000
Licenses and Permits	1,291,445	-
Fines and Forfeitures	871,993	-
Interest Income	1,573	70
Miscellaneous	2,495,331	-
Total Revenues	<u>25,560,783</u>	<u>32,070</u>
Expenditures		
General Government	8,295,624	-
Public Safety	10,994,269	-
Capital Outlay	-	-
Debt Service		
Interest and Fiscal Charges	-	-
Total Expenditures	<u>19,289,893</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,270,890</u>	<u>32,070</u>
Other Financing Sources (Uses)		
Transfers In	400,000	70,000
Transfers Out	(3,400,000)	-
	<u>(3,000,000)</u>	<u>70,000</u>
Net Change in Fund Balances	3,270,890	102,070
Fund Balances - Beginning	<u>19,039,335</u>	<u>944,721</u>
Fund Balances - Ending	<u>\$ 22,310,225</u>	<u>\$ 1,046,791</u>

The notes to the financial statements are an integral part of this statement.

Revenue TIF Special Tax Allocation #1	Capital Projects Capital Improvement	Nonmajor	Totals
\$ 1,200,651	\$ 766,281	\$ 41,356	\$ 6,701,024
-	4,094,650	-	17,714,533
-	-	538,800	3,158,622
-	-	-	1,291,445
-	-	-	871,993
-	-	-	1,643
447,224	440,600	2,951	3,386,106
1,647,875	5,301,531	583,107	33,125,366
726,770	-	-	9,022,394
-	-	-	10,994,269
-	3,512,378	696,110	4,208,488
69	-	-	69
726,839	3,512,378	696,110	24,225,220
921,036	1,789,153	(113,003)	8,900,146
-	750,000	3,400,000	4,620,000
(1,220,000)	-	-	(4,620,000)
(1,220,000)	750,000	3,400,000	-
(298,964)	2,539,153	3,286,997	8,900,146
1,191,714	4,261,924	2,459,416	27,897,110
\$ 892,750	\$ 6,801,077	\$ 5,746,413	\$ 36,797,256

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Activities**

For the Fiscal Year Ended December 31, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 8,900,146
---	---------------------

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	564,059
Depreciation Expense	(2,008,084)
Disposals - Cost	(82,347)
Disposals - Accumulated Depreciation	24,704

An addition to a net pension asset is not considered to be an increase in a
financial asset in the governmental funds.

Change in Net Pension Asset - IMRF	1,948,147
------------------------------------	-----------

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(994,088)
Change in Deferred Items - Police Pension	(4,470,981)
Change in Deferred Items - Asset Retirement Obligation	(15,000)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	(75,101)
Change in Net Pension Liability - Police Pension	6,627,508
Change in Total OPEB Liability - RBP	739,980

Changes in Net Position of Governmental Activities	<u>\$ 11,158,943</u>
---	-----------------------------

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2021**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2021**

	Business-Type Activities - Enterprise			
			Nonmajor Commuter	
	Waterworks	Sewerage	Parking	Totals
ASSETS				
Current Assets				
Cash and Investments	\$ -	\$ -	\$ 358,168	\$ 358,168
Receivables - Net of Allowances				
Property Taxes	-	10,955	-	10,955
Accounts	2,068,960	2,641,324	2,215	4,712,499
Advances to Other Funds	-	1,850,000	-	1,850,000
Prepays	9,885	9,885	-	19,770
Total Current Assets	2,078,845	4,512,164	360,383	6,951,392
Noncurrent Assets				
Capital Assets				
Nondepreciable	28,501,533	151,397	48,250	28,701,180
Depreciable	86,801,847	23,186,363	684,562	110,672,772
Accumulated Depreciation	(34,901,375)	(9,069,354)	(531,344)	(44,502,073)
Total Capital Assets	80,402,005	14,268,406	201,468	94,871,879
Other Assets				
Net Pension Asset - IMRF	1,595,071	1,155,540	19,337	2,769,948
Total Noncurrent Assets	81,997,076	15,423,946	220,805	97,641,827
Total Assets	84,075,921	19,936,110	581,188	104,593,219
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	143,778	104,160	1,743	249,681
Deferred Items - ARO	828,426	-	-	828,426
Total Deferred Outflows of Resources	972,204	104,160	1,743	1,078,107
Total Assets and Deferred				
Outflows of Resources	85,048,125	20,040,270	582,931	105,671,326

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities - Enterprise			
			Nonmajor Commuter	
	Waterworks	Sewerage	Parking	Totals
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 185,795	\$ 686,054	\$ 12,320	\$ 884,169
Accrued Payroll	98,136	71,510	1,009	170,655
Accrued Interest Payable	17,378	-	-	17,378
Due to Other Funds	10,649,298	7,698,903	-	18,348,201
Advances from Other Funds	1,850,000	-	-	1,850,000
Other Payables	1,824,623	64,214	17,850	1,906,687
Current Portion of Long-Term Debt	694,599	456	-	695,055
Total Current Liabilities	15,319,829	8,521,137	31,179	23,872,145
Noncurrent Liabilities				
Compensated Absences	138,519	5,967	-	144,486
Total OPEB Liability - RBP	1,074,929	1,075,049	-	2,149,978
IEPA Revolving Loan	1,369,438	-	-	1,369,438
Asset Retirement Obligation	850,000	-	-	850,000
Total Noncurrent Liabilities	3,432,886	1,081,016	-	4,513,902
Total Liabilities	18,752,715	9,602,153	31,179	28,386,047
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	1,728,849	1,252,452	20,959	3,002,260
Total Liabilities and Deferred Inflows of Resources	20,481,564	10,854,605	52,138	31,388,307
NET POSITION				
Net Investment in Capital Assets	78,373,634	14,268,406	201,468	92,843,508
Restricted - Water	-	180,321	-	180,321
Unrestricted (Deficit)	(13,807,073)	(5,263,062)	329,325	(18,740,810)
Total Net Position	\$ 64,566,561	\$ 9,185,665	\$ 530,793	\$ 74,283,019

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2021**

	Business-Type Activities - Enterprise			
	Waterworks	Sewerage	Nonmajor Commuter Parking	Totals
Operating Revenues				
Charges for Services	\$ 4,819,454	\$ 5,046,245	\$ 39,591	\$ 9,905,290
Operating Expenses				
Operations	3,765,357	5,019,352	78,694	8,863,403
Depreciation and Amortization	2,002,417	346,324	13,925	2,362,666
Total Operating Expenses	5,767,774	5,365,676	92,619	11,226,069
Operating (Loss)	(948,320)	(319,431)	(53,028)	(1,320,779)
Nonoperating Revenues (Expenses)				
Water and Sewer Connection Fees	37,819	47,700	-	85,519
Property Taxes	-	11,005	-	11,005
Other Income	231,262	109,492	141	340,895
Interest Expense and Fiscal Charges	(59,033)	-	-	(59,033)
Disposal of Capital Assets	-	32,824	-	32,824
	210,048	201,021	141	411,210
Change in Net Position	(738,272)	(118,410)	(52,887)	(909,569)
Net Position - Beginning	65,304,833	9,304,075	583,680	75,192,588
Net Position - Ending	\$ 64,566,561	\$ 9,185,665	\$ 530,793	\$ 74,283,019

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2021**

	Business-Type Activities - Enterprise Funds			Totals
	Waterworks Fund	Sewerage Fund	Nonmajor Enterprise Commuter Parking	
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 4,128,525	\$ 4,470,594	\$ 22,449	\$ 8,621,568
Payments to Employees	(1,815,707)	(1,329,255)	(22,182)	(3,167,144)
Payments to Suppliers	(1,207,456)	(3,128,502)	(40,795)	(4,376,753)
	1,105,362	12,837	(40,528)	1,077,671
Cash Flows from Noncapital Financing Activities				
Property Taxes	-	11,005	-	11,005
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(404,009)	(56,666)	-	(460,675)
Disposal of Capital Assets	-	32,824	-	32,824
Interest on Capital Debt	(59,033)	-	-	(59,033)
Principal on Capital Debt	(642,320)	-	-	(642,320)
	(1,105,362)	(23,842)	-	(1,129,204)
Cash Flows from Investing Activities				
Interest Received	-	-	-	-
Net Change in Cash and Cash Equivalents	-	-	(40,528)	(40,528)
Cash and Cash Equivalents - Beginning	-	-	398,696	398,696
Cash and Cash Equivalents - Ending	-	-	358,168	358,168
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating (Loss)	(948,320)	(319,431)	(53,028)	(1,320,779)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	2,002,417	346,324	13,925	2,362,666
Other Income	269,081	157,192	141	426,414
(Increase) Decrease in Current Assets	(960,010)	(732,843)	(17,283)	(1,710,136)
Increase (Decrease) in Current Liabilities	742,194	561,595	15,717	1,319,506
Net Cash Provided by Operating Activities	\$ 1,105,362	\$ 12,837	\$ (40,528)	\$ 1,077,671

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Fiduciary Net Position
December 31, 2021**

	Pension Trust Police Pension
ASSETS	
Cash and Cash Equivalents	\$ 1,080,974
Investments	
U.S. Treasuries	1,629,984
U.S. Agencies	10,001,215
Corporate Bonds	2,801,986
Municipal Bonds	2,820,443
Mutual Funds	25,664,176
Insurance Contracts	556,345
Due From Other Funds	749,322
Accrued Interest	86,109
Prepays	<u>7,060</u>
Total Assets	45,397,614
LIABILITIES	
Accounts Payable	<u>17,392</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>\$ 45,380,222</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2021**

	Pension Trust Police Pension
Additions	
Contributions - Employer	\$ 2,997,288
Contributions - Plan Members	426,937
Total Contributions	3,424,225
Investment Income	
Interest Earned	1,897,810
Net Change in Fair Value	2,455,316
	4,353,126
Less Investment Expenses	(65,677)
Net Investment Income	4,287,449
Total Additions	7,711,674
Deductions	
Administration	61,973
Benefits and Refunds	2,703,046
Total Deductions	2,765,019
Change in Fiduciary Net Position	4,946,655
Net Position Restricted for Pensions	
Beginning	40,433,567
Ending	\$ 45,380,222

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of West Chicago (City), Illinois, incorporated in 1849, is a municipal corporation governed by an elected Mayor and City Council. The City's major operations include public safety, highway and street maintenance and reconstruction, forestry, building, code enforcement, public improvements, economic development, planning and zoning, water, sewer, commuter parking services, and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the City's accounting policies established in GAAP and used by the City are described below.

REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government:	City of West Chicago
---------------------	----------------------

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the City. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

Police Pension Employees Retirement System

The City's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected police employees constitute the Pension Board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police, highway and street maintenance and reconstruction, forestry, building, code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The City's waterworks, sewerage and commuter parking services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column; and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, water, sewer, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

The City allocates indirect costs paid from the General Fund to other funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City can electively add funds, as major funds, which either have debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains two major and three nonmajor special revenue funds. The two major funds are the Public Benefit Fund, which is used to account for the accumulation of restricted funds from Kerr McGee to fund projects that meet the criteria established by the City Council and as detailed in the City Code, and the TIF Special Tax Allocation #1 Fund, which is used to account for the accumulation of funds from restricted incremental revenue generated within the TIF #1 area.

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The City does not currently utilize debt service funds.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains one major and one nonmajor capital projects fund. The Capital Improvement Fund, the major fund, is used to account for property taxes, natural gas use taxes and home rule sales taxes that are set aside for funding major capital improvements throughout the City.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

Enterprise funds – Continued. The City maintains two major and one nonmajor enterprise funds; the major funds are the Waterworks and the Sewerage Funds. The Waterworks Fund is used to account for the provision of potable water and water treatment services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection. The Sewerage Fund is used to account for the provision of sewer repair, treatment, and improvement services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan.

The City's fiduciary fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, this fund is not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset is used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise fees, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap on fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for governmental activities include property taxes, sales and use taxes, franchise fees, and grants. Business-type activities report utility charges as their major receivables.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays/Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 - \$30,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Capital Assets – Continued

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. Infrastructure such as streets and traffic signals are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	20 Years
Buildings and Improvements	50 Years
Machinery and Equipment	5 - 15 Years
Infrastructure	65 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Compensated Absences

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Long-Term Obligations

In the government-wide financial statements and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets”.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriations are adopted for the General, special revenue, capital projects, and enterprise funds. All annual appropriations lapse at fiscal year end.

All departments of the City submit requests for appropriation to the City Administrator so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds a public hearing and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The Budget Officer is authorized to transfer budgeted amounts between departments and line items within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, three supplementary appropriations were approved.

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds except the pension trust fund. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments". In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust fund are held separately from those of other funds.

Permitted Deposits and Investments – Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund.

Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

The deposits and investments of the Pension Fund are held separately from those of other City funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

City

Deposits and Investments. At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$6,974,315 and the bank balances totaled \$7,224,417. Additionally, at year-end the City has \$9,133,465 invested in the Illinois Funds and \$41,188 invested in the Illinois Metropolitan Investment Fund, which are both measured at net asset value per share as determined by the pool.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

City – Continued

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy states that the investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements which may be reasonably anticipated in any City Fund. The average maturity for the Illinois Funds is less than one year and the Illinois Metropolitan Investment Fund is less than one year to three years.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under State Statute, the City's investment policy does not further limit investment choices. The City limits its exposure to credit risk by primarily investing in Illinois Funds which were rated AAAm by Standard & Poor's, in Illinois Metropolitan Investment Trust Convenience Fund which is rated Aaa to bf by Moody's Moody's Investor Services, and in the Illinois Metropolitan Investment Trust 1-3 Year Fund that is rated AAaf to bf by Moody's Moody's Investor Services.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. To limit its exposure, the City's investment policy states funds on deposit in excess of FDIC or Federal Savings and Loan Insurance Corporation limits must be secured by collateral. Acceptable collateral shall consist of any of the following: U.S. Government Securities, obligations of Federal Agencies, obligations of the State of Illinois, general obligations of Municipal Bonds rated "A" or better, and any other collateral identified by the Illinois State Statutes as acceptable for use by the Treasurer of the State of Illinois. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance. In the case of investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral. The City's investment policy does not specifically address custodial credit risk for investments. At year-end, the City's investment in the Illinois Funds and the Illinois Metropolitan Investment Trust are not subject to custodial credit risk.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy states that the investment portfolio of the City shall not exceed the following limits:

- No financial institution shall hold more than 40% of the portfolio. This shall not include United States of America Securities held in safekeeping
- The Illinois Investment Pool shall not exceed 80% of the portfolio

At year-end, the City does not have any investments over 5 percent of cash and investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund

Deposits. At year-end, the carrying amount of the Police Pension Fund's (the Fund) deposits totaled \$1,080,974 and the bank balances totaled \$1,089,700.

Investments. The fair value and maturities of the Fund's investments at year-end are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	Greater Than 10
U.S. Treasuries	\$ 1,629,984	\$ 249,967	\$ 1,120,798	\$ 259,219	\$ -
U.S. Agencies	10,001,215	150,866	3,319,765	6,530,584	-
Corporate Bonds	2,801,986	-	1,248,942	1,553,044	-
Municipal Bonds	2,820,443	440,735	686,403	1,495,270	198,035
	<u>\$ 17,253,628</u>	<u>\$ 841,568</u>	<u>\$ 6,375,908</u>	<u>\$ 9,838,117</u>	<u>\$ 198,035</u>

The Fund has the following recurring fair value measurements as of December 31, 2021:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 1,629,984	\$ 1,629,984	\$ -	\$ -
U.S. Agencies	10,001,215	-	10,001,215	-
Corporate Bonds	2,801,986	-	2,801,986	-
Municipal Bonds	2,820,443	-	2,820,443	-
Equity Securities				
Mutual Funds	25,664,176	-	25,664,176	-
Insurance Contracts	556,345	556,345	-	-
Total Investments by Fair Value Level	<u>\$ 43,474,149</u>	<u>\$ 2,186,329</u>	<u>\$ 41,287,820</u>	<u>\$ -</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Continued

Investments – Continued. Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investments with anticipated cash flow requirements.

Credit Risk. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of the U.S. Agency Obligations were rated AA+ or Aaa by Standard & Poor's or Moody's Investor Services. Corporate bonds were rated BBB+ to AAA or A3 to Aaa by Moody's Investor Services. Municipal bonds were rated AA to AAA or A1 to Aa1 by Standard & Poor's or Moody's Investor Services.

Custodial Credit Risk. At December 31, 2021, all of the Fund's deposits were covered by federal depository or equivalent insurance. The Fund's investment policy states security shall be held with a third-party custodian and all securities purchased by, and all collateral obtained by, the Board should be properly designated as an asset of the Board. No withdrawal of securities, in whole or in part, shall be made from safekeeping except by an authorized member of the Board or the Board's designee. The Fund will accept any of the following assets as collateral: government securities, obligations of Federal Agencies, obligations of Federal Instrumentalities, and obligations of the State of Illinois. Securities transactions between a broker/dealer and the third-party custodian involving a purchase or sale of securities by transfer of money or securities must be made on a "delivery versus payment" basis, if applicable, to insure that the third party custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

Concentration of Credit Risk. At December 31, 2021, the Pension Fund does not have any investments over 5 percent of net position available for benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. In order to reduce the risk of default, the investment portfolio of the Pension Fund shall not exceed the following diversification limits unless specifically authorized by the Board of Trustees:

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Continued

Concentration Credit Risk – Continued.

- Exposure of the portfolio to any one corporate issuer, other than securities of the United States Government or agencies, shall not exceed 3% of the market value of the fixed income portfolio
- Holdings in individual issuers shall be large enough for easy liquidation
- The fixed income portfolio may be invested in securities with a maturity up to thirty (30) years, so long as the average effective duration of the portfolio will not exceed 125% of the duration of the Lehman Corporate Government Bond Index, A Rated and Above Bond Index duration
- No more than 5% of the Fund assets shall be invested in the common stock or capital stock of any one issuing company nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	45.00%	1.20%
Domestic Equities	49.50%	6.00% - 7.80%
International Equities	5.50%	6.90%
Cash and Cash Equivalents	0.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in April 2022 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are listed in the table above.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Continued

Concentration Credit Risk – Continued. At year-end, the Pension Fund has diversified its insurance contracts and equity mutual funds as follows:

Equity Mutual Funds	Fair Value
Cohen and Steers	\$ 599,934
First Eagle Overseas	315,672
Goldman Sachs Intl Eqty	457,414
Hartford Core Equity	2,179,896
Invesco Developing	349,735
MFS Intl Growth CL I	601,560
Pioneer Equity Income	2,671,231
T Rowe Price Growth Stock	5,480,731
T Rowe Price Small	1,808,716
TIAA CREF Small Cap	2,708,055
Vanguard 500 Index	7,289,134
Victory Sycamore	857,644
Vanguard S&P 500 ETF	344,454
	<u>\$ 25,664,176</u>
Insurance Contracts	Fair Value
Protective Life Annuity	\$ 307,505
Nationwide	248,840
	<u>\$ 556,345</u>

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

SALES TAX AGREEMENT

The City of West Chicago entered into a tax rebate agreement with a corporation in 2015. Under this agreement, the City rebates a portion of sales taxes. For the fiscal year ended December 31, 2021, the City rebated a total of \$108,827 in taxes under this agreement.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 20,218,128	\$ -	\$ -	\$ 20,218,128
Other Capital Assets				
Land Improvements	2,040,245	-	-	2,040,245
Buildings and Improvements	6,174,082	-	-	6,174,082
Machinery and Equipment	6,626,038	564,059	-	7,190,097
Infrastructure	63,164,607	-	82,347	63,082,260
	<u>78,004,972</u>	<u>564,059</u>	<u>82,347</u>	<u>78,486,684</u>
Less Accumulated Depreciation				
Land Improvements	658,286	56,316	-	714,602
Buildings and Improvements	2,107,068	125,801	-	2,232,869
Machinery and Equipment	3,995,734	442,139	-	4,437,873
Infrastructure	37,761,909	1,383,828	24,704	39,121,033
	<u>44,522,997</u>	<u>2,008,084</u>	<u>24,704</u>	<u>46,506,377</u>
Total Other Capital Assets	<u>33,481,975</u>	<u>(1,444,025)</u>	<u>57,643</u>	<u>31,980,307</u>
Total Capital Assets	<u>\$ 53,700,103</u>	<u>\$ (1,444,025)</u>	<u>\$ 57,643</u>	<u>\$ 52,198,435</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 84,521
Public Safety	84,325
Culture and Recreation	47,062
Highways and Streets	<u>1,792,176</u>
	<u>\$ 2,008,084</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 28,040,111	\$ -	\$ -	\$ 28,040,111
Construction in Progress	1,065,717	460,675	865,323	661,069
	<u>29,105,828</u>	<u>460,675</u>	<u>865,323</u>	<u>28,701,180</u>
Other Capital Assets				
Land Improvements	1,253,338	-	-	1,253,338
Buildings and Improvements	27,256,698	825,678	-	28,082,376
Machinery and Equipment	9,110,636	39,645	-	9,150,281
Infrastructure	72,186,777	-	-	72,186,777
	<u>109,807,449</u>	<u>865,323</u>	<u>-</u>	<u>110,672,772</u>
Less Accumulated Depreciation				
Land Improvements	767,730	32,112	-	799,842
Buildings and Improvements	10,373,387	726,503	-	11,099,890
Machinery and Equipment	5,888,920	195,960	-	6,084,880
Infrastructure	25,130,944	1,386,517	-	26,517,461
	<u>42,160,981</u>	<u>2,341,092</u>	<u>-</u>	<u>44,502,073</u>
Total Other Capital Assets	<u>67,646,468</u>	<u>(1,475,769)</u>	<u>-</u>	<u>66,170,699</u>
Total Capital Assets	<u>\$ 96,752,296</u>	<u>\$ (1,015,094)</u>	<u>\$ 865,323</u>	<u>\$ 94,871,879</u>

Depreciation expense was charged to business-type as follows:

Waterworks	\$ 1,980,843
Sewerage	346,324
Commuter Parking	<u>13,925</u>
	<u>\$ 2,341,092</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

Interfund balances are advances to cover cash shortages. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
Police Pension	General	\$ 749,322
General	Waterworks	10,649,298
General	Sewerage	<u>7,698,903</u>
		<u>\$ 19,097,523</u>

Interfund Advances

Interfund advances as of the date of this report are as follows:

Receivable Fund	Payable Fund	Amount
Sewerage	Waterworks	<u>\$ 1,850,000</u>

The interfund advance from the Sewerage Fund was for the payoff of the Waterworks General Obligation Alternate Revenue Source Bonds of 2002. The amount will be repaid, with accrued interest.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Interfund Transfers

Interfund transfers for the year consisted of the following

Transfer In	Transfer Out	Amount
General	TIF #1	\$ 400,000 (1)
Public Benefit	TIF #1	70,000 (1)
Capital Improvement	TIF #1	750,000 (1)
Nonmajor Governmental	General	<u>3,400,000 (2)</u>
		<u>\$ 4,620,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations

PROPERTY TAXES

Property taxes for 2020 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by DuPage County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

LONG-TERM DEBT

IEPA Revolving Loan

The City has entered into an agreement with the IEPA to provide low interest financing for waterworks improvements. The IEPA revolving loan currently outstanding is as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Waterworks Revolving Loan (\$11,000,000), due in semi-annual installments of \$353,428, including interest at 2.57% through September 9, 2024.	Waterworks	<u>\$ 2,670,691</u>	<u>\$ -</u>	<u>\$ 642,320</u>	<u>\$ 2,028,371</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Asset Retirement Obligation

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells and demolition of the City's underground storage tanks at the end of their estimated useful lives in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells are 24-49 years and the storage tank is 4 years.

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 1,972,816	\$ 150,202	\$ 75,101	\$ 2,047,917	\$ 409,583
Net Pension Liability					
Police Pension	24,353,133	-	6,627,508	17,725,625	-
Total OPEB Liability - RBP	5,569,698	-	739,980	4,829,718	-
Asset Retirement Obligation	75,000	-	-	75,000	-
	<u>31,970,647</u>	<u>150,202</u>	<u>7,442,589</u>	<u>24,678,260</u>	<u>409,583</u>
Business-type Activities					
Compensated Absences	199,816	19,208	38,416	180,608	36,122
Total OPEB Liability - RBP	2,506,188	-	356,210	2,149,978	-
IEPA Revolving Loan	2,670,691	-	642,320	2,028,371	658,933
Asset Retirement Obligation	850,000	-	-	850,000	-
	<u>\$ 6,226,695</u>	<u>\$ 19,208</u>	<u>\$ 1,036,946</u>	<u>\$ 5,208,957</u>	<u>\$ 695,055</u>

For governmental activities, the General Fund makes payments on the net pension liability, the total OPEB liability, the compensated absences, and the asset retirement obligation.

For business-type activities, the Waterworks Fund makes payments on the IEPA revolving loan. The compensated absences, and the total OPEB liability are liquidated from the Waterworks and Sewerage Funds. The asset retirement obligation is being liquidated by the Waterworks Fund.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Business-Type Activities		
	IEPA Revolving Loan		Totals
	Principal	Interest	
2022	\$ 658,933	\$ 47,923	\$ 706,856
2023	675,977	30,879	706,856
2024	693,461	13,395	706,856
Totals	<u>\$ 2,028,371</u>	<u>\$ 92,197</u>	<u>\$ 2,120,568</u>

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent:...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.”

To date the Illinois General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2021:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 52,198,435</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	94,871,879
Less Capital Related Debt:	
IEPA Revolving Loan	<u>(2,028,371)</u>
Net Investment in Capital Assets	<u>\$ 92,843,508</u>

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the City Council; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the City Council's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by: a) the City Council itself; or b) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The City's highest level of decision-making authority is the City Council, who is authorized to assign amounts to a specific purpose

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The City’s budget policy states that General Fund should maintain a minimum fund balance equal to 25% of current budget projected revenue, with a target goal to increase the amount to 35%.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	Special Revenue		Capital Projects			
	TIF		Capital			
	Public	Special Tax	Improvement	Nonmajor		
	Benefit	Allocation #1				Totals
	General					
Fund Balances						
Nonspendable						
Prepays/Inventories	\$ 110,793	\$ -	\$ -	\$ 956	\$ -	\$ 111,749
Restricted						
Motor Fuel Tax	1,798,059	-	-	-	3,400,000	5,198,059
Public Safety	1,147,083	-	-	-	-	1,147,083
Property Taxes						
TIF	-	-	892,750	-	222,698	1,115,448
Public Benefit Projects	-	1,046,791	-	-	-	1,046,791
	2,945,142	1,046,791	892,750	-	3,622,698	8,507,381
Assigned						
Capital Projects	-	-	-	6,800,121	2,123,715	8,923,836
Unassigned	19,254,290	-	-	-	-	19,254,290
Total Fund Balances	\$ 22,310,225	\$ 1,046,791	\$ 892,750	\$ 6,801,077	\$ 5,746,413	\$ 36,797,256

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION

JOINT VENTURE

The West Chicago/Winfield Wastewater Authority (the “Authority”) was created and established by an Intergovernmental Agreement dated April 19, 2018, between the City of West Chicago, Illinois and the Village of Winfield, Illinois for the purpose of jointly treating and processing wastewater.

In accordance with the Intergovernmental Agreement dated April 19, 2018, the City of West Chicago is designated as the Operating Agency and has the day-to-day responsibilities of operations and maintenance of the Treatment Plant. The City of West Chicago is reimbursed one-eighth of the cost of salary and benefits paid to its Director of Public Works and his Administrative Assistant.

A complete separate financial statement for the Authority can be requested from the Operating Agency at 475 Main Street, West Chicago, Illinois, 60185.

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the City’s employees. These risks are provided for through participation in the Intergovernmental Risk Management Agency (IRMA) and private insurance coverage. The City has purchased insurance from private insurance companies, covered risks included medical, dental, life, and other. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverage from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation’s Statute to pool their risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers’ compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The City’s payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. The City assumes the first \$2,500 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The City does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors. Initial contributions are determined each year based on the individual members’ eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The City contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; and the Police Pension Plan that is a single-employer pension plan. Separate financial statements for the Police Pension Plan can be obtained from the Treasurer of the Police Pension Plan at 475 Main Street, West Chicago, IL 60185. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefit, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amount of pension expense recognized for the two pension plans is:

	Expenses/ (Revenues)	Net Pension Liabilities/ (Assets)	Deferred Outflows	Deferred Inflows
IMRF	\$ (1,312,345)	\$ (5,226,317)	\$ 471,095	\$ 5,664,642
Police Pension	840,761	17,725,625	5,567,942	13,391,804
	<u>\$ (471,584)</u>	<u>\$ 56,346,067</u>	<u>\$ 10,295,793</u>	<u>\$ (8,597,521)</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required; benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount; or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	110
Inactive Plan Members Entitled to but not yet Receiving Benefits	59
Active Plan Members	<u>69</u>
Total	<u>238</u>

Contributions. As set by statute, the City's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2021, the City's contribution was 11.04% of covered payroll.

Net Pension (Asset). The City's net pension (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued. For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.00%	(0.60%)
Domestic Equities	39.00%	1.90%
International Equities	15.00%	3.15%
Real Estate	10.00%	3.30%
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	(0.90%)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as in prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension (asset) to changes in the discount rate. The table below presents the net pension (asset) of the City calculated using the discount rate as well as what the City's net pension (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension (Asset)	\$ (285,873)	\$ (5,226,317)	\$ (9,143,268)

Changes in the Net Pension (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2020	\$ 40,463,563	\$ 41,513,390	\$ (1,049,827)
Changes for the Year:			
Service Cost	537,927	-	537,927
Interest on the Total Pension Liability	2,874,428	-	2,874,428
Difference Between Expected and Actual Experience of the Total Pension Liability	425,475	-	425,475
Changes of Assumptions	-	-	-
Contributions - Employer	-	659,288	(659,288)
Contributions - Employees	-	268,732	(268,732)
Net Investment Income	-	7,083,627	(7,083,627)
Benefit Payments, including Refunds of Employee Contributions	(2,170,482)	(2,170,482)	-
Other (Net Transfer)	-	2,673	(2,673)
Net Changes	1,667,348	5,843,838	(4,176,490)
Balances at December 31, 2021	\$ 42,130,911	\$ 47,357,228	\$ (5,226,317)

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the City recognized pension revenue of \$1,312,347. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 471,095	\$ (28,272)	\$ 442,823
Change in Assumptions	-	(118,453)	(118,453)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(5,517,917)	(5,517,917)
Total Deferred Amounts Related to IMRF	<u>\$ 471,095</u>	<u>\$ (5,664,642)</u>	<u>\$ (5,193,547)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (1,081,701)
2023	(1,973,475)
2024	(1,314,602)
2025	(823,769)
2026	-
Thereafter	-
Total	<u>\$ (5,193,547)</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City Mayor, one member is elected by pension beneficiaries and two members are elected by active police members.

Plan Membership. At December 31, 2021, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	34
Inactive Plan Members Entitled to but not yet Receiving Benefits	14
Active Plan Members	<u>40</u>
Total	<u><u>88</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2021, the City's contribution was 68.83% of covered payroll.

Concentrations. At December 31, 2021 the Pension Fund does not have any investments over 5 percent of net position available for benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	6.50%
Salary Increases	3.00%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates were based on PubS-2010(A) adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Described.

Discount Rate

The discount rate used to measure the total pension liability was 6.50%, and 6.14% in the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net Pension Liability	\$ 27,422,057	\$ 17,725,625	\$ 9,881,737

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2020	\$ 64,786,700	\$ 40,433,567	\$ 24,353,133
Changes for the Year:			
Service Cost	1,309,708	-	1,309,708
Interest on the Total Pension Liability	3,820,226	-	3,820,226
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,107,534)	-	(1,107,534)
Changes of Assumptions	(3,000,207)	-	(3,000,207)
Contributions - Employer	-	2,997,288	(2,997,288)
Contributions - Employees	-	426,937	(426,937)
Net Investment Income	-	4,287,449	(4,287,449)
Benefit Payments, including Refunds of Employee Contributions	(2,703,046)	(2,703,046)	-
Administration Expense	-	(61,973)	61,973
Net Changes	(1,680,853)	4,946,655	(6,627,508)
Balances at December 31, 2021	\$ 63,105,847	\$ 45,380,222	\$ 17,725,625

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the City recognized pension expense of \$840,761. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 585,815	\$ (2,167,844)	\$ (1,582,029)
Change in Assumptions	4,982,127	(7,668,442)	(2,686,315)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(3,555,518)	(3,555,518)
Total Deferred Amounts Related to Police Pension	<u>\$ 5,567,942</u>	<u>\$ (13,391,804)</u>	<u>\$ (7,823,862)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (1,542,773)
2023	(2,868,489)
2024	(2,063,646)
2025	(1,347,233)
2026	(1,721)
Thereafter	-
Total	<u>\$ (7,823,862)</u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The City's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for eligible permanent full-time general and public safety employees of the City. RBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare insurance coverage and benefits for eligible retirees and their dependents. The premium cost terms provide for payment of 100 percent of health insurance premiums for non-Medicare-eligible retirees and 100 percent of health insurance premiums for Medicare-eligible retirees paid by retirees.

Plan Membership. As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	15
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>70</u>
Total	<u><u>85</u></u>

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2021 and was determined by an actuarial valuation as of the same date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs – Continued.

Inflation	2.25%
Salary Increases	3.00%
Discount Rate	2.06%
Healthcare Cost Trend Rates	7.00% - 7.30% for 2021, Decreasing to an Ultimate Rate of 5.00% for 2032 and Later Years
Retirees' Share of Benefit-Related Costs	100% of Projected Health Insurance Premiums for Retirees

The discount rate was based on combination of the Expected Long-Term Rate of Return on Plan Assets and the Municipal Bond Rate.

Mortality rates were based on the PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF experience Study Report dated December 14, 2020; Age 83 for Males, Age 87 for Females.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2020	<u>\$ 8,075,886</u>
Changes for the Year:	
Service Cost	115,236
Interest on the Total Pension Liability	169,318
Changes of Benefit Terms	(1,321,475)
Difference Between Expected and Actual Experience	108,963
Changes of Assumptions or Other Inputs	10,109
Benefit Payments	<u>(178,341)</u>
Net Changes	<u>(1,096,190)</u>
Balance at December 31, 2021	<u><u>\$ 6,979,696</u></u>

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 2.06%, while the prior valuation used 2.12%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB Liability	\$ 8,008,768	\$ 6,979,696	\$ 6,146,822

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a varied Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 6,107,934	\$ 6,979,696	\$ 8,047,931

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the City recognized OPEB revenue of \$1,274,531. Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB.

CITY OF WEST CHICAGO, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 2.06%, while the prior valuation used 2.12%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB Liability	\$ 8,008,768	\$ 6,979,696	\$ 6,146,822

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a varied Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 6,107,934	\$ 6,979,696	\$ 8,047,931

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the City recognized OPEB revenue of \$1,274,531. Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB.

SUBSEQUENT EVENT

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The City has been allocated \$3,647,363 to be received in two installments. On September 14, 2022 the City received their second installment of \$1,824,623.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
 Illinois Municipal Retirement Fund
 Police Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
 Illinois Municipal Retirement Fund
 Police Pension Fund
- Schedule of Investment Returns
 Police Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
 Retiree Benefits Plan
- Budgetary Comparison Schedule
 General Fund
 Public Benefit – Special Revenue Fund
 TIF Special Tax Allocation #1 – Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF WEST CHICAGO, ILLINOIS**Illinois Municipal Retirement Fund****Required Supplementary Information****Schedule of Employer Contributions****December 31, 2021**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 673,208	\$ 673,208	\$ -	\$ 5,107,796	13.18%
2016	760,973	760,973	-	5,666,218	13.43%
2017	725,095	725,095	-	5,722,922	12.67%
2018	748,485	748,485	-	6,031,302	12.41%
2019	554,570	554,570	-	5,899,672	9.40%
2020	670,212	670,212	-	5,858,490	11.44%
2021	659,290	659,290	-	5,971,813	11.04%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2021

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,953,538	\$ 1,800,000	\$ (153,538)	\$ 4,092,955	43.98%
2016	2,496,300	2,174,000	(322,300)	4,279,402	50.80%
2017	2,357,486	2,358,000	514	4,429,181	53.24%
2018	2,499,282	2,500,000	718	4,352,534	57.44%
2019	2,563,133	1,949,252	(613,881)	4,452,989	43.77%
2020	2,662,434	2,662,500	66	4,382,854	60.75%
2021	2,997,288	2,997,288	-	4,354,351	68.83%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	16 Years
Asset Valuation Method	Fair Value
Inflation	2.25%
Salary Increases	3.00%
Investment Rate of Return	6.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	PubS-2010(A) Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Described

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF WEST CHICAGO, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability(Asset)

December 31, 2021

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability(Asset)

December 31, 2021

	12/31/2015	12/31/2016
Total Pension Liability		
Service Cost	\$ 571,996	\$ 563,551
Interest	2,352,359	2,455,010
Differences Between Expected and Actual Experience	(9,382)	616,330
Change of Assumptions	80,218	(126,634)
Benefit Payments, Including Refunds of Member Contributions	(1,512,334)	(1,553,071)
Net Change in Total Pension Liability	1,482,857	1,955,186
Total Pension Liability - Beginning	31,876,833	33,359,690
Total Pension Liability - Ending	<u>\$ 33,359,690</u>	<u>\$ 35,314,876</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 673,208	\$ 760,973
Contributions - Members	230,043	254,980
Net Investment Income	140,645	1,966,231
Benefit Payments, Including Refunds of Member Contributions	(1,512,334)	(1,553,071)
Administrative Expense	398,615	259,549
Net Change in Plan Fiduciary Net Position	(69,823)	1,688,662
Plan Net Position - Beginning	28,433,476	28,363,653
Plan Net Position - Ending	<u>\$ 28,363,653</u>	<u>\$ 30,052,315</u>
Employer's Net Pension Liability/(Asset)	<u>\$ 4,996,037</u>	<u>\$ 5,262,561</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.02%	85.10%
Covered Payroll	\$ 5,107,796	\$ 5,666,218
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	97.81%	92.88%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
\$ 620,392	\$ 566,525	\$ 602,034	\$ 588,612	\$ 537,927
2,609,972	2,599,095	2,692,802	2,775,712	2,874,428
(516,181)	89,045	(172,461)	408,035	425,475
(1,103,990)	1,066,640	-	(276,821)	-
(1,650,895)	(1,805,678)	(1,897,435)	(2,046,716)	(2,170,482)
(40,702)	2,515,627	1,224,940	1,448,822	1,667,348
35,314,876	35,274,174	37,789,801	39,014,741	40,463,563
\$ 35,274,174	\$ 37,789,801	\$ 39,014,741	\$ 40,463,563	\$ 42,130,911
\$ 725,095	\$ 748,485	\$ 554,570	\$ 670,212	\$ 659,288
262,899	271,408	265,485	263,633	268,732
5,355,309	(1,942,525)	6,121,775	5,300,760	7,083,627
(1,650,895)	(1,805,678)	(1,897,435)	(2,046,716)	(2,170,482)
(416,512)	478,710	(124,338)	326,833	2,673
4,275,896	(2,249,600)	4,920,057	4,514,722	5,843,838
30,052,315	34,328,211	32,078,611	36,998,668	41,513,390
\$ 34,328,211	\$ 32,078,611	\$ 36,998,668	\$ 41,513,390	\$ 47,357,228
\$ 945,963	\$ 5,711,190	\$ 2,016,073	\$ (1,049,827)	\$ (5,226,317)
97.32%	84.89%	94.83%	102.59%	112.40%
\$ 5,722,922	\$ 6,031,032	\$ 5,899,672	\$ 5,858,490	\$ 5,971,815
16.53%	94.70%	34.17%	(17.92%)	(87.52%)

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2021

	12/31/2015	12/31/2016
Total Pension Liability		
Service Cost	\$ 1,339,124	\$ 1,346,476
Interest	2,354,602	3,142,264
Change of Benefit Terms	-	-
Differences Between Expected and Actual Experience	3,296,819	(372,812)
Change of Assumptions	6,855,504	(631,278)
Benefit Payments, Including Refunds of Member Contributions	(1,595,484)	(1,696,065)
Pension Plan Administrative Expense	-	-
Net Change in Total Pension Liability	12,250,565	1,788,585
Total Pension Liability - Beginning	41,676,250	53,926,815
Total Pension Liability - Ending	<u>\$ 53,926,815</u>	<u>\$ 55,715,400</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,800,000	\$ 2,174,000
Contributions - Members	416,324	427,412
Net Investment Income	1,079,639	1,820,171
Benefit Payments, Including Refunds of Member Contributions	(1,595,484)	(1,696,065)
Administrative Expense	(81,217)	(71,463)
Net Change in Plan Fiduciary Net Position	1,619,262	2,654,055
Plan Net Position - Beginning	21,715,759	23,335,021
Plan Net Position - Ending	<u>\$ 23,335,021</u>	<u>\$ 25,989,076</u>
Employer's Net Pension Liability	<u>\$ 30,591,794</u>	<u>\$ 29,726,324</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.27%	46.65%
Covered Payroll	\$ 4,092,955	\$ 4,279,402
Employer's Net Pension Liability as a Percentage of Covered Payroll	747.43%	694.64%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
\$ 1,426,187	\$ 1,349,278	\$ 1,296,222	\$ 1,803,080	\$ 1,309,708
3,240,378	3,419,420	3,560,231	3,802,792	3,820,226
-	-	269,777	-	-
324,349	(338,074)	375,254	(1,541,342)	(1,107,534)
(1,417,146)	(1,140,533)	7,382,782	(6,109,580)	(3,000,207)
(1,958,572)	(1,995,003)	(2,405,200)	(2,214,956)	(2,703,046)
-	-	-	(58,044)	-
1,615,196	1,295,088	10,479,066	(4,318,050)	(1,680,853)
55,715,400	57,330,596	58,625,684	69,104,750	64,786,700
\$ 57,330,596	\$ 58,625,684	\$ 69,104,750	\$ 64,786,700	\$ 63,105,847
\$ 2,358,000	\$ 2,500,000	\$ 1,949,252	\$ 2,662,500	\$ 2,997,288
430,974	432,433	441,291	443,247	426,937
3,115,545	(1,163,991)	5,220,951	4,871,051	4,287,449
(1,958,572)	(1,995,003)	(2,405,200)	(2,214,956)	(2,703,046)
(61,553)	(61,890)	(61,544)	(58,044)	(61,973)
3,884,394	(288,451)	5,144,750	5,703,798	4,946,655
25,989,076	29,873,470	29,585,019	34,729,769	40,433,567
\$ 29,873,470	\$ 29,585,019	\$ 34,729,769	\$ 40,433,567	\$ 45,380,222
\$ 27,457,126	\$ 29,040,665	\$ 34,374,981	\$ 24,353,133	\$ 17,725,625
52.11%	50.46%	50.26%	62.41%	71.91%
\$ 4,429,181	\$ 4,352,534	\$ 4,452,989	\$ 4,382,854	\$ 4,354,351
619.91%	667.21%	771.95%	555.65%	407.08%

CITY OF WEST CHICAGO, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

December 31, 2021

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	4.99%
2016	7.85%
2017	12.01%
2018	(3.89%)
2019	17.79%
2020	14.03%
2021	10.62%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF WEST CHICAGO, ILLINOIS

Retiree Benefits Plan

**Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability
December 31, 2021**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

Retiree Benefits Plan

Required Supplementary Information Schedule of Changes in the Employer's Total OPEB Liability December 31, 2021

	<u>12/31/2017</u>
Total OPEB Liability	
Service Cost	\$ 99,027
Interest	220,826
Changes in Benefit Terms	-
Differences Between	
Expected and Actual Experience	-
Change of Assumptions or Other Inputs	-
Benefit Payments	<u>(205,343)</u>
Net Change in Total OPEB Liability	114,510
Total OPEB Liability - Beginning	<u>6,517,955</u>
Total OPEB Liability - Ending	<u><u>6,632,465</u></u>
Covered-Employee Payroll	\$ 6,941,151
Total OPEB Liability as a Percentage of	
Covered-Employee Payroll	95.55%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2017 to 2021.

12/31/2018	12/31/2019	12/31/2020	12/31/2021
\$ 102,436	\$ 46,336	\$ 93,208	\$ 115,236
224,412	251,531	184,368	169,318
-	-	-	(1,321,475)
-	(1,247,848)	-	108,963
(485,359)	1,759,270	1,172,614	10,109
(226,720)	(224,709)	(206,118)	(178,341)
(385,231)	584,580	1,244,072	(1,096,190)
6,632,465	6,247,234	6,831,814	8,075,886
6,247,234	6,831,814	8,075,886	6,979,696
\$ 7,149,386	\$ 7,406,846	\$ 7,629,051	\$ 7,654,620
87.38%	92.24%	105.86%	91.18%

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 4,476,400	\$ 4,476,400	\$ 4,692,736
Intergovernmental	10,604,300	10,604,300	13,619,883
Charges for Services	2,135,500	2,135,500	2,587,822
Licenses and Permits	732,000	732,000	1,291,445
Fines and Forfeitures	585,000	585,000	871,993
Interest Income	5,000	5,000	1,573
Miscellaneous	550,000	550,000	2,495,331
Total Revenues	19,088,200	19,088,200	25,560,783
Expenditures			
General Government	9,463,100	10,038,100	8,295,624
Public Safety	10,943,200	11,036,200	10,994,269
Total Expenditures	20,406,300	21,074,300	19,289,893
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,318,100)	(1,986,100)	6,270,890
Other Financing Sources (Uses)			
Transfers In	-	400,000	400,000
Transfers Out	-	(3,400,000)	(3,400,000)
	-	(3,000,000)	(3,000,000)
Net Change in Fund Balance	\$ (1,318,100)	\$ (4,986,100)	3,270,890
Fund Balance - Beginning			19,039,335
Fund Balance - Ending			\$ 22,310,225

CITY OF WEST CHICAGO, ILLINOIS

Public Benefit - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Video Gaming Terminal fee	\$ -	\$ -	\$ 32,000
Interest Income	400	400	70
Total Revenues	400	400	32,070
Expenditures			
Capital Outlay			
Building and Grounds Improvement	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	400	400	32,070
Other Financing Sources			
Transfers In	-	70,000	70,000
Net Change in Fund Balance	<u>\$ 400</u>	<u>\$ 70,400</u>	102,070
Fund Balance - Beginning			<u>944,721</u>
Fund Balance - Ending			<u><u>\$ 1,046,791</u></u>

CITY OF WEST CHICAGO, ILLINOIS

TIF Special Tax Allocation #1 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,200,651
Interest Income	500	500	-
Miscellaneous	5,300	5,300	447,224
Total Revenues	1,005,800	1,005,800	1,647,875
Expenditures			
General Government	1,019,400	1,019,400	726,770
Debt Service			
Interest and Fiscal Charges	500	500	69
Total Expenditures	1,019,900	1,019,900	726,839
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,100)	(14,100)	921,036
Other Financing Sources			
Transfers Out	-	(1,220,000)	(1,220,000)
Net Change in Fund Balance	(14,100)	(1,234,100)	(298,964)
Fund Balance - Beginning			1,191,714
Fund Balance - Ending			\$ 892,750

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Public Benefit Fund

The Public Benefit Fund is used to account for the accumulation of funds from Kerr McGee to fund projects that meet the criteria established by the City Council and as detailed in the City Code

TIF Special Tax Allocation Fund #1

The TIF Special Tax Allocation #1 Fund is used to account for the accumulation of funds from incremental revenue generated within the TIF #1 area.

TIF Special Tax Allocation Fund #2

The TIF Special Tax Allocation #2 Fund is used to account for the accumulation of funds from incremental revenue generated within the TIF #2 area.

TIF Special Tax Allocation Fund #3

The TIF Special Tax Allocation #3 Fund is used to account for the accumulation of funds from incremental revenue generated within the TIF #3 area.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for motor fuel tax allocations from the State of Illinois and expenditures related to the City's annual road rehabilitation and construction program.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

Capital Improvement Fund

The Capital Improvement Fund is used to account for property taxes, natural gas use taxes and home rule sales taxes that are set aside for funding major capital improvements throughout the City.

Capital Equipment Replacement Fund

The Capital Equipment Replacement Fund is used to account for funds set aside by the City Council during the budget process and costs allocated to user departments for future capital fleet purchases.

INDIVIDUAL FUND DESCRIPTIONS

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Waterworks Fund

The Waterworks Fund is used to account for the provision of potable water and water treatment services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Sewerage Fund

The Sewerage Fund is used to account for the provision of sewer repair, treatment, and improvement services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Commuter Parking Fund

The Commuter Parking Fund is used to account for commuter parking facilities operated by the City that are financed by user fees.

PENSION TRUST FUND

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 3,822,100	\$ 3,822,100	\$ 3,892,365
Telecommunications Tax	575,000	575,000	659,823
Amusement Tax	55,000	55,000	103,148
Cannabis Tax	24,300	24,300	37,400
	<u>4,476,400</u>	<u>4,476,400</u>	<u>4,692,736</u>
Intergovernmental			
Sales Tax	4,100,000	4,100,000	5,627,696
Income Tax	2,708,600	2,708,600	3,566,536
Utility Tax	1,400,000	1,400,000	1,390,052
Use Tax	1,164,600	1,164,600	1,018,160
MFT Allotments	1,067,100	1,067,100	1,700,033
Personal Property Replacement Tax	160,000	160,000	295,815
Grants	4,000	4,000	21,591
	<u>10,604,300</u>	<u>10,604,300</u>	<u>13,619,883</u>
Charges for Services			
Weed Cutting Fees	2,500	2,500	7,451
Brush Collection Fees	106,000	106,000	106,979
Police Counter Service	15,000	15,000	-
Police Contractual Services	337,000	337,000	149,400
Change of Occupancy Fees	110,000	110,000	153,479
Rental Inspections	160,000	160,000	272,099
Business Registration	30,000	30,000	28,779
Foreclosed or Vacant Registration	25,000	25,000	20,560
Relocate Fees	5,000	5,000	5,280
Police Towing	35,000	35,000	35,650
Plan Review Fees	20,000	20,000	18,710
Engineering Fees	300,000	300,000	636,501
Transfer Station Fees	650,000	650,000	701,005
Cable Franchise Fee	275,000	275,000	246,787
Arts Commission	-	-	375
Property Rental	65,000	65,000	165,813
Tower Rental Fees	-	-	38,954
	<u>2,135,500</u>	<u>2,135,500</u>	<u>2,587,822</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
Licenses and Permits			
Building Permits	\$ 400,000	\$ 400,000	\$ 987,559
Building Contractors Licenses	50,000	50,000	54,665
Oversize Truck Permits	35,000	35,000	36,900
Liquor Licenses	150,000	150,000	131,671
Vending Machine/Business Licenses	75,000	75,000	60,175
Other Licenses and Permits	22,000	22,000	20,475
	<u>732,000</u>	<u>732,000</u>	<u>1,291,445</u>
Fines and Forfeits			
Circuit Court Fines	250,000	250,000	303,201
Local Fines	335,000	335,000	348,398
Seizures	-	-	220,394
	<u>585,000</u>	<u>585,000</u>	<u>871,993</u>
Interest			
Interest Income	<u>5,000</u>	<u>5,000</u>	<u>1,573</u>
Miscellaneous			
Cemetery Lot Sales	40,000	40,000	44,025
Other Reimbursements	50,000	50,000	118,932
Health Insurance Reimbursements	160,000	160,000	219,309
IPBC and IRMA Revenue	200,000	200,000	2,034,177
Other Miscellaneous	100,000	100,000	78,888
	<u>550,000</u>	<u>550,000</u>	<u>2,495,331</u>
Total Revenues	<u>\$ 19,088,200</u>	<u>\$ 19,088,200</u>	<u>\$ 25,560,783</u>

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
General Government			
Legislative	\$ 195,900	\$ 595,900	\$ 213,734
Administration	988,000	1,145,500	668,450
Administrative Services	3,115,700	3,133,200	2,694,055
Public Works	3,677,000	3,677,000	3,265,722
Community Development	1,486,500	1,486,500	1,453,663
	9,463,100	10,038,100	8,295,624
Public Safety			
Police Department	10,943,200	11,036,200	10,994,269
Total Expenditures	\$ 20,406,300	\$ 21,074,300	\$ 19,289,893

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
General Government			
Legislative			
Personal Services			
Salary of Aldermen	\$ 33,600	\$ 33,600	\$ 24,345
Salary of Mayor	15,000	15,000	15,000
Salary of Corporate Counsel	3,000	3,000	3,000
Salary of City Clerk	4,500	4,500	4,500
FICA and Medicare	4,100	4,100	3,355
Contractual Services			
Legal Fees	40,000	440,000	78,875
Consultants	1,000	1,000	495
Training and Tuition	3,000	3,000	63
Memberships/Dues/Subscriptions	45,000	45,000	46,231
Legal Notices	1,500	1,500	26
Printing and Binding	10,000	10,000	4,358
Legal Reporter Fees	500	500	-
Commodities			
Computer and Office Supplies	800	800	277
Postage	700	700	-
Miscellaneous Commodities	2,500	2,500	2,346
Grant Distribution	30,000	30,000	30,000
Other Charges	700	700	863
Total Legislative	195,900	595,900	213,734

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administration			
Personal Services			
Administrative Salaries	\$ 181,700	\$ 181,700	\$ 189,183
FICA and Medicare	14,000	14,000	11,567
ICMA	9,500	9,500	23,397
IMRF	19,300	19,300	20,311
Contractual Services			
Legal Fees	5,500	5,500	1,779
Newsletter Preparation	25,000	25,000	24,213
Training and Tuition	1,000	1,000	449
Memberships/Dues/Subscriptions	7,000	7,000	6,465
Software Maintenance	11,200	18,700	7,500
Telephone and Alarms	51,000	51,000	85,108
Electric	1,000	1,000	897
Printing and Binding	1,000	1,000	-
Advertising	25,000	25,000	1,888
Other Contractual Services	548,000	698,000	128,997
IRMA General Insurance	3,600	3,600	3,580
Commodities			
Sales Tax Rebate	65,000	65,000	54,918
Computer and Office Supplies	1,100	1,100	1,083
Gallery 200	6,000	6,000	6,000
Arts Programming Supplies	5,000	5,000	2,114
Special Events	500	500	-
Gas and Oil	1,000	1,000	692
Postage	100	100	-
Miscellaneous	5,000	5,000	8,682
Other Charges	500	500	89,627
Total Administration	988,000	1,145,500	668,450

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services			
Personal Services			
Administrative Salaries	\$ 429,600	\$ 429,600	\$ 379,653
Administrative Salaries - Overtime	300	300	-
FICA and Medicare	33,200	33,200	26,515
ICMA	1,500	1,500	7,322
Health/Dental/Life Insurance	1,837,500	1,837,500	1,810,838
IMRF	47,500	47,500	41,447
Contractual Services			
Legal Fees	31,500	41,500	44,769
Audit Fees	15,800	15,800	15,800
Consultants	130,000	130,000	74,032
Network Charges	15,000	15,000	15,681
Pre-Employment Exams	25,000	32,500	26,674
Training and Tuition	10,000	10,000	410
Memberships/Dues/Subscriptions	3,500	3,500	3,164
Software Maintenance	175,500	175,500	86,416
Telephone and Alarms	29,300	29,300	43,365
Advertising	1,000	1,000	1,228
Other Contractual Services	35,000	35,000	51,399
IRMA General Insurance	3,600	3,600	3,580
Office Equipment Maintenance and Repair	20,300	20,300	9,959
Postage Meter Rental	1,800	1,800	1,376
Copier Fees	900	900	1,063
Commodities			
Computer and Office Supplies	13,000	13,000	5,637
Gas and Oil	100	100	31
Postage	6,000	6,000	2,225
Miscellaneous Commodities	600	600	706
Safety Program	6,000	6,000	3,546
Special Events	6,500	6,500	5,784
Bank Fees	11,500	11,500	9,032
Other Charges	200	200	-

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative Services - Continued			
Capital Outlay			
Other Capital Outlay	\$ 184,000	\$ 184,000	\$ 17,401
MIS Replacement	40,000	40,000	5,002
Total Administrative Services	3,115,700	3,133,200	2,694,055
Public Works			
Personal Services			
Administrative Salaries	222,000	222,000	205,957
Operating Salaries	695,400	695,400	620,415
Administrative Salaries - Overtime	75,000	75,000	75,107
FICA and Medicare	76,000	76,000	68,548
IMRF	109,700	109,700	98,528
Contractual Services			
Legal Fees	1,000	1,000	5,783
Legal Notices	100	100	-
Pre-employment Exams	500	500	920
Training and Tuition	3,500	3,500	556
Memberships/Dues/Subscriptions	1,300	1,300	540
Telephone and Alarms	63,000	63,000	92,377
Interments Program	20,000	20,000	20,350
Brush Pickup	96,800	96,800	96,775
Grounds Maintenance	55,000	55,000	49,335
Cemetery Maintenance	7,200	7,200	7,200
Janitor Contract	46,000	46,000	39,224
Heating Gas	7,000	7,000	5,841
Electric	135,000	135,000	127,527
Refuse Disposal	45,000	45,000	45,440
Other Contractual Services	141,000	141,000	88,496

CITY OF WEST CHICAGO, ILLINOIS**General Fund****Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
General Government - Continued			
Public Works - Continued			
Contractual Services - Continued			
IRMA General Insurance	\$ 50,400	\$ 50,400	\$ 50,134
Other Insurance	16,000	16,000	3,652
Payment to Taxing Bodies	175,000	175,000	189,832
Vehicle Maintenance and Repair	40,000	40,000	44,027
Commodities			
Computer and Office Supplies	3,500	3,500	1,768
Parts for Vehicles	175,000	175,000	186,779
Tools and Equipment	77,500	77,500	45,370
Gas and Oil	66,500	66,500	69,751
Postage	100.00	100	288
Uniforms and Safety Equipment	13,200.00	13,200	4,948
Miscellaneous	90,200.00	90,200	91,807
Capital Outlay			
Vehicles	215,600	215,600	215,600
Street Improvements	953,500	953,500	712,847
Total Public Works	3,677,000	3,677,000	3,265,722

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development			
Personal Services			
Commissions Salary	\$ 1,000	\$ 1,000	\$ 1,075
Administrative Salaries	519,800	519,800	430,811
FICA and Medicare	40,000	40,000	31,092
IMRF	57,900	57,900	46,548
Contractual Services			
Legal Fees	25,500	25,500	43,215
Training and Tuition	1,800	1,800	325
Memberships/Dues/Subscriptions	2,400	2,400	1,574
Enforcement & Inspections	355,400	355,400	340,925
Plan Review	90,000	90,000	211,969
Software Maintenance	13,000	13,000	13,253
Legal Notices	2,700	2,700	1,271
Telephone and Alarms	82,000	82,000	121,889
Weed Cutting	1,500	1,500	4,402
Printing and Binding	2,500	2,500	2,230
Legal Reporter	6,500	6,500	7,256
Filing Fees	2,000	2,000	9,686
Microfiche Expenses	5,000	5,000	2,913
Other Contractual Services	206,100	206,100	167,569
IRMA General Insurance	7,300	7,300	4,775
Copier Fees	900	900	695
Commodities			
Computer and Office Supplies	2,600	2,600	2,598
Maps and Plats	600	600	1,717
Gas and Oil	500	500	201
Postage	800	800	825
Uniforms and Safety Equipment	300	300	-
Miscellaneous Commodities	500	500	88
Special Events	53,100	53,100	1,624
Prospect Development	1,000	1,000	-
Other Charges	700	700	154

CITY OF WEST CHICAGO, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development - Continued			
Capital Outlay			
Office Equipment	\$ 1,500	\$ 1,500	\$ 1,383
Vehicles	1,600	1,600	1,600
Total Community Development	1,486,500	1,486,500	1,453,663
Total General Government	9,463,100	10,038,100	8,295,624
Public Safety			
Police Department			
Personal Services			
Administrative Salaries	711,800	711,800	766,857
Patrolman Salaries	3,488,800	3,488,800	3,406,112
Sergeants Salaries	771,800	771,800	766,627
CSO Salaries	118,600	118,600	105,545
Contract Services Salaries	10,000	10,000	4,598
Administrative Services - Overtime	410,000	410,000	417,726
CSO - Overtime	7,900	7,900	2,948
FICA and Medicare	422,200	422,200	407,777
Police Pension	3,000,000	3,000,000	2,997,288
IMRF	42,600	42,600	40,039
Unemployment Insurance	-	-	130
Contractual Services			
Legal Fees	113,000	156,000	148,142
Training and Tuition	40,500	40,500	45,865
Officer Training and Mileage	3,300	3,300	3,726
Memberships/Dues/Subscriptions	18,700	18,700	12,919
Software Maintenance	68,400	68,400	61,006
Telephone and Alarms	264,000	264,000	326,785
Printing and Binding	7,000	7,000	4,700
Grounds Maintenance	1,200	1,200	1,065
DuComm Quarterly Share	570,700	570,700	563,430
Other Contractual Services	172,600	222,600	230,838
Graffiti Removal	12,000	12,000	8,153

CITY OF WEST CHICAGO, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Contractual Services - Continued			
Reception Support	\$ 136,000	\$ 136,000	\$ 119,379
Crossing Guard - Contractual	36,000	36,000	24,641
IRMA General Insurance	191,600	191,600	190,982
Other Insurance	10,000	10,000	-
Radio/Radar Equipment Maint. and Repair	17,800	17,800	8,013
Office Equipment and Repair	13,100	13,100	9,326
Postage Meter Rental	1,200	1,200	720
Copier Fees	6,900	6,900	7,041
Commodities			
Computer and Office Supplies	8,500	8,500	7,886
Field Equipment	7,200	7,200	18,569
Gas and Oil	77,300	77,300	63,677
Postage	6,100	6,100	3,354
Uniform and Safety Equipment	62,700	62,700	45,266
Vehicle License Fees	2,100	2,100	905
First Aid Supplies	1,000	1,000	981
Ammunition and Firearms	59,800	59,800	57,574
Cert Supplies	5,000	5,000	20
Miscellaneous Commodities	18,100	18,100	14,414
Tools and Equipment	100	100	-
Crime Prevention	20,000	20,000	7,187
Capital Outlay			
Vehicles	7,600	7,600	20,859
Other Capital Outlay	-	-	71,199
Total Public Safety	10,943,200	11,036,200	10,994,269
Total Expenditures	\$ 20,406,300	\$ 21,074,300	\$ 19,289,893

CITY OF WEST CHICAGO, ILLINOIS

TIF Special Tax Allocation #1 - Special Revenue Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
General Government			
Personal Services			
Administrative Salaries	\$ 198,700	\$ 198,700	\$ 179,306
Operational Salaries	50,000	50,000	48,930
Administrative Salaries - Overtime	5,300	5,300	5,024
FICA and Medicare	19,500	19,500	17,387
Health/Dental/Life Insurance	65,000	65,000	68,960
IMRF	31,600	31,600	25,369
Contractual Services			
Legal Fees	3,000	3,000	7,270
Memberships/Dues/Subscriptions	500	500	-
Legal Notices	1,000	1,000	-
Telephone and Alarms	14,000	14,000	16,895
Grounds Maintenance	16,000	16,000	14,680
Other Contractual Services	44,100	44,100	81,635
Payment to Taxing Bodies	110,000	110,000	86,423
Commodities			
Postage	200	200	350
Special Events	40,000	40,000	48,883
Capital Outlay			
Building Grounds Improvement	250,000	250,000	41,310
Land	55,000	55,000	56,288
Façade Improvement	90,000	90,000	19,133
Streetscape Programs	5,000	5,000	8,927
Retail Grant Programs	20,000	20,000	-
Prospect Development			
Prospect Development	500	500	-
	1,019,400	1,019,400	726,770
Debt Service			
Interest and Fiscal Charges	500	500	69
Total Expenditures	\$ 1,019,900	\$ 1,019,900	\$ 726,839

CITY OF WEST CHICAGO, ILLINOIS**Capital Improvement - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Utility Taxes	\$ 850,000	\$ 850,000	\$ 766,281
Intergovernmental			
Sales Taxes	2,500,000	2,500,000	3,739,735
Grants	800,000	800,000	354,915
Interest Income	2,000	2,000	-
Miscellaneous	38,600	38,600	440,600
Total Revenues	4,190,600	4,190,600	5,301,531
Expenditures			
Capital Outlay	5,776,700	5,776,700	3,512,378
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,586,100)	(1,586,100)	1,789,153
Other Financing Sources			
Transfers In	-	750,000	750,000
Net Change in Fund Balance	<u>\$ (1,586,100)</u>	<u>\$ (836,100)</u>	2,539,153
Fund Balance - Beginning			<u>4,261,924</u>
Fund Balance - Ending			<u>\$ 6,801,077</u>

CITY OF WEST CHICAGO, ILLINOIS

Capital Improvement - Capital Projects Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
Capital Outlay			
Administrative Salaries	\$ 147,200	\$ 147,200	\$ 146,699
Operational Salaries	189,700	189,700	178,348
Administrative Salaries - Overtime	20,000	20,000	20,652
FICA and Medicare	27,400	27,400	26,072
Health/Dental/Life Insurance	42,500	42,500	41,376
Unemployment Insurance	-	-	65
IMRF	39,500	39,500	37,641
Legal Fees	-	-	14,428
Auditing Fees	4,000	4,000	3,800
Legal Notices	1,000	1,000	374
Other Contractual Services	964,900	964,900	1,008,027
Traffic Signal Maintenance	25,000	25,000	32,709
Street Light Maintenance	30,000	30,000	37,328
IRMA General Insurance	4,800	4,800	4,775
Sales Tax Rebate	60,000	60,000	53,909
Materials	-	-	6,000
Street Patch Materials	1,000	1,000	152
Street Paint	2,000	2,000	1,975
Ice Control Materials	53,800	53,800	38,919
Street Light Materials	41,000	41,000	41,636
Storm Sewer Repair	25,000	25,000	10,310
Rock Salt	496,500	496,500	374,108
Bit Patch Cold	8,000	8,000	7,760
Bit Patch Hot	45,000	45,000	40,502
Building and Grounds Improvements	70,000	70,000	47,838
Street Improvements	1,942,300	1,942,300	905,966
Land	250,000	250,000	-
Other Capital Outlay	1,286,100	1,286,100	431,009
Total Expenditures	\$ 5,776,700	\$ 5,776,700	\$ 3,512,378

CITY OF WEST CHICAGO, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
December 31, 2021**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
December 31, 2021**

	<u>Special TIF Special Tax Allocation #2</u>
ASSETS	
Cash and Investments	\$ 164,109
Receivables - Net of Allowances Property Taxes	<u>20,484</u>
Total Assets	<u><u>184,593</u></u>
LIABILITIES	
Accounts Payable	-
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>20,484</u>
Total Liabilities and Deferred Inflows of Resources	<u>20,484</u>
FUND BALANCES	
Restricted	164,109
Assigned	-
Total Fund Balances	<u><u>164,109</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 184,593</u></u>

Revenue		Capital Projects Capital Equipment Replacement	Totals
TIF Special Tax Allocation #3	Motor Fuel Tax		
\$ 59,589	\$ 3,400,000	\$ 2,157,686	\$ 5,781,384
21,900	-	-	42,384
81,489	3,400,000	2,157,686	5,823,768
1,000	-	33,971	34,971
21,900	-	-	42,384
22,900	-	33,971	77,355
58,589	3,400,000	-	3,622,698
-	-	2,123,715	2,123,715
58,589	3,400,000	2,123,715	5,746,413
\$ 81,489	\$ 3,400,000	\$ 2,157,686	\$ 5,823,768

CITY OF WEST CHICAGO, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2021**

	<u>Special TIF Special Tax Allocation #2</u>
Revenues	
Taxes	\$ 19,987
Charges for Services	-
Miscellaneous	-
Total Revenues	<u>19,987</u>
Expenditures	
Capital Outlay	<u>439</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,548
Other Financing Sources	
Transfers In	<u>-</u>
Net Change in Fund Balances	19,548
Fund Balances - Beginning	<u>144,561</u>
Fund Balances - Ending	<u><u>\$ 164,109</u></u>

Revenue		Capital Projects	
TIF Special Tax Allocation #3	Motor Fuel Tax	Capital Equipment Replacement	Totals
\$ 21,369	\$ -	\$ -	\$ 41,356
-	-	538,800	538,800
-	-	2,951	2,951
21,369		541,751	583,107
1,208	-	694,463	696,110
20,161	-	(152,712)	(113,003)
-	3,400,000	-	3,400,000
20,161	3,400,000	(152,712)	3,286,997
38,428	-	2,276,427	2,459,416
\$ 58,589	\$ 3,400,000	\$ 2,123,715	\$ 5,746,413

CITY OF WEST CHICAGO, ILLINOIS

TIF Special Tax Allocation #2 - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 20,000	\$ 20,000	\$ 19,987
Expenditures			
General Government			
Capital Outlay			
Prospect Development	100,000	100,000	439
Net Change in Fund Balance	<u>\$ (80,000)</u>	<u>\$ (80,000)</u>	19,548
Fund Balance - Beginning			<u>144,561</u>
Fund Balance - Ending			<u>\$ 164,109</u>

CITY OF WEST CHICAGO, ILLINOIS

TIF Special Tax Allocation #3 - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 18,000	\$ 18,000	\$ 21,369
Expenditures			
General Government			
Capital Outlay			
Prospect Development	-	5,500	1,208
Net Change in Fund Balance	<u>\$ 18,000</u>	<u>\$ 12,500</u>	20,161
Fund Balance - Beginning			<u>38,428</u>
Fund Balance - Ending			<u>\$ 58,589</u>

CITY OF WEST CHICAGO, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	\$ -	\$ -
Expenditures			
General Government			
Capital Outlay	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources			
Transfers In		3,400,000	3,400,000
Net Change in Fund Balance	\$ -	\$ 3,400,000	3,400,000
Fund Balance - Beginning			-
Fund Balance - Ending			\$ 3,400,000

CITY OF WEST CHICAGO, ILLINOIS

Capital Equipment Replacement - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Other	\$ 538,800	\$ 538,800	\$ 538,800
Interest Income	400	400	-
Miscellaneous	-	-	2,951
Total Revenues	539,200	539,200	541,751
Expenditures			
Capital Outlay			
Vehicles	1,415,100	1,415,100	694,463
Net Change in Fund Balance	<u>\$ (875,900)</u>	<u>\$ (875,900)</u>	(152,712)
Fund Balance - Beginning			<u>2,276,427</u>
Fund Balance - Ending			<u><u>\$ 2,123,715</u></u>

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Service	\$ 4,500,000	\$ 4,500,000	\$ 4,819,454
Operating Expenses			
Operations			
Water Distribution	5,060,300	5,060,300	2,173,748
Water Treatment Plant	2,525,700	2,525,700	1,591,609
Depreciation and Amortization	-	-	2,002,417
Total Operating Expenses	7,586,000	7,586,000	5,767,774
Operating (Loss)	(3,086,000)	(3,086,000)	(948,320)
Nonoperating Revenues (Expenses)			
Connection Fees	23,500	23,500	37,819
Interest Income	1,000	1,000	-
Other Income	91,000	91,000	231,262
Principal Retirement	(642,400)	(642,400)	-
Interest Expense	(64,600)	(64,600)	(59,033)
	(591,500)	(591,500)	210,048
Change in Net Position	\$ (3,677,500)	\$ (3,677,500)	(738,272)
Net Position - Beginning			65,304,833
Net Position - Ending			\$ 64,566,561

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
Operations			
Water Distribution			
Personal Services			
Administrative Salaries	\$ 570,300	\$ 570,300	\$ 609,003
Operational Salaries	461,700	461,700	412,648
Administrative Salaries - Overtime	35,000	35,000	43,648
FICA and Medicare	81,700	81,700	79,791
ICMA	7,000	7,000	6,966
Health/Dental/Life Insurance	438,200	438,200	427,587
Unemployment Insurance	-	-	65
IMRF	117,800	117,800	(462,890)
Contractual Services			
Legal Fees	50,000	50,000	22,635
Auditing Fees	13,500	13,500	13,500
JULIE System	2,500	2,500	2,113
Consultants	100,000	100,000	74,032
Pre-Employment Exams	600	600	585
Training and Tuition	3,000	3,000	1,253
Memberships/Dues/Subscriptions	2,500	2,500	1,145
Software Maintenance	8,000	8,000	9,814
Legal Notices	500	500	-
Telephone and Alarms	85,000	85,000	120,448
Heating and Gas	2,500	2,500	1,769
Electric	340,000	340,000	319,794
Lab Results	7,000	7,000	7,286
Grounds Maintenance	2,100	2,100	2,628
Other Contractual Services	11,000	11,000	7,735
IRMA General Insurance	175,000	175,000	63,240
Other Insurance	91,000	91,000	90,716
Copier Rental	500	500	843
Vehicle Maintenance and Repair	8,000	8,000	24,868
Building Maintenance and Repair	71,000	71,000	229
Distribution System Maintenance and Repair	35,000	35,000	8,075
Pump Station Maintenance and Repair	450,000	450,000	-
Reservoir Maintenance and Repair	500	500	-
Postage Meter Rental	1,400	1,400	1,376

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
Operations - Continued			
Water Distribution - Continued			
Commodities			
Computer and Office Supplies	\$ 6,500	\$ 6,500	\$ 3,900
Parts for Vehicles	20,000	20,000	23,619
Tools and Equipment	10,000	10,000	5,488
Gas and Oil	20,000	20,000	19,587
Postage	5,000	5,000	4,532
Uniforms and Safety Equipment	7,700	7,700	3,707
Parts and Equipment - Wells	27,000	27,000	7,204
Parts and Equipment - Distribution	75,000	75,000	19,482
Parts and Equipment - Pump Station	10,000	10,000	3,053
Lab Supplies	500	500	94
Water Meters	30,000	30,000	46,007
Miscellaneous Commodities	8,500	8,500	8,840
Bank Fees	15,000	15,000	14,365
Capital Outlay			
Vehicles	132,800	132,800	122,808
Other Capital Outlay	1,495,000	1,495,000	160
MIS Replacement	25,000	25,000	-
Total Water Distribution	5,060,300	5,060,300	2,173,748
Water Treatment Plant			
Personal Services			
Administrative Salaries	212,400	212,400	215,866
Operational Salaries	463,100	463,100	465,808
Administrative Salaries - Overtime	70,000	70,000	68,734
FICA and Medicare	57,100	57,100	56,742
IMRF	82,400	82,400	81,340
OPEB Pension Expense	-	-	(178,162)
Contractual Services			
Training and Tuition	1,000	1,000	968
Memberships/Dues/Subscriptions	500	500	594
Telephone and Alarms	27,800	27,800	110,499

CITY OF WEST CHICAGO, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
Operations - Continued			
Water Treatment Plant - Continued			
Contractual Services - Continued			
Heating and Gas	\$ 4,000	\$ 4,000	\$ 4,959
Electric	150,000	150,000	142,260
Lab Results	2,000	2,000	-
Grounds Maintenance	7,500	7,500	6,461
Janitorial Service	19,300	19,300	17,330
Other Contractual Services	19,000	19,000	20,657
IRMA General Insurance	33,600	33,600	33,422
Building Maintenance and Repair	155,000	155,000	12,914
WTP Operations Repair	43,000	43,000	75,641
Copier Rental	5,000	5,000	2,521
Equipment Rental	3,000	3,000	3,485
Commodities			
Computer and Office Supplies	1,000	1,000	634
Parts for Vehicles	2,000	2,000	20,455
Tools and Equipment	2,000	2,000	1,749
Gas and Oil	2,000	2,000	1,909
Uniforms and Safety Equipment	4,600	4,600	1,185
Parts for Building Repairs	10,000	10,000	9,125
Lab Supplies	13,000	13,000	13,526
Chemicals	521,400	521,400	359,998
Parts for WTP Operations	10,000	10,000	5,628
Miscellaneous Commodities	1,500	1,500	4,186
Capital Outlay			
Vehicles	4,700	4,700	4,700
Other Capital Outlay	597,800	597,800	26,475
	2,525,700	2,525,700	1,591,609
Total Water Treatment Plant	2,525,700	2,525,700	1,591,609
Total Operations	7,586,000	7,586,000	3,765,357
Depreciation and Amortization	-	-	2,002,417
Total Operating Expenses	\$ 7,586,000	\$ 7,586,000	\$ 5,767,774

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Service	\$ 5,300,000	\$ 5,300,000	\$ 5,046,245
Operating Expenses			
Operations			
Sanitary Sewer Collection	8,692,300	8,692,300	4,997,948
Special Service Area #2	64,800	64,800	21,404
Depreciation	-	-	346,324
Total Operating Expenses	8,757,100	8,757,100	5,365,676
Operating (Loss)	(3,457,100)	(3,457,100)	(319,431)
Nonoperating Revenues (Expenses)			
Connection Fees	25,000	25,000	47,700
Property Taxes	9,000	9,000	11,005
Interest Income	1,000	1,000	-
Other Income	42,600	42,600	109,492
Disposal of Capital Assets	33,000	33,000	32,824
	110,600	110,600	201,021
Change in Net Position	\$ (3,346,500)	\$ (3,346,500)	(118,410)
Net Position - Beginning			9,304,075
Net Position - Ending			\$ 9,185,665

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Operations			
Sanitary Sewer Collection			
Personal Services			
Administrative Salaries	\$ 595,000	\$ 595,000	\$ 662,605
Operational Salaries	636,400	636,400	616,356
Administrative Salaries - Overtime	50,000	50,000	45,324
FICA and Medicare	98,100	98,100	97,710
ICMA	7,300	7,300	6,966
Health/Dental/Life Insurance	438,200	438,200	427,635
Unemployment Insurance	-	-	65
IMRF	141,500	141,500	(284,763)
OPEB Pension Expense	-	-	(178,048)
Contractual Services			
Legal Fees	15,000	15,000	9,672
Auditing Fees	7,600	7,600	7,600
JULIE System	2,500	2,500	2,113
Consultants	100,000	100,000	74,032
Training and Tuition	6,000	6,000	385
Software Maintenance	12,000	12,000	14,265
Telephone and Alarms	60,000	60,000	80,314
Heating Gas	7,000	7,000	4,149
Electric	50,000	50,000	45,488
Grounds Maintenance	3,900	3,900	3,605
Other Contractual Services	175,000	175,000	38,586
Wastewater Treatment	2,870,100	2,870,100	2,728,048
IRMA General Insurance	95,800	95,800	95,491
Vehicle Maintenance and Repair	10,000	10,000	5,181
Lift Station Maintenance and Repair	163,500	163,500	176,985
Sewer Main Maintenance and Repair	950,000	950,000	788
Postage Meter Rental	1,400	1,400	1,376

CITY OF WEST CHICAGO, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2021

	Budget		Actual
	Original	Final	
Operations - Continued			
Sanitary Sewer Collection - Continued			
Commodities			
Copier and Rental	\$ 500	\$ 500	\$ 843
Computer and Office Supplies	5,000	5,000	3,433
Parts for Vehicles	25,000	25,000	27,457
Tools and Equipment	16,000	16,000	15,645
Gas and Oil	15,000	15,000	13,476
Postage	2,000	2,000	2,050
Chemicals	1,500	1,500	1,928
Parts for Lift Stations	25,000	25,000	24,760
Material for Trench Backfill	5,000	5,000	1,515
Parts for Mains	3,000	3,000	737
Miscellaneous Commodities	13,000	13,000	23,319
Bank Fees	13,500	13,500	14,365
Capital Outlay			
Vehicles	176,500	176,500	186,492
Other Capital Outlay	1,895,000	1,895,000	-
Total Sanitary Sewer Collection	8,692,300	8,692,300	4,997,948
Special Service Area #2			
Personal Service			
Operational Salaries	5,000	5,000	4,743
Administrative Salaries - Overtime	200	200	227
FICA and Medicare	400	400	380
IMRF	600	600	433
Commodities			
Electric	6,000	6,000	3,692
Grounds Maintenance	2,600	2,600	2,605
Capital Outlay			
Other Capital Outlay	50,000	50,000	9,324
Total Special Service Area #2	64,800	64,800	21,404
Total Operations	8,757,100	8,757,100	5,019,352
Depreciation	-	-	346,324
Total Operating Expenses	\$ 8,757,100	\$ 8,757,100	\$ 5,365,676

CITY OF WEST CHICAGO, ILLINOIS**Commuter Parking - Enterprise****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees	\$ 78,000	\$ 78,000	\$ 39,591
Operating Expenses			
Operations	303,500	303,500	78,694
Depreciation	-	-	13,925
Total Operating Expenses	303,500	303,500	92,619
Operating (Loss)	(225,500)	(225,500)	(53,028)
Nonoperating Revenues			
Other Income	-	-	141
Change in Net Position	<u>\$ (225,500)</u>	<u>\$ (225,500)</u>	(52,887)
Net Position - Beginning			<u>583,680</u>
Net Position - Ending			<u>\$ 530,793</u>

CITY OF WEST CHICAGO, ILLINOIS

Commuter Parking - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Operations			
Personal Services			
Administrative Salaries	\$ 8,300	\$ 8,300	\$ 8,148
Operational Salaries	13,100	13,100	12,079
Administrative Salaries Overtime	1,000	1,000	1,955
FICA and Medicare	1,800	1,800	1,694
Unemployment Insurance	-	-	22
IMRF	2,500	2,500	(5,057)
Contractual Services			
Auditing Fees	1,300	1,300	1,300
Telephone and Alarms	5,000	5,000	6,570
Electric	20,000	20,000	12,194
Printing and Binding	400	400	392
Grounds Maintenance	5,100	5,100	4,680
Janitorial Services	2,000	2,000	1,690
Contractual Services	25,000	25,000	26,995
Commodities			
Postage	1,000	1,000	1,885
Miscellaneous Commodities	3,000	3,000	1,486
Bank Fees	6,000	6,000	2,661
Capital Outlay			
Building and Ground Improvements	208,000	208,000	-
Total Operations	303,500	303,500	78,694
Depreciation	-	-	13,925
Total Operating Expenses	\$ 303,500	\$ 303,500	\$ 92,619

CITY OF WEST CHICAGO, ILLINOIS**Consolidated Year-End Financial Report****December 31, 2021**

CSFA #	Program Name	State	Federal	Other	Totals
494-00-0967	High-Growth Cities Program	\$ 43,725	\$ -	\$ -	\$ 43,725
494-00-1488	Motor Fuel Tax Program	644,265	-	-	644,265
494-42-0495	Local Surface Transportation Program	-	-	195,467	195,467
	Other Grant Programs and Activities	-	603,914	-	603,914
	All Other Costs Not Allocated	-	-	31,764,154	31,764,154
	Totals	\$ 687,990	\$ 603,914	\$ 31,959,621	\$ 33,251,525



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

April 13, 2023

The Honorable City Mayor
Members of the City Council
City of West Chicago, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of West Chicago, Illinois, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 13, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. According, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULE

CITY OF WEST CHICAGO, ILLINOIS

Long-Term Debt Requirements

IEPA Waterworks Revolving Loan December 31, 2021

Date of Issue	October 8, 2002
Date of Maturity	September 9, 2024
Authorized Issue	\$11,000,000
Interest Rate	2.57%
Interest Dates	March 9 and September 9
Principal Maturity Dates	March 9 and September 9
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2022	\$ 658,933	\$ 47,923	\$ 706,856
2023	675,977	30,879	706,856
2024	693,461	13,395	706,856
	<u>\$ 2,028,371</u>	<u>\$ 92,197</u>	<u>\$ 2,120,568</u>

STATISTICAL SECTION (Unaudited)

This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF WEST CHICAGO, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
December 31, 2021 (Unaudited)**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
December 31, 2021 (Unaudited)**

	2012	2013	2014	2015
Governmental Activities				
Net Investment in Capital Assets	\$ 88,988,913	\$ 87,923,548	\$ 55,050,037	\$ 55,619,533
Restricted	2,340,095	2,335,435	3,218,725	3,305,503
Unrestricted (Deficit)	12,681,105	13,063,574	12,673,884	(9,065,624)
Total Governmental Activities Net Position	104,010,113	103,322,557	70,942,646	49,859,412
Business-Type Activities				
Net Investment in Capital Assets	53,326,830	56,991,020	102,204,573	103,770,812
Restricted	3,614,442	760,002	1,040,810	1,088,552
Unrestricted (Deficit)	3,913,218	3,062,891	3,785,237	2,453,473
Total Business-Type Activities Net Position	60,854,490	60,813,913	107,030,620	107,312,837
Primary Government				
Net Investment in Capital Assets	142,315,743	144,914,568	157,254,610	159,390,345
Restricted	5,954,537	3,095,437	4,259,535	4,394,055
Unrestricted (Deficit)	16,594,323	16,126,465	16,459,121	(6,612,151)
Total Primary Government Net Position	\$ 164,864,603	\$ 164,136,470	\$ 177,973,266	\$ 157,172,249

Data Source: City Records

2016	2017	2018	2019	2020	2021
\$ 54,867,141	\$ 49,943,090	\$ 54,014,124	\$ 54,970,284	\$ 53,700,103	\$ 52,198,435
2,636,828	2,216,378	2,944,399	3,615,057	5,316,225	8,507,381
(10,545,812)	(12,294,029)	(15,056,308)	(17,252,817)	(13,606,301)	(4,136,846)
46,958,157	39,865,439	41,902,215	41,332,524	45,410,027	56,568,970
104,429,071	105,803,874	105,354,380	95,532,108	94,081,605	92,843,508
2,409	-	-	180,321	180,321	180,321
1,383,690	(554,848)	(10,658,958)	(14,775,689)	(19,069,338)	(18,740,810)
105,815,170	105,249,026	94,695,422	80,936,740	75,192,588	74,283,019
159,296,212	155,746,964	159,368,504	150,502,392	147,781,708	145,041,943
2,639,237	2,216,378	2,944,399	3,795,378	5,496,546	8,687,702
(9,162,122)	(12,848,877)	(25,715,266)	(32,028,506)	(32,675,639)	(22,877,656)
\$ 152,773,327	\$ 145,114,465	\$ 136,597,637	\$ 122,269,264	\$ 120,602,615	\$ 130,851,989

CITY OF WEST CHICAGO, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
December 31, 2021 (Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
General Government	\$ 9,184,108	\$ 8,912,745	\$ 11,058,516	\$ 13,280,738	\$ 13,704,876	\$ 13,329,708	\$ 13,667,469	\$ 9,256,029	\$ 12,085,019	\$ 7,502,977
Public Safety	6,730,139	9,388,129	1,955,626	-	-	-	-	12,429,913	10,448,934	8,922,067
Culture and Recreation	83,232	-	12,592	-	-	-	-	49,692	49,692	47,062
Streets and Highways	8,851,135	4,103,870	9,701,162	12,524,954	11,555,771	11,092,178	10,121,701	5,193,137	1,170,904	5,494,248
Interest on Long-Term Debt	38,097	1,769	1,195	608	518	407	339	250	1,115	69
Total Governmental Activities Expenses	24,886,711	22,406,513	22,729,091	25,806,300	25,261,165	24,422,293	23,789,509	26,929,021	23,755,664	21,966,423
Business-Type Activities										
Waterworks	6,816,837	6,136,247	5,812,503	6,211,353	6,923,648	6,208,086	6,936,383	6,710,153	7,223,329	5,826,807
Sewerage	6,602,525	6,073,613	5,888,300	6,075,753	6,552,406	6,061,776	6,822,477	5,776,914	5,895,441	5,365,676
Commuter Parking	112,319	84,748	140,431	91,985	99,935	113,075	127,980	114,234	100,012	92,619
Total Business-Type Activities										
Activities Net Position	13,531,681	12,294,608	11,841,234	12,379,091	13,575,989	12,382,937	13,886,840	12,601,301	13,218,782	11,285,102
Total Primary Government Expenses	38,418,392	34,701,121	34,570,325	38,185,391	38,837,154	36,805,230	37,676,349	39,530,322	36,974,446	33,251,525
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	1,899,106	2,007,405	2,018,188	2,391,549	2,810,520	2,365,076	3,082,228	4,041,799	3,433,651	3,657,317
Public Safety	-	1,373,123	788,000	796,700	780,800	851,100	278,100	1,551,190	1,345,890	1,093,943
Culture and Recreation	-	-	-	-	-	-	-	896,500	953,800	570,800
Streets and Highways	1,419,816	1,557,400	1,178,937	1,400,121	1,297,112	1,257,271	1,759,322	-	-	-
Operating Grants/Contributions	181,074	150,805	51,746	19,280	15,150	3,820	194,395	128,544	7,227	376,506
Capital Grants/Contributions	819,317	806,014	930,849	688,950	716,433	704,074	732,621	895,088	1,643,965	1,700,033
Total Governmental Activities										
Program Revenues	4,319,313	5,894,747	4,967,720	5,296,600	5,620,015	5,181,341	6,046,666	7,513,121	7,384,533	7,398,599
Business-Type Activities										
Charges for Services										
Waterworks	4,707,616	4,218,252	4,889,559	4,581,798	4,430,455	4,423,819	1,163,807	3,934,811	3,422,705	4,857,273
Sewerage	5,492,604	5,328,023	6,022,231	5,768,370	6,070,820	6,218,263	3,106,749	4,678,920	3,641,234	5,093,945
Commuter Parking	133,077	131,813	137,147	139,635	139,977	141,988	158,493	150,690	44,302	39,591
Capital Grants/Contributions	1,317,363	-	-	1,051,704	-	645,461	355,577	219,837	-	-
Total Business-Type Activities										
Program Revenues	11,650,660	9,678,088	11,048,937	11,541,507	10,641,252	11,429,531	4,784,626	8,984,258	7,108,241	9,990,809
Total Primary Government Program Revenues	\$ 15,969,973	\$ 15,572,835	\$ 16,016,657	\$ 16,838,107	\$ 16,261,267	\$ 16,610,872	\$ 10,831,292	\$ 16,497,379	\$ 14,492,774	\$ 17,389,408

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expenses) Revenues										
Governmental Activities	\$ (20,567,398)	\$ (16,511,766)	\$ (17,761,371)	\$ (20,509,700)	\$ (19,641,150)	\$ (19,240,952)	\$ (17,742,843)	\$ (19,415,900)	\$ (16,371,131)	\$ (14,567,824)
Business-Type Activities	(1,881,021)	(2,616,520)	(792,297)	(837,584)	(2,934,737)	(953,406)	(9,102,214)	(3,617,043)	(6,110,541)	(1,294,293)
Total Primary Government Net Revenues (Expenses)	(22,448,419)	(19,128,286)	(18,553,668)	(21,347,284)	(22,575,887)	(20,194,358)	(26,845,057)	(23,032,943)	(22,481,672)	(15,862,117)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	4,711,890	4,534,973	4,492,371	4,436,897	4,448,829	4,489,622	4,623,840	4,666,636	4,713,460	5,134,372
Telecommunications Taxes	1,059,853	922,803	926,440	853,407	806,698	759,135	669,750	562,050	577,082	659,823
Amusement Taxes	116,375	109,811	106,572	107,849	108,211	103,978	94,615	79,390	88,601	103,148
Cannabis Taxes	-	-	-	-	-	-	-	-	15,720	37,400
Intergovernmental										
Sales and Use Taxes	4,405,831	4,515,729	5,476,959	4,855,454	4,544,609	6,178,849	6,871,960	7,470,171	8,163,522	10,385,591
Income Taxes	2,379,976	2,580,764	2,593,317	2,882,037	2,636,660	2,487,827	2,593,920	2,883,008	2,943,407	3,566,536
Replacement Taxes	144,979	169,568	170,517	187,625	160,396	173,517	152,578	198,860	166,337	295,815
Utility Taxes	2,013,401	2,051,702	2,111,109	2,029,538	1,994,900	1,909,065	2,070,351	2,205,508	2,083,483	2,156,333
Interest Income	79,150	21,399	(7,465)	3,522	6,983	13,271	12,224	25,729	6,086	1,643
Miscellaneous	1,465,234	917,461	1,607,960	1,102,056	2,032,609	560,955	637,785	732,686	1,690,936	3,386,106
Transfers	-	-	-	-	-	-	-	22,171	-	-
Total Governmental Activities	16,376,689	15,824,210	17,477,780	16,458,385	16,739,895	16,676,219	17,727,023	18,846,209	20,448,634	25,726,767
Business-Type Activities										
Property	11,671	8,804	8,888	8,604	8,894	8,907	9,049	8,882	9,916	11,005
Sales and Use	1,103,876	1,071,655	1,153,993	1,201,919	1,185,841	-	-	-	-	-
Interest Income	6,878	6,142	4,654	1,175	2,660	6,878	8,095	7,598	1,538	-
Miscellaneous	270,850	1,489,342	544,194	266,782	239,675	371,477	584,062	428,265	354,935	373,719
Transfers	-	-	-	-	-	-	-	(10,586,384)	-	-
Total Business-Type Activities	1,393,275	2,575,943	1,711,729	1,478,480	1,437,070	387,262	601,206	(10,141,639)	366,389	384,724
Total Primary Government	17,769,964	18,400,153	19,189,509	17,936,865	18,176,965	17,063,481	18,328,229	8,704,570	20,815,023	26,111,491
Changes in Net Position										
Governmental Activities	(4,190,709)	(687,556)	(283,591)	(4,051,315)	(2,901,255)	(2,564,733)	(15,820)	(569,691)	4,077,503	11,158,943
Business-Type Activities	(487,746)	(40,577)	919,432	640,896	(1,497,667)	(566,144)	(8,501,008)	(13,758,682)	(5,744,152)	(909,569)
Total Primary Government	\$ (4,678,455)	\$ (728,133)	\$ 635,841	\$ (3,410,419)	\$ (4,398,922)	\$ (3,130,877)	\$ (8,516,828)	\$ (14,328,373)	\$ (1,666,649)	\$ 10,249,374

Data Source: City Records

CITY OF WEST CHICAGO, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years December 31, 2021 (Unaudited)

	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 1,145,514	\$ 1,028,304	\$ 1,104,969	\$ 736,988
Restricted	843,105	844,754	846,315	846,315
Unassigned	11,309,771	10,931,741	11,507,102	12,302,595
Total General Fund	13,298,390	12,804,799	13,458,386	13,885,898
All Other Governmental Funds				
Nonspendable	886,413	797,991	2,029	12,815
Restricted	1,496,990	1,490,681	2,372,410	2,459,188
Assigned	2,698,343	3,943,537	4,636,090	4,006,583
Total All Other Governmental Funds	5,081,746	6,232,209	7,010,529	6,478,586
Total All Governmental Funds	\$ 18,380,136	\$ 19,037,008	\$ 20,468,915	\$ 20,364,484

Data Source: City Records

2016	2017	2018	2019	2020	2021
\$ 549,669	\$ 94,055	\$ 78,908	\$ 105,861	\$ 115,884	\$ 110,793
360,944	624,061	1,211,793	1,535,492	2,998,432	2,945,142
12,733,258	11,841,410	12,126,823	13,844,971	15,925,019	19,254,290
13,643,871	12,559,526	13,417,524	15,486,324	19,039,335	22,310,225
2,056	2,176	2,275	2,568	2,610	956
2,275,884	1,592,317	1,732,606	2,079,565	2,317,793	5,562,239
4,190,745	5,109,310	5,896,981	4,745,724	6,537,372	8,923,836
6,468,685	6,703,803	7,631,862	6,827,857	8,857,775	14,487,031
\$ 20,112,556	\$ 19,263,329	\$ 21,049,386	\$ 22,314,181	\$ 27,897,110	\$ 36,797,256

CITY OF WEST CHICAGO, ILLINOIS

General Governmental Revenues by Source - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Source	2012	2013	2014	2015
Taxes	\$ 8,598,434	\$ 8,324,682	\$ 8,383,993	\$ 8,216,205
Intergovernmental	7,234,262	7,517,487	8,475,887	7,844,832
Charges for Services	1,803,814	3,407,944	2,718,832	2,982,446
Licenses and Permits	481,698	530,638	484,106	608,401
Fines and Forfeits	1,033,410	999,346	782,187	997,523
Interest Income	78,908	21,307	(7,465)	3,522
Miscellaneous	1,465,234	917,461	1,607,960	1,102,056
Totals	\$ 20,695,760	\$ 21,718,865	\$ 22,445,500	\$ 21,754,985

Data Source: City Records

2016	2017	2018	2019	2020	2021
\$ 8,109,944	\$ 9,308,149	\$ 7,611,134	\$ 6,330,796	\$ 6,108,938	\$ 6,701,024
7,321,942	7,501,738	10,392,896	12,758,459	14,293,866	17,714,533
3,193,936	2,987,175	2,951,250	4,365,673	3,737,997	3,158,622
843,502	653,852	887,198	1,108,091	1,023,714	1,291,445
850,994	832,420	1,281,202	1,015,725	971,630	871,993
6,983	13,271	12,224	25,729	6,086	1,643
2,032,609	560,955	637,785	732,686	1,690,936	3,386,106
\$ 22,359,910	\$ 21,857,560	\$ 23,773,689	\$ 26,337,159	\$ 27,833,167	\$ 33,125,366

CITY OF WEST CHICAGO, ILLINOIS

General Governmental Expenditures by Function - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Function	2012	2013	2014	2015
General Government	\$ 8,940,416	\$ 8,676,885	\$ 8,128,303	\$ 8,361,285
Public Safety	8,825,728	9,248,035	9,162,072	9,104,514
Culture and Recreation	80,000	-	-	-
Capital Outlay	6,148,552	3,154,948	3,722,023	4,393,009
Debt Service				
Interest and Fiscal Charges	38,097	1,769	1,195	608
Totals	<u>\$ 24,032,793</u>	<u>\$ 21,081,637</u>	<u>\$ 21,013,593</u>	<u>\$ 21,859,416</u>

Data Source: City Records

2016	2017	2018	2019	2020	2021
\$ 7,893,627	\$ 8,591,562	\$ 8,150,224	\$ 8,894,550	\$ 8,994,426	\$ 9,022,394
9,849,220	10,003,049	10,011,442	9,886,973	10,388,620	10,994,269
-	-	-	-	-	-
4,924,842	4,176,432	3,825,627	6,312,762	2,866,077	4,208,488
518	407	339	250	1,115	69
\$ 22,668,207	\$ 22,771,450	\$ 21,987,632	\$ 25,094,535	\$ 22,250,238	\$ 24,225,220

CITY OF WEST CHICAGO, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years December 31, 2021 (Unaudited)

	2012	2013	2014	2015
Revenues				
Taxes	\$ 8,598,434	\$ 8,324,682	\$ 8,383,993	\$ 8,216,205
Intergovernmental	7,234,262	7,517,487	8,475,887	7,844,832
Charges for Services	1,803,814	3,407,944	2,718,832	2,982,446
Licenses and Permits	481,698	530,638	484,106	608,401
Fines and Forfeits	1,033,410	999,346	782,187	997,523
Interest Income	78,908	21,307	(7,465)	3,522
Miscellaneous	1,465,234	917,461	1,607,960	1,102,056
Total Revenues	20,695,760	21,718,865	22,445,500	21,754,985
Expenditures				
General Government	8,940,416	8,676,885	8,128,303	8,361,285
Public Safety	8,825,728	9,248,035	9,162,072	9,104,514
Culture and Recreation	80,000	-	-	-
Capital Outlay	6,148,552	3,154,948	3,722,023	4,393,009
Debt Service				
Interest and Fiscal Charges	38,097	1,769	1,195	608
Total Expenditures	24,032,793	21,081,637	21,013,593	21,859,416
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,337,033)	637,228	1,431,907	(104,431)
Other Financing Sources (Uses)				
Disposal of Capital Assets	-	-	-	-
Transfer In	50,000	19,644	7,776	-
Transfer Out	(50,000)	-	(7,776)	-
	-	19,644	-	-
Net Change in Fund Balances	\$ (3,337,033)	\$ 656,872	\$ 1,431,907	\$ (104,431)
Debt Service as a Percentage of Noncapital Expenditures	0.16%	0.01%	0.01%	0.00%

Data Source: City Records

2016	2017	2018	2019	2020	2021
\$ 8,109,944	\$ 9,308,149	\$ 7,611,134	\$ 6,330,796	\$ 6,108,938	\$ 6,701,024
7,321,942	7,501,738	10,392,896	12,758,459	14,293,866	17,714,533
3,193,936	2,987,175	2,951,250	4,365,673	3,737,997	3,158,622
843,502	653,852	887,198	1,108,091	1,023,714	1,291,445
850,994	832,420	1,281,202	1,015,725	971,630	871,993
6,983	13,271	12,224	25,729	6,086	1,643
2,032,609	560,955	637,785	732,686	1,690,936	3,386,106
22,359,910	21,857,560	23,773,689	26,337,159	27,833,167	33,125,366
7,893,627	8,591,562	8,150,224	8,894,550	8,994,426	9,022,394
9,849,220	10,003,049	10,011,442	9,886,973	10,388,620	10,994,269
-	-	-	-	-	-
4,924,842	4,176,432	3,825,627	6,312,762	2,866,077	4,208,488
518	407	339	250	1,115	69
22,668,207	22,771,450	21,987,632	25,094,535	22,250,238	24,225,220
(308,297)	(913,890)	1,786,057	1,242,624	5,582,929	8,900,146
56,369	64,663	-	22,171	-	-
25,643	-	-	500,000	-	4,620,000
(25,643)	-	-	(500,000)	-	(4,620,000)
56,369	64,663	-	22,171	-	-
\$ (251,928)	\$ (849,227)	\$ 1,786,057	\$ 1,264,795	\$ 5,582,929	\$ 8,900,146
0.00%	0.00%	0.00%	0.00%	0.01%	0.00%

CITY OF WEST CHICAGO, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Tax Levy Year	Fiscal Year	Residential Property	Farm	Commercial Property
2012	2012	\$ 395,571,348	\$ 370,108	\$ 92,055,282
2013	2013	367,424,630	392,261	82,237,691
2014	2014	354,736,670	426,235	79,649,467
2015	2015	363,843,948	462,209	81,068,291
2016	2016	390,758,862	487,626	89,670,605
2017	2017	409,838,459	537,746	95,961,612
2018	2018	427,634,113	512,185	95,314,124
2019	2019	445,466,549	498,632	97,014,387
2020	2020	463,824,523	497,883	97,567,069
2021	2021	475,426,960	563,293	112,256,047

Data Source: DuPage County Clerk's and Treasurer's Offices

Industrial Property	Railroad	Total Assessed Value	Total Direct Tax Rate
\$ 132,161,380	\$ -	\$ 620,158,118	0.5545
124,152,620	-	574,207,202	0.5973
119,236,720	-	554,049,092	0.6187
122,668,530	-	568,042,978	0.6031
133,199,600	-	614,116,693	0.5582
143,776,700	5,370,770	655,485,287	0.5441
159,831,453	5,545,256	688,837,131	0.5178
173,613,020	5,783,209	722,375,797	0.5034
204,433,800	5,896,762	772,220,037	0.4996
223,859,460	6,140,529	818,246,289	0.4999

CITY OF WEST CHICAGO, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years December 31, 2021 (Unaudited)

Taxing Body	2012	2013	2014
Countywide			
DuPage County	0.1929	0.2040	0.2057
Forest Preserve District	0.1542	0.1657	0.1691
DuPage Airport Authority	0.0168	0.0178	0.0196
Local			
Wayne Township	0.0896	0.0979	0.1025
Wayne Township Road	0.0730	0.0817	0.0855
City of West Chicago - Wayne Township	0.5545	0.5973	0.6187
Winfield Township	0.1174	0.1318	0.1396
Winfield Township Road	0.1543	0.1732	0.1835
City of West Chicago - Winfield Township	0.5545	0.5973	0.6187
West Chicago Park District	0.4948	0.4917	0.4239
West Chicago Fire Protection District	0.9212	1.0190	1.0652
West Chicago Mosquito District	0.0139	0.0153	0.0161
West Chicago Library District	0.2903	0.3225	0.3400
Educational			
Grade School District 33	4.6430	5.4481	5.5749
High School District 94	2.3008	2.5376	2.6731
College of DuPage District 502	0.2681	0.2956	0.2975
Total Tax Rate - Winfield Township	<u>10.1222</u>	<u>11.4196</u>	<u>11.7269</u>
Share of Total Tax Rate Levied by the City of West Chicago	<u>5.48%</u>	<u>5.23%</u>	<u>5.28%</u>
Total Tax Rate - Wayne Township	<u>8.8281</u>	<u>10.0131</u>	<u>11.2942</u>
Share of Total Tax Rate Levied by the City of West Chicago	<u>6.28%</u>	<u>5.97%</u>	<u>5.48%</u>

Property tax rates are per \$100 of assessed valuation.

Data Source: DuPage County Clerk

2015	2016	2017	2018	2019	2020	2021
0.1971	0.1848	0.1749	0.1673	0.1655	0.1609	0.1587
0.1622	0.1514	0.1306	0.1278	0.1242	0.1205	0.1177
0.0188	0.0176	0.0166	0.0146	0.0141	0.0148	0.0144
0.1007	0.0959	0.0940	0.0929	0.0911	0.0904	0.0899
0.0840	0.0800	0.0784	0.0775	0.0744	0.0728	0.0724
0.6031	0.5582	0.5441	0.5178	0.5034	0.4996	0.4999
0.1370	0.1275	0.1192	0.1008	0.0939	0.0811	0.0435
0.1801	0.1676	0.1587	0.1526	0.1483	0.1448	0.1437
0.6031	0.5582	0.5441	0.5178	0.5034	0.4996	0.4999
0.5054	0.4889	0.4744	0.4683	0.4603	0.4339	0.4296
1.0556	0.9971	0.9663	0.9448	0.9295	0.9126	0.9080
0.0160	0.0152	0.0148	0.0143	0.0135	0.0136	0.0127
0.3367	0.3153	0.3056	0.2968	0.2893	0.2841	0.2819
5.5167	5.1727	4.8967	4.7555	4.6806	4.5774	4.5384
2.6293	2.4677	2.3770	2.3136	2.2573	2.2082	2.1843
0.2786	0.2626	0.2431	0.2317	0.2112	0.2114	0.2037
11.6366	10.9266	10.4220	10.1059	9.8911	9.6629	9.5365
5.18%	5.11%	5.22%	5.12%	5.12%	5.17%	5.24%
11.5918	11.5042	10.8074	10.3165	10.0229	9.8144	9.5116
5.20%	4.85%	5.03%	5.02%	5.17%	5.09%	5.26%

CITY OF WEST CHICAGO, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago December 31, 2021 (Unaudited)

	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
DuPage Airport Authority	\$ 16,883,130	1	2.06%	\$ 12,437,320	1	2.01%
Discovery Drive Investors	12,635,510	2	1.54%	-		
TMIF II Timber Lake LLC	11,607,120	3	1.42%			
DS Containers, Inc	9,675,970	4	1.18%			
Ball Horticultural	7,225,430	5	0.88%	3,335,680	9	0.54%
Stag Industrial Holdings	6,293,830	6	0.77%			
Clemenceau Logistics	5,998,250	7	0.73%	-		
Alpha Z CHI IND 5 LLC	5,933,930	8	0.73%			
Mapei Corp	5,326,560	9	0.65%	4,450,950	6	0.72%
ALM West Chicago LLC	5,380,000	10	0.66%			
Blackhawk Center, LLC				9,826,920	2	1.58%
Cobalt Industrial REIT II				8,439,840	3	1.36%
Northridge Holdings Ltd.				6,020,900	4	0.97%
St. Andrews Country Club				5,342,670	5	0.86%
LaGrou Properties				4,390,210	7	0.71%
Centerpoint Properties				4,358,910	8	0.70%
Menards, Inc				3,248,990	10	0.52%
	<u>\$ 86,959,730</u>		<u>10.63%</u>	<u>\$ 61,852,390</u>		<u>9.97%</u>

Data Source: Office of the DuPage County Clerk's

CITY OF WEST CHICAGO, ILLINOIS

Property Tax Levies and Collections - Last Ten Tax Levy Years December 31, 2021 (Unaudited)

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 3,458,693	\$ 3,453,662	99.85%	\$ N/A	\$ 3,453,662	99.85%
2012	3,458,498	3,453,081	99.84%	N/A	3,453,081	99.84%
2013	3,458,756	3,452,708	99.83%	N/A	3,452,708	99.83%
2014	3,458,444	3,453,211	99.85%	N/A	3,453,211	99.85%
2015	3,458,315	3,450,239	99.77%	N/A	3,450,239	99.77%
2016	3,460,067	3,455,985	99.88%	N/A	3,455,985	99.88%
2017	3,568,729	3,563,021	99.84%	N/A	3,563,021	99.84%
2018	3,569,845	3,560,169	99.73%	N/A	3,560,169	99.73%
2019	3,632,174	3,632,174	100.00%	N/A	3,632,174	100.00%
2020	3,287,406	3,287,406	100.00%	N/A	3,287,406	100.00%

Note: Levies for all Special Services Area have been excluded from this table.

Data Source: Office of the DuPage County Clerk's

N/A - Not Available

CITY OF WEST CHICAGO, ILLINOIS

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Fiscal Year	Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)		
	IEPA						
	Revenue Bonds						
2012	\$	7,259,271	\$	7,259,271	0.96%	\$	268
2013		6,735,635		6,735,635	0.96%		249
2014		6,198,456		6,198,456	0.82%		229
2015		5,647,382		5,647,382	0.82%		208
2016		5,082,055		5,082,055	0.75%		188
2017		4,502,105		4,502,105	0.64%		166
2018		3,907,155		3,907,155	0.55%		144
2019		3,296,816		3,296,816	0.45%		122
2020		2,670,691		2,670,691	0.35%		99
2021		2,028,371		2,028,371	0.24%		79

Data Source: City's Records

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF WEST CHICAGO, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Fiscal Year	Gross General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Totals	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2012	\$ -	\$ -	\$ -	0.00%	\$ -
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-

Data Source: City Records

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Ratios of Outstanding Debt by Type Schedule for Equalized Assessed Value data (Actual Taxable Value of Property).

(2) See the Demographic and Economic Statistics Schedule for the Per Capita Income data.

CITY OF WEST CHICAGO, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt December 31, 2021 (Unaudited)

Governmental Unit	Gross Debt	Percentage to Debt Applicable to City (1)	City's Share of Debt
City of West Chicago	\$ -	100.00%	\$ -
DuPage County	113,593,149	1.97%	2,249,211
Forest Preserve District	67,807,513	1.97%	1,420,623
West Chicago Park District	24,194,405	79.42%	18,764,071
Winfield Park District	6,825,000	28.41%	572,462
School District #25	6,140,000	22.84%	1,334,836
School District #33	29,575,000	76.14%	19,362,753
School District #94	32,585,000	55.29%	15,631,025
U-46 School District	185,425,910	78.00%	1,477,939
U-303 School District	29,305,000	78.15%	21,841,017
Community College District #502	159,918,325	1.68%	1,774,995
Community College District #509	140,415,000	10.34%	14,443,914
Total Overlapping Debt	795,784,302		98,872,844
Total Direct and Overlapping Debt	\$ 795,784,302		\$ 98,872,844

Data Source: DuPage County Clerks

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. Every resident is not responsible for paying the debt of each overlapping government.

(1) Determined by the ratio of assessed value of property in the City subject to taxation by the Governmental Unit to the total assessed value of property of the Governmental Unit.

CITY OF WEST CHICAGO, ILLINOIS

Schedule of Legal Debt Margin December 31, 2021 (Unaudited)

The City is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois constitution governs computation of legal debt margin.

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by some home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.

To date the General Assembly has set no limits for home rule municipalities.

CITY OF WEST CHICAGO, ILLINOIS

Pledged-Revenue Coverage - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Fiscal Year	(1) Revenues	(2) Expenses	(3) Net Revenue Available for Debt Service	(4) Debt Service		(5) Coverage
				Principal	Interest	
2012	\$ 11,593,493	11,405,371	\$ 188,122	\$ -	\$ -	-
2013	12,122,215	10,177,161	1,945,054	-	-	-
2014	12,623,517	9,052,942	3,570,575	-	-	-
2015	10,626,728	9,704,717	922,011	-	-	-
2016	11,938,343	11,023,837	914,506	-	-	-
2017	11,029,165	9,558,809	1,470,356	-	-	-
2018	4,871,550	10,834,817	(5,963,267)	-	-	-
2019	9,048,365	10,130,988	(1,082,623)	-	-	-
2020	7,430,197	10,751,952	(3,321,755)	-	-	-
2021	10,375,533	8,863,403	1,512,130	-	-	-

(1) As defined in applicable bond indentures and governing laws.

(2) Totaled expenses exclusive of depreciation and bond interest.

(3) Gross revenue minus expenses.

(4) Revenue bonds through April 30, 2003, alternate revenue bonds subsequent to that date.

(5) Net revenue available for debt service divided by total debt requirements.

Data Source: City Records

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF WEST CHICAGO, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Fiscal Year	(1) Population	(2) Personal Income	Per Capita Personal Income	(1) Median Age	School Enrollment	(2) Unemployment Rate
2012	27,086	\$ 755,157,680	\$ 27,880	33.0	7,765	8.6
2013	27,086	700,498,132	25,862	30.8	6,293	6.6
2014	27,086	751,636,500	27,750	33.2	7,552	5.5
2015	27,086	692,182,730	25,555	30.1	8,005	5.4
2016	27,086	681,104,556	25,146	31.6	8,390	6.4
2017	27,086	706,998,772	26,102	33.2	8,301	4.3
2018	27,086	706,782,084	26,094	33.0	8,350	3.0
2019	27,086	731,619,946	27,011	33.0	8,202	3.6
2020	27,086	768,971,540	28,390	34.0	8,463	6.8
2021	25,614	855,341,169	33,394	34.0	7,817	4.9

Data Sources

(1) U.S. Census Bureau

(2) Illinois Department of Employment Security (using annual averages)

CITY OF WEST CHICAGO, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago December 31, 2021 (Unaudited)

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
The Jel Sert Company	900	1	6.52%	1,000	1	6.77%
West Chicago Elementary School District	610	2	4.42%	632	2	4.28%
Epsilon Data Management, LLC	497	3	3.60%	-		
Ball Horticultural Company	450	4	3.26%	425	4	2.88%
Mapei Corporation	350	5	2.54%			
DS Containers, Inc	320	6	2.32%	-		
West Chicago Community High School Di	263	7	1.91%	250	6	1.69%
FXI, Inc (formerly Innocor, Inc)	225	8	1.63%			
WinCup	201	9	1.46%			
AJR Filtration	200	10	1.45%	-		
OSI Industries, LLC	200	11	1.45%	230	8	1.56%
Amazon.com Services, LLC	185	12	1.34%			
Menards	150	13	1.09%			
St Andrews Gold and Country Club	150	14	1.09%	-		
In the Swim	150	15	1.09%			
General Mills				500	3	3.38%
Aspen Marketing Services				425	4	2.88%
Siemens Industry				350	5	2.37%
Sims Recycling Solutions				250	6	1.69%
Advanced Urethane Technologies				235	7	1.59%
Tomenson Machine Works				220	9	1.49%
Albertson's Jewel Osco				200	10	1.35%
	<u>4,851</u>		<u>35.15%</u>	<u>4,717</u>		<u>31.93%</u>

Data Sources: City Community Development Department Records and U.S. Census Bureau.

CITY OF WEST CHICAGO, ILLINOIS

**Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years
December 31, 2021 (Unaudited)**

See Following Page

CITY OF WEST CHICAGO, ILLINOIS

Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Function	2012	2013	2014
General Government			
Administration	1.13	1.00	1.00
Finance/Administrative Services	5.00	4.76	4.13
Museum/Marketing	0.50	0.50	0.50
Public Works	11.74	10.57	11.51
Community Development	5.00	3.50	3.50
Public Safety			
Police	49.00	49.00	49.00
Waterworks and Sewerage	37.50	34.47	35.00
Commuter Parking	0.38	0.25	0.25
Totals	110.25	104.05	104.89

Data Source: City Records

2015	2016	2017	2018	2019	2020	2021
1.00	1.00	1.50	1.50	1.50	1.50	1.50
4.13	4.13	4.13	4.13	4.13	4.13	4.13
0.50	0.25	0.25	0.25	0.25	0.25	0.25
11.51	11.19	11.19	11.19	11.94	12.00	12.00
3.50	3.75	4.75	4.75	4.75	4.75	4.75
49.00	52.50	53.00	51.00	51.00	47.00	48.00
35.43	33.65	39.34	38.12	38.72	39.01	39.07
0.25	0.25	0.25	0.25	0.25	0.25	0.25
105.32	106.72	114.41	111.19	112.54	108.89	109.95

CITY OF WEST CHICAGO, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Function/Program	2012	2013	2014
General Government			
Public Works			
Number of Parkway Trees Planted	300	373	130
Number of Parkway Trees Trimmed	1,287	2,336	1,944
Brush Pickup Program (Days to Collect)	4.0	4.0	4.8
Building Safety Inspections	12	12	12
Tunnel - Paint and Light Lens Replacements	42	12	-
Special Events Handled	4	6	4
Community Development			
Number of Building Permits Issued	1,199	899	790
Number of Building Inspections	1,049	1,134	899
Highways and Streets			
Sidewalk Replaced (Sq. Ft.)	10,000	18,207	8,742
Crack Sealing (Lbs. Installed)	36,429	21,480	35,518
Tons of Salt Used	2,800	3,250	3,180
Public Safety			
Fire			
Number of Fire Calls	1,238	1,015	1,122
Number of EMS Calls	1,629	1,804	1,778
ISO Rating	3/3	3/3	3/3
Police			
Part I Crime	379	424	373
Part II Crime	1,393	1,066	1,521
Calls for Service	38,509	33,867	31,053
Parking Tickets Issued	2,888	2,771	3,413
Waterworks and Sewerage			
Number of metered Accounts	6,432	6,435	6,428
Water Meters Read	35,000	34,000	2,500
Water Meter Service Requests	70	50	75
Water Meters Replaced	30	4,305	3,000
Average Daily Treated Water (Million Gallons)	3.45	3.42	3.36
Sanitary Sewer Repairs	1	2	2

Data Source: City Records

Note: Indicators are not available for the general government function.

2015	2016	2017	2018	2019	2020	2021
170	135	106	110	160	180	134
2,459	2,430	2,958	2,566	800	3,218	2,600
6.0	5.5	4.8	4.7	4.9	4.7	4.0
12	12	12	12	12	12	10
10	6	5	6	10	4	1
3	4	22	19	15	2	12
990	1,155	1,044	1,352	1,264	1,110	1,132
962	882	1,056	1,211	1,251	1,322	1,209
12,500	11,142	1,884	12,545	920	11,464	31,889
42,240	32,000	35,360	27,330	-	-	-
3,210	2,500	2,050	2,270	2,540	2,700	3,967
1,130	1,095	1,113	1,238	1,250	1,138	1,439
1,934	2,073	2,134	2,339	2,350	2,148	2,371
3/3	4	2	2	2	2	2
383	329	342	265	258	271	251
1,315	1,427	1,456	1,589	1,596	708	692
34,028	44,087	42,780	40,713	33,516	31,689	33,868
3,049	3,780	3,026	3,094	2,301	1,293	3,860
6,471	6,452	6,450	6,455	6,455	6,457	6,551
9,911	152	29	-	-	-	-
61	1,471	1,252	961	723	586	594
39	75	50	35	16	20	35
3.45	3.54	3.42	3.66	3.62	3.43	2.99
1	2	4	4	1	4	-

CITY OF WEST CHICAGO, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Function/Program	2012	2013	2014
General Government			
Public Works			
Streets (Miles)	174.18	174.18	174.18
Sidewalks (Miles)	111.00	111.00	111.00
Streetlights	961	961	961
Public Safety			
Police			
Stations	1	1	1
Patrol Units	27	27	27
Fire Stations	4	4	4
Waterworks and Sewerage			
Water Mains (Miles)	127.99	127.99	127.99
Fire Hydrants	1,528	1,528	1,528
Sanitary Sewers (Miles)	106.34	106.34	106.34
Manholes	2,211	2,211	2,211

Data Source: City Records

2015	2016	2017	2018	2019	2020	2021
174.06	174.06	174.06	174.21	175.02	175.02	175.02
111.00	111.03	111.03	111.38	111.38	111.38	111.38
1,046	1,168	1,168	1,168	1,169	1,197	1,197
1	1	1	1	1	1	1
26	26	26	26	26	26	26
4	4	4	4	4	4	4
128.87	128.87	129.64	129.90	130.05	130.05	130.05
1,537	1,537	1,551	1,555	1,557	1,557	1,557
106.43	106.43	106.43	106.60	106.60	106.60	106.60
2,213	2,213	2,213	2,217	2,217	2,217	2,217

CITY OF WEST CHICAGO

FINANCE COMMITTEE AGENDA ITEM SUMMARY

ITEM TITLE:

Ordinance No. 23-O-0008 – Second Quarter 2023 Budget Amendment

Ordinance No. 23-O-0009 – Development Agreement with 1300 Roosevelt Investors LLC

Resolution No. 23-R-0040 – Electronic Attendance Policy

AGENDA ITEM NUMBER: 4. B-D.

FILE NUMBER: _____

COMMITTEE AGENDA DATE: 04/27/2023

COUNCIL AGENDA DATE: 05/15/2023

STAFF REVIEW:

SIGNATURE _____

APPROVED BY CITY ADMINISTRATOR:

SIGNATURE _____

ITEM SUMMARY:

The Budget Amendment provides for the reimbursable expenses associated with the Lakeshore Recycling Systems Siting Application and the removal of the non-property tax revenues from the Downtown TIF Fund (2022) so that the balance/surplus may be returned to the taxing bodies in accordance with the law.

The Development Agreement substantially matches the terms previously endorsed by the Finance Committee that would provide for the Developer building one or two industrial buildings on the south portion of the site, which would include the construction of a frontage road that would make the Roosevelt Road parcels more developable for presumably better land uses. A summary of the Agreement is attached.

The Electronic Attendance Policy provides for remote attendance by individual members so long as a quorum is physically present and a member cannot physically attend due to personal illness/disability, employment, public body business or family/other emergency.

STAFF RECOMMENDATION:

Staff recommends adoption of Ordinance Nos. 23-O-0008 and -0009 and Resolution No. 23-R-0040.

COMMITTEE RECOMMENDATION:

ORDINANCE NO. 23-O-0008

**AN ORDINANCE AMENDING THE ANNUAL BUDGET FOR
THE CITY OF WEST CHICAGO, DUPAGE COUNTY, ILLINOIS
FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2023
AND ENDING DECEMBER 31, 2023 PASSED AND
ADOPTED BY ORDINANCE NO. 22-O-0036**

WHEREAS, the City of West Chicago has heretofore adopted the annual budget procedure providing for in 65 ILCS 5/8-2-9.1 through 5/8-2-9.10; and,

WHEREAS, the City of West Chicago has passed Ordinance No. 22-O-0036 passing and adopting the “2023 Proposed Budget” (ANNUAL BUDGET); and,

WHEREAS, said Ordinance No. 22-O-0036 was filed with the County Clerk of DuPage County as required by law; and,

WHEREAS, the City of West Chicago desires to revise the ANNUAL BUDGET to account for reimbursable expenses associated with the Lakeshore Recycling System Siting Application and to remove non-property tax revenues from the Downtown TIF Fund; and,

WHEREAS, 65 ILCS 5/8-2-9.6 provides in part that by a vote of two-thirds of the corporate authorities then holding office, the annual budget of a municipality may be revised by deleting, adding to, changing or creating sub-classes within object classes and object classes themselves, provided no revision increasing the budget shall be made in the event funds are not available to effectuate the purpose of the revision.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of West Chicago, DuPage County, Illinois, in regular session assembled as follows:

SECTION 1. That the ANNUAL BUDGET of the City of West Chicago is hereby amended as detailed in “Exhibit A”.

SECTION 2. That the City Clerk is authorized and directed to file a certified copy of this Ordinance with the County Clerk of DuPage County.

SECTION 3. That all ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, expressly repealed.

SECTION 4. That this Ordinance shall be in full force and effect from and after its passage by two-thirds of the corporate authorities and approval and publication in pamphlet form as provided by law.

PASSED this 15th day of May 2023.

Alderman D. Beebe _____
Alderman J. Sheahan _____
Alderman A. Hallett _____
Alderman M. Birch-Ferguson _____
Alderman J. Smith, Jr. _____
Alderman R. Stout _____
Alderman J. Morano _____

Alderman L. Chassee _____
Alderman H. Brown _____
Alderman C. Dettmann _____
Alderman S. Dimas _____
Alderman C. Swiatek _____
Alderman J. Short _____
Alderman J. Jakabcsin _____

APPROVED as to form: _____
City Attorney

APPROVED this 15th day of May 2023.

Mayor Ruben Pineda

ATTEST:

Executive Office Manager Valeria Perez

PUBLISHED: _____

Ordinance No. 23-O-0008
Second Quarter 2023 Budget Amendment
Exhibit A

		<u>original</u>	<u>amended</u>
LRS Transfer Station Reimbursement Costs			
01-02-07-4236	250,000	-	250,000
Transfer from Downtown TIF to General Fund - 2022 Fiscal Year			
09-34-54-4900	447,300	-	447,300
01-00-390000	447,300	-	447,300
<u>FY 2023 Expenditures</u>			
General Fund	250,000	22,440,100	22,690,100

SUMMARY OF THE DEVELOPMENT AGREEMENT

1. Developer:

1300 Roosevelt Investors, LLC, (the "Developer"), intends to develop the land consisting of the approximately 53 acres located near the intersection of Fabyan Parkway and Roosevelt Road in the City of West Chicago, Illinois (the "Property"). Developer intend to construct one or two industrial buildings together with parking (vehicular and trailer) stormwater detention facilities, other ancillary improvements and certain public right of way improvements as described in greater detail below.

2. Project:

Subject to receipt of all necessary permits and approvals, together with acquisition of the Property, the Developer intends to construct the following improvements on the Property:

(A) One or two industrial buildings; and

(B) An 80-foot-wide public right of way between Fabyan Parkway and the eastern boundary of the Project.

Project costs for land acquisition, hard and soft costs are approximately \$60 million.

3. City Financing:

The City shall reimburse the Developer for certain Project costs eligible for reimbursement under the TIF Act (the "TIF Eligible Costs" incurred by the Developer in connection with the Project, up to a maximum amount of \$6,872,500. The City will reimburse 100% of the Dedicated ROW improvements; Other ROW & Utilities; and the oversized detention. The City will reimburse 65% of the costs of the Regional Power Upgrade and Extraordinary Site Costs. The City shall issue one or more taxable/tax exempt notes. The sole source of the repayment of the Notes shall be 60% of the Property's annual ad valorem incremental real estate taxes which are attributable to the taxes levied on the Property.

4. Project Timeline:

The following is an estimated timeline for the Project:

(A) If Developer commences construction of a Building Project consisting of two (2) buildings, Developer shall commence construction of the Road Project and at least one two hundred thousand (200,000) square foot building within 18 months following the execution and delivery of this Agreement.

(B) If Developer commences construction of a Building Project consisting of one building, Developer shall commence construction of the Road Project and Building Project within 18 months following the execution and delivery of this Agreement

(C) For the purposes of this Agreement, the term "commencement of construction" shall be defined as the start of mass grading of the Property.

The developer has a one-time right to extend the construction start date in this agreement by up to (18) months, at developer's election, if any of the following events occur:

- a. Developer is unable to obtain non-recourse construction financing of at least 60% loan-to-cost at a cost no greater than SOFR + 300 for an initial term no less than three years from an existing banking relationship,
- b. SOFR is greater than 6.00% or
- c. The 10-year US treasury is greater than 5.00%

Measurement period for b & c would be no earlier than 3 months prior to the required construction start date.

ORDINANCE NO. 23-O-0009

**AN ORDINANCE OF THE CITY OF WEST CHICAGO, DUPAGE COUNTY, ILLINOIS
AUTHORIZING THE MAYOR TO ENTER INTO A CERTAIN DEVELOPMENT
AGREEMENT WITH 1300 ROOSEVELT INVESTORS LLC – SOUTHEAST CORNER
OF ROOSEVELT ROAD AND FABYAN PARKWAY**

WHEREAS, the City Council of the City of West Chicago, DuPage County, Illinois (the “City”) has heretofore determined that it is necessary and advisable for the public health, safety, welfare and convenience of residents of the City that the City undertake a redevelopment project and has heretofore approved a redevelopment plan (the “Plan”) and designated a redevelopment project are (the “Project Area”) for that portion of the City known as the Roosevelt Road-Fabyan Parkway Redevelopment Project Area, all as authorized by the Tax Allocation Redevelopment Act, as amended; and,

WHEREAS, it is desirable and in the best interest of the residents of the City for the City to enter into a Development Agreement with 1300 Roosevelt Investors LLC (the “Developer”) regarding a portion of said Project Area, in furtherance of the Plan; and

WHEREAS, the Development Agreement is on file with the Executive Office Manager of the City and available for public inspection.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of West Chicago, Illinois, in regular session assembled as follows:

Section 1. That the Mayor is hereby authorized to execute the Development Agreement between the City and the Developer, in substantially the form attached hereto as Exhibit “A”, and, by this reference, incorporated herein and all other documents required to effectuate the purpose of the Development Agreement.

Section 2. That all ordinances and resolutions, or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 3. This ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form as provided by law.

PASSED this 15th day of May 2023.

Alderman D. Beebe _____
Alderman J. Sheahan _____
Alderman A. Hallett _____
Alderman M. Birch-Ferguson _____
Alderman C. Swiatek _____
Alderman R. Stout _____
Alderman J. Morano _____

Alderman L. Chassee _____
Alderman H. Brown _____
Alderman C. Dettmann _____
Alderman S. Dimas _____
Alderman J. Smith, Jr. _____
Alderman J. Short _____
Alderman J. Jakabcsin _____

APPROVED as to form: _____
City Attorney

APPROVED this 15th day of May 2023.

Mayor Ruben Pineda

ATTEST:

Executive Office Manager Valeria Perez

PUBLISHED: _____

**DEVELOPMENT AGREEMENT FOR THE SOUTHEAST CORNER
OF ROOSEVELT ROAD AND FABYAN PARKWAY IN THE
CITY OF WEST CHICAGO ROOSEVELT / FABYAN TIF DISTRICT**

This **DEVELOPMENT AGREEMENT FOR THE SOUTHEAST CORNER OF ROOSEVELT ROAD AND FABYAN PARKWAY IN THE CITY OF WEST CHICAGO ROOSEVELT / FABYAN TIF DISTRICT** ("Agreement") is made and entered into as of the ____ day of _____, 2023 ("Effective Date") by and between the City of West Chicago, Illinois, an Illinois home rule municipal corporation ("City"), and 1300 Roosevelt Investors, L.L.C., a Delaware limited liability company authorized to conduct business in the State of Illinois ("Developer"). The City and the Developer are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

WITNESSETH:

In consideration of the following preliminary statements, the mutual covenants herein contained, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Parties hereto agree as follows:

I. PRELIMINARY STATEMENTS

Among the matters of mutual inducement which have resulted in this Agreement are the following:

- A. The City is a home rule unit of local government in accordance with Article VII, Section 7 of the Constitution of the State of Illinois, 1970.
- B. Pursuant to 65 ILCS 5/8-1-2.5, the City is authorized to appropriate and expend funds for economic development purposes, and the City has the authority to promote the health, safety and welfare of the City and its inhabitants, to prevent the presence of blight, to encourage private development in order to enhance the local tax base and increase additional tax revenues realized by the City, to foster increased economic within the City, to increase employment opportunities within the City, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes, and otherwise take action in the best interests of the City.
- C. On December 4, 2017, pursuant to Ordinances 17-O-0032, 14-O-0033 and 17-O-0034 (collectively the "TIF Ordinances"), and the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.3-1, et seq., as amended from time to time ("TIF Act"), the City Mayor and City Council designated a redevelopment project area for the City's "Roosevelt / Fabyan Redevelopment Project Area," as legally described and depicted as set forth in EXHIBITS A-1 and A-2, respectively, attached hereto and made part hereof ("TIF District"), approved a redevelopment plan and project for the TIF District ("TIF Plan") and adopted tax increment financing within the TIF

District, respectively, and made a finding that the TIF District is in need of redevelopment.

- D. Pursuant to the TIF Act and the TIF Plan, the City has the authority to undertake the development, redevelopment, improvement, maintenance, and revitalization in the TIF District, and to take actions, and expend funds, to increase economic activity in the TIF District.
- E. Developer is the contract purchaser of certain vacant real property located in the TIF District, commonly known as 1900 Fabyan Parkway, West Chicago, Illinois 60185, which is legally described in EXHIBIT B attached hereto and made part hereof ("Property").
- F. Developer intends to acquire, redevelop and lease the Property consistent with the site plan attached hereto as EXHIBIT C and made part hereof, and as described in further detail on EXHIBIT D attached hereto and made part hereof (collectively the "Project"). Depending on market conditions and user demand, the Project may consist of the development of one (1) or two (2) industrial buildings with vehicular spaces, trailer positions, exterior docks, stormwater detention facilities and landscaping (the "Building Project"). The number of trailer positions, exterior docks and parking spaces will vary depending on the users of the Property. If the Building Project consists of a single building or two buildings, it will include at least 400,000 square feet of gross leasable area. Developer also intends to construct an approximately eighty foot (80') wide public right of way, to be known as "Poorman Parkway," which connects Fabyan Parkway to, and dead ends at, the eastern boundary of the Property, and a stormwater detention pond servicing the new right of way (the "Road Project"), which shall be dedicated to the City. The Road Project will also include the addition of turn lanes on Fabyan Parkway to accommodate traffic to and from the Project.
- G. Developer estimates that the Project will require an investment of approximately Sixty Million and No/100 Dollars (\$60,000,000.00).
- H. Developer was, has been, and continues to be, unable to undertake the acquisition and redevelopment of the Property with the Project, but for certain incentives to be provided by the City in accordance with the TIF Act and 65 ILCS 5/8-1-2.5, which the City is willing to provide under the terms and conditions contained in this Agreement. The Parties acknowledge and agree that but for the incentives, to be provided by the City per this Agreement, Developer cannot, and could not, successfully and economically acquire, develop, and operate the Property with the Project in a manner satisfactory to the City. The City has determined that it is desirable and in its best interests to assist Developer in the manner set forth herein, and as this Agreement may be supplemented and amended from time to time.

- I. The City, in order to stimulate and induce development of the Property with the Project, has agreed to reimburse Developer for certain of its Eligible Redevelopment Project Costs (as defined in Section II.I. below) in a principal amount not to exceed Six Million Eight Hundred Seventy-Two Thousand Five Hundred and No/100 Dollars (\$6,872,500.00) ("Reimbursement Cap") through payments on the, the First Lien Note and the Second Lien Note (as defined in Section VI.C.3 below), all in accordance with the terms and provisions of this Agreement.
- J. It is necessary for the successful completion of the Project, and for the successful implementation of the TIF Plan, that the City enter into this Agreement with Developer to provide for the redevelopment of the Property with the Project.
- K. This Agreement has been submitted to the Corporate Authorities of the City (as defined in Section II.F below) for consideration and review, the Corporate Authorities have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the City according to the terms hereof, and any and all actions of the Corporate Authorities of the City precedent to the execution of this Agreement have been undertaken and performed in the manner required by law.
- L. This Agreement has been submitted to the controlling members or managers of Developer for consideration and review, Developer's members have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon Developer according to the terms hereof, and any and all limited liability company actions precedent to the execution of this Agreement have been undertaken and performed in the manner required by law.
- M. The Parties are desirous of having the TIF District and Property rehabilitated, developed and redeveloped in accordance with the TIF Plan, and particularly the Project as a part thereof, in order to serve the needs of the City, arrest physical decay and decline in the TIF District and the Property, stimulate growth and stabilize the tax base of the City, and, in furtherance thereof, the City is willing to offer Developer certain incentives, under the terms and conditions in this Agreement, to assist such development.

II. DEFINITIONS

For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Agreement shall have the meanings provided from place to place herein, and as follows:

- A. **"City's Administrative Share"** means an amount, up to a maximum of \$10,000 each year, equal to the costs incurred by the City for third party services necessary to administer the TIF District
- B. **"Affiliate"** means any person or entity directly or indirectly controlling, controlled by or under common control with Developer.
- C. **"Bond Counsel"** means Chapman and Cutler LLP or such other law firm as determined by the City retained for the purpose of issuing the Opinions (as defined in Section VI.C.6. below).
- D. **"Change in Law"** means the occurrence, after the Effective Date, of an event described below in this definition, provided such event materially changes the costs or ability of the Party relying thereon to carry out its obligations under this Agreement and such event is not caused by the Party relying thereon:

Change in Law means any of the following: (1) the enactment, adoption, promulgation or modification of any federal, State or local law, ordinance, code, rule or regulation (other than by the City or with respect to those made by the City, only if they violate the terms of this Agreement); (2) the order or judgment of any federal or State court, administrative agency or other governmental body (other than the City); or (3) the adoption, promulgation, modification or interpretation in writing of a written guideline or policy statement by a governmental agency (other than the City, or, with respect to those made by the City, only if they violate the terms of this Agreement). Change in Law, for purposes of this Agreement, shall also include the imposition of any conditions on, or delays in, the issuance or renewal of any governmental license, approval or permit (or the suspension, termination, interruption, revocation, modification, denial or failure of issuance or renewal thereof) necessary for the undertaking of the actions to be performed under this Agreement (except any imposition of any conditions on, or delays in, any such issuance or renewal by the City, except as provided herein).

- E. **"Code"** means the Internal Revenue Code of 1986, as amended.
- F. **"Corporate Authorities"** means the Mayor and City Council of the City of West Chicago, Illinois.
- G. **"Day"** means a calendar day.
- H. **"Effective Date"** means the date on which this Agreement is executed by the Parties, with said date being inserted in the opening paragraph of this Agreement.
- I. **"Eligible Redevelopment Project Costs"** means a portion of Developer's costs of the Project, to be reimbursed by the City from Incremental Property

Taxes pursuant to the TIF Act, as provided in this Agreement, which qualify as eligible redevelopment project costs under Section 3(q) of the TIF Act, 65 ILCS 5/11-74.4-3(q), and the TIF Ordinances, as set forth in EXHIBIT E attached hereto and made a part hereof.

- J. **"First Lien Note"** means a debt instrument issued by the City, the interest on which is not includible in the gross income of the registered owner thereof under the Code for federal income tax purposes.
- K. **"Incremental Property Taxes"** means that portion of the *ad valorem* real estate taxes, if any, arising from the taxes levied upon the Property, which taxes have been actually received by the City from the County of DuPage and which are (1) attributable to the increase in the equalized assessed valuation ("EAV") of the Property over and above the EAV of the Property at the time of the formation of the TIF District, all as determined by the County Clerk of the County of DuPage, Illinois and (2) in the possession of the City at the time of payments on the Notes, as applicable, are due.
- L. **"Index"** means the Municipal Market Data (MMD) BAA ten year yields for general obligations currently published by Refinitiv Global Markets Inc. or, if such index is no longer published, the Parties shall agree on a substantially similar Index acceptable to Bond Counsel.
- M. **"Lender"** means a financial institution, pension fund, insurance company or similar entity, including any successors thereto, that loans funds to Developer in connection with the Project.
- N. **"Lender Financing"** means funds borrowed by the Developer from lenders and available to pay for costs of the Project.
- O. **"Notes"** means the First Lien Note and the Second Lien Note.
- P. **"Party / Parties"** means the City and/or Developer, individually/collectively, and their permitted successors and/or assigns as permitted herein, as the context requires.
- Q. **"Person"** means any individual, corporation, partnership, limited liability company, joint venture, association, trust, or government or any agency or political subdivision thereof, or any agency or entity created or existing under the compact clause of the United States Constitution.
- R. **"Pledged Incremental Property Tax Revenues"** means, for each collection year, after deduction of the City's Administrative Share, sixty percent (60%) of the remaining Incremental Property Taxes.
- S. **"Second Lien Note"** means a debt instrument issued by the City, the interest on which is included in gross income of the registered owner thereof for federal income tax purposes.

- T. **"State"** means the State of Illinois.
- U. **"Taxable Interest Rate"** means the fixed interest rate determined on the "Note Issuance Date" for the Second Lien Note (as defined in Section VI.C.4. below) equal to the Index plus three hundred twenty-five (325) basis points.
- V. **"Tax-Exempt Interest Rate"** means the fixed interest rate determined on the Note Issuance Date for the First Lien Note equal to the Index plus two hundred seventy-five (275) basis points .
- W. **"Uncontrollable Circumstance"** means any event which:
1. is beyond the reasonable control of and without the fault of the Party relying thereon; and
 2. is caused by one or more of the following events:
 - (a) a Change in Law;
 - (b) insurrection, riot, civil disturbance, sabotage, act of the public enemy, explosion, fire, nuclear incident, war or naval blockade;
 - (c) epidemic, pandemic, hurricane, tornado, landslide, earthquake, lightning, fire, windstorm, other extraordinary or ordinary weather conditions or other similar act of God;
 - (d) governmental condemnation or taking other than by the City;
 - (e) strikes or labor disputes, or work stoppages not initiated by Developer;
 - (f) unreasonable delay in the issuance of building or other permits or approvals by the City or other governmental authorities having jurisdiction other than the City;
 - (g) shortage or unavailability of essential materials, which materially change the ability of the Party relying thereon to carry out its obligations under this Agreement;
 - (h) unknown or unforeseeable geo-technical or environmental conditions;
 - (i) major environmental disturbances;
 - (j) vandalism; or
 - (k) terrorist acts.

Uncontrollable Circumstance shall not include economic hardship; unavailability of materials (except as described in Section II.V.2(g) above); or a failure of performance by a contractor (except as caused by events which are Uncontrollable Circumstances as to the contractor).

For each day that a Party is delayed in its performance under this Agreement by an Uncontrollable Circumstance, the dates set forth in this Agreement shall be extended by one (1) day.

III. CONSTRUCTION OF TERMS

This Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

- A. Definitions include both singular and plural.
- B. Pronouns include both singular and plural and cover all genders.
- C. The word "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".
- D. Headings of Sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.
- E. All exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement. In the event of a conflict between any exhibit and the terms of this Agreement, the Agreement shall control.
- F. Any certificate, letter or opinion required to be given pursuant to this Agreement means a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters stated or set forth. Reference to supplemental agreements, certificates, demands, requests, approvals, consents, notices and the like means that such shall be in writing whether or not a writing is specifically mentioned in the context of use.
- G. The City Administrator, unless applicable law requires action by the Corporate Authorities, shall have the power and authority to make or grant or do those things, certificates, requests, demands, notices and other actions required that are ministerial in nature or described in this Agreement for and on behalf of the City and with the effect of binding the City as limited by and provided for in this Agreement. The Parties are entitled to rely on the full power and authority of the Persons executing this Agreement on behalf of the City as having been properly and legally given by the City.

In connection with other actions to be taken under this Agreement, and unless applicable documents require action by Developer in a different manner, Developer hereby designates Kevin Poorman as its authorized representative who shall individually have the power and authority to make or grant or do all things, supplemental agreements, certificates, requests, demands, approvals, consents, notices and other actions required or described in this Agreement for and on behalf of Developer and with the effect of binding Developer in that connection. The Parties are entitled to rely on the full power and authority of the Persons executing this Agreement on behalf Developer as having been properly and legally given by Developer.

IV. COOPERATION OF THE PARTIES

The Parties agree to cooperate in implementing the Project in accordance with their respective obligations set forth in this Agreement and specific approvals by the City in the future relative to the development of the Property and the Project.

V. PLANNING, ACQUISITION AND DEVELOPMENT OF THE PROJECT AREA

A. Zoning and Subdivision.

1. The Parties agree and acknowledge that as of the Effective Date, Developer has applied for, and the City has approved, a rezoning of the Property and a plat of subdivision for the Property.
2. Provided that the final Project is in compliance with zoning and subdivision stated above, no further zoning approvals will be necessary. If any portion of the Project does not conform to the Village Code of Ordinances, the Developer shall be obligated to file applications and secure relief as may be necessary or appropriate and in compliance with the Village Code of Ordinances.

B. Property Acquisition. Within sixty (60) days of delivery and execution of this Agreement, Developer shall acquire the Property and provide the City with written proof thereof. The date Developer acquires the Property shall be the "Acquisition Date."

C. Permit Submittals. Developer shall apply for all necessary permits and approvals from the City and any other federal, State, regional or county agencies having jurisdiction over the Project as may be required to commence construction of the Project ("Project Approvals") and provide the City with written proof thereof. Developer shall diligently pursue issuance of the Project Approvals, and Developer shall timely respond to all Project Approvals-related requests of governmental agencies having jurisdiction over the Project. Upon receipt of all Project Approvals, Developer shall promptly notify the City of the receipt thereof in writing.

D. Construction Commencement. The Parties agree and acknowledge that the Developer is not obligated to commence construction of the Project; provided, however, that if the Developer commences construction of any part of the Building Project, it shall diligently pursue completion of the Building Project and the Road Project. Provided it commences the Project, the Developer shall be obligated to complete construction of the Road and Building Project by the timeframes set forth in Section V.E. The Parties acknowledge that if the Building Project includes two (2) buildings, Developer may delay commencement of the second building for a reasonable period of time and such delay shall not be deemed failure to diligently pursue completion of the Building Project. Notwithstanding such

delay, Developer will remain obligated to complete the Project within the timeframes set forth in Section V.E.

1. If Developer commences construction of a Building Project consisting of two (2) buildings, Developer shall commence construction of the Road Project and at least one (1) two hundred thousand (200,000) square foot building within eighteen (18) months following the execution and delivery of this Agreement.
2. If Developer commences construction of a Building Project consisting of one building, Developer shall commence construction of the Road Project and Building Project within eighteen (18) months following the execution and delivery of this Agreement .
3. For the purposes of this Agreement, the term "commencement of construction" shall be defined as the start of mass grading of the Property.

E. **Completion.** For the Building Project and the Road Project, Developer shall submit to the City a written request for a single "Certificate of Project Completion," as defined below. A Certificate of Project Completion request (the "Completion Request") shall be made under oath and shall include an architect's sworn certificate for the Building Project and an engineer's certificate for the Road Project certifying as to the completion of the improvements in accordance with the applicable permits and approvals, along with such other documentation reasonably required by the City to evidence completion of the portion of the Project in question. Within the later of forty-five (45) days of the City's receipt of a Completion Request, or receipt of additional documents requested by the City from Developer, the City shall review the Completion Request and either deliver to Developer a certificate of completion and satisfaction of all construction terms, covenants and conditions contained in this Agreement for the portion of the Project in question (each a "Certificate of Project Completion"), or, if the portion of the Project in question is not complete or the City is not satisfied, a written statement as to what deficiencies exist. In considering whether to grant a Certificate of Project Completion for the Building Project and Road Project, the City shall determine whether Developer has substantially completed the core(s) and shell(s) of the building(s), along with required parking and detention to service the building(s), and whether the improvements have been constructed in compliance with all applicable laws, ordinances and regulations. In considering whether to grant a Certificate of Project Completion for the Road Project, the City shall determine whether Developer has completed improvements as directed by the City and whether the improvements have been constructed in compliance with all applicable laws, ordinances and regulations; provided, however, that the City may not withhold a Certificate of Project Completion based on whether one (1) or more buildings is occupied or leased.

Developer may submit separate Completion Requests for the buildings if the Building Project consists of two (2) buildings, and the City shall process such separate requests in accordance with the procedures set forth in this Section V.E. The City agrees that Developer's failure to complete weather-sensitive development items such as, but not limited to, landscaping or final asphalt surfacing shall not be a basis for withholding a Certificate of Project Completion for the Building Project; provided, however, that Developer must complete such weather-sensitive items within one hundred eighty (180) days of issuance of the applicable Certificate of Project Completion.

1. If the Developer commenced the Road Project and a Building Project consisting of two (2) buildings, Developer shall submit a Completion Request for the Road Project and the Building Project on or before the date that is twenty-four (24) months following commencement of construction .
2. If the Developer commenced the Road Project and a Building Project consisting of one (1) building, Developer shall request a Completion Request for the Road Project and Building Project on or before the date that is eighteen (18) months following commencement of construction .

F. **Project Operations.** The Building Project shall neither open, nor may one or more tenants begin operating, until Developer has received a temporary or final certificate of occupancy for at least one building (in a two-building Project), and Developer has completed the Road Project; provided, however, that so long as the Developer is diligently pursuing completion of the Road Project and the Road Project is at least fifty percent (50%) complete based upon a determination made by City staff, one or more tenants may occupy leasehold space for the purpose of commencing operations provided that a temporary or final certificate of occupancy has been obtained by the Tenant or Developer. In determining whether the Road Project is at least fifty percent (50%) complete, City staff shall consider, among other factors, Developer's level of expenditure of the budgeted amounts for the Road Project and delivery of an engineer's certificate attesting to the level of completion.

G. **Road Project Dedication.** The City acknowledges that Developer has already dedicated the right of way property for the Road Project as part of the subdivision of the Property. Upon delivery of the Certificate of Project Completion for the Road Project and Building Project, Developer shall convey, by a no cost bill of sale acceptable to the City, title to the Road Project improvements to the City, and the City shall deliver evidence of acceptance of such improvements in form reasonably acceptable to Developer.

- H. **Marketing.** Developer shall use commercially reasonable efforts to market the Project directly, or through a broker, prior to, and after, acquiring the Property.
- I. **City Administration of TIF District.** The City shall be responsible for the payment of annual costs incurred in connection with the general administration of the TIF District. Such costs may include, but are not limited to, expenses related to audits of the TIF District, reports on job creation and investment and other matters which may be statutorily required. Such costs may be paid from the non-pledged Incremental Property Taxes (i.e., taxes other than Pledged Increment Property Tax Revenues) or such other source as may be identified by the City. Developer shall pay the City costs in connection with negotiating, drafting and implementing this Agreement prior to the City executing this Agreement, and Developer shall be reimbursed for such costs, as provided in Section VI.C.7.

VI. CITY'S OBLIGATIONS

The City shall have the obligations set forth below, in addition to those set forth elsewhere in this Agreement, related to the Project:

A. **City Cooperation.**

1. The City agrees to cooperate with Developer in Developer's attempts to obtain all necessary approvals from any governmental or quasi-governmental entity other than the City and, upon request of Developer, will promptly execute any applications or other documents (upon their approval by the City) which Developer intends to file with such other governmental or quasi-governmental entities in regard to the Project. The City shall further promptly respond to, and/or process, and consider reasonable requests of Developer for applicable demolition permits, building permits, driveway permits, curb cut permits, or other permits necessary for the construction of the Project. Approval of any building permit applications and/or engineering plans shall be contingent on Developer providing all required and requested documentation including, but not limited to, engineering reports, calculations and plans required to substantiate that said improvements fully conform with all applicable State statutes and also all City ordinances and codes, as well as receipt of all required approvals from any federal, State, regional or county agencies having applicable jurisdiction.
2. To the extent permitted by law, if Developer constructs improvements which will be dedicated to the City, the City shall permit Developer to utilize the City's tax identification number solely for the purchase of materials for improvements to be dedicated to the

City. Developer shall indemnify, defend and hold the City harmless from any claims, costs or expenses resulting from the misuse of the City's tax identification number related in any manner to this Agreement.

B. **Reimbursement.** The City shall reimburse certain of Developer's Eligible Redevelopment Project Costs by issuing, and making payments on, the Notes. The City's issuance of the Notes is subject to the following, conditions, in addition to those elsewhere in this Agreement ("Note Issuance Conditions"):

1. The Developer not being in default of any of its obligations under this Agreement.
2. The City issuing the Certificate of Project Completion for the Road Project and Building Project; provided, however, that if the Developer undertakes a two-building Building Project, the Developer's receipt of a Certificate of Project Completion for one building shall be evidence of satisfaction of this condition for issuance of the First Lien Note. Receipt of the Certificate of Project Completion for the second building shall be evidence of satisfaction of this condition for issuance of the Second Lien Note.
3. The Developer submitting to the City Administrator, and receiving approval from the City, of one or more requests for reimbursement of Eligible Redevelopment Project Costs in an amount not to exceed the Reimbursement Cap (each a "Reimbursement Request"). If the initial Reimbursement Request is less than the Reimbursement Cap, Developer shall be permitted to submit up to two (2) additional Reimbursement Requests, upon incurring additional Eligible Redevelopment Project Costs, up to the Reimbursement Cap. If Developer undertakes a two-building Building Project, it may submit a Reimbursement Request upon substantial completion of the first building and a second Reimbursement Request upon completion of the second building. If Developer undertakes a single-building Building Project, it may submit a Reimbursement Request upon completion of the building. Any Reimbursement Request shall: (a) be signed by the Developer under oath; (b) be accompanied by documentation reasonably acceptable to the City evidencing Developer having incurred such costs, including, but not limited to, paid receipts for Developer's costs, draw statements, sworn statements, and/or lien waivers for the Building Project and the Road Project; (c) include a summary of Developer's claimed Eligible Redevelopment Project Costs in an amount not to exceed the Reimbursement Cap; and (d) include any other information and materials reasonably requested by the City, and shall be submitted to the City Administrator. Developer may submit a Reimbursement

Request along with one or more Completion Requests, and the City shall timely review all Reimbursement Requests and Completion Requests. Unless the City has good cause to believe that the Reimbursement Request seeks reimbursement for non-Eligible Redevelopment Project Costs, or unless the City has good cause to believe that the Reimbursement Request is otherwise improper or insufficiently documented, the City shall approve a Reimbursement Request within forty-five (45) days following receipt. If the City elects to withhold or deny approval of the Reimbursement Request, the City shall promptly (and in any event not later than the date payment would otherwise have been due) advise the Developer in writing as to the specific basis for the City's position, and Developer shall be afforded the right to supplement any Reimbursement Request.

4. Subject to the Reimbursement Cap, the collective Reimbursement Requests shall not be approved in an amount in excess of (a) one hundred percent (100%) of the City-approved Developer's costs of the first two (2) categories in EXHIBIT E ("Dedicated ROW Improvements" and "Other ROW & Utilities"), plus (b) sixty-five percent (65%) of the City-approved Developer's costs of the second two (2) categories in EXHIBIT E ("Shared Regional Benefits" and "Extraordinary Costs").

THE CITY'S OBLIGATION TO PAY THE REIMBURSEMENT AND MAKE PAYMENTS ON THE NOTES IS A LIMITED OBLIGATION PAYABLE SOLELY FROM THE PLEDGED INCREMENTAL PROPERTY TAX REVENUES RECEIVED BY THE CITY AND SHALL NOT BE A GENERAL OBLIGATION OF THE CITY OR SECURED BY THE FULL FAITH AND CREDIT OF THE CITY IN ANY MANNER WHATSOEVER. INSUFFICIENCY OF THE PLEDGED INCREMENTAL PROPERTY TAX REVENUES TO PAY THE NOTES WHEN DUE SHALL NOT BE AN EVENT OF DEFAULT THEREON, AND NO HOLDER OF THE RIGHT TO RECEIVE ANY PAYMENTS UNDER THIS AGREEMENT AND NO HOLDER OF THE NOTES SHALL HAVE ANY RECOURSE WHATSOEVER AGAINST THE CITY IN THE EVENT THAT THERE ARE INSUFFICIENT PLEDGED INCREMENTAL PROPERTY TAX REVENUES.

C. Issuance of Notes.

1. Within sixty (60) days after City's receipt of a Building Project Reimbursement Request from Developer and approval by the City of said Reimbursement Request, the City Council shall pass an ordinance (the "Final Note Ordinance") authorizing the and issuance of the First Lien Note and Second Lien Note in an aggregate principal amount equal to, but not greater than, the amount set forth in the

Reimbursement Cap. The principal amount of each of the First Lien Note and the Second Lien Note shall be established in accordance with the provisions of subparagraph 4 of this Paragraph C. The Final Note Ordinance shall not require the City to issue the First Lien Note or Second Lien Note, but solely provide the City with the authority to issue the First Lien Note and the Second Lien Note.

2. Upon the latest to occur of (a) the adoption of the Final Note Ordinance, (b) the issuance of the Certificate of Project Completion for the Building Project (or at least one building in a two-building Building Project) and Road Project and (c) approval of the Developer's Reimbursement Request(s) for the Building Project, the Developer may request the issuance of the First Lien Note and the Second Lien Note (the "Developer Request"). Within forty-five (45) days of the receipt by the City of the Developer Request, the City shall issue to the Developer the First Lien Note in form and substance as attached hereto as Exhibit F and made a part hereof and, if necessary as hereinafter described, the Second Lien Note in form and substance as attached hereto as Exhibit G and made a part hereof; provided, however, the City may withhold issuance of the Second Lien Note until such time as the Developer has secured a Certificate of Project Completion for the second building in a two-building Building Project. The date of the issuance of the First Lien Note and the Second Lien Note hereunder shall be referred to herein as the "Note Issuance Date," it being recognized that the First Lien Note and the Second Lien Note may have different Note Issuance Dates. The total aggregate principal amount of the First Lien Note and the Second Lien Note shall be determined on the Note Issuance Date for the Second Lien Note, if applicable, and shall be equal to the Eligible Redevelopment Project Costs approved by the City pursuant to one or more Reimbursement Requests up to the Reimbursement Cap. ("Maximum Note Amount"). The issuance of the First Lien Note shall be subject to the receipt by the City of an approving opinion of Bond Counsel as described in subparagraph VI.C.6 below. The principal amount of the First Lien Note shall be determined by Developer on or before the Note Issuance Date for the First Lien Note and shall only include costs approved as part of a Reimbursement Request and any accrued interest, if applicable, which are eligible to be financed with the proceeds of a tax-exempt obligation as determined by Bond Counsel; *provided, however*, that if the City does not receive an opinion of Bond Counsel that the First Lien Note may be issued as a tax-exempt obligation as set forth in subparagraph VI.C.6 below, then the First Lien Note shall not be issued and only the Second Lien Note shall be issued in the Maximum Note Amount. If the First Lien Note is issued, the City shall also issue the Second Lien Note which shall be a taxable obligation and shall be issued in a principal amount equal to the difference on

the Note Issuance Date between the Maximum Note Amount and the principal amount of the First Lien Note as determined by Developer. If the First Lien Note is not issued, the City shall issue the Second Lien Note which shall be a taxable obligation and shall be issued in a principal amount equal to the amounts approved as part of Developer's Reimbursement Requests but in no event more than the Reimbursement Cap or the Maximum Note Amount. The First Lien Note shall bear interest at the Tax-Exempt Interest Rate, and the Second Lien Note shall bear interest at the Taxable Interest Rate. The First Lien Note and the Second Lien Note shall mature on December 31st of the year following the expiration of the TIF District, *provided, however*, that both the First Lien Note, subject to the redemption restrictions below, and the Second Lien Note may be paid in full prior to such maturity date, as described herein, at which time the First Lien Note or Second Lien Note, as applicable, will no longer be outstanding. Unpaid interest on the Notes shall compound annually. Upon issuance of the First Lien Note and the Second Line Note, Developer and City will cooperate to prepare amortization schedules for the First Lien Note and the Second Lien Note based on reasonable estimates of Pledged Incremental Property Tax Revenues and the payment priorities set forth in VI.C.5 below. The amortization schedule of the First Lien Note will be fixed and binding; the amortization schedule of the Second Lien Note is intended to be illustrative of when the First Lien Note and Second Lien Note may be retired. The First Lien Note and the Second Lien Note are subject to redemption prior to maturity at the option of the City on any date, as a whole or in part, at a redemption price of one hundred percent (100%) of the principal amount thereof to be redeemed, *provided, however*, that the First Lien Note may not be redeemed for a period of seven (7) years from the date of issuance of the First Lien Note (the "Lock-Out Period") unless the registered owner of the First Lien Note shall waive application of the Lock-Out Period.

3. The First Lien Note and Second Lien Note are payable solely from the Pledged Incremental Property Tax Revenues. The First Lien Note is a secured by a pledge on the Pledged Incremental Property Tax Revenues superior to the lien of the Second Lien Note on the Pledged Incremental Property Tax Revenues. On December 1 of each year after the issuance of the First Lien Note and the Second Lien Note (and after first reimbursing the Developer for the City Reimbursement amount), the Pledged Incremental Property Tax Revenues received by the City shall be used to pay the principal of and interest on the First Lien Note and Second Lien Note in the following order of priority: (a) first, to pay the interest, including unpaid, accrued, compounded interest, then due on the First Lien Note; (b) second, to pay the principal then due on the First Lien Note; (c) third, to pay the interest, including unpaid, accrued compounded

interest, then due on the Second Lien Note; and (d) fourth, to pay the principal of the Second Lien Note.

4. If the requirements under the Code and the regulations promulgated thereunder for exclusion of the interest on First Lien Note from the gross income of the holders thereof for federal income tax purposes are met, the City will endeavor, in good faith, to issue the First Lien Note as a tax-exempt obligation, subject to the approval and opinion of Bond Counsel. On the Note Issuance Date, the City will endeavor to supply to Developer an opinion of Bond Counsel that (i) the interest on the First Lien Note is not includible in the gross income of the registered owner thereof under the Code for federal income tax purposes, and not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code, subject to customary qualification and exceptions ("Tax-Exemption Opinion") and (ii) the First Lien Note is a valid and legally binding and enforceable obligations of the City payable from the pledge of Pledged Incremental Property Tax Revenues as set forth in this Agreement, subject to customary qualifications and exceptions ("Validity Opinion", and, together with the Tax-Exemption Opinion, the "Opinions"). The Parties shall take all actions reasonably required by Bond Counsel so that Bond Counsel may issue its Opinions referenced above, provided that the City shall not be required to pledge any other revenues to the Notes other than as described herein and shall not be required to contribute any funds for Eligible Redevelopment Project Costs except as expressly set forth in this Agreement. To the extent that the First Lien Note is to be issued as a tax-exempt obligation, no Party shall take any action that would jeopardize the tax-exempt status of the First Lien Note, and the Developer shall provide all information requested by Bond Counsel and shall enter into customary agreements requested by such Bond Counsel, to allow Bond Counsel to issue the Opinions. The Parties acknowledge that certain changes in law or a change in facts related to the Project or the structuring of the First Lien Note and Second Lien Note and projected sources of repayment may preclude the issuance of all or a portion of the First Lien Note as a tax-exempt obligation at the time of issuance. The Developer shall pay all fees and costs charged by Bond Counsel for legal work relating to issuing the Opinions subject to Section V.C.7 below.
5. Developer shall pay third party City costs and expenses related to the negotiation, drafting, implementation and administration of this Agreement, including but not limited to legal and consultant fees, and related to the issuance of the Opinions by Bond Counsel up to a maximum of One Hundred Thousand Dollars and No Cents (\$100,000.00) on or before the date that the City executes this Agreement (the "City Reimbursement"). Such payments shall be

made in amounts and to payees as directed by the City. The City shall be responsible for payment of third-party costs and expenses in excess of the City Reimbursement amount from Incremental Property Taxes or such other source as the City may identify. The City shall provide Developer with reasonably detailed invoices to support the amount of the City Reimbursement and the payment directions. Provided Developer has made the City Reimbursement payments as directed by the City, the City shall then reimburse Developer for the amount of the City Reimbursement paid by Developer from Pledged Incremental Property Taxes prior to making any payments on the First Lien Note or the Second Lien Note until Developer has been fully reimbursed for the City Reimbursement payment amount. Such payments shall not count against the Reimbursement Cap or Maximum Note Amount.

6. Any of the Notes may be assigned or pledged as collateral to a Lender for the Building Project and/or Road Project upon at least fifteen (15) days prior notice to the City. Any of the Notes may also be sold, assigned or transferred to an Affiliate of Developer upon at least fifteen (15) days prior notice to the City. If the First Lien Note is assigned or pledged as collateral to a Lender or an Affiliate, the Developer agrees it will not pledge additional revenues or provide additional security for repayment of the First Lien Note beyond what is provided for in this Agreement and will not provide a letter of credit or additional credit enhancement or a personal guaranty on the First Lien Note. Developer acknowledges that it shall not be required to comply with the above covenant in the event that it receives an opinion of Bond Counsel that such additional support or security on the First Lien Note will not adversely affect the exclusion of the interest from the gross income of the holders thereof for federal income tax purposes. In addition, either the First Lien Note or Second Lien Note may be sold to a "Qualified Investment Buyer" as defined under Rule 144A of the Securities Act of 1933, as amended.
7. Subject to the conditions below, the City agrees to pledge Pledged Incremental Property Tax Revenues to support the payment of the principal of and interest on the First Lien Note and the Second Lien Note. The City shall have no obligation to make any payments pursuant to this Agreement until such time that the Pledged Incremental Property Tax Revenues are available. Developer acknowledges that the Notes shall not be general obligations of the City and shall only be supported by the Pledged Incremental Property Tax Revenues, and applicable and if available, during the term of the TIF District, provided further that the Pledged Incremental Property Tax Revenues from assessment year 2040 and collection year 2041 shall be available to make payments on the First Lien Note and Second Lien Note in 2042.

VII. DEVELOPER'S OBLIGATIONS

Developer shall have the obligations set forth below, in addition to those set forth elsewhere in this Agreement, for the development, construction, financing, completion and furtherance of the Project:

- A. In accordance with Section V.D., (1) Developer shall have no obligation to construct the Building Project, but if Developer commences construction, then it shall construct the Building Project in accordance with the terms of this Agreement and the City's approvals related thereto; and (2) Developer shall construct the Road Project in full conformance with the terms of this Agreement and the City's approvals related thereto.
- B. Developer shall advance all funds necessary to develop the Property with the Project.
- C. Developer shall at all times acquire, install, construct, operate and maintain the Project in conformance with all applicable laws, rules, ordinances and regulations. All work with respect to the Project shall conform to all applicable federal, State and local laws, regulations and ordinances, including, but not limited to, zoning, subdivision and planned development codes, building codes, environmental laws (including any law relating to public health, safety and the environment and the amendments, regulations, orders, decrees, permits, licenses or deed restrictions now or hereafter promulgated thereafter), life safety codes, property maintenance codes and any other applicable codes and ordinances of the City, or any of its rules or regulations or amendments thereto which are in effect from time to time during the construction and maintenance of the Project and/or during the term of this Agreement.
- D. During the construction of the Project, Developer shall stage its construction of the Project to avoid to the fullest extent practicable any community disruption. During construction, Developer shall also keep all public streets used by Developer reasonably clean on a daily basis, and for each day in which such public streets are not properly clean beyond typical street conditions, Developer shall pay the City the sum of Five Hundred and No/100 Dollars (\$500.00) for each such violation. Developer agrees not to contest any violation notice issued by the City under this Section except in instances where unclean street conditions are caused by parties that are not under the direct or indirect control of Developer.
- E. Developer shall park and stage all construction equipment, materials and vehicles to be used in relation to the construction of the Project on the Property, or at such alternate location as approved by the City.
- F. Prior to commencement of the Road Project and the Building Project, Developer shall (1) confirm that, to the City's reasonable satisfaction,

Developer has access to sufficient funds to complete the Road Project and the Building Project, as applicable, and (2) inform the City of the sources of funding to be used to complete the Road Project and the Building Project and provide written evidence in a form and substance satisfactory to the City, as applicable.

- G. Developer shall meet with the Corporate Authorities and City staff and make presentations to the Corporate Authorities and City staff as reasonably requested by the City, in order to keep the City apprised of the progress of the Project.

VIII. ADDITIONAL COVENANTS OF DEVELOPER

- A. **Developer Existence.** Developer will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and standing as a limited liability company authorized to do business in Illinois, so long as Developer maintains an interest in the Property or has any other remaining obligation pursuant to the terms of this Agreement.
- B. **Further Assistance and Corrective Instruments.** The City and Developer agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required for carrying out the intention of or facilitating the performance of this Agreement to the extent legally permitted and within the City's and Developer's sound legal discretion.
- C. **No Gifts.** Developer covenants that no manager, member, employee or agent of Developer, or any other Person connected with Developer, has made, offered or given, either directly or indirectly, to any member of the Corporate Authorities, or any officer, employee or agent of the City, or any other Person connected with the City, any money or anything of value as a gift, or as a means of influencing his or her action in his or her capacity with the City, other than as provided for under 5 ILCS 430/10-10 through 10-40, as amended.
- D. **Disclosure.** Concurrently with execution of this Agreement, Developer shall disclose to the City the names, addresses and ownership interests of all Persons that have a direct ownership interest in Developer and the entity(ies) that have direct control of Developer, together with such supporting documentation that may be requested by the City. Developer further agrees to notify the City throughout the term of this Agreement of the names, addresses and ownership interests of any new owners, shareholders or members of Developer.
- E. **Projections.** Developer reasonably projects the Project to: (1) create eighty (80) jobs, (2) create approximately Twenty-Five Million and No/100

Dollars (\$25,000,000.00) of Incremental Property Taxes through collection year 2041; and (3) generate a 15.6% internal rate of return assuming receipt of all TIF assistance. Developer shall report the following information in writing to the City on an annual basis, on each April 30 after the Effective Date (which report shall apply to the prior calendar year), with regard to the Project as of the date of the report: (x) the number of jobs created to date, under the same guidelines and assumptions as was used for the projections used at the time of approval of this Agreement or as may be reported by tenants occupying Project buildings; and (y) the amounts of Incremental Property Taxes generated during the reporting period and to date, using the same assumptions as was used for the projections used at the time of the approval of this Agreement. Developer shall timely provide additional materials and information reasonably requested by the City regarding Developer's projections and reports made under this Section VIII.E., including such materials and information as needed by the City to comply with its reporting obligations in Section 5(d) of the TIF Act, 65 ILCS 5/11-74.4-5(d), as amended from time to time.

IX. ADHERENCE TO CITY CODES AND ORDINANCES

All development and construction of the Project shall comply in all respects with the provisions in the building, plumbing, mechanical, electrical, storm water management, fire prevention, property maintenance, zoning and subdivision codes of the City and all other germane codes and ordinances of the City in effect from time to time during the course of construction of the Project. Developer, by executing this Agreement, expressly warrants that it has examined and is familiar with all the covenants, conditions, restrictions, building regulations, zoning ordinances, property maintenance regulations, environmental laws (including any law relating to public health, safety and the environment and the amendments, regulations, orders, decrees, permits, licenses or deed restrictions now or hereafter promulgated thereafter) and land use regulations, codes, ordinances, federal, State and local ordinances, and the like, currently in effect.

X. SPECIAL CONDITIONS

Developer's Project shall be an "open book" project, meaning that Developer and the general contractor (or contractors, if more than one) will assure continuing access to the City's agents for the purpose of reviewing and auditing their respective books and records relating to any item necessary to determine the costs of the Project, including Developer's partnership agreement and/or joint venture agreement pertaining to the Property, operating agreement and the operating agreement of the entity that directly owns Developer; provided, however, that all such access shall be limited to normal business hours upon reasonable prior notice and shall not occur more frequently than two (2) times per calendar year prior to the issuance of the Certificate of Project Completion for the Building Project. The foregoing City review rights shall terminate four (4) years after the issuance of the last Certificate of Project Completion with respect to costs for the Project, unless

Developer has failed to make available any such books and/or records requested in writing by the City. Failure to allow review of the books within fifteen (15) days after request by the City shall be an Event of Default, as defined in Section XV.A. below. Developer shall exercise prudence and good faith in attempting to contract with persons or entities that are reputable and experienced in their respective areas for the provision of services or material for the design and construction of Project at costs not in excess of market rates. The general contractor (or general contractors) designated by Developer shall be experienced and reputable.

XI. REPRESENTATIONS AND WARRANTIES OF DEVELOPER

Developer represents and warrants to the City as follows, as of the Effective Date and during the term of this Agreement:

- A. Developer is a limited liability company duly organized and existing under the laws of the State of Delaware, is authorized to do business in Illinois, and is authorized to and has the power to enter into, and by proper action has been duly authorized to execute, deliver and perform, this Agreement. Developer is solvent, able to pay its debts as they mature and financially able to perform all the terms of this Agreement. To Developer's knowledge, there are no actions at law or similar proceedings which are pending or threatened against Developer which would result in any material and adverse change to Developer's financial condition, or which would materially and adversely affect the level of Developer's assets as of the date of this Agreement or that would materially and adversely affect the ability of Developer to proceed with the construction and development of the Project.
- B. Neither the execution and delivery of this Agreement by Developer, the consummation of the transactions contemplated hereby by Developer, nor the fulfillment of or compliance with the terms and conditions of this Agreement by Developer conflicts with or will result in a breach of any of the terms, conditions or provisions of any offerings or disclosure statement made or to be made on behalf of Developer (with Developer's prior written approval), any organizational documents, any restriction, agreement or instrument to which Developer or any of its partners, members, managers or venturers is now a party or by which Developer or any of its partners, members, managers or venturers is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the assets or rights of Developer, any related party or any of its partners, members, managers or venturers under the terms of any instrument or agreement to which Developer, any related party or any of its partners, members, managers or venturers is now a party or by which Developer, any related party or any of its partners, members, managers or venturers is bound.
- C. Developer has sufficient financial and economic resources to implement and complete Developer's obligations contained in this Agreement.

- D. Developer has not received any notice from any local, State or federal official that the activities of Developer with respect to the Property and/or the Project may or will be in violation of any environmental law or regulation. Developer is not aware of any State or federal claim filed or planned to be filed by any person relating to the Property and any violation of any local, State or federal environmental law, regulation or review procedure, and Developer is not aware of any violation of any local, State or federal law, regulation or review procedure which would give any person a valid claim under any State or federal environmental statute relative to the Property.
- E. Developer, and its respective principals, are skilled in the development and operation of improvements similar to the Project and are able to provide the Project with the necessary skill, knowledge and expertise as well as input from other experts and consultants in the construction and operation of such a Project.

XII. REPRESENTATIONS AND WARRANTIES OF THE CITY

The City represents, warrants and agrees as the basis for the undertakings on its part herein contained that:

- A. It is an Illinois home rule municipal corporation, duly organized and validly existing under the laws of the State of Illinois and has all requisite corporate power and authority to enter into this Agreement.
- B. The execution, delivery and the performance of this Agreement and the consummation by the City of the transactions provided for herein and the compliance with the provisions of this Agreement:
 - 1. have been duly authorized by all necessary corporate action on the part of the City, except that, with respect to the issuance of the Notes, additional action by the City Council of the City will be required to establish the final terms of the Notes at the time of the issuance thereof;
 - 2. require no other consents, approvals or authorizations on the part of the City in connection with the City's execution and delivery of this Agreement; and
 - 3. shall not, by lapse of time, giving of notice or otherwise result in any breach of any term or condition of any indenture, agreement or other instrument to which the City is subject.
- C. To the best of the City's knowledge, there are no proceedings pending or threatened against or affecting the City in any court or before any governmental authority which involves the possibility of materially or adversely affecting the ability of the City to perform its obligations under this Agreement.

XIII. INSURANCE

- A. During the term of the Agreement, Developer, and any successor in interest to Developer, shall obtain and continuously maintain insurance on the Property and the Project and, from time to time at the request of the City, furnish proof to the City that the premiums for such insurance have been paid and the insurance is in effect. The insurance coverage described below is the minimum insurance coverage that Developer must obtain and continuously maintain; provided, however, that Developer shall obtain the insurance described in Section XIII.A.1. below prior to the commencement of construction of any portion of the Project, and maintain same in place until the Project is complete:
1. Builder's risk insurance, written on the so-called "Builder's Risk - Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Project at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy. Developer shall be required to obtain building's risk insurance for the Road Project for the insurable value of the Road Project at the date of completion if such work is commenced prior to the Building Project. Developer shall be obligated builder's risk insurance for the Building Project upon commencement of construction of the Building Project.
 2. Commercial general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) including the City and its elected and appointed officials, officers, agents and employees as additional insureds, with limits against bodily injury and property damage of not less than \$2,000,000.00 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used), written on an occurrence basis.
 3. Workers compensation insurance, with statutory coverage.

All insurance required in this Section XIII shall be obtained and continuously maintained through responsible insurance companies selected by Developer or its successors that are legally permitted under the laws of the State to assume the risks covered by such policies. The City must be included as a cancellation notice recipient. Not less than fifteen (15) days prior to the expiration of any policy, Developer, or its successor or assign, must renew the existing policy or replace the policy with another policy conforming to the provisions of this Section XIII. In lieu of separate policies, Developer, or its successor or assign, may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein.

XIV. INDEMNIFICATION, HOLD HARMLESS AND RELEASE PROVISIONS

- A. Developer releases from and covenants and agrees that the City and its elected and appointed officials, officers, agents, including independent contractors, consultants and legal counsel, servants, volunteers and employees (collectively the "Indemnified Parties" and individually an "Indemnified Party") shall not be liable for and agrees to indemnify, defend and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project or the Property or arising under this Agreement or actions in furtherance thereof to the extent not attributable to the gross negligence or willful misconduct of an Indemnified Party(ies) and/or any or loss or damage to property or any injury to or death of any person occurring as a result of the City's performance of its services.
- B. Except for gross negligence or willful misconduct of the Indemnified Parties, Developer agrees to indemnify the Indemnified Parties, now and forever, and further agrees to defend and hold them harmless from any claims, demands, suits, costs, expenses (including reasonable attorney's fees), actions or other proceedings whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of Developer (or if other Persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided, that this indemnification shall not apply to the warranties made or obligations undertaken by the City in this Agreement.
- C. The City makes no warranties or representations regarding, nor does it indemnify Developer with respect to, the existence or nonexistence on or in the vicinity of the Property, or anywhere within the TIF District of any toxic or hazardous substances of wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, or any hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. §§ 9601-9657, as amended) (collectively, the "Hazardous Substances"). The foregoing disclaimer relates to any Hazardous Substance allegedly generated, treated, stored, released or disposed of, or otherwise placed, deposited in or located on or in the vicinity of the Property, or within the TIF District, as well as any activity claimed to have been undertaken on or in the vicinity of the Property, that would cause or contribute to causing (1) the Property to become a treatment, storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. §6901, *et seq.*, or any similar State law or local ordinance, (2) a release or threatened release of toxic or hazardous wastes

or substances, pollutants or contaminants, from the Property, within the meaning of, or otherwise bring the Property within the ambit of, CERCLA, or any similar State law or local ordinance, or (3) the discharge of pollutants or effluents into any water source or system, the dredging or filling of any waters or the discharge into the air of any emissions, that would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. §1251, *et seq.*, or any similar State law or local ordinance. Further, the City makes no warranties or representations regarding, nor does the City indemnify Developer with respect to, the existence or nonexistence on or in the vicinity of the Project, or anywhere within the Property or the TIF District, of any substances or conditions in or on the Property, that may support a claim or cause of action under RCRA, CERCLA, or any other federal, State or local environmental statutes, regulations, ordinances or other environmental regulatory requirements. The City makes no representations or warranties regarding the existence of any above ground or underground tanks in or about the Property, or whether any above or underground tanks have been located under, in or about the Property have subsequently been removed or filled.

- D. Developer waives any claims against the Indemnified Parties for indemnification, contribution, reimbursement or other payments arising under federal, State and common law or relating to the environmental condition of the land comprising the Property.
- E. No liability, right or claim at law or inequity shall attach to or shall be incurred by the City's elected and appointed officials, officers, attorneys, agents and/or employees, and any such rights or claims of Developer against the City's elected and appointed officials, officers, attorneys, agents and/or employees are hereby expressly waived and released as a condition of and as consideration for the execution of the Agreement by the City.

XV. EVENTS OF DEFAULT AND REMEDIES

- A. **Developer Events of Default.** The following shall each be an "Event of Default" with respect to this Agreement:
 - 1. If any representation made by Developer in this Agreement, or in any certificate, notice, demand or request made by Developer, in writing and delivered to the City pursuant to or in connection with any of said documents, shall prove to be untrue or incorrect in any material respect as of the date made; provided, however, that such default shall constitute an Event of Default only if Developer does not remedy the default within fifteen (15) days after written notice from the City.
 - 2. Default by Developer for a period of fifteen (15) days after written notice thereof in the performance or breach of any covenant

contained in this Agreement concerning the existence, structure or financial condition of Developer; provided, however, that such default or breach shall not constitute an Event of Default if such default cannot be cured within fifteen (15) days or Developer, within said fifteen (15) days, initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within sixty (60) days after such notice; provided, further, however, that such cure period shall be extended as may be reasonably necessary so long as Developer is diligently prosecuting the conduct necessary to remedy the default.

3. Default by Developer in the performance or breach of any covenant, warranty or obligation contained in this Agreement including failure to meet any of the timelines set forth in Section V(E); provided, however, that such default shall not constitute an Event of Default if such default cannot be cured within said fifteen (15) days or Developer, within said fifteen (15) days, initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within sixty (60) days after such notice; provided, further, however, that such cure period shall be extended as may be reasonably necessary so long as Developer is diligently prosecuting the conduct necessary to remedy the default.
4. The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Developer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or State bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Developer for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days.
5. The commencement by Developer of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or State bankruptcy, insolvency or other similar law, or the consent by Developer to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of Developer or of any substantial part of the Property, or the making by any such entity of any assignment for the benefit of creditors or the failure of Developer generally to pay such entity's debts as such debts become due or the taking of action by Developer in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others.

6. Failure to have funds to meet Developer's obligations, provided that such failure shall not constitute an Event of Default if such failure is cured within fifteen (15) days or Developer, within said fifteen (15) days, initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within sixty (60) days after such notice; provided, further, however, that such cure period shall be extended as may be reasonably necessary so long as Developer is diligently prosecuting the conduct necessary to remedy the default.
7. A sale, assignment, or transfer of the Project or the Property, except in accordance with this Agreement.
8. Change in Developer, except in accordance with this Agreement.
9. Developer abandons the Project. Abandonment shall be deemed to have occurred when Developer stops on the Project and Developer evidences clear intent not to continue work on the Project; provided that the following shall not be deemed abandonment: (a) cessation of work due seasonal work delays or Uncontrollable Circumstances or (b) a delay between the commencement of construction of one (1) building following the completion of another building.
10. Developer fails to comply with applicable governmental codes and regulations in relation to the construction and maintenance of the Project contemplated by this Agreement and such failure continues for more than fifteen (15) days after written notice thereof from the City; provided, however, that such default or breach shall not constitute an Event of Default if such default cannot be cured within said fifteen (15) days and Developer, within said fifteen (15) days, initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within sixty (60) days after such notice; provided, further, however, that such cure period shall be extended as may be reasonably necessary so long as Developer is diligently prosecuting the conduct necessary to remedy the default. The maintenance requirement of this provision shall not be covered by and shall survive any Certificate of Project Completion of any kind issued during the term of this Agreement.
11. A representation or warranty of Developer is not true for a period of fifteen (15) days after written notice from the City; provided, however, that such default or breach shall not constitute an Event of Default if such default cannot be cured within said fifteen (15) days and Developer, within said fifteen (15) days, initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within sixty (60) days after such notice; provided, further, however, that such cure period shall be extended

as may be reasonably necessary so long as Developer is diligently prosecuting the conduct necessary to remedy the default.

B. **Lender Rights for Developer Event of Default.** Each Lender providing Lender Financing for the Project shall have the following rights:

1. If a Lender is providing Lender Financing for the Project and Developer has provided such Lender's notice information to the City, the City shall provide any notice of default to such Lender at the same time the City provides notice thereof to Developer. A Lender shall have the right (but not the obligation) to cure any alleged event of default during Developer's cure period for the benefit of Developer.
2. If an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it, the Lender shall, have the right (but not the obligation) to cure such Event of Default for the benefit of Developer within the same time period as the Developer under this Agreement.

C. **City Events of Default.** Default by the City in the performance or breach of any material obligation of the City contained in this Agreement shall be an Event of Default; provided, however, that such default shall not constitute an Event of Default if the City commences a cure within thirty (30) days after written notice from Developer, and in any event cures such default within sixty (60) days after such notice, subject to Uncontrollable Circumstances; provided, further, however, that such cure period shall be extended as may be reasonably necessary so long as City is diligently prosecuting the conduct necessary to remedy the default.

D. **Remedies for Default.**

1. In the case of an Event of Default hereunder, a defaulting Party shall, upon written notice from a non-defaulting Party, take immediate action to cure or remedy such Event of Default. a non-defaulting Party may institute such proceedings in law and/or in equity as may be necessary or desirable in its/their opinion to cure or remedy an Event of Default, including, but not limited to, proceedings to compel specific performance of a defaulting Party's obligations under this Agreement. If the First Lien Note and Second Lien Note have been issued at the time of a Developer Default, the City may require repayment by the Developer of the grant of proceeds paid on the Second Lien Note through the date of the Event of Default and suspend payments on the Second Lien Note until the Default is cured if cured in a timely manner. If the First Lien Note has been issued but the Second Lien Note has not been issued, the City shall have no right to suspend or withhold payments on the First Lien Note or seek any remedy which could impair payments on the First Lien Note; however, the City may demand that the

Developer repay any amounts paid on the First Lien Note through the date of the Event of Default.

2. The amount for which the City may demand repayment pursuant to Section XV.D.1 shall reduce in ten percent (10%) increments of the original total Note principal amount each full calendar year after the earlier Note Issuance Date of the First Lien Note and/or Second Lien Note. After the passage of ten (10) full calendar years, the City shall no longer have a right to demand repayment of amounts paid under either Note. By way of example only, if the First Lien Note and Second Lien Note are outstanding, the City may, in the case of an uncured Event of Default, demand repayment of: (a) one hundred percent (100%) of the amount paid on the Second Lien Note if there is an uncured Event of Default in the first full calendar year after the Note Issuance Date; (b) ninety percent (90%) of the amount paid on the Second Lien Note if there is an uncured Event of Default in the second full calendar year after the Note Issuance Date; and (c) eighty percent (80%) of the amount paid on the Second Lien Note if there is an uncured Event of Default in the third full calendar year after the Note Issuance Date. A similar ten percent (10%) increment reduction shall apply to each full calendar year after the Note Issuance Date if only the First Lien Note is issued. Notwithstanding Section XV.F, the City's election to demand payment and, if applicable, suspend payments on the Second Lien Note, shall constitute the City's sole remedy for any Event of Default.

- E. In the case of an Event of Default by Developer, in addition to any other remedies at law or in equity, the City shall be relieved of its obligations under this Agreement, including payments on the Second Lien Note. Notwithstanding the foregoing, if the First Lien Note has been issued, the City shall remain obligated to make payments as and when required on the First Lien Note until the First Lien Note has been fully paid.
- F. **No Waiver by Delay or Otherwise.** Any delay by any Party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights under this Agreement shall not operate to act as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that any Party should not be deprived of or limited in the exercise of the remedies provided in this Agreement because of concepts of waiver, laches or otherwise); nor shall any waiver in fact made with respect to any specific Event of Default be considered or treated as a waiver of the rights by the waiving Party of any future Event of Default hereunder, except to the extent specifically waived in writing. No waiver made with respect to the performance, nor the manner or time thereof, of any obligation or any condition under the Agreement shall be considered a waiver of any rights except if expressly waived in writing.
- G. **Rights and Remedies Cumulative.** The rights and remedies of the Parties to this Agreement, whether provided by law or by this Agreement, shall be

cumulative, and the exercise of any one or more of such remedies shall not preclude the exercise by such Party, at that time or different times, of any other such remedies for the same Event of Default.

- H. **Reimbursement of City for Legal and Other Fees and Expenses.** In the event that any third party or parties institute any legal proceedings against Developer and/or the City which relate to the terms of this Agreement, and such legal proceedings are not based on fraud, negligence, and/or willful misconduct of the City, including any employee or elected official thereof, then, in that event, the Parties shall cooperate in the defense of any such lawsuit, with each Party assuming, fully and vigorously, its own defense of such lawsuit, and the City's costs and expenses of its defense, of whatever nature (including attorney's fees), shall be paid by Developer. This Section shall not apply to disputes or legal proceedings between the Parties regarding this Agreement.

XVI. EQUAL EMPLOYMENT OPPORTUNITY

- A. **No Discrimination.** Developer shall comply with all federal, State and local laws relating to equal employment opportunity. To the extent permitted by law, Developer shall use reasonable efforts to employ qualified residents of the City.
- B. **Advertisements.** Developer shall, in all solicitations or advertisements for employees placed by or on behalf of Developer state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- C. **Contractors.** Any contracts made by Developer with any general contractor, agent, employee, independent contractor or any other Person in connection with the construction of the Project shall contain language similar to that recited in Sections XVI.A. and XVI.B. above.

XVII. MISCELLANEOUS PROVISIONS

- A. **Cancellation.** In the event a Party is prohibited, in any material respect, from performing covenants and agreements or enjoying the rights and privileges in this Agreement, or with respect to the City in the TIF Plan, including Developer's duty to build and operate the Project, by the order of any court of competent jurisdiction, or in the event that all or any part of the TIF Act or any ordinance adopted by the City in connection with the Project shall be declared invalid or unconstitutional, in whole or in part, by a final decision of a court of competent jurisdiction and such declaration shall materially affect the Project or the covenants and agreements or rights and privileges of Developer or the City, then and in any such event, the Party so materially affected may, at its election, cancel or terminate this Agreement in whole (or in part with respect to that portion of the Project materially

affected) by giving written notice thereof to the other Parties within sixty (60) days after such final decision or amendment.

- B. **Notices.** All notices, certificates, approvals, consents or other communications desired or required to be given hereunder shall be given in writing at the addresses set forth below, by any of the following means: (1) personal service, (2) overnight courier, or (3) registered or certified first-class mail, postage prepaid, return receipt requested.

If to City: City Mayor
 City of West Chicago
 475 Main Street
 West Chicago, Illinois 60185

With a copy to: City Administrator
 City of West Chicago
 475 Main Street
 West Chicago, Illinois 60185

and: Klein, Thorpe and Jenkins, Ltd.
 20 North Wacker Drive, Suite 1660
 Chicago, Illinois 60606
 Attention: James Ferolo

If to Developer: 1300 Roosevelt Investors, LLC
 C/O Pritzker Realty Group
 444 West Lake Street, Suite 3500
 Chicago, Illinois 60606
 Attention: Kevin Poorman

With a copy to: Dykema
 10 South Wacker Drive, Suite 2300
 Chicago, Illinois 60606
 Attention: Andrew P. Scott

The Parties, by notice hereunder, may designate any further or different addresses to which subsequent notices, certificates, approvals, consents or other communications shall be sent. Any notice, demand or request sent pursuant to clause (1) shall be deemed received upon such personal service. Any notice, demand or request sent pursuant to clause (2) shall be deemed received on the first business day immediately following deposit with the overnight courier, and any notices, demands or requests sent pursuant to clause (3) shall be deemed received on the third business day following deposit in the mail.

- C. **Time is of the Essence.** Time is of the essence of this Agreement.

- D. **Integration.** Except as otherwise expressly provided for in this Agreement, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the Parties.
- E. **Counterparts.** This Agreement may be executed in two (2) counterparts, each of which shall be an original and each of which shall constitute but one and the same Agreement.
- F. **Recordation of Agreement and Developer Obligations Run with Title.** The Parties agree to record this Agreement on title to the Property with the DuPage County Recorder's Office within five (5) business days of the Acquisition Date. Developer shall pay the recording charges and shall provide the City with a recorded original of this Agreement. As of the Acquisition Date, the obligations of Developer in this Agreement are covenants that run with title to the Property and all successor owners of any portion of the Property shall be bound to perform the obligations of Developer under this Agreement. Upon the expiration or termination of this Agreement, at Developer's request, the City shall provide a release to confirm termination of this Agreement which Developer may, at its sole cost and expense, record against the Property.
- G. **Severability.** If any provision of this Agreement, or any Section, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held to be invalid, the remainder of this Agreement shall be construed as if such invalid part were never included herein, and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.
- H. **Choice of Law / Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and any court proceedings between the Parties hereto shall be brought in the 18th Judicial Circuit Court in DuPage County, Illinois.
- I. **Amendments.** This Agreement may not be modified or amended except by a written instrument executed by the Parties hereto.
- K. **Third Parties.** Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other Person other than the Parties, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third parties to the Parties, nor shall any provision give any third parties any rights of subrogation or action over or against any Party. This Agreement is not intended to and does not create any third-party beneficiary rights whatsoever.
- J. **Waiver.** A Party to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to

exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

- K. **Cooperation and Further Assurances.** The Parties each covenant and agree that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts, instruments, pledges and transfers as may be reasonably required for the better clarifying, assuring and confirming unto the Parties or other appropriate Persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.
- L. **No Joint Venture, Agency or Partnership Created.** Nothing in this Agreement, or any actions of the Parties to this Agreement, shall be construed by the Parties or any third party to create the relationship of a partnership, agency or joint venture between or among such Parties.
- M. **Tort Immunity.** Nothing contained in this Agreement shall constitute a waiver of any privileges, defenses or immunities which the City may have under the Illinois Local Governmental and Governmental Employees Tort Immunity Act, 745 ILCS 10/1-101, *et seq.*, as amended, with respect to any claim brought by a third party.
- N. **No Personal Liability of Officials of the Parties.** No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of the Corporate Authorities, City Administrator, City, or any elected or appointed official, officer, partner, member, director, agent, employee or attorney of the City or Developer, in his or her individual capacity, and no elected official, officer, partner, member, director, agent, employee or attorney of the City or Developer shall be liable personally under this Agreement or be subject to any personal liability or accountability by reason of or in connection with or arising out of the execution, delivery and performance of this Agreement, or any failure in that connection.
- O. **Term.** This Agreement shall remain in full force and effect until the earlier of the full repayment of the Notes and December 31, 2042.
- P. **Assignment.** This Agreement, and the rights and obligations hereunder, may not be assigned by Developer prior to completion of the Project (as evidenced by issuance of both the Certificates of Project Completion for the entire Project by the City to Developer), except to a Lender or to an Affiliate, unless the City, in the exercise of its sole and absolute discretion, consents in writing to such assignment. After the issuance of the aforesaid Certificates of Project Completion by the City, Developer shall have the right

to assign its rights and obligations under this Agreement provided that (1) the assignee (a) has at least three (3) years of experience owning and operating buildings of the size and nature of the Building Project and (b) has sufficient financial resources, as determined by the City in the exercise of its reasonable discretion, to maintain and operate the Building Project in a manner consistent with similar developments in the Chicagoland region; and (2) Developer provides the City with notice of such assignment at least thirty (30) days prior to such assignment taking effect.

- Q. **Governmental Limitations.** All commitments of the City hereunder are limited to the extent required by law.
- R. **Estoppel Certificates.** Each of the Parties hereto agrees to provide the other upon not less than fifteen (15) business days prior request, a certificate certifying that this Agreement is in full force and effect (unless such is not the case, in which such Party shall specify the basis for such claim), that the requesting Party is not in default of any term, provision or condition of this Agreement beyond any applicable notice and cure provision (or specifying each such claimed default) and certifying such other matters reasonably requested by the requesting Party. If either Party fails to comply with this provision within the time limit specified, it shall be deemed to have appointed the other as its attorney-in-fact for execution of same on its behalf as to the specific request only.

[THIS SPACE INTENTIONALLY LEFT BLANK, SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on or as of the day and year first above written.

CITY OF WEST CHICAGO,
an Illinois home rule municipal corporation

ATTEST:

By: _____
Ruben Pineda
City Mayor

By: _____
Valeria Perez
Executive Office Assistant

Date: _____, 2022

1300 ROOSEVELT INVESTORS, L.L.C.,
a Delaware limited liability company authorized
to conduct business in the State of Illinois

By: _____
Name: _____
Title: _____

**ACKNOWLEDGMENT
(CITY)**

State of Illinois)
) SS
County of DuPage)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Ruben Pineda and Valeria Perez, personally known to me to be the Mayor and Deputy City Clerk of the City of West Chicago, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Mayor and Deputy City Clerk, they signed and delivered the said instrument and caused the corporate seal of said municipal corporation to be affixed thereto, pursuant to authority given by the Mayor and Deputy City Clerk of said Illinois municipal corporation, as their free and voluntary act, and as the free and voluntary act and deed of said Illinois municipal corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this _____ day of _____, 2022.

Notary Public

**ACKNOWLEDGMENT
(DEVELOPER)**

State of Illinois)
) SS
County of _____)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ of 1300 Roosevelt Investors, L.L.C., and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that, as such _____, they signed and delivered the said instrument as their free and voluntary act, and as the free and voluntary act and deed of said limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this _____ day of _____, 2022.

Notary Public

EXHIBIT A-1
TIF DISTRICT LEGAL DESCRIPTION
(attached)

EXHIBIT A-2
TIF DISTRICT DEPICTION
(attached)

EXHIBIT B
PROPERTY LEGAL DESCRIPTION
(attached)

Legal Description:

P.I.Ns.:

Common Address: 1900 Fabyan Parkway West Chicago, Illinois 60185.

EXHIBIT C
PROJECT DEPICTION
(attached)

EXHIBIT D
INTENTIONALLY LEFT BLANK

EXHIBIT E

ELIGIBLE REDEVELOPMENT PROJECT COSTS

RELATIVE TO THE PROJECT

Category	Eligible Redevelopment Project Cost Description	Redevelopment Project Cost Category Under 65 ILCS 5/11-74.4-3(q)	Eligible Cost	Not to Exceed Amount
Dedicated ROW Improvements	1. Land Acquisition	1. Section 3(q)(2)	1. Partial Land Acquisition	1. \$731,000
	2. Public Works and Improvements	2. Section 3(q)(4)	2. Interior Roadway	2. \$2,005,000
	3. Public Works and Improvements	3. Section 3(q)(4)	3. On-site Utilities	3. \$475,000
Other ROW & Utilities	1. Public Works and Improvements	1. Section 3(q)(4)	1. Off-site Utilities	1. \$1,024,000
	2. Public Works and Improvements	2. Section 3(q)(4)	2. Fabyan Roadway	2. \$200,000
	3. Professional Services	3. Section 3(q)(1)	3. Project Engineer	3. \$150,000
Shared Regional Benefit	1. Public Works and Improvements	1. Section 3(q)(4)	1. Pond Infrastructure	1. \$500,000
	2. Public Works and Improvements	2. Section 3(q)(4)	2. Regional Power Upgrade	2. \$1,000,000
Extraordinary Costs	Site Preparation	Section 3(q)(2)	Lime Work & Soils Contingency	\$1,750,000

EXHIBIT F
FORM OF FIRST LIEN NOTE

REGISTERED

MAXIMUM AMOUNT

NO. R-1

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF DUPAGE
CITY OF WEST CHICAGO

TAX INCREMENT ALLOCATION REVENUE NOTE, ROOSEVELT/FABYAN
REDEVELOPMENT PROJECT AREA,

TAX-EXEMPT SERIES 20____ A

Registered Owner:

Interest Rate: _____ per annum

Maturity Date: _____, 20__

KNOW ALL PERSONS BY THESE PRESENTS, that the City of West Chicago, DuPage County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of _____ (\$_____) and to pay the Registered Owner interest on the then-outstanding principal amount and any unpaid interest at the Interest Rate per year specified above from the date of the advance which interest shall compound annually. Interest shall be computed on the basis of a 360-day year of twelve (12) 30-day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above, compounding annually, until paid.

Principal and interest on this Note are due on December 1 of each year until the earlier of the Maturity Date or until this Note is paid in full. Payments shall first be applied to interest and then to principal. The principal of and interest on this Note are payable by check or draft in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Treasurer of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date; provided, that the final installment of principal and accrued

but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in West Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to _____ (\$_____) for the purpose of paying the costs of certain eligible redevelopment project costs incurred by _____, a _____ (the "Developer"), which were undertaken in connection with the [insert project description] (the "Project"), all in the Roosevelt/Fabyan Redevelopment Project Area (the "Project Area") in the City, pursuant to the agreement entitled "Development Agreement for the Southeast Corner of Roosevelt Road and Fabyan Parkway in the City of West Chicago Roosevelt/Fabyan TIF District" by and between the City and the Developer (the "*Redevelopment Agreement*"), all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an ordinance adopted by the City Council on _____, 20____ (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, IS PAYABLE SOLELY FROM PLEDGED INCREMENTAL PROPERTY TAXES (AS DEFINED IN THE REDEVELOPMENT AGREEMENT) AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE.

The principal of this Note is subject to redemption on any date, as a whole or in part, at a redemption price of One Hundred Percent (100%) of the principal amount thereof being redeemed; provided, however, the City shall not redeem this Note for seven (7) years from the date of the issuance of the Note (the "Lock-Out Period") unless the Registered Owner expressly waives application of the Lock-Out Period. After expiration or waiver of the Lock-Out Period, notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for

redemption to the registered owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in West Chicago, Illinois, but only in the manner and subject to the limitations provided in the Redevelopment Agreement, if any, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide.

Pursuant to the Redevelopment Agreement dated as of _____, 20__ between the City and the Registered Owner (the "Redevelopment Agreement"), the Registered Owner has agreed to undertake the Project and to advance funds for the acquisition and construction of certain real estate and facilities related to the Project on behalf of the City. The cost of such acquisition and construction shall be deemed to be a disbursement of the proceeds of this Note.

The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

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

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City of West Chicago, DuPage County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk, all as of _____, 202__.

Mayor

(SEAL)

Attest: _____

City Clerk

CERTIFICATE
OF
AUTHENTICATION

Registrar and Paying Agent:
Treasurer of the City of West Chicago
DuPage County, Illinois

This Note is described in the within-mentioned Ordinance and is the Tax Increment Allocation Revenue Note, Roosevelt/Fabyan Redevelopment Project Area Tax-Exempt Series _____ A of the City of West Chicago, DuPage County, Illinois.

Treasurer

Date:

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT	PRINCIPAL PAYMENT	PRINCIPAL BALANCE DUE
-----------------	-------------------	-----------------------

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

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

EXHIBIT G

FORM OF SECOND LIEN NOTE

REGISTERED

MAXIMUM AMOUNT

NO. R-1

\$

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF DUPAGE
CITY OF WEST CHICAGO

TAX INCREMENT ALLOCATION REVENUE NOTE, ROOSEVELT/FABYAN
REDEVELOPMENT PROJECT AREA, TAXABLE SERIES _____ B

Registered Owner:

Interest Rate: _____ per annum

Maturity Date: _____, 20__

This Note is subordinate to that certain TAX INCREMENT ALLOCATION REVENUE NOTE, ROOSEVELT/FABYAN REDEVELOPMENT PROJECT AREA, TAXABLE SERIES _____ A, if and when said Note is issued by the City of West Chicago.

KNOW ALL PERSONS BY THESE PRESENTS, that the City of West Chicago, DuPage County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of _____ (\$_____) and to pay the Registered Owner interest on the then-outstanding principal amount and unpaid interest at the Interest Rate per year specified above from the date of the advance which interest shall compound annually. Interest shall be computed on the basis of a 360-day year of twelve (12) 30-

day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above and shall compound annually until paid.

Interest on this Note is due on December 1 of each year until the earlier of the Maturity Date or until this Note is paid in full. Payments shall first be applied to interest and then to principal. Principal on this Note shall be paid on each December 1 to the extent Pledged Incremental Property Taxes (as defined in the hereinafter defined Redevelopment Agreement) The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made by check or by draft to the Registered Owner hereof as shown on the registration books of the City maintained by the Treasurer of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in West Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to _____ (\$_____) for the purpose of paying the costs of certain eligible redevelopment project costs incurred by _____, a _____ limited liability company (the "Developer"), which were undertaken in connection with the acquisition of certain parcels of land and construction thereon of an approximately [insert project description] (the "Project"), all in the Roosevelt/Fabyan Redevelopment Project Area (the "Project Area") in the City, pursuant to the agreement entitled "Development Agreement for the Southeast Corner of Roosevelt Road and Fabyan Parkway in the City of West Chicago Roosevelt/Fabyan TIF District" by and between the City and the Developer (the "*Redevelopment Agreement*"), all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council on _____, 20__ (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM PLEDGED INCREMENTAL PROPERTY TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR

CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE.

The principal of this Note is subject to redemption on any date, as a whole or in part, at a redemption price of One Hundred Percent (100%) of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in West Chicago, Illinois, but only in the manner and subject to the limitations provided in the Redevelopment Agreement, if any, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide.

Pursuant to the Redevelopment Agreement dated as of _____, 20__ between the City and the Registered Owner (the "Redevelopment Agreement"), the Registered Owner has agreed, among other things, to acquire and construct the Project and to advance funds for the construction of certain facilities related to the Project on behalf of the City. The cost of such acquisition and construction in the amount of up to _____ (\$_____) shall be deemed to be a disbursement of the proceeds of this Note.

This Note is subordinate to that certain TAX INCREMENT ALLOCATION REVENUE NOTE, ROOSEVELT/FABYAN REDEVELOPMENT PROJECT AREA, TAX-EXEMPT SERIES _____ A (the "Tax-Exempt Note"), if and when said Note is issued by the City, such that on _____, payments on this Note shall only be paid after any

current and past due payments have been made on the Tax-Exempt Note in accordance with the Tax-Exempt Note amortization schedule.

The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

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

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City of West Chicago, DuPage County, Illinois, by its City Board, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk, all as of _____, 202__.

Mayor

(SEAL)

Attest:

City Clerk

CERTIFICATE
OF
AUTHENTICATION

Registrar and Paying Agent
Treasurer of the City of West Chicago
DuPage County, Illinois

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note (_____ Project), Taxable Series _____ B, of the City of West Chicago, DuPage County, Illinois

Treasurer

Date:

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT	PRINCIPAL PAYMENT	PRINCIPAL BALANCE DUE
-----------------	-------------------	-----------------------

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

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

RESOLUTION NO. 23-R-0040

A RESOLUTION APPROVING ELECTRONIC ATTENDANCE POLICY FOR
WEST CHICAGO MEETINGS

WHEREAS, the City of West Chicago (“City”) is a municipal, corporation established and existing under the laws of the State of Illinois pursuant to the Illinois Municipal Code, 65ILCS 5/1-1-1 *et seq.*; and

WHEREAS, further, the City is a home-rule municipality pursuant to Article VII, Section 6, of the Constitution of the State of Illinois of 1970, and, subject to the specific limitations of Illinois law, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the Electronic Attendance Policy authorizes members of the City Council, Committees and Commissions to attend meetings by video or audio conference (“***Electronic Attendance***”) pursuant to and in accordance with the Illinois Open Meetings Act, 5 ILCS 120/1 *et seq.*, and subject to certain rules and conditions; and

WHEREAS, the City Council determined that it is in the best interest of the City and the public to approve and implement the Policy;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of West Chicago, duly assembled in regular session, as follows:

SECTION 1: Recitals. The recitals listed above are incorporated in this Resolution as if fully set forth in this Resolution.

SECTION 2: Approval of Policy. The City Council hereby approves the Policy in the form attached to this Resolution as **Exhibit A**.

SECTION 3: Effective Date. This Resolution shall be in full force an effect following its passage and approval in the manner provided by law.

APPROVED this 15th day of May, 2023.

AYES: _____
NAYS: _____
ABSENT: _____
ABSTAIN: _____

Mayor Ruben Pineda

ATTEST:

Executive Office Manager, Valeria Perez

Exhibit A
ELECTRONIC ATTENDANCE AT
WEST CHICAGO MEETINGS

1.0 Background and Purpose.

The Illinois Public Open Meetings Act, 5 ILCS 120/1 *et seq.* (the “Act”), requires that the actions of public bodies be taken openly and that their deliberations be conducted openly, except for certain limited circumstances that permit closed meetings. Section 7 of the Act provides that if a quorum of members of a public body is physically present, the public body may allow a member of the body to attend the meeting by a means other than a physical presence subject to certain requirements and restrictions and to the extent allowed by rules adopted by the public body. *See*, 5 ILCS 120/7. This Policy is intended to adopt certain rules and procedures for attendance at meetings by video or audio conference by members of the City Council, Committees and Commissions consistent with Section 7 of this Act.

2.0 Definitions.

“*Electronic Attendance*” shall mean the attendance at a meeting of a Public Body by a member of that Public Body who is not physically present at the meeting but attends by either video or audio conference.

“*Public Body*” shall mean the City Council or Council Committee.

3.0 Member Qualifications for Electronic Attendance.

A member of a Public Body is qualified to attend a meeting of that Public Body electronically only if the member is physically prevented from attending the meeting by:

- (1) personal illness or disability;
- (2) employment purposes;
- (3) the business of the public body; or
- (4) a family or other emergency.

4.0 Procedures for Authorizing Electronic Attendance.

The following procedures are required before a member of a Public Body is authorized to attend electronically a meeting of that Public Body:

- A. Notice to City Administrator. The member must notify the City Administrator or his designee at least four hours prior to the meeting in which the member desires to attend electronically, unless advance notice is impractical. The notice identifies the reason the member cannot be physically present at the meeting in accordance with Section 3.0 of this Policy. If the member is unable to give the required written notice prior to the meeting, the member shall notify the City Administrator by other means prior to the meeting and shall submit the required notice as soon as practicable following the meeting.

- B. Determination of Authorization of Electronic Attendance. Upon receipt of notice in accordance with Subsection 4.0.A, the City Administrator shall promptly forward the notice to the Presiding Officer of the Public Body. After establishing that a quorum of the Public Body is physically present at the meeting at which a member has requested to attend electronically, the Presiding Officer shall state that (i) a notice was received by a member of the Public Body in accordance with this Policy, and (ii) the member will be deemed authorized to attend the meeting electronically unless a motion objecting to the member's electronic attendance is made, seconded, and approved by two-thirds of the members of the Public Body physically present at the meeting. If no such motion is made and seconded or if any such motion fails to achieve the required vote by the members of the Public Body physically present at the meeting, then the request by the member to attend the meeting electronically shall be deemed approved by the Public Body and the Presiding Officer shall declare the requesting member present. After such declaration by the Presiding Officer, the question of a member's electronic attendance may not be considered.

5.0 Special Rules for Meetings Involving Electronic Attendance.

A meeting of a Public Body at which any member has been authorized to attend electronically in accordance with Section 4.0 of this Policy must be conducted in accordance with the following special rules, in addition to any other applicable rules and procedures of the Public Body:

- A. Roll Call and Quorum. A quorum of the Public Body must be physically present at the meeting. Following the call of the roll, and at the conclusion of the procedures set forth in Section 4.0.B of this Policy, the Presiding Officer shall identify each member who is attending the meeting electronically.
- B. Identification and Recognition of Electronic Attendees. Any member attending electronically must identify himself or herself each time the member wishes to speak and must be recognized by the Presiding Officer prior to addressing matters before the Public Body.
- C. Public Access to Meeting. The speech of a member attending electronically shall be amplified in such a manner that it shall be generally audible to members of the Public Body and the public who are physically present at the meeting. Also, any video image of a member attending electronically shall be projected in such a manner that the member's video image shall be generally visible and audible to members of the Public Body and the public who are physically present at the meeting. In addition, the votes of any member of the Public Body attending electronically shall be generally audible at the location where such meeting is being held and expressly acknowledged by the Presiding Officer. When a member attends a closed meeting electronically, the member's speech shall be generally audible to all members of the Public Body who are physically present at the

meeting, and the audio recording of the meeting required by the Act shall incorporate the speech of the member electronically attending the closed meeting.

- D. Minutes. The minutes of each meeting of a Public Body shall identify which of the members of the Public Body were physically present and, if applicable, which members of the Public Body attended electronically. The minutes shall also reflect the reason for a member's attendance electronically (as described in Section 3.0 of this Policy), the fact that there was no valid objection to such attendance pursuant to this Policy, and the electronic means by which the member attended the meeting.

6.0 Effect of Electronic Attendance.

A member attending a meeting of a Public Body electronically shall be considered present at the meeting and entitled to vote on any matter before the Public Body as if the member were physically present at the meeting, provided that the member's attendance at the meeting electronically complies with the terms of this Policy.

7.0 Emergency and Disaster Situations.

In the event of a bona fide disaster, as defined in the Illinois Emergency Management Agency Act, 20 ILCS 3305/1 *et seq.* ("**IEMAA**"), this Policy shall not apply to restrict the conduct of public business by a Public Body, provided such public business is conducted in accordance with Subsection 10(j) of the IEMAA and/or the Public Body's authority to conduct a remote meeting pursuant to Section 7(e) of the Illinois Open Meetings Act, 5 ILCS 120/7(e).

8.0 Electronic Attendance by City Staff.

Sections 3.0, 4.0, and 5.0.A of this Policy only apply to members of the Public Body. City staff may attend a meeting of the Public Body electronically, in accordance with Sections 5.0.B, 5.0.C, and 5.0.D of this Policy, upon approval of the City Administrator.

ORDINANCE NO. 23-O-0010**AN ORDINANCE AMENDING THE WEST CHICAGO CODE OF ORDINANCES – UPDATE TO THE PERSONNEL RULES**

BE IT ORDAINED, by the City Council of the City of West Chicago, DuPage County, Illinois, in regular session assembled as follows:

Section 1. That Appendix C of the West Chicago Code of Ordinances is hereby deleted in its entirety and shall be replaced by the language in substantially the same form as that contained in Exhibit A.

Section 2. That all ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, expressly repealed.

Section 3. That this Ordinance shall be in full force and effect from and after its passage by the corporate authorities and approval and publication in pamphlet form as provided by law.

PASSED this 15th day of May 2023.

Alderman D. Beebe _____
 Alderman J. Sheahan _____
 Alderman A. Hallett _____
 Alderman M. Birch-Ferguson _____
 Alderman C. Swiatek _____
 Alderman R. Stout _____
 Alderman J. Morano _____

Alderman L. Chassee _____
 Alderman H. Brown _____
 Alderman C. Dettmann _____
 Alderman S. Dimas _____
 Alderman J. Smith, Jr. _____
 Alderman J. Short _____
 Alderman J. Jakabcsin _____

APPROVED as to form: _____
 City Attorney

APPROVED this 15th day of May 2023.

 Mayor Ruben Pineda

ATTEST:

 Executive Office Manager Valeria Perez

PUBLISHED: _____

**CITY OF WEST CHICAGO
MEMORANDUM**

TO: Michael L. Guttman, City Administrator

FROM: Sash Dumanovic, Human Resources Manager
Tia J. Messino, Assistant City Administrator

SUBJ: Personnel Manual Update

DATE: April 24, 2023

The existing Personnel Manual is codified in Appendix C of the City Code. This Manual must go through periodic updates to reflect new laws, best practices, and changes in our organization. Last September, the City secured the professional services of a lawyer from the Laner Muchin law firm to assist in updating the Manual. In addition to general cleanup and updating new Federal and State regulations, the substantive changes include the following:

Nepotism and Conflicting Relationships at Work Policy (Page 10)

Addresses the potential risks of perceived and actual favoritism, discrimination, and/or conflicts of interest between employees of the City. The Illinois Human Rights Act and the Illinois Public Labor Relations Act do not provide for complete prohibitions of these relationships and they need to be handled on a case-by-case basis with all parties aware of the organizational expectations and employee responsibilities.

Remote Work Policy (Page 15)

Remote work has evolved greatly in recent years. Adding this Policy defines expectations, responsibilities, and eligible positions. It will also provide more flexibility for a shifting labor market and establish consistency in how remote work approvals are made.

Retirement Vacation Leave Policy (Page 22)

Leave under this Policy will remain a legacy benefit for employees hired on or prior to January 1, 2013 and is sunset for employees hired after that date. The Policy was well intentioned when it was created over 25 years ago to assist eligible employees with their transition into retirement that required in-person appointments. Today, nearly all retirement-related tasks can be completed virtually.

Group Health and Dental Insurance Policies (Page 35)

This Article has been streamlined with some sections being removed and others relocated. The Worker's Compensation benefit language was removed because it is not an insurance benefit. The City-provided Death Benefit, DuPage Credit Union, COBRA, Vehicle Use, and Retirement Program sections have been removed. The Tuition Reimbursement Program is moved to a standalone section.

Disciplinary Procedures for Employee Misconduct (Page 36)

This language was simplified to permit the City maximum flexibility when addressing findings of employee misconduct.

Alcohol and Substance Abuse Policy (Page 40) and Appendix F (Page 68)

This existing Policy is being revised to align with state legislative changes that made cannabis a lawful substance in Illinois while balancing the fact that cannabis is a controlled substance under federal rules. Safety sensitive positions (e.g. Police and Public Works) will continue to be tested for cannabis at the pre-employment stage, and CDL drivers in Public Works will continue to be subject to the Federal Department of Transportation regulations for random testing.

Guidelines for Use of City Electronic Resources (Page 45)

This revision is significant and much needed to align with best practices for use of technology in a contemporary workplace. Standalone policies and acknowledgements that have been used for email/internet use will now be revised and rolled into this Article. New sections are added to create a foundational policy that governs and conveys the expectations for employees and the use of technology.

Employee Safety Program (Page 65)

The Employee Safety Program Appendix is new to the Personnel Manual and intended to convey the City's position on safety and emphasize individual responsibilities and expectations in the workplace. Appendix E also directs employees to become familiar with the Loss Prevention Manual that speaks in more detail to the City's comprehensive risk management program.

Remaining Work

Between the Finance Committee meeting and the May 15th City Council meeting, in addition to adjusting page numbers and other cleanup actions, staff and the consultant will be working on the following items with respect to the Personnel Manual:

- (1) Incorporating any changes that the Finance Committee recommends;
- (2) Adding gender neutral language in lieu of the current pronouns;
- (3) Updating the State-mandated Sexual Harassment Ordinance to reflect the updated language in this Manual and
- (4) Where appropriate, adding "or designee" after certain titles such as the City Administrator throughout the document to ensure that the organization can nimbly and efficiently respond to employee issues.

REVISED DRAFT 4/24/23



**THE CITY OF
WEST CHICAGO**

EMPLOYEE HANDBOOK

ISSUED: APRIL 2023

TABLE OF CONTENTS

ABOUT THIS EMPLOYEE HANDBOOK.....	1
I. GENERAL HANDBOOK PROVISIONS.....	2
1. External Agreements and Laws	2
2. Employment Categories.....	2
II. OUR COMMITMENT TO EQUAL EMPLOYMENT OPPORTUNITIES	3
1. Equal Employment Opportunity Policy.....	3
2. Policy Against Harassment.....	3
3. Sexual Harassment Deserves Particular Attention	4
4. Definition of Sexual Harassment.....	4
6. Retaliation Is Strictly Prohibited	6
7. Complaint Reporting Procedure	6
8. Harassment Allegations Against Nonemployees/Third Parties.....	8
9. Responsibility of Supervisors and Witnesses	8
10. The Investigation	8
11. Responsive Action	9
12. False and Frivolous Complaints	9
13. Conclusion	9
14. Diversity, Equity and Inclusion Commitment.....	9
III. THE CITY REASONABLY ACCOMMODATES ITS EMPLOYEES.....	12
1. Reasonable Accommodations for Individuals with Disabilities.....	12
2. Reasonable Accommodations for Pregnancy Related Conditions	12
3. Reasonable Accommodations for Providing Urgent Maternal Protection for Nursing Mothers Act (PUMP).....	13
4. Reasonable Accommodations for Religious Beliefs	13
IV. GENERAL EMPLOYMENT PRACTICES AND GUIDELINES	13
1. New Employee Orientation and Training.....	13
2. Probationary Period	14
3. Performance Appraisals.....	14
4. Professional Appearance at Work	15
5. Remote Work Policy.....	15
6. Personnel Records/Employee Contact Information.....	17
7. Position Classification and Compensation Plans.....	17

V.	HOURS OF WORK AND TIME RECORDS.....	18
1.	Fair Labor Standards Act (FLSA) Overtime Status	18
2.	Regular Workday	18
3.	Time Reports	18
4.	Overtime/Compensatory Work.....	18
5.	Direct Deposit of Pay Checks	18
6.	Payroll Errors.....	19
VI.	PAID TIME OFF BENEFITS	19
1.	City Designated Holidays	19
2.	Holiday Pay	19
3.	Floating Holidays.....	20
4.	Personal Days	20
5.	Paid Vacation Leave	21
6.	Retirement Vacation Leave Policy	22
7.	Paid Sick Leave	23
8.	Longevity Pay	24
VII.	FAMILY AND MEDICAL LEAVE OF ABSENCE (“FMLA”) POLICY.....	24
1.	Serious Health Condition.....	24
2.	Qualifying Exigency Leave	25
3.	Military Caregiver Leave.....	27
4.	Spouses Employed by the City	28
5.	Medical Certification	28
6.	Intermittent Leave.....	29
7.	Light Duty Work Assignments.....	29
8.	FMLA Notification and Reporting Requirements.....	30
9.	Employee Benefits During FMLA Leaves	31
10.	Return From a Family and Medical Leave	31
11.	Coordination with Other Policies	32
12.	Anti-Retaliation Provisions	32
13.	Compliance With Other Laws	32
VIII.	ADDITIONAL LEAVES OF ABSENCE	32
1.	Funeral Leave	32
2.	Military Leave	33

3.	Family Military Leave Entitlements	33
4.	Family Bereavement Leave	33
5.	Jury Duty Leave.....	34
6.	Unpaid Personal/Non-FMLA Leaves of Absence	34
7.	On Duty Injury/Illness Leaves of Absence	35
IX.	GROUP HEALTH AND DENTAL INSURANCE POLICIES.....	35
1.	Health and Dental Insurance.....	35
2.	Insurance “Opt Out” Opportunity/Bonus	35
3.	Life Insurance	35
4.	Health Insurance for Retirees	36
5.	Disability Programs	36
6.	Employee Assistance Program (EAP)	36
X.	DISCIPLINARY PROCEDURES FOR EMPLOYEE MISCONDUCT	36
XI.	MISCELLANEOUS PERSONNEL & CONDUCT POLICIES	38
1.	Attendance, Punctuality & Dependability Policy	38
2.	Search of Lockers, Desks, and Other City Property and Facilities Policy	39
3.	Acceptance of Gifts Policy	40
4.	Outside/Secondary Employment Policy	40
5.	Alcohol & Substance Abuse Policy.....	40
6.	Weapons/Concealed Carry Policy	41
7.	Prohibited Political Activity Policy	41
8.	Smoke Free Workplace Policy	42
9.	Children, Visitors and Service Pets in the Workplace Policy.....	42
10.	Identity Protection Policy	42
11.	Theft and Falsification of Records Policy	43
12.	Workplace Violence Policy	43
13.	Tuition Reimbursement Program	44
XII.	GUIDELINES FOR USE OF CITY ELECTRONIC RESOURCES	45
1.	Use of City Information, Property & Equipment Policy	45
2.	Use of City Computer Systems Policy	45
3.	Social Media Policy	46
4.	City’s E-Mail Policy	47
5.	Internet Use Policy	48

6.	City’s Voice Mail Policy	48
7.	Tape Recording & Photograph Policy	49
8.	Telephone and Cellular Telephone Usage Policy.....	49
9.	Personal Communication Devices (“PCD”) for City Business Policy	50
XIII.	SEPARATIONS FROM CITY EMPLOYMENT	50
1.	Employment at-Will	50
2.	Lay-Offs.....	51
3.	Resignations.....	51
4.	Exit Interviews.....	51
	ACKNOWLEDGEMENT OF RECEIPT OF HANDBOOK.....	52
	APPENDIX A WHISTLEBLOWER PROTECTION POLICY & PROCEDURES.....	53
	APPENDIX B REPORTING IMPROPER GOVERNMENTAL ACTIVITY, PROTECTION FROM RETALIATION.....	56
	APPENDIX C ILLINOIS IDENTITY PROTECTION ACT POLICY	60
	APPENDIX D HEALTH INSURANCE OPT-OUT PROGRAM.....	63
	APPENDIX E EMPLOYEE SAFETY PROGRAM	65
	APPENDIX F ALCOHOL AND SUBSTANCE ABUSE POLICY	68
	APPENDIX G GOVERNMENTAL ETHICS	76
	APPENDIX H CONFLICT OF INTEREST PROHIBITIONS.....	79

ABOUT THIS EMPLOYEE HANDBOOK

This Employee Handbook (“Handbook”) is prepared for the employees of the City of West Chicago (the “City”) to communicate many of the City's policies, rules and regulations in place as of the time this revised version of the Handbook was issued. In addition to this Handbook, the City and certain Departments also maintain separate general administrative directives and procedures that may apply to these issues in appropriate situations. Our goal is to provide this Handbook for employees as a resource to answer many of the questions that employees may have about your employment with the City. Of course, no document can address every issue that impacts your employment and therefore employees are urged to seek clarification from a representative from the Human Resources Office or your Department Head if an employee has any questions about the contents of this Handbook.

Please understand that the City’s personnel policies and employment practices are subject to periodic review and revision from time to time due to changes of the law and for other business reasons. Therefore, the City reserves the right to modify, amend or withdraw any policy, procedure and/or benefit that is referenced in this Handbook at any time at its own discretion. Be assured that we will attempt to provide the affected employees with prompt notice when the change occurs, although this may not always be practical depending on the facts involved. **It is important that every employee understands and recognizes that there is nothing in this Manual that creates a promise or contract for any condition or length of employment.** No representative of the City other than the City Administrator or designee (as authorized by the City Council) has the authority to make any binding representations to the contrary—whether oral or written.

I. GENERAL HANDBOOK PROVISIONS

1. External Agreements and Laws

In the event of a conflict between the terms of this Handbook and an express provision set forth in an applicable collective bargaining agreement for covered employees (referred to in this Handbook as a “CBA”), the terms of the CBA shall govern in all cases. These policies were drafted in a way that they can be construed in accordance with all applicable State and Federal laws, local Ordinances and the rules and regulations of the Civil Service Commission, when applicable. If there is a conflict between a provision in this Handbook and an express provision set forth in any applicable law and/or rule, the law and/or CBA shall take precedence in all cases.

Some employees may have a written employment agreement with the City; in the event of a conflict between an express provision of those written agreement(s) and this Handbook, the employment agreement shall take precedence. No employment agreement (verbal or written) is binding on the City unless entered into by an authorized representative and signed by the City Administrator or designee as authorized by the City Council.

2. Employment Categories

The City classifies positions into three primary categories: (1) Full-time, (2) Part-time, and (3) Seasonal or Temporary. Although there may be additional categories of employees created based on the business needs or activities of a particular Department (when approved by the City Administrator or designee), the following are the distinctions among these categories:

- a. **Full-time:** Employees who are regularly scheduled to work a minimum workweek of 40 hours per work week. Full-time employees who have successfully completed their Probationary Period are eligible to receive the paid time off benefits as summarized in this Handbook subject to any remaining terms and conditions of the applicable benefit plan documents.
- b. **Part-time:** Employees who are regularly scheduled to work less than 40 hours a week. Part-time employees are eligible for all legally required mandated benefits, including deductions for the Illinois Municipal Retirement Fund (IMRF) after working 1,000 hours with the City.
- c. **Seasonal or Temporary:** Employees who are not regularly scheduled a particular number of hours per week or number of weeks per year. These employees also may be hired for a specific period of time or for the duration of a specific project or group of assignments of limited duration. As a general rule, seasonal and temporary employees are not expected or permitted to work in excess of 1,000 hours per year. The only exception is with prior written approval of the City Administrator or designee (with approval of the City Council). Seasonal and temporary employees are generally not eligible to participate in the City’s benefit programs and they will not earn or accrue paid time off privileges, except as required by law.

II. OUR COMMITMENT TO EQUAL EMPLOYMENT OPPORTUNITIES

1. Equal Employment Opportunity Policy

Equal Employment Opportunity has always been, and will continue to be, a fundamental philosophy and guiding value of the City. Pursuant to this “EEO Policy”, the City takes appropriate steps to ensure that all employment decisions are based upon legitimate business factors and without regard to an individual’s actual or perceived “Legally Protected Category(ies)”. As used in this Handbook, the phrase “Legally Protected Category(ies)” means: race; color; religion; sex (including pregnancy, childbirth and related medication conditions); gender; gender identity and gender expression; age (over 40); national origin; citizenship status; ancestry; marital status; military and veteran status; mental or physical disability; sexual orientation; genetic information; unfavorable discharge from military service or military status; civil union partnership; order of protection status, lack of permanent mailing address or any other protected characteristic as established by state or federal law or an applicable Ordinance.

This EEO Policy extends to all of the City’s personnel policies, procedures and decisions related to hiring, promotions, transfers, layoffs, rates of pay, discipline, discharge and other terms and conditions of employment. All of those personnel decisions are made and administered without regard to an individual’s actual or perceived Legally Protected Categories (as defined earlier). The City is also committed to providing reasonable accommodations when necessary for all employees and applicants who are disabled (including medical conditions related to pregnancy or childbirth) provided the individual is otherwise qualified to perform the essential functions of the job. (See the City’s Reasonable Accommodations Policies summarized below in Section III of this Handbook)

If an employee is aware of any violation of this EEO Policy or if an employee feels they have been the victim of a Policy violation, that employee is encouraged to alert their immediate supervisor, Department Head and/or a representative from the Human Resources Office of the relevant information without delay. All complaints will be promptly investigated and remedied. Any individual who violates this Policy is subject to disciplinary action that may include termination of the offenders involved. Be assured that no retaliation will be taken or tolerated against any person who reports a possible violation of our EEO Policy and/or those who participate as a witness in any investigation.

2. Policy Against Harassment

The City is also committed to taking appropriate steps to help ensure that all employees have a comfortable and productive working environment that is free of unlawful harassment based on any Legally Protected Categories (as defined earlier). For purposes of this Policy, the “working environment” includes not only the place that employees perform their duties and responsibilities in the office, but also places outside the office where an employee is performing their work activities for the City. Therefore, the City expects that all relationships among persons in the workplace will be business-like and free of bias, prejudice and harassment.

It is the responsibility of each and every employee, intern, officer, elected official, appointed official, agent, volunteer, and vendor of the City, as well as anyone using the City’s

facilities, to refrain from sexual and other forms of unlawful harassment based on a Legally Protected Category (as defined earlier). The City will not tolerate sexual or any other type of harassment of or by employees, interns, elected officials and/or any other person in an employee's work environment or where individuals perform their services for the City. Actions, words, jokes, or comments that are offensive or unwelcome (regardless of intent) based on an individual's Legally Protected Category(ies) will not be tolerated.

Any employee who is aware of a possible violation of this Policy against harassment and those who feel that they have been the victim of alleged harassment based on any Legally Protected Category must report the matter to management pursuant to the complaint procedures set forth below in Section III of this Handbook. Be assured that no retaliation will be taken or tolerated against any employee who utilizes these complaint procedures or participates as a witness in a complaint investigation.

3. Sexual Harassment Deserves Particular Attention

It is unlawful and a violation of City Policy to harass a person because of that person's sex/gender, gender identity or sexual orientation. The courts have determined that sexual harassment is a form of discrimination under Title VII of the U.S. Civil Rights Act of 1964, as amended in 1991. All persons have a right to work in an environment free from sexual harassment and this right extends to every employee at every level of our organization as well as non-employee contractors and others who perform services for the City.

Sexual harassment is unacceptable misconduct which affects individuals of all genders and sexual orientation. It is a policy of the City of West Chicago to prohibit harassment of any person by any City official, agent, City employee or agency of the City on the basis of sex or gender. All City officials, agents, employees and agencies are prohibited from sexually harassing any person, regardless of any employment relationship or lack thereof.

4. Definition of Sexual Harassment

"Sexual harassment" in violation of this Policy may occur whenever there are unwelcome sexual advances, requests for sexual favors or any other verbal, physical or visual conduct of a sexual nature when any of the following occur:

- Submission to the conduct is made either implicitly or explicitly a condition of the individual's employment.
- Submission to or rejection of the conduct is used as the basis for an employment decision affecting the individual.
- The harassment has the purpose or effect of interfering with the individual's work performance or creating an environment that is intimidating, hostile, or offensive to the individual.

Sexual harassment may include a range of subtle and not so subtle behaviors and may involve individuals of the same or different gender or sex. Depending on the circumstances, these behaviors may include, but are not limited to: unwanted sexual advances or requests for sexual

favors; sexual jokes and innuendos; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess or sexual deficiencies; leering; catcalls or touching; insulting or obscene comments or gestures; display or circulation in the workplace of sexually suggestive objects or pictures (including through e-mail); and other physical, verbal or visual conduct of a sexual nature.

5. Other Forms of Prohibited Harassment

The City also strictly prohibits harassment on the basis of any other legally protected characteristic. Under this policy, harassment is unwelcome verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of an individual's actual or perceived race (including but not limited to traits associated with race, such as hair texture and protective hairstyles such as braids, locks, and twists), color, religion, gender (including gender identity or expression), sex/gender, gender identity, sexual orientation, civil union partnership, age, national origin, citizenship status, work authorization status (i.e., the status of being a person born outside the U.S., who is not a U.S. citizen but is authorized by the federal government to work in the United States), ancestry, marital status, veteran status, genetic information, unfavorable discharge from military service or military status, disability, association with a person with a disability, order of protection status, pregnancy, childbirth or a medical condition related to childbirth or pregnancy, or any other characteristic protected by law, or that of an individual's relatives, friends or associates, and results in any of the following:

- Has the purpose or effect of creating an intimidating, hostile or offensive work environment.
- Has the purpose or effect of unreasonably interfering with an individual's work performance.
- Otherwise adversely affects an individual's employment opportunities.

Harassing conduct includes, but is not limited to: epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes and display or circulation in the workplace of written or graphic material that denigrates or shows hostility or aversion toward an individual or group (including through email, text or other communications).

Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, professional conferences, business meetings, business-related social events, and any other location where the City has assigned the individual to perform their job duties.

IMPORTANT: Any employee/intern engaging in practices or conduct constituting sexual harassment, discrimination, harassment, or retaliation of any kind will be subject to disciplinary action, up to and including dismissal from employment (or possible ending of the contractual/business relationship for non-employees). The City will take appropriate remedial action against any other individual (e.g., board members, independent contractors, patrons, vendors, etc.) engaging in practices or conduct constituting sexual harassment, discrimination, harassment, or retaliation.

6. Retaliation Is Strictly Prohibited

The City prohibits retaliation against any individual, because the individual reports discrimination, harassment, or retaliation; participates in an investigation of such reports; and/or files a charge of discrimination, harassment, or retaliation. Retaliation against an individual for reporting harassment, discrimination, or retaliation; participating in an investigation of a claim of harassment, discrimination, or retaliation; or for filing a charge of discrimination, harassment or retaliation is a serious violation of this Policy and, like harassment or discrimination itself, will be subject to disciplinary action, up to and including dismissal and/or other remedial action as warranted by the circumstances involved.

In addition to the City's prohibition on retaliation, various state and federal laws prohibit retaliation for reports of discrimination, harassment, or retaliation. For instance, protections against retaliation exist under the Illinois Human Rights Act and, depending on the circumstances, protections against retaliation may exist under the Illinois Whistleblower Act and/or the State Officials and Employee Ethics Act.

7. Complaint Reporting Procedure

The City strongly urges the reporting of all incidents of discrimination, harassment or retaliation, regardless of the offender's identity or position. This Policy applies to all full-time, part-time, temporary, and seasonal employees as well as other non-employees who perform services for the City including contractors and interns. Early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment, discrimination, or retaliation. While the City has not established a fixed deadline for reporting possible policy violations, it strongly urges the prompt reporting of complaints or concerns, so the City can take prompt remedial action if warranted.

The availability of this complaint reporting procedure does not preclude individuals who believe they are being subjected to harassing, discriminatory or retaliatory conduct from promptly advising the offender that the offender's behavior is unwelcome and requesting it be discontinued. However, nothing in this Policy will require individuals who believe they are being subjected to harassing, discriminatory or retaliatory behavior to inform the offender if they are not comfortable doing so.

If an employee experiences or witness harassment, discrimination or retaliation of any kind involving another person, the employee should deal with the incident(s) as directly and firmly as possible by clearly communicating their position to their Department Head, the HR Department and/or the Assistant City Administrator. The employee should also document or record each incident (what was said or done, by whom, the date, time and place, and any witnesses to the incident) when practical. Written records such as letters, notes, memos, texts, social media postings, tweets, emails and telephone messages can strengthen documentation. Any employee, even when the discrimination, harassment or retaliation is not directed at them, can and should make a complaint without fear of retaliation for doing so. The following is the procedure for addressing these issues:

- Direct Communication with Offender: If there is harassing, discriminatory or retaliatory behavior in the workplace, and if the employee feels comfortable doing so, they should directly and clearly express the objection to the offending person(s) regardless of whether the behavior is directed at the employee witnessing the behavior. If the employee is the harassed individual, and if the employee feels comfortable doing so, they should also clearly state the conduct is unwelcome and the offending behavior must stop. However, an employee is not required to confront the person directly who is the source of the report, question, or complaint before notifying any of those individuals listed below. The City does not require an employee to confront the person who is the source of the report, question, or complaint directly, if they feel uncomfortable doing so. The initial message may be oral or written, but documentation of the notice should be made. If subsequent messages are needed, they should be put in writing.
- Report to Supervisory and Administrative Personnel: At the same time direct communication is undertaken, or in the event the employee witnessing or experiencing the behavior feels threatened or intimidated by the offending person, the employee should promptly report the offending behavior to their immediate supervisor or Department Head. If the employee feels uncomfortable doing so, or if the immediate supervisor and/or Department Head is the source of the problem, condones the problem or ignores the problem, please report the conduct directly to a representative of the Human Resources Office. If the City Administrator is the source of the problem or concern, or if they condone the problem or ignore the problem, the individual should immediately report the incident or incidents in writing directly to the Mayor or outside counsel to the City.
- Report to the City Administrator: An individual may also report incidents of harassment, discrimination, or retaliation directly to the City Administrator for handling. The City Administrator may designate an outside investigator to investigate complaints in appropriate situations where deemed appropriate based on the circumstances involved.
- Complaint Against an Elected Official: If someone makes a complaint about alleged discrimination, harassment, or retaliation by an elected official of the City, they should report it to the City Administrator who will normally refer the matter to outside counsel or an independent investigator to review the facts and evidence involved. Business decisions about how to remedy the outcome of a complaint investigation will be made by appropriate individuals with a need to have access to the information involved. These issues are addressed on a case-by-case basis with consideration of all of the facts and circumstances revealed during the investigation.

When someone reports an allegation of discrimination, harassment or retaliation, the City will conduct an investigation within a prompt period of time and take appropriate remedial action when the investigation determines the allegation is a substantiated violation of policy. At no time will personnel involved in the alleged discrimination, harassment or retaliation conduct the investigation.

Nothing in this policy precludes a report of discrimination, harassment, or retaliation to the Illinois Department of Human Rights (IDHR), which is the state agency responsible for enforcing the Illinois Human Rights Act, as described in the Conclusion section below. The IDHR maintains a hotline for confidential reports of sexual harassment at 877.236.7703.

8. Harassment Allegations Against Nonemployees/Third Parties

If an employee makes a complaint alleging harassment, discrimination or retaliation against an agent, vendor, supplier, contractor, volunteer, or person using City programs or facilities, the Executive Director (or designee) will promptly investigate the incident(s) and determine the appropriate remedial action, if any. The City will take reasonable efforts to protect the reporting/impacted employee(s) from further contact with such persons when warranted or will take other reasonable steps to remediate the situation, including (but not limited to) evaluating interim steps warranted while the City investigates the allegations.

IMPORTANT: Individuals who have experienced conduct they believe is contrary to this policy have an obligation to take advantage of the complaint reporting procedure. However, they are encouraged to do so in order for the City to promptly investigate and remedy the situation when appropriate.

9. Responsibility of Supervisors and Witnesses

Any supervisory or managerial employee who becomes aware of any possible sexual or other harassment, discrimination and/or retaliation of or by any individual should immediately advise the Executive Director, and the Executive Director (or designee) will investigate the conduct promptly and take prompt remedial action, if the investigation substantiates the allegations. In the event the allegations implicate the Executive Director, the supervisory or managerial employee who becomes aware of any possible sexual or other harassment, discrimination and/or retaliation of or by any individual should immediately advise the President of the Board, and the City (or designated investigator) will investigate the conduct promptly and take prompt remedial action, if the investigation substantiates the allegations.

The City encourages all individuals to report incidents of harassment, discrimination, and retaliation regardless of who the offender may be or whether the reporting employee is the intended victim.

10. The Investigation

The City will investigate any reported allegations of harassment, discrimination, or retaliation promptly. The City will make appropriate reasonable efforts to conduct an investigation in a responsible and confidential manner. However, it is impossible to guarantee absolute confidentiality, as the City must be able to investigate fully and take prompt remedial action when necessary. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other knowledge relevant to the allegations. The City reserves the right and hereby provides notice that it may use third parties to investigate claims of harassment, discrimination, or retaliation. Employees must cooperate in any investigation of workplace wrongdoing or risk disciplinary action, up to and including dismissal from employment.

11. Responsive Action

After investigation, the City will determine whether the investigation substantiates a complaint of harassment, discrimination, or retaliation after reviewing the facts and circumstances of each situation. The City will deal with misconduct constituting a violation of this policy (such as engaging in harassment, discrimination, or retaliation) appropriately. Appropriate remedial action for a substantiated complaint may include, by way of example only: training, referral to counseling and/or disciplinary action (such as warning, reprimand, withholding of a promotion or pay increase, reassignment, temporary suspension without pay or dismissal from employment), as the City believes appropriate under the circumstances.

12. False and Frivolous Complaints

Given the possibility of serious consequences for an individual accused of sexual or other harassment, discrimination or retaliation, the City considers complaints made in bad faith or otherwise false and frivolous charges severe misconduct and may result in disciplinary action, up to and including dismissal. A complaint allegation that is unfounded or cannot be proven will not alone be viewed as evidence of bad faith.

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.

13. Conclusion

In summary, employees have a right to: be free from unlawful discrimination, harassment, or retaliation in the workplace (see this policy and the City's EEO Policy); file a charge of discrimination, harassment or retaliation (see this policy); and obtain reasonable accommodations, such as those based on pregnancy, childbirth or medical conditions related to pregnancy or childbirth (see the City's ADA Policy and Pregnancy Discrimination Policy).

While the City hopes to be able to resolve any complaints of discrimination, harassment, or retaliation within the City, it acknowledges each employee's right to contact the IDHR at the James R. Thompson Center, 100 West Randolph Street, Suite 10-100, Chicago, Illinois, 60601, about filing a formal complaint. The IDHR also has a reporting hotline that includes a method for the intake of anonymous phone calls regarding allegations of sexual harassment: 877.236.7703. If the IDHR determines there is sufficient evidence of harassment to proceed further, it will file a complaint with the Illinois Human Rights Commission (IHRC), located at the same address on the fifth floor. If the IDHR does not complete its investigation within 365 days, an employee may file a complaint directly with the IHRC between the 365th and the 395th day.

14. Diversity, Equity and Inclusion Commitment

The City believes in treating all employees and others who perform services for the City (and/or who use the City resources) with respect and dignity. We recognize that our employees

bring their own unique abilities/experiences to their work. We value such diversity at all levels of our organization. Our goal is to create and foster an environment in which all individuals realize their maximum potential and realize the value their differences bring to the City.

The City's commitment to diversity encompasses similarities and differences in ethnicity, gender, language, age, sexual orientation, religions, socio-economic status, physical and mental ability, experience, and education and all other Legally Protected Categories too. We believe that the wide variety of perspectives that results from such diversity promotes innovation and business success, and our goal is to provide an inclusive working environment that encourages these values. By valuing differences, we demonstrate our commitment to treating everyone with fairness and respect and to providing a positive working environment of learning, innovation, flexibility, opportunity and growth. Our goal will always be to make diversity, equity and inclusion integral parts of the City's business operations.

15. Nepotism and Conflicting Relationships at Work Policy

To help ensure that all employees have a comfortable working environment and to foster positive morale among all employees at every level, it is important to avoid situations that can create actual, potential or even perceived favoritism, discrimination and/or conflicts of interests between or among employees of the City. These issues are addressed on a case-by-case basis to ensure compliance with obligations under the Illinois Human Rights Act, the Illinois Public Labor Relations Act and all other applicable State and federal laws. The provisions in this Policy will be applied in a gender-neutral way and without regard to the marital status or sexual preference of the individuals involved.

The City does not maintain any strict prohibition against family members or relatives from working in the City where the relationship does not interfere with the ability to meet the needs of the public or the remaining provisions of this Policy. However, the City will not consider or accept applications for employment (or transfers between positions) where the employment of an employee's relative or family member would or could reasonably be expected to result in a situation to create a potential or actual conflict of interest or actual or perceived favoritism. As used in this Policy, the phrase "*Relative and family member*" shall include spouses, parents, children, siblings, in-laws, grandparents, grandchildren, aunts, uncles, cousins, step-relatives, or any individual with whom an employee has a close personal relationship, such as a domestic partner, cohabitant, or significant other. These issues are addressed on a case-by-case basis.

These same parameters apply to any relationship between co-workers when any "personal relationship" is involved. The phrase "personal relationship" includes marriage, cohabitation, dating, or any other intimate or romantic relationship beyond mere friendship. The City recognizes the ambiguity of and variety of means that can be given to the phrase "personal relationship." Some additional guidelines that the City generally will consider in making these business decisions include the following:

- 1) If employees begin a personal relationship or become relatives, partners, or members of the same household, and if one party is in a supervisory position, the supervisor must notify a representative of the Human Resources Office of the relationship within seven

days of the start of the relationship. The employee may make the disclosure as well, but the burden of doing so shall be upon the supervisor.

- 2) Upon being informed or learning of the existence of such a relationship, a representative from the Human Resources Office reserves the right to take steps that, in its discretion, it deems appropriate to ensure there is no conflict or business impact arising out of the relationship.
- 3) At a minimum, the employee and supervisor involved in a relationship covered by this Policy should refrain from working together on the same matters (including matters pending at the time disclosure of the relationship is made). Further, if a supervisory employee involved, the supervisor must withdraw from participation in activities or decisions (including, but not limited to, hiring, evaluations, promotions, compensation, work assignments and discipline) that may reward or disadvantage any employee with whom the supervisor has or has had such a relationship.
- 4) This Policy shall apply without regard to gender and without regard to the sexual orientation of the participants in a relationship of the kind described.
- 5) If a situation occurs that results in a possible conflict of interest or violation of this Policy, the City will make appropriate efforts where practical to arrange for a possible transfer of one or both of the employees involved when appropriate and consistent with business needs.
- 6) If reasonable accommodations of this nature are not feasible or immediately available, the City will need to consider whether it is appropriate to have one of the employees take a leave of absence or seek employment elsewhere until the conflict can be remedied by management.
- 7) Employees are prohibited from directly supervising, occupying a position in the line of supervision, occupying a position in the chain of command, or being directly supervised by any other employee who is a relative or with whom they are involved in a personal relationship.

Limited exceptions to this Policy may be approved by the City Administrator. No retaliation will be taken or tolerated against any employee who reports a possible violation of this Policy or concern about the nature of a personal relationship involving City employees.

III. THE CITY REASONABLY ACCOMMODATES ITS EMPLOYEES

1. Reasonable Accommodations for Individuals with Disabilities

As noted earlier, the City does not tolerate discrimination against any applicant or employee with an actual or perceived mental or physical disability. The City also will not tolerate discrimination against any individual who has a history of being disabled and/or an employee who is associated with an individual who is disabled.

Consistent with these philosophies, the City is committed to providing reasonable accommodations to all qualified individuals who are disabled in order to assist them in the performance of their essential job functions. This commitment of providing reasonable accommodation also extends to individuals who are pregnant and those who have a medical condition related to pregnancy and/or childbirth as set forth in the Policy that follows. Requests for reasonable accommodations are addressed on a case-by-case basis.

Any employees who have a medical need for a reasonable accommodation to perform the essential job functions of their position should notify their Department Head or the Human Resources Office. After receipt of an accommodation request, the Department Head or representative from the Human Resources Office normally will schedule a meeting with the employee involved to discuss the requested accommodation(s) and the manner in which the accommodation(s) may assist the employee in the performance of their essential job functions. Employees are urged to actively participate in this interactive discussion to attempt to identify the available options that do not pose an undue hardship to the City's business operations.

2. Reasonable Accommodations for Pregnancy Related Conditions

The City will treat any employee who is pregnant or has a disability or medical condition related to pregnancy or childcare in the same way as other employees are treated who have a medical condition that rises to the level of a disability. To summarize, the City will not tolerate or condone discrimination against such individuals, and the City will provide reasonable accommodations to such individuals in order to assist them in the performance of their essential job functions when medically necessary.

Some examples of the types of reasonable accommodation that are available include the ability to sit or drink water, as needed, receive closer parking to the entrance to our buildings, granting flexible hours, receiving appropriately sized uniforms or safety apparel as applicable and necessary, receiving additional break time to use the bathroom, to eat, and to rest, to take leave or time off to recover from childbirth, and to be excused from strenuous activities and/or activities that could involve exposure to circumstances that are not safe for pregnancy. These issues are addressed on a case-by-case basis.

The employee may be required to provide certification from their health care provider concerning their need for a reasonable accommodation to the same extent such a certification is required for other disabling condition that is not related to pregnancy, childbirth or a related medical conditions. A certification should include:

- medical justification for the requested accommodation(s);

- a description of the reasonable accommodation(s) medically advisable;
- the date the accommodation(s) became advisable; and
- the probable duration of the reasonable accommodation(s).

If any employee has a need for a reasonable accommodation under this Policy and/or if they believe a Policy violation has occurred, they are urged to discuss the matter with their Department Head or with a representative from the Human Resources Office if they feel comfortable doing so. If any employee feels they were denied a reasonable accommodation for this purpose, they are encouraged to report the matter pursuant to the City's internal complaint procedures and without fear of retaliation.

3. Reasonable Accommodations for Providing Urgent Maternal Protection for Nursing Mothers Act (PUMP)

The City is also committed to provide nursing employees with reasonable paid break periods to express breast milk for an infant child, unless the break time unduly disrupts the City operations. The break time will run, if possible, concurrently with any break time already provided to the employee. Additionally, the City will make reasonable efforts to provide nursing employees a private room or other location, in close proximity to the work area, to express milk privately. The private room will not be a bathroom and/or toilet stall. Employees with any questions concerning this Policy should contact a representative from the Human Resources Office. Paid time off for this purpose is available within one year of the birth of the child and/or as otherwise provided by law.

4. Reasonable Accommodations for Religious Beliefs

The City also provides reasonable accommodations to employees when necessary due to a religious observance or belief. For example, as referenced in our Floating Holidays Section of this Handbook, the City will grant requests for employees to take time away from work for religious holidays that are not celebrated by the City provided it does not pose an undue hardship to our business operations. Employees may submit requests for reasonable accommodations for religious purposes or beliefs to their Department Head or a representative from the Human Resources Office. Prior notice should be provided when the need for the requested accommodation is foreseeable.

IV. GENERAL EMPLOYMENT PRACTICES AND GUIDELINES

1. New Employee Orientation and Training

All newly hired employees will participate in an initial orientation meeting that is conducted by a representative from the Human Resources Office on an individual or group basis, normally within the first week of employment. During this orientation meeting, employees will be given additional information about many of the City's group benefit programs. Employees also will be provided legal forms and documents that must be promptly completed and returned to the Human Resources Office (within three days of hire).

During this orientation period, the City will issue newly hired employees a key fob and an ID that can be used for employees to obtain access to authorized areas of the City where they may be called upon to perform their services. Employees are responsible for maintaining their FOB device and ID throughout their employment including reporting if these items are lost or stolen. The key fob and ID must be returned to the Immediate Supervisor (and it will be deactivated/destroyed) upon separation of employment – regardless of the reason for separation.

2. Probationary Period

Except as provided otherwise in an applicable CBA or employment agreement, newly hired and newly promoted employees of the City will be required to serve a Probationary Period that lasts during the employee's first one hundred eighty (180) days of consecutive employment. Extensions may be necessary when deemed appropriate as determined by the Department Head and the City Administrator or designee.

The primary purpose of the Probationary Period is to evaluate the employee's efforts to satisfactorily perform the job. An employee's supervisor will periodically monitor the employee's job performance during (and after) this Probationary Period. If the probationary employee fails to attain satisfactory job performance during the Probationary Period, the employee's Department Head (with approval of the City Administrator or designee) may determine that the employment relationship should end.

As a general rule, within three full months after an employee's hire date, transfer date or promotion date, informal feedback will be provided to the employee about their progress. An actual evaluation of the employee's performance by an immediate supervisor also normally will occur at or near the employee's completion of five months of consecutive employment in the new position. Upon successful completion of the Probationary Period (including any extensions), the employee is entitled to the paid time off privileges set forth in this Handbook.

3. Performance Appraisals

Performance appraisals are the formal record of the determinations on which many decisions are made about an employee's eligibility for continued employment, possible advancement and/or pay adjustments when appropriate. However, a positive performance appraisal does not necessarily guarantee an increase in pay. Evaluations are normally conducted on an annual basis or more frequently when deemed appropriate by management.

These tools are also used to recognize good performance unrelated to pay considerations. For example, the appraisal process may be used to document poor performance or to identify areas that need improvement as a part of the system of correcting such problems. Employees and Department Heads (or designees) are also encouraged to use the performance appraisal process as an opportunity to discuss job-related considerations with an employee such as: employee development and training needs; a record of past performance; and an opportunity to objectively discuss, with the supervisor, expectations, personal performance and methods of improvement. Of course, employees should solicit informal feedback and guidance from their supervisors and/or Department Heads throughout their employment and they need not wait for a formal or annual appraisal to do so.

4. Professional Appearance at Work

Employees are expected to be well groomed and dressed in a manner that is suitable to their responsibilities and position. An employee's appearance must be business-like and reflect good taste. When uniforms are furnished or required, they must be kept clean and neat, and must be worn while performing the duties for the City. When safety equipment is issued to employees, it is mandatory that it be worn when performing tasks for which such equipment is provided. In some instances, when an employee separates from the City, their uniforms or equipment may need to be turned in to their Immediate Supervisor.

5. Remote Work Policy

Remote work situations are those where work is performed at a location other than in the City's business offices or on City premises. Remote work is only permitted if authorized in writing by an employee's Department Head and the City Administrator or designee in advance. The remote work arrangement may be modified, suspended, or discontinued at any time as determined in the discretion of the City Administrator or designee.

Please note that there are certain positions that are not suitable for a remote work arrangement due to business reasons including a need to be present to directly communicate with staff and residents or other persons involved and/or to ensure there is collaborative discussions about on-going projects. If an employee is approved for a remote work arrangement in advance, the following guidelines apply:

- a. The remote employee must be available during the employee's regular scheduled hours of work for communication through such methods as cell phone, home phone, voice mail, email, or video conferencing.
- b. The remote employee must respond in a reasonably prompt manner to communication from other City employees in the same way as they would if they were working on City premises during the employee's regularly scheduled working hours.
- c. Employee-initiated schedule changes must be discussed and approved in advance by the Immediate Supervisor.
- d. All employees who are approved for a remote work arrangement must keep accurate records of all of their hours worked from any location.
- e. While working pursuant to an approved remote work arrangement, employees are entitled to take their normal allotted break and meal periods. Those employees are also permitted to take reasonable periods of time off for restroom breaks or other reasons as set forth in the other policies summarized in this Handbook when applicable.
- f. If a call or video audit of the working environment indicates unreasonable disturbances or distractions are present, the remote work approval may be rescinded by the City in appropriate cases.

- g. The duties, obligations, responsibilities, and conditions of the remote employee's employment with the City remain unchanged while working pursuant to a remote work assignment.
- h. The City Administrator or designee retain the right to, and will, randomly monitor the remote worker during the scheduled workday to ensure compliance with this Policy.
- i. The employee who works from a remote location agrees to seek advance approval from their Immediate Supervisor to change the remote worker's regular work schedule. Any overtime work must be approved in advance, in writing, by the Immediate Supervisor or Department Head for any non-exempt employee.
- j. Remote employees must notify their Immediate Supervisor and a representative from the Human Resources Office promptly in the event they experience an injury or illness (however slight) while working from their remote work location so that all necessary steps are taken to ensure that the remote work site is safe and to retain a record of relevant facts involved in the incident.
- k. The remote employee agrees to use electronic equipment that meets all of City's security requirements related to the access or use of City equipment, business records or resident information. If the City provides equipment or electronic devices for home use, the remote worker agrees to provide a secure location for it and will not use, or allow others to use, such equipment for purposes other than City business.
- l. As a general rule, the employee who works from a remote site will be responsible for payment of the following expenses incurred to maintain their remote work location (given that working at a remote location is "voluntary" and purely optional on the part of the employee, these expenses are paid by the City if the employee works on-site but would not be reimbursed for employees who elect to work from an alternate/remote work location):
 - Maintenance or repairs of personal computers, equipment or electronic devices;
 - Utility or Internet costs associated with working at a remote location; and
 - Supplies purchased by a remote worker (should be requisitioned through the Department Head if used for business purposes).

The City Administrator or designee retain the right to modify, suspend, or end the remote work arrangement for any reason and at any time. Temporary remote work arrangements also may be provided (in some situations) as a form of reasonable accommodation for a qualified individual with a disability (including those who have a medical condition related to pregnancy or childbirth).

6. Personnel Records/Employee Contact Information

It is important that all employees notify a representative from the Human Resources Office of any changes in their personal or contact information for insurance and other business information. Employees must report any changes to the following information within three business days of a change in any of the following information:

- Primary telephone number (including cellular number);
- Name or marital status (this is important for insurance coverage purposes and will be maintained in a confidential manner upon written request of the employee);
- Number of eligible dependents (for insurance purposes);
- W-4 deductions;
- Any change of your visa or immigration status (if it affects your eligibility for employment in the United States);
- Address of primary residence;
- Change in Driver's License status;
- Person(s) to contact in case of emergency; and,
- Other personal information that the City needs to know to contact an employee or properly administer its benefits programs or general operational concerns.

7. Position Classification and Compensation Plans

The City Administrator or designee is responsible for administering the Position Classification and Benefit and Compensation Plans for employees not covered by a CBA. The City Administrator or designee prepares and maintains these Plans to achieve consistent and competitive salary practices to the extent possible to maintain internal and external equity and within the parameters of the Annual Budget approved by the City Council.

V. HOURS OF WORK AND TIME RECORDS

1. Fair Labor Standards Act (FLSA) Overtime Status

Employees are designated by the City as either “exempt” or “non-exempt” for purposes of the applicable State and Federal wage and hour laws. Employees will be notified of their FLSA status at the time of hire. Any employee who has a question about their status is encouraged to seek clarification from a representative from the Human Resources Office.

2. Regular Workday

Unless provided otherwise in an applicable CBA, the regular workday for non-exempt City employees is comprised of an eight and one-half hour scheduled shift, which includes a 30-minute unpaid lunch period during each shift. Employees may be asked to work additional hours beyond the regular workday on occasion to meet the needs of our residents.

3. Time Reports

All employees shall be required to accurately record their time worked on a daily and/or weekly basis. These time records should include all hours actually worked per day and when using paid leave benefits.

4. Overtime/Compensatory Work

Unless provided otherwise in an applicable CBA, the City will compensate non-exempt employees who are required to work in excess of 40 hours at the rate of one and one-half-times their regular rate of pay for each hour of authorized overtime worked. Time that is “paid” but not worked (such as paid leave, paid sick days, paid holidays, personal days, and paid vacation time off) is considered time “worked” in determining if an employee actually worked beyond 40 hours in a workweek.

Overtime may only be worked by a non-exempt employee with the prior approval of an employee's Department Head. For safety and security reasons, employees who work overtime without prior approval of the Department Head (even if well intentioned) may be subject to disciplinary action when deemed appropriate. Employees are expected to work overtime hours if required by Departmental needs; the City will attempt to provide advance notice when overtime is necessary when practical to do so.

With the Department Head's prior written approval, employees may accrue compensatory time off in lieu of overtime pay computed at the rate of one and one-half hours for each hour of authorized overtime work actually performed by the eligible employees. Employee requests for using compensatory time shall follow Department procedures and shall not be unreasonably denied.

5. Direct Deposit of Pay Checks

City employees may elect to participate in the Payroll Direct Deposit Program, but they are not required to do so. To participate in this Program, employees will need to designate their

full net bi-weekly paycheck for direct deposit. The direct deposit may be made into any savings or checking account at financial institutions that are members of the ACH system. The City has no liability in this transaction other than the transmittal of the net amount of the paycheck to the designated financial institution. Employees should consult their financial institution regarding participating in the ACH system and their rules for direct deposit. Forms for participation in the City's Payroll Direct Deposit Program are available from the Finance Department.

6. Payroll Errors

Adjustments to pay may be made to correct computational errors at any time. Employees will be notified of the error and the date of the correction as soon as practical after the matter is discovered and remedied. It is the employee's responsibility to inform the designated staff in the Finance Department if an error occurs in their paycheck for any reason. Please be assured that no retaliation will be taken or tolerated against any employee who reports an error in payroll records or an improper deduction. Any overpayment or underpayment must be reported pursuant to this Policy.

VI. PAID TIME OFF BENEFITS

1. City Designated Holidays

Except as otherwise authorized, all Full-Time Employees will receive the following days off with pay when designated as a "City Designated Holiday":

New Year's Day	Day after Thanksgiving
Memorial Day	Christmas Eve
Independence Day	Christmas
Labor Day	
Thanksgiving Day	

City Designated Holidays that actually fall on a Sunday are normally observed on the following Monday; those which occur on a Saturday are normally observed on the previous Friday. This provision does not apply to employees (e.g., Patrol Sergeants) who have to work on a City Designated Holiday, and they will receive time and one-half for working on the actual City Designated Holiday and not when the Holiday is celebrated.

Employees who are seeking time off for a religious holiday that is not celebrated by the City may use their earned Personal Days or Floating Holidays for this purpose. Please make such arrangements in advance with your Department Head so the City can appropriately plan for any time off work.

2. Holiday Pay

Employees shall work all City Designated Holidays when scheduled to do so as part of the employee's regular work schedule. To be eligible for Holiday Pay, an employee must work their regularly scheduled day before and after the holiday when scheduled as part of their normal Departmental work schedule. If an employee is absent from work the day before or after a holiday without approval, the employee will not receive Holiday Pay until proof of illness or excusable

absence is established to the satisfaction of the Department Head. A Full-Time employee who is not regularly scheduled to work on a City Designated Holiday who does work on that holiday shall receive Holiday Pay of one and one-half times the employee's regular straight time hourly rate of pay for the actual hours worked on the holiday unless otherwise stipulated in a CBA.

3. Floating Holidays

In addition to the City Designated Holidays as referenced above, Full-time employees who are not covered by a CBA also shall receive up to three paid Floating Holidays to be taken during each full calendar year in which the employee actually worked the full year (twelve completed months), subject to the following:

- a. Newly hired Full-time Employees earn Floating Holidays based on the number of completed full months worked in the Calendar Year. Those employees may not utilize their floating holidays until they have completed the Probationary Period. If an employee is unable to use their Floating Holidays by December 31st of their first year of employment, they may request from their Department Head that it be allowed to carry them over into the next Calendar Year, to be used within the first six months of that subsequent year.
- b. Post-probation employees may use their Floating Holidays at any time or for any reason after providing their Immediate Supervisor a minimum 72 hours of prior notice.
 - A supervisor may refuse to approve a request to use a Floating Holiday based on the needs of the Department to serve the public.
 - Floating Holidays shall be used in two-hour increments.
- c. Floating Holidays may not be carried over from calendar year to calendar year.

4. Personal Days

Full-time employees who are not covered by a CBA shall receive up to 40 hours of time off with straight time pay during each calendar year to be used as paid Personal Days. Eligible employees may accrue eight hours of paid Personal Days during each full calendar quarter that the employee reports to work as scheduled and does not utilize any of their available Sick Leave benefits. The following additional provisions shall apply when using earned Personal Days:

- a. Employees in their Probationary Period will be eligible to earn Personal Days, but they will not be able to actually use this time until they successfully complete the Probationary Period.
- b. Employees may carry over earned Personal Days to the next Calendar Year up to a cap of 40 hours. However, any Personal Days carried over must be used within the first six months of the calendar year or else they are lost.

- c. Personal Days may be taken at any time or for any reason after giving prior notice to the employee's Immediate Supervisor.
- d. The employee is not required to provide a reason for using the Personal Days if earned, because they are not intended to be merely additional vacation time and they must be taken for compelling personal reasons or medical appointments that cannot be scheduled outside the employee's regular work schedule.
- e. The use of Personal Days shall be limited to two-hour increments. There shall be no payment in lieu of taking Personal Days upon separation of employment from the City.
- f. Personal days may be coupled with other types of approved and unpaid leaves of absence taken pursuant to the remaining provisions of this Handbook when approved in advance.

5. Paid Vacation Leave

Full-time non-exempt employees are eligible for paid Vacation Leave that is accrued on a pro-rata basis depending on the number of completed full months worked by the employee in a year. The pro-rata formula for earning Vacation Leave is as follows:

<u>Years of Service</u>	<u>Days Per Month</u>	<u>Days Per Year</u>
0-6 years	0.833	10
6 years & one day – 12 years	1.250	15
12 years & one day – 18 years	1.660	20
18 years & one day or more	2.080	25

The following additional terms apply to Vacation Leave benefits:

- a. Employees beginning employment from the 1st through the 15th day of the month shall be granted 0.833 days for that month of service. Full-Time employees beginning the 16th day to the end of the month shall receive 0.416 days for that month's service.
- b. Eligible employees earn Vacation Leave on a pro-rata basis as computed by the total number of completed full months worked in a year. For the purposes of determining Vacation Leave eligibility, the employee's hire date (not the calendar year) is controlling.
- c. Full-time employees who are classified as "exempt" from the FLSA are entitled to accrue an additional five paid vacation days each full calendar year.
- d. Vacation Leave may not be used until the employee has satisfactorily completed the Probationary Period.
- e. Employees may only carry over up to a maximum of two times their annual Vacation Leave accrual from one Calendar Year to the next. Exceptions may be

made on a case-by-case basis and at the sole discretion of the City Administrator or designee, except as noted below.

- f. If an employee has a scheduled medical issue within the first quarter of the upcoming Calendar Year and believes that they will exhaust their sick leave bank and need additional time to attend to such, the employee may place a request to carry over Vacation Leave, in writing, and submit it for approval to the employee's Department Head and the City Administrator or designee. Such approval will not be unreasonably denied when an eligible employee submits a written request accompanied by a note from the employee's personal physician indicating: that surgery or some other medical procedure has been scheduled during the first quarter of the upcoming year and the total amount of time the doctor believes the employee will be away from work to attend to such issue. All Vacation Leave carried over for this purpose shall be paid at the employee's rate of pay at the time the request was made. The City may request additional written updates from the employee's personal physician during the time of the employee's use of Vacation Leave to ensure that the employee returns to work as soon as they are able. Failure to use all carried over Vacation Leave for this purpose by the end of the first quarter of the calendar year shall result in its forfeiture.
- g. On or before November 1st of each Calendar Year, the City Administrator or designee, taking into account budget considerations and any operational challenges that precluded employees from being able to take all earned Vacation Leave in accordance with Section e above, will make a determination as to whether or not and the maximum number of Vacation Leave Days the City will offer to buy back from employees. This buy back may take the form of a cash payment less applicable deductions or the transfer of the amount into another benefit program approved by the City in accordance with its terms and conditions.
- h. No Vacation Leave credits shall accrue in any month while an employee is on an unpaid leave of absence. The only exception is as required by law.
- i. Vacation Leave shall be used in two-hour increments. All requests for use of Paid Vacation Leave must be approved by an employee's Department Head (or authorized designee) prior to the commencement of the Vacation Leave.
- j. Employees shall be paid for all earned but unused Vacation Leave upon separation from employment with the City, regardless of the nature of the separation. This is computed on a pro-rata basis based on the number of full calendar months worked by the employee and subject to the carryover caps referenced earlier in this Section.

6. Retirement Vacation Leave Policy

Employees hired on or before January 1, 2013, with 19 or more years of completed full-time service with the City shall be entitled to an extra day of Vacation Leave for each full year of full-time employment. During the year before retirement, this earned Retirement Vacation Leave must be approved by the Department Head, or in the case of Department Heads, as approved by

the City Administrator or designee, subject to the employee's compliance with the remaining provisions in this Policy:

- a. Employees must request this Retirement Vacation Leave with at least one year's written notice of their intended retirement date.
- b. The primary purpose of this benefit is to allow the employee additional time to adjust and prepare for their upcoming retirement. Therefore, an employee may only use this additional paid time off after they have provided irrevocable notice of their upcoming retirement date.
- c. Employees cannot take a cash payment in lieu of all or part of this Retirement Vacation Leave privilege.
- d. Any exceptions to this Policy may be made on a case-by-case basis, in writing and at the sole discretion of the City Administrator or designee.

7. Paid Sick Leave

Full-time employees will accrue Sick Leave at the rate of one day for each full month of employment actually worked, up to a cap of 12 days per calendar year. To be eligible to use any Sick Leave, a new employee must have completed their initial six-month Probationary Period.

Sick Leave shall not be considered a right which may be used at the employee's discretion, but will normally be allowed in the following situations:

- Actual sickness, injury, hospitalization or disability of the employee or a covered member of the employee's "immediate family".
- A medical or dental appointment for the employee or a covered member of the employee's immediate family that cannot be scheduled outside of working hours.
- To provide "personal care" to a covered family member related to basic medical, hygiene, nutritional, or safety needs are met, or to provide transportation to medical appointments, for a covered family member who is unable to meet those needs himself or herself.
- To provide "personal care" to a covered family member who is physically present to provide emotional support to a covered family member with a serious health condition who is receiving inpatient or home care.

For purposes of this Policy, the phrase "immediate family member" of the employee means an employee's child, stepchild, spouse, domestic partner, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent.

The Immediate Supervisor or Department Head may require an employee who is on sick leave to submit a doctor's note which indicates the specific nature of the illness or injury and require the employee to provide a prognosis from the physician as to the earliest date when the

employee will be able to return to work and perform the essential job functions of the position or any restricted duty assignment. As set forth in our FMLA Policy that appears later in this Handbook, employees are required to use their earned and remaining paid sick time while on otherwise unpaid FMLA Leave time.

8. Longevity Pay

Annual Longevity Pay shall be granted to regular Full-time employees who are not covered by a CBA according to the following schedule:

<u>Years of Service as of May 1 of Each Year</u>	<u>Annual Payment</u>
Zero through ten (10)	\$0.00
Ten (10) years and one (1) day through fifteen (15)	\$100.00
Fifteen (15) years and one (1) day through Twenty (20)	\$200.00
Twenty (20) years and one (1) day	\$300.00

VII. FAMILY AND MEDICAL LEAVE OF ABSENCE (“FMLA”) POLICY

If an employee has been employed by the City for at least 12 months and that employee has worked at least 1,250 hours during the 12-month period preceding the start of the leave (which includes all periods of absence from work due to or necessitated by USERRA-covered service), that employee is eligible for up to a total of 12 workweeks of unpaid leave during any rolling 12 month period for one or more of the following reasons:

- Because of the birth of your child and in order to care for such child (within 12 months after the birth of the child);
- Because of the placement of a child with you for adoption or foster care (within 12 months of the placement of the child);
- In order to care for your spouse, child, or parents if they have a “serious health condition;”
- Because of a “serious health condition” that makes you unable to perform the functions of your job; or
- Because of any “qualifying exigency” (as defined by the Secretary of Labor) arising out of the fact that your spouse, child, or parent is deployed on covered active duty in a foreign country (or has been notified of an impending call or order to covered active duty in a foreign country) in the Armed Forces, including the National Guard and Reserves.

1. Serious Health Condition

For purposes of FMLA Leave, “serious health condition” means an illness, injury, impairment or physical or mental condition that involves one of the following:

- a. Hospital Care. Inpatient care in a hospital, hospice or residential medical care facility, including any period of incapacity relating to the same condition;
- b. Absence Plus Treatment. A period of incapacity of more than three full consecutive calendar days (including any subsequent treatment or period of incapacity relating to the same condition), that also involves either: (1) treatment two or more times (within 30 days and provided the first visit takes place within seven days of the first day of incapacity) by a health care provider, by a nurse or physician's assistant under direct supervision of a health care provider, or by a provider of health care services under orders of, or on referral by, a health care provider; or (2) treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider (first visit to health care provider must take place within seven days of the first day of incapacity);
- c. Pregnancy. Any period of incapacity due to pregnancy, or for prenatal care;
- d. Chronic Conditions Requiring Treatment. A chronic condition which: requires at least two periodic visits for treatment per year by a health care provider, or by a nurse or physician's assistant under direct supervision of a health care provider; which condition continues over an extended period of time; and may cause episodic rather than a continuing period of incapacity;
- e. Permanent/Long-term Conditions Requiring Supervision. A period of incapacity which is permanent or long-term due to a condition for which treatment may be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by, a health care provider;
- f. Multiple Treatments (non-chronic conditions). Any period of incapacity to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three full consecutive days.

2. Qualifying Exigency Leave

If you are an FMLA eligible employee (as defined above), you are entitled to take up to 12 weeks of unpaid FMLA leave for any qualifying exigency arising out of the fact that a military member is on covered active duty or called to covered active-duty status in a foreign country. The leave described in this paragraph is available during a 12-month rolling period and may be taken on an intermittent or reduced leave schedule basis. You will be required to provide a copy of the military member's active-duty orders or other documentation issued by the military that indicates

that the military member is on covered active duty or is called to covered active-duty status in a foreign country and the dates of the military member's covered active-duty service. Eligible employees may take all 12 weeks of their FMLA leave entitlement as qualifying exigency leave or the employee may take a combination of 12 weeks of leave for both qualifying exigency leave or any other qualifying reason listed above.

With respect to a Qualifying Exigency Leave:

- a. A "military member" means your spouse, son, daughter, or parent who is on covered active duty or called to covered active-duty status in any foreign country in any of the Armed Forces, including a member of the National Guard or Reserves.
- b. A "qualifying exigency" includes the following broad categories: (a) short notice deployment; (b) military events and related activities; (c) childcare and school activities; (d) parental care; (e) financial and legal arrangements; (f) counseling; (g) rest and recuperation; (h) post deployment activities, including reintegration activities, for a period of 90 days following the termination of active duty status; and, (i) additional categories that are agreed to by the employer and employee within this portion of the Policy.
- c. The phrase "son or daughter" is defined as your biological, adopted, or foster child, stepchild, legal ward, or child for whom you stood in loco parentis, of any age for qualifying exigency leave, who is on active duty or called to active-duty status who is of any age. (Note: This definition is different from other sections of this FMLA policy). If the exigency leave is to arrange for childcare or school activities of a military member's child, the military member must be the spouse, son, daughter or parent of the employee requesting the leave.
- d. A "parent" means a biological, adoptive, step or foster father or mother, or any other individual who stood in loco parentis to you when you were a son or daughter, but it does not include "parents in law."
- e. Parental care – eligible employees may take leave to care for a military member's parent who is incapable of self-care when the care is necessitated by the military member's covered active duty. Such care may include arranging for alternative care, providing care on an immediate need basis, admitting, or transferring the parent to a care facility, or attending meetings with staff at a care facility.
- f. Rest and Recuperation – eligible employees may take up to fifteen days to spend time with a military member on Rest and Recuperation leave, limited to the actual leave time granted to the military member and supported by the Rest and Recuperation leave orders or other appropriate documentation issued by the military setting forth the dates of the leave.

3. Military Caregiver Leave

If you have been employed by the City for at least 12 months and have worked at least 1,250 hours during the 12-month period preceding the start of the leave and you are a spouse, child (of any age for military caregiver leave), parent or next of kin of a Covered Servicemember, as defined below, you are entitled to a total of 26 workweeks of unpaid leave during a single 12-month period to care for the Covered Servicemember (including 12 workweeks for any other FMLA qualifying reason). The leave described in this paragraph shall only be available during a single 12-month period beginning as of the date the leave commences and ending 12 months after that date (and any unused amounts are forfeited).

Military Caregiver Leave may be permitted more than once if necessary to care for a different Covered Servicemember (or the same Servicemember with multiple or subsequent injuries or illnesses) up to a combined total of 26 workweeks in a 12-month period. However, your total available leave time in any single 12-month period generally may not exceed a combined total of 26 workweeks (including FMLA time off taken for any other reason); except as provided under the FMLA regulations. You will be required to timely submit a medical certification available from our Human Resources Office or an invitational travel order or authorization from the Department of Defense as a condition of receiving approved Military Caregiver Leave. ***NOTE: the 12-month computation period for this type of leave differs from the other types of FMLA leave.***

With respect to Military Caregiver FMLA Leave:

- a. A “Covered Servicemember” means (1) a member of the Armed Forces (including a member of the National Guard or Reserves) who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness, or (2) a covered veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces, National Guard or Reserves at any time during the period of five years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy, and who was discharged or released under conditions other than dishonorable.
- b. “Outpatient status” means the status of a Covered Service Member assigned to a military medical treatment facility as an outpatient or a unit established for the purpose of providing command and control of members of the Armed Forces receiving medical care as outpatients.
- c. “Next of kin” means the nearest blood relative of that individual (regardless of age) other than an employee’s spouse, son or daughter. You are required to provide confirmation of the relationship upon request. The Servicemember may designate the blood relative who is considered their next of kin; otherwise, the following order generally will apply: blood relatives granted custody by law, brother/sister, grandparents, aunts/uncles, and then first cousins.

- d. “Serious injury or illness” for a Current Servicemember means an injury or illness incurred by the Servicemember in the line of duty on active duty in the Armed Forces (or existed before the beginning of the Servicemember’s active duty and was aggravated by service in the line of duty) that (i) may render the Servicemember medically unfit to perform the duties of the member’s office, grade, rank or rating, or (ii) in the case of a veteran Servicemember, that manifests itself before or after the member became a veteran.
- e. “Serious injury or illness” for a Covered Veteran means an injury or illness that was incurred or aggravated by the member in the line of duty on active duty in the Armed Forces and manifested itself before or after the member became a veteran, and is: (1) A continuation of a serious injury or illness that was incurred or aggravated when the covered veteran was a member of the Armed Forces and rendered the servicemember unable to perform the duties of the servicemember’s office, grade, rank, or rating; or (2) A physical or mental condition for which the covered veteran has received a VA Service Related Disability Rating (VASRD) of 50 percent or greater and such VASRD rating is based, in whole or in part, on the condition precipitating the need for caregiver leave; or (3) A physical or mental condition that substantially impairs the veteran’s ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service or would do so absent treatment; or (4) An injury, including a psychological injury, on the basis of which the covered veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

4. Spouses Employed by the City

If your spouse also works for the City and you both become eligible for a leave under paragraphs 1a. or 1b. above, or for the care of a sick parent under paragraph 1c. above, the two of you together will be limited to a combined total of 12 workweeks of leave in any rolling 12-month period. In addition, if you and your spouse both become eligible for a leave under the Military Caregiver Family Leave provision above or under a combination of the Military Caregiver Family Leave provision, paragraphs 1a. and 1b. above, or to care for your parent with a serious health condition under paragraph 1c above, the two of you together generally will be limited to a combined total of 26 workweeks of leave in any single 12-month period.

5. Medical Certification

Any request for a leave under paragraphs 1c., 1d. or under the Servicemember Family Leave provision above must be supported by certification issued by the applicable health care provider or the Department of Defense. Employees are required to submit this information on the forms provided, available from a representative from the Human Resources Office or on the Invitational Travel Orders or Authorizations provided to employees by the Department of Defense.

Employees will be required to submit a new medical certification form for each leave year for a medical condition(s) that last longer than one year. Additionally, employees are required to submit a recertification of an ongoing condition every six (6) months in connection with an absence where the duration of the condition is described as “lifetime” or “unknown”.

At its discretion, the City may require a second medical opinion and periodic recertification to support the continuation of a leave or under paragraphs 1.c. and 1.d. (except as otherwise provided by the Department of Labor). If the 1st and 2nd opinions differ, a 3rd opinion can be obtained from a health care provider jointly approved by both the employee and the City (unless the employee accepts the second opinion as determinative). A second medical opinion generally will not be requested for Military Caregiver Leave but may be requested if the Certification is completed by a health care provider who is not affiliated with the DOD, VA or TRICARE.

The Genetic Information Nondiscrimination Act of 2008 (GINA) prohibits employers from requesting or requiring genetic information of an individual or family member of the individual, except as specifically allowed by this law. To comply with this law, the City asks that employees not provide any genetic information when responding to a request for medical certification regarding their own serious health conditions under this FMLA Policy. “Genetic information” as defined by GINA, includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

There is an exemption to GINA's limitation on the disclosure of family medical history when an employee requests a leave of absence under the FMLA due to a family member's serious health condition. In such situations, all information necessary to make the medical certification form complete and sufficient under the FMLA should be provided.

6. Intermittent Leave

If certified as medically necessary for the serious health condition of either an employee or their spouse, child or parent (Paragraphs 1.c. and 1.d., above), or to care for a Covered Servicemember if employee is a spouse, child, parent or next of kin to the Covered Servicemember (Paragraph 3, above), leave may be taken on an intermittent or reduced leave schedule. Intermittent leave also may be taken if employee qualifies for leave because of a qualifying exigency as described in Paragraph 1e, above, subject to the submission of a certification prescribed by the Secretary of Labor. If leave is requested on an intermittent basis, however, the City may require that employee transfers temporarily to an alternative position which better accommodates recurring periods of absence or to a part-time schedule, provided that the position offers equivalent pay and benefits.

7. Light Duty Work Assignments

The time that employees are actually performing work in a light duty capacity does not count against their 12-week FMLA allotment. In effect, your right to restoration is held in abeyance during the period of time that employee is performing work but in a light duty capacity (or until

the end of the applicable 12-month FMLA leave year if longer). If an employee is not working their full scheduled hours (due to an intermittent FMLA taken on a reduced schedule), the time away from work will count toward the annual 12-week allotment of FMLA time).

8. FMLA Notification and Reporting Requirements

All requests for FMLA leaves of absence must be submitted to your Immediate Supervisor or a representative from the Human Resources Office at least 30 days in advance of the start of the leave, except when the leave is due to an emergency or is otherwise not foreseeable. If the leave is not foreseeable, employee must provide notice as soon as “practicable,” which generally means either the same day or the next business day that employee learns of the need for leave, in the absence of any unusual circumstances. A delay in submitting an FMLA leave request may result in a loss of FMLA protections and/or a delay of the start of your leave. Your Immediate Supervisor will forward the request to a representative from the Human Resources Office for approval.

An employee must respond to questions relative to your leave request so that we can determine if the leave qualifies for FMLA protection; failure to do so may result in loss or delay of FMLA protections. If an employee is seeking leave due to an FMLA-qualifying reason for which the City has previously granted employee FMLA-protected leave, *you must specifically reference the qualifying reason or need for FMLA leave at the time of your request to be away from work.* It is not sufficient to simply “call in sick” without providing additional information which would provide the City with reasonable cause to believe your absence/time away from work may qualify as an FMLA qualifying event. In all cases in which you are seeking leave under this Policy, employee shall provide such notice to the City consistent with the City’s established call-in procedures so long as no unusual circumstances prevent employee from doing so. Failure to comply with the call-in procedures may result in a delay or denial of FMLA protected leave.

An employee must make an effort to schedule a leave so as not to disrupt business operations. During the leave, an employee may be required to report periodically on your status and your intention to return to work. Any extension of time for your leave of absence must be requested in writing prior to your scheduled date of return to work, together with written documentation to support the extension. Your failure to either return to work on the scheduled date of return or to apply in writing for an extension prior to that date will be considered to be a resignation of employment effective as of the last date of the approved leave. Employees on leaves for their own serious health condition must provide fitness-for-duty releases from their health care provider before they will be permitted to return to work. Your maximum time on a leave of absence, all types combined, and including all extensions, cannot exceed a total of 12 weeks in a rolling twelve month period, unless employee is a spouse, child, parent, or next of kin on leave to care for a Covered Servicemember, in which case your leave can last for up to 26 workweeks in a single 12 month period (unless legally required otherwise).

An Employee shall not be granted a leave of absence for the purpose of seeking or taking secondary employment elsewhere or operating a private business. Unauthorized secondary employment while on a leave of absence will result in disciplinary action, up to and including discharge.

A leave of absence will not affect the continuity of your employment. Your original date of employment remains the same for seniority purposes. However, an employee will not accrue any new paid time off benefits during the period employee is on an unpaid leave.

9. Employee Benefits During FMLA Leaves

Employees will be permitted to maintain health and dental insurance coverage for the duration of the approved FMLA leave under the same conditions coverage would have been provided if the employee had remained actively at work. However, the employee must make arrangements for the continuation of and payment of insurance premiums before the employee goes on leave status. If the employee does not return to work after the leave, or if the employee fails to pay their portion of the premiums, the employee will be required, under certain circumstances, to reimburse the City for the costs and the expenses associated with insuring the employee (or eligible dependents) during the FMLA leave.

10. Return From a Family and Medical Leave

If the employee returns from leave on or before being absent for 12 workweeks in a rolling 12 month period or 26 workweeks during a single 12 month period if the employee took a leave under the Servicemember Family Leave provision, the employee will be restored to the same or to an equivalent position to the one the employee held when the leave started. An employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the FMLA leave period. In determining whether a position is “equivalent” we would look at whether the position had substantially similar terms and conditions of employment and whether the position entails similar duties, skills, efforts, responsibilities, authority, privileges and status.

If the leave was due to the employee’s own serious health condition, the employee will be required to submit a fitness-for-duty certification from their health care provider in accordance with the City’s normal policies and practices applicable to other leaves of absence, certifying that the employee is able to resume work and perform the essential functions of the job (either with or without a reasonable accommodation). A list of the essential job functions will be made available to the employee for compliance with this requirement prior to the City designating your leave as FMLA leave. If a reasonable job safety concern exists, the employee also may be required to provide a fitness for duty certification up to once every 30 days before returning from an intermittent or reduced schedule FMLA leave related to your own serious health condition. Generally, a returning the employee will be permitted to return to work by providing the fitness for duty certification from the health care provider to a representative in the Human Resources Office, at least two days in advance of a proposed return to work date.

If the employee fails to return to work at the expiration of your approved Family and Medical Leave, it will be considered to be a resignation of your employment with us. Likewise, an employee on FMLA leave who provides notice of their intent not to return to work upon expiration of a leave will lose their entitlement to FMLA leave and related benefits.

11. Coordination with Other Policies

An Employee may substitute any accrued paid vacation days, personal time, and sick days (if employee otherwise qualify) for unpaid leave under this Policy, and any such paid time off must be taken concurrently with your Family and Medical Leave. If the employee otherwise qualifies for disability pay, the employee will collect it at the same time the employee is on unpaid Family and Medical Leave.

Further, if the employee otherwise qualifies for any other type of leave of absence, the employee must take that leave at the same time as taking your Family and Medical Leave. All time missed from work that qualifies for both Family and Medical Leave, and for workers' compensation (or any other type of lawfully allowed leave), will be counted toward your Family and Medical Leave. To receive any type of paid time off benefit while on FMLA leave, the employee is required to meet the City's conditions for taking the paid leave (although the City may in its discretion waive any procedural requirement for the paid leave in appropriate circumstances).

12. Anti-Retaliation Provisions

Be assured that no retaliation will be taken or tolerated against any employee who exercises their rights under our FMLA policy. If the employee feels that they have been the victim of any discrimination or retaliation under this Policy, the employee is encouraged to contact a representative from the Human Resources Office so that the matter can be promptly investigated and remedied as appropriate.

13. Compliance With Other Laws

In administering this FMLA Policy, the City complies with the Americans with Disabilities Act and its amendments ("ADA"), the Illinois Human Rights Act ("IDHR") and all other relevant State and Federal laws and Local Ordinances. The City may approve a reasonable request for an extension of a leave of absence beyond the amount of leave provided by the FMLA, approve a leave of absence for an employee who does not qualify for FMLA leave, or otherwise modify this Policy, as a reasonable accommodation for a disability under the ADA or IDHR.

VIII. ADDITIONAL LEAVES OF ABSENCE

1. Funeral Leave

In the event of a death of a member of the employee's immediate family, the employee will be granted up to three days of paid funeral leave with pay to attend the funeral. The Department Head or designee may approve an employee's request for up to two additional days and if granted, such additional day(s) shall be deducted from the employee's accumulates Sick or Personal Leave or other accrued paid time off benefits.

For purposes of Funeral Leave, the phrase "immediate family" means the employee's: current spouse, parent, sibling, child, grandparent, grandchild, or the parent, sibling or child of the employee's spouse. In the event of a death of an employee's son-in-law, daughter-in-law, aunt, uncle, niece or nephew, the employee will be granted one day of paid funeral leave with pay to attend the funeral; the Department Head or designee may approve an employee's request for up to

two additional days and, if granted, such additional day(s) shall be deducted from the employee's accumulated Sick Leave or other accrued paid leave time. An employee shall provide satisfactory evidence of the death of the affected family member and the employee's attendance at the funeral, upon request.

2. Military Leave

State and Federal laws provide certain rights to the employees who are required to take a leave of absence from work for purposes of completing military service, as well as those who have a spouse, child, parent, or grandchild who is called to perform such military service. These rights include, among other things, returning to work after the leave and retaining certain employee benefits. The City complies with all such applicable laws.

The employee should notify the Department Head and a representative from the Human Resources Office in advance of any expected military leave of absence, unless military necessity prevents such notice, or it is otherwise impracticable or unreasonable for the employee to provide reasonable notice.

In accordance with the law, the City may require the employee to provide documentation of the length and nature of the uniformed service at issue upon the employee's reinstatement.

The City firmly supports the men and women of our armed forces and prohibits discrimination and retaliation against any employee because of their time spent working or training for this purpose.

3. Family Military Leave Entitlements

Eligible employees whose spouse, son, daughter, or parent is on covered active duty or called to covered active-duty status may use, as used for Family Military Leave, their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

4. Family Bereavement Leave

An Employees who are eligible to take leave under the City's FMLA Policy are also eligible to take unpaid "Family Bereavement Leave" pursuant to this Policy. The City provides eligible employees 10 days of unpaid but excused time off following the death of a "family member" of the employee for any of the following reasons:

- a. To attend the funeral or alternative to a funeral of a family member;
- b. To make arrangements necessitated by the death of a family member;
- c. To grieve the death of a family member; or

- d. To be absent from work due to (i) a miscarriage; (ii) an unsuccessful round of intrauterine insemination or of an assisted reproductive technology procedure; (iii) a failed adoption match or an adoption that is not finalized because it is contested by another party; (iv) a failed surrogacy agreement; (v) a diagnosis that negatively impacts pregnancy or fertility; or (vi) a stillbirth.

For purposes of Family Bereavement Leave, a “family member” means an employee’s child (including, biological, adopted and foster child), stepchild, legal ward, a person standing in local parentis, spouse, domestic partner, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent.

Family Bereavement Leave must be used within 60 days of the date on which the employee receives notice of the death of the family member or the date on which an event listed in (d) above occurs. In the event of the death of more than one family member in a 12-month period, an employee may take up to a total of six weeks of bereavement time off during the 12-month period following the death of the family members involved. This Policy will be certified in accordance with Illinois law.

This Policy does not create a right for an employee to take unpaid leave that exceeds the unpaid leave time allowed under the City’s FMLA policy. To utilize unpaid time off under this Policy, the eligible employee must provide their Department Head and a representative from the Human Resources Office at least 48 hours’ notice that the employee intends to use the leave unless it is impractical for the prior advance notice to be provided. An Employee may be required to submit reasonable documentation of the death or covered event to obtain approved time off under this Policy, if allowed by law.

5. Jury Duty Leave

Full-time employees and Part-time employees will be eligible for Jury Duty Leave, with full straight time pay for the hours that the employee would normally be scheduled to work but is summoned to attend jury duty service. Employees are not eligible for travel expenses under the City Policy; however, any monies received from the court may be retained to cover these expenses. Upon returning from Jury Duty Leave, employees must present documentation (e.g., pay stub or identification badge) showing how long they were retained for Jury Duty service. This Policy does not apply to court duty where an employee is testifying either for the City or some other party, which would be in accordance with their job duties.

6. Unpaid Personal/Non-FMLA Leaves of Absence

An employee who has exhausted all of their earned Vacation Leave, Sick Leave, Floating Holidays, Personal Days, and Compensatory Time may request permission to take an Unpaid Leave of Absence for compelling personal reasons and/or for medical reasons that are not covered by our FMLA or other leave policies. A request for an unpaid leave of absence requires the written approval of the Department Head and the City Administrator or designee.

An employee on an approved but unpaid Personal Leave of Absence totaling less than 30 calendar days will have no effect on longevity, sick or vacation leave future accruals. An employee may continue in the City’s health and life insurance programs provided arrangements are made by

the employee to pay the full premium cost for the period the employee is absent from work up to a maximum of 30 days; thereafter the COBRA laws are triggered.

An unpaid leave of absence will also be granted under the terms and conditions of the Family and Medical Leave Act for eligible employees when both are applicable. Time off that qualifies under the FMLA and this Policy will run concurrently.

7. On Duty Injury/Illness Leaves of Absence

All City employees are covered under the Illinois Workers' Compensation Act ("Act"). The Act provides for medical care and replacement of wages when an employee sustains an injury or illness arising out of and occurring in the course of their employment with the City, subject to the remaining provisions of the Act. Issues related to coverage and benefit amounts will be determined by the City's insurance carrier (RMA") pursuant to the Act.

Any employee who has any questions regarding their rights and obligations under the Act should seek clarification through a representative from the City's Human Resources Office. Additional information about workers' compensation claims and coverage can be obtained from the City's workers' compensation insurance provider, Risk Management Association ("RMA"). RMA's contact information is listed in the posters hung with other legally required notices in employee's work areas.

IX. GROUP HEALTH AND DENTAL INSURANCE POLICIES

1. Health and Dental Insurance

Eligible employees and their eligible dependents may enroll in the City's group health and dental insurance policies (or plans) subject to the remaining terms, eligibility requirements and conditions of the applicable plan documents.

2. Insurance "Opt Out" Opportunity/Bonus

Employees who are interested in obtaining information about the City's voluntary insurance "opt-out" opportunity and the bonus available to eligible Full-time employees should consult a representative from the Human Resources Office. Eligible employees who participate in this Program will be required to submit the necessary paperwork and proof of other insurance per the Policy set forth in Appendix E.

3. Life Insurance

The City provides life insurance to all Full-time employees, at no cost to the employee, subject to the remaining plan terms. The amount of life insurance provided to eligible Full-time employees is equivalent to the employee's yearly salary rounded up to the nearest \$1,000 and is adjusted as the employee's yearly salary increases up to the maximum amount provided in the Policy.

The City is a member of the Illinois Municipal Retirement Fund (IMRF) and offers voluntary participation in the National Conference on Public Employee Retirement Systems

(NCPERS) life Insurance Program. Premiums are paid by the employee and participation is open to all IMRF eligible employees. The City also may provide additional supplemental and voluntary life insurance options to employees that are available at the expense of the employee.

4. Health Insurance for Retirees

The City also provides health insurance coverage for eligible retired City employees pursuant to the Illinois Municipal Insurance Continuation Act (215 ILCS 5/3/367j). An employee who leaves employment due to a disability or retirement as defined by the Illinois Pension Code will be eligible to participate in the City's group health insurance at their own expense, so long as the current Group Insurance carrier(s) for the City allows this participation and that the employee is a current participant in the insurance program at the time of the disability or retirement. Monthly premium costs for retiree coverage are paid at 100% by the retiree.

5. Disability Programs

Employees should refer to the Illinois Municipal Retirement Fund (IMRF), the Public Employee Disability Act (PEDA) and the West Chicago Police Pension Fund respectively if they are unable to work due to a medical condition (that cannot be reasonably accommodated). An employee may obtain contact information from a representative from the Human Resources Office for this purpose.

6. Employee Assistance Program (EAP)

The City offers an Employee Assistance Program ("EAP") for all employees of the City. The EAP offers a confidential means for seeking help for our employees (and members of their household) when dealing with personal problems (e.g., family, financial, or substance abuse). This EAP assistance program is available 24 hours a day, seven days a week. For the contact information, consult the posters that are hung in the employee working areas. An employee also may obtain information about the City's EAP from a representative from the Human Resources Office.

X. DISCIPLINARY PROCEDURES FOR EMPLOYEE MISCONDUCT

Any City employee who is not covered by a CBA or written employment contract may be subject to disciplinary action such as verbal warning, written warning, suspensions, demotion/transfer and/or dismissed whenever it is determined, in the City's sole discretion, to be in the best interests of the City or as necessary to serve the needs of the public. Listed below are some examples of reasons for disciplinary action. This list, however, does not constitute an exhaustive list of all the acts that may subject the employee to disciplinary action including discharge. Further, there is nothing in this Article of the Handbook that alters or modifies the employment-at-will relationship between the employee and the City. Instead, the following list sets forth some of the more typical cases that arise in the course of an employment relationship. They include but are not limited to:

- a. Failure to adhere to City policies and/or procedures including without limitation safety policies, work rules, City ordinances and other Code of Conduct obligations.

- b. Absence from duty without permission, habitual tardiness, excessive absenteeism, or misrepresentation of material facts relating to the use of leave of absence rights.
- c. Extending breaks or lunches and/or taking breaks or lunches at times when the employee is expected to be working.
- d. Leaving job during working hours or arriving late to work without permission.
- e. Failure to obey any lawful official rule, regulation or order, or inability or unwillingness to obey any proper direction made or given by the employee's supervisor(s), Department Head or City Administrator or designee.
- f. Uncooperative, hostile or discourteous attitude or conduct toward a supervisor(s), a co-worker or a member of the public. Threatening, intimidating, bullying and/or striking any person who is in or on City property or participating in City activities.
- g. Being wasteful of or negligent destruction of City supplies, materials, vehicles, equipment, tools, computer equipment, electronic devices, or other City property.
- h. Failure to wear uniform or safety equipment (e.g., safety shoes, glasses, goggles and/or face shield) as required by this Handbook and/or Department manuals, rules and/or procedures, such as the failure to wear appropriate clothing for duties as required by this Handbook or Department Manual, rules and/or procedures.
- i. Endangering one's safety and/or the safety of another person because of failure to act properly and safely in the performance of job duties.
- j. Failure to follow any federal, state, local or City law, rule or regulation while on duty or while in or on City property or performing activities on behalf of the City.
- k. Failing to immediately report an accident or known hazardous conditions to their Immediate Supervisor so that matter can be addressed to prevent harm to others.
- l. Gambling or fighting while on duty (even if joking or horseplaying).
- m. Violating the Alcohol and Drug Use Policy.
- n. Theft, unauthorized possession, misappropriation, negligent or improper use of funds or property belonging to the City, fellow employees or the public. This includes neglect, collection, use or retention of City funds.

- o. Possession of weapons in or on City property or while on duty.
- p. Incompetent, inefficient, or negligent performance of duties; inability or failure to perform duties properly.
- q. Failure to maintain valid driver's license or other license or certification which may be required for their position or as provided in this Handbook.
- r. Smoking in restricted areas of the City or in City vehicles or other areas that are within 15 feet of the entrance of City buildings.
- s. Harassment of other employees, contractors or members of the public.
- t. Dishonesty; lying to City personnel or falsifying (including by omission of material facts) or providing misleading information on forms, records or reports provided to or on behalf of the City including without limitation accident reports, employment applications/resumes, financial reports, reimbursement reports and departmental reports.
- u. Tampering or falsifying time records, leave requests, etc.
- v. Unauthorized possession, use or copying of any records that are the property of the City (in any form).
- w. Sleeping on duty (includes excessive eye closing).
- x. Violation of employee policies, rules or guidelines or engaging in any conduct determined by the City in its sole discretion not to be in its best interests. This includes engaging in any conduct that is or could be construed as "conduct unbecoming" of a City employee.
- y. Other acts or conduct deemed harmful to the City, its reputation, residents or visitors.

As noted earlier, this list of reasons does not create a guarantee of employment for any term or any specific level of disciplinary action. The penalty for a violation of these Rules will be determined by the City Administrator or designee based on the severity of the offense and the employee's overall employment record.

XI. MISCELLANEOUS PERSONNEL & CONDUCT POLICIES

1. Attendance, Punctuality & Dependability Policy

The ability to report to work when scheduled is an essential function of every position within the City. Unless an employee has been excused from work due to an approved leave of absence (FMLA, ADA, etc.) or if the employee is taking excused paid time off work pursuant to the City's policies, it is imperative that the employee reports to work regularly and promptly. Any employee who has unexcused excessive or chronic absenteeism and/or tardiness will be subject to

progressive discipline up to and including dismissal when deemed appropriate in the discretion of management. An employee who has excessive or chronic unexcused time away from work also will be viewed as a less desirable candidate when applying for promotions or transfers within the City.

If an employee is going to be late or absent for any reason, that the employee or someone else must call (or text) Immediate Supervisor to notify them of the absence prior to the employee's scheduled starting time. If the employee's Immediate Supervisor is not available, the supervisor at the succeeding level of authority in the Department should be called. If are unable to contact either supervisor directly, the employee may leave a voice mail. In all cases, an employee who is unable to report to work as scheduled must present the reason for the time away and the anticipated day and time when the employee is expected to return to work.

If the employee must leave work early because of an illness or personal emergency, the employee is required to provide their Immediate Supervisor as much prior notice before leaving work as practical. In no event will the employee be allowed to leave work without notifying some member of management in their Department that the employee has left work for the day.

The notice requirements set forth in this Policy apply on each day of an employee's absence or tardiness, including without limitation consecutive days. Failure to satisfy these requirements may result in loss of pay for the time in question and/or subject the employee to disciplinary action, up to and including dismissal. The only exception is when an employee is approved for FMLA or other leaves of absence where they are expressly informed that daily notice is not required. An employee returning from a leave of absence that lasts three or more consecutive days will be required to provide a return-to-work release from a health care provider to verify that the employee can safely return to work to perform their essential job functions (either with or without a reasonable accommodation if disabled and/or if the employee has a medical condition related to pregnancy or childbirth).

Any employee who is absent from work on three consecutive working days without notifying their Supervisor or Department Head, will be consider to have abandoned their employment and this will be viewed as a voluntary resignation.

2. Search of Lockers, Desks, and Other City Property and Facilities Policy

Employees should understand that while certain City property such as desks, lockers, offices, and vehicles are available for their business use, those areas remain the property of the City at all times. As such, this City property may be subject to inspection to ensure compliance with our policies and for other business or legal reasons. Likewise, the City reserves the right to inspect all parcels, purses, briefcases, bags or packages brought on City property.

Employees are required to cooperate when any inspection or search is requested or conducted by management. Although the City will normally provide advance notice to the affected employee when a search or inspection of this type occurs, such notice is not required and may not be practical in all cases. Due to this potential for working areas and personal items brought on City property to be searched, the employees should not expect privacy with respect to those items or personal belongings.

3. Acceptance of Gifts Policy

City employees are prohibited from accepting any gratuities, gifts or other remuneration of more than a nominal amount (established at \$25.00) due to their position with the City from:

- persons or firms which transact, or may transact, business with the City or;
- persons or organizations that the City is associated with in any professional or service manner.

The offering of any gratuity, gift or other remuneration of more than a nominal amount (including any gift of liquor) must be returned to the sender with a courteous note expressing appreciation for the gesture. On occasion, the City Administrator or designee may deem it appropriate for any perishable gift items (such as food, fruit, etc.) to be set out and made available for general consumption by all employees and/or donated to a charitable organization.

4. Outside/Secondary Employment Policy

Full-time employees who secure employment outside of their job with the City, must inform their Department Head and submit a Request for Approval Form to a representative from the Human Resources Office in advance. If it appears, in the sole discretion of the City Administrator or designee, that the outside employment (including self-employment) presents a possible or actual conflict of interest or interferes with the employee's ability to fulfill their responsibilities at the City, the City Administrator or designee may require the employee to discontinue their outside employment activities. The employee may not work for another employer during the times that the employee is scheduled or requested to work for the City.

5. Alcohol & Substance Abuse Policy

No employee of the City is permitted to use, consume, sell, possess, transport, purchase, sell or store any alcohol or drugs (controlled substances) in working areas (including City vehicles). The only exception is when an employee is consuming prescribed medication that is taken in accordance with the prescription. City employees are also prohibited from reporting to work under the influence of or impaired by alcohol or controlled substances at any time. This prohibition extends to marijuana and cannabis infused products that may have been consumed while off duty but under such circumstances that cause the employee to be impaired at work or under the influence while on duty.

Any employee who is using prescribed or over the counter medication that could cause known potential side effects is required to report the matter to their Immediate Supervisor prior to performing any work activities for the City. In this way, the City can determine if the employee is in need of any reasonable accommodation to assist the employee in the safe performance of their work activities. Employees are also required to refrain from using prescription drugs or other lawful substances (including marijuana or cannabis infused products) while off duty in a way that could cause them to be impaired by or under the influence of such products while on working time or in working areas.

Employees who are in violation of this Policy will be subject to disciplinary action that may include dismissal for even a first offense if deemed appropriate. An employee who has a problem with use or abuse of alcohol or drugs is encouraged to seek a reasonable accommodation before engaging in a Policy violation. For additional details about the City's Policy against Drug and Alcohol Use or Abuse, see Appendix G at the end of this Handbook.

6. Weapons/Concealed Carry Policy

The City strictly prohibits and does not tolerate weapons at any City facility, on any City property, or at any City-sponsored event. Weapons include visible and concealed weapons, including those for which the owner has necessary permits. Weapons can include firearms, knives with a blade longer than three inches, explosive materials or any other objects that could be used to harass, intimidate, or injure another individual, the employee, manager, or supervisor. Any employee who violates this Policy may be subject to disciplinary action, up to and including termination of employment.

If an employee knows or has reason to believe that any employee, resident or visitor on City property or in City working areas is in possession of a weapon that is or may be prohibited by this Policy, the employee is encouraged to discuss their questions, problems, complaints, or reports with their Immediate Supervisor. If an employee feels uncomfortable doing so, or if their supervisor is the source of the problem, condones the problem, an employee should notify a representative from the Human Resources Office or City Administrator or designee of the matter and without fear of retaliation.

7. Prohibited Political Activity Policy

City employees are expected to serve all patrons equally. The political opinions or affiliations of any patron should in no way affect the amount or quality of service received from the City.

City rules do not preclude an employee from becoming a political candidate or from taking part in election campaigns and other lawful political activities. However, employees may not engage in political activities at any time while on duty or when they may be identified as an employee of the City by any means such as uniform, insignia, motor vehicle or in any other manner. Political activities include, but are not limited to, running as a candidate for public office, soliciting or receiving funds for a political party or candidate for public office, soliciting votes for such party or candidate, attending political rallies, circulating petition, distributing political literature, or encouraging others to do any of the above. For purposes of this paragraph "while on duty" includes those hours an employee is scheduled to work and are working for the City, but does not include breaks, lunches, or other duty-free periods of time.

Employees are also prohibited from interrupting or disturbing other employees while they are on duty. Be assured that an individual's political affiliation, preference or opinion will not influence an individual's employment, retention or promotion as a City employee. Employees of the City will not be required to contribute monies to any candidate or political party but may do so on a strictly voluntary basis.

8. Smoke Free Workplace Policy

Employees are prohibited from smoking inside any City facility and within 15 feet of the entrance of any City-owned or leased facility. Smoking is also prohibited in any City-owned or leased vehicle or equipment. This prohibition against smoking extends to tobacco, vaping, cannabis or any other products. An employee who is in violation of this Policy will be subject to disciplinary action including dismissal when deemed appropriate. This Policy is necessary for safety and health reasons of all employees, residents and visitors who use the City's buildings and facilities.

9. Children, Visitors and Service Pets in the Workplace Policy

The presence of children, the employee visitors and pets (other than service animals that are approved by management as a form of reasonable accommodation for an employee with a disability) in the workplace with the employee during the employee's workday is inappropriate and is to be avoided except in extra-ordinary emergency situations. The only exception is with the prior approval of a supervisor where children and/or domesticated pets are present for brief introductory reasons that do not interfere or disrupt the work activities of our employees. This Policy is established to avoid disruptions and distractions in job duties of the employee and co-workers, reduce property and general liability, and help maintain the City's professional work environment.

Childcare is the personal responsibility of the employee, and it is the further responsibility of the employee to prearrange for childcare in the event of an emergency. If you have permission to bring a child to work for unavoidable brief periods of time the employee must understand that they are responsible for ensuring the safety and proper behavior of the child. Factors the supervisors will consider are the age of the child, how long the child needs to be present, the work environment in the employee's area, and any possible disruption to the employee's and co-workers' work. A child brought to the workplace in unavoidable situations will be the responsibility of the employee parent and must always be accompanied and be under the direct supervision of the employee parent.

10. Identity Protection Policy

The City of West Chicago has adopted an Identity Protection Policy pursuant to the Identity Protection Act. 5 ILCS 179/1 *et seq.* This law requires each local and state government agency to draft, approve, and implement an Identity Protection Policy to ensure the confidentiality and integrity of Social Security (SSNs) numbers agencies collect, maintain and utilize. It is important to safeguard Social Security numbers against unauthorized access because it has been determined that SSNs can be utilized to facilitate identity theft. One means of better protecting SSNs is to limit the widespread dissemination of those numbers. The Identity Protection Act, and this Policy, are intended, in part, to require the City to access their personal information collection practices and make necessary changes to those practices to ensure confidentiality. This Policy is located in Appendix D of this Handbook.

11. Theft and Falsification of Records Policy

Employees are required to report any observed instances or knowledge of theft to a representative from the Human Resources Office or the City Administrator or designee without delay. As used in this Policy, a “theft” occurs when an individual is involved in an unauthorized “taking” of property or items of value from another person when the property is owned by the City, an employee or another person who performs services for the City. that is owed by the City, a City employee and/or a visitor or contractor of the City. An act of “theft” in violation of this Policy also may include situations when an employee falsifies their time records or performs non-work-related activities during their paid working time. Of course, a “theft” in violation of this Policy also may include circumstances when property or items owned by other individuals are obtained or used through fraudulent or improper means.

12. Workplace Violence Policy

The City is committed to the safety and security of its employees and the public by maintaining a workplace that is as free as possible from forms of harassing and threatening behaviors including violence. The intent of this policy is to establish a zero Tolerance Standard with respect to acts of intimidation, threats of violence or act of violence relating to the workplace. Threats, threatening behavior or acts of violence against employees, visitors, guests or other individuals by anyone on City property will not be tolerated. Every employee is obligated to avoid behavior that may provoke violence. Employees are expected to report threats or situations of violence to their Immediate Supervisor, Department Head, the City Administrator or designee or to a representative from the Human Resources Office. This Policy is intended as a guide for employees, supervisors and managers and has been prepared to aid in the recognition and response to employee workplace violence. A safe and secure workplace is essential to carry out the mission of the City of West Chicago and its employees are committed to working together to create and maintain a workplace that is free of workplace violence.

Workplace violence includes, but is not limited to:

- Name-Calling/Stalking/Harassment/Intimidation
- Physically intimidating others including such acts as obscene gestures, shouting and fist shaking. Intimidation through direct, veiled verbal threats, or non-verbal actions.
- Throwing objects in the workplace (regardless of the size or type of object being thrown and/or who the intended target was).
- Physically touching another person in an intimidating malicious or harassing manner, including such acts as hitting, slapping, poking, kicking, pinching, grabbing and pushing
- Fighting /Beating
- Shooting/Stabbing/Hostage Taking

- Property Damage/Other Physical Attacks/Other Violent Acts

Employees may voluntarily seek assistance or be referred to the City's EAP to deal with situations that could possibly develop into violence. Employees who are aware of any Policy violations or who have been the victim of violence in the workplace are encouraged to report the matter to management pursuant to our internal complaint procedure that appears in Section II of this Handbook.

13. Tuition Reimbursement Program

The City recognizes the mutual benefit in employees pursuing continued education. Therefore, the City has established a tuition reimbursement policy to encourage continued education. This policy is contingent upon funds being available in the budget and during times of fiscal uncertainty may be temporarily suspended.

- a. Employees must have completed their probationary period to be eligible.
- b. Employees must submit details on any other tuition assistance awarded such as scholarships, grants, or veteran's benefits. The City's share shall not exceed the difference between a tuition bill and the amount of coverage from all other sources.
- c. The program is available for college, vocational or degree programs that are job-related (either current or future positions within the organization) and the employee must submit the institution's accreditation status.
- d. Courses will be taken on the employee's own time, unless otherwise approved by the City Administrator or designee. The number of courses enrolled shall be reviewed during the approval process and shall in no way interfere with the employee's job duties and responsibilities.
- e. The City will reimburse the employee for appropriate tuition costs upon submission of an approved reimbursement request with proof of payment and satisfactory completion of each course.
- f. For courses with a letter grade, the City will reimburse tuition on a sliding scale of 100% for an "A" or "B" and 75% for a "C". Employees who receive a grade lower than "C" shall not be reimbursed.
- g. For courses with a pass/fail grading system, the City will reimburse a "pass" tuition at 100%.
- h. Reimbursement for tuition to attend a private school will be limited to the tuition cost of a comparable state school.
- i. At the time an employee requests reimbursement, they must sign an agreement to repay all reimbursed tuition to the city if, for any reason, they separate employment from the City within one year after the completion of their course of study.

XII. GUIDELINES FOR USE OF CITY ELECTRONIC RESOURCES

1. Use of City Information, Property & Equipment Policy

The protection of the City's business information, property and all other City assets is vital to the interests and success of the City. Except in the ordinary course of performing duties for the City, or otherwise permitted, as necessary to perform your work-related activities, no City property may be removed from the City's premises. Accordingly, when an employee leaves the City, the employee must return to the City all related City information and property that the employee has in their possession, including without limitation, documents, files, records, Manuals, passwords, information stored on a personal computer or on a computer disc, supplies, and equipment or office supplies (including any copies of such information in any form). All copies of original documents are also owned by the City and may not be taken without the written approval of the Department Head. Violation of this provision is a serious offense and may result in appropriate disciplinary action, up to and including discharge.

No employee, elected official, or member of the public may use City property for personal use without proper authorization. No City property may be released for personal use without the prior written approval of the Department Head who is responsible for the equipment or property. Personal use of City vehicles can only be approved by the City Administrator or designee.

For the purpose of this Section, City property is defined as buildings, vehicles, facilities, grounds, tools, implements, building materials, electronic equipment, recreation and rental equipment and all other property owned, leased or in the possession of the City. Because safety and liability is of chief concern, it is expected that City property that is assigned, or authorized or permitted to be used will be operated in a fashion consistent with the City's established safety rules and regulations. Instructions on safe and proper use will be provided upon request. In addition, the use of some City property may require permits, waivers and releases. The employee will be responsible for the full cost of repair or replacement of City property, in the sole discretion of the City that is damaged or lost while it is in the employee's care and custody through the employee's own negligence.

The City's equipment, such as telephones, facsimile and copier machines, is intended for business purposes. An employee may only use this equipment for occasional personal/non-business purposes in an emergency and only with the permission of their supervisor during non-working times. City postage machines may only be used for work related purposes.

Upon termination of employment, the employee must return all City property, uniforms, equipment, passwords, data, work product and documents (in any form) in the employee's possession or control. The City reserves the right to pursue all legal remedies for those who do not return City equipment in a timely manner as is consistent with the City's business needs and legal obligations.

2. Use of City Computer Systems Policy

The use of City computers and software is limited solely to appropriate business use. Except as otherwise provided below, employees are not allowed to use the computer system for their personal benefit. Employees are strictly forbidden from installing software on the system.

Further, this Policy reaffirms that the City's employees have no reasonable expectation of privacy with respect to any computer hardware, software, electronic mail or other computer or electronic means of communication or storage, whether the employees have private access or an entry code into the computer system. The City reserves the right to monitor the use of its computer system.

3. Social Media Policy

In general, the City respects the right of employees to use social media, personal websites and blogs as a medium of self-expression. Unless otherwise allowed by law, employees should not discuss matters not already available or publicly known to individuals outside of the organization. Keeping this in mind, if an employee chooses to identify themselves as a City employee and discuss matters related to the City, staff or patrons on their website, blog, or other online social network (i.e., Facebook, LinkedIn, YouTube, Instagram), please proceed with caution and discretion. Although posts may be a personal project conveying an individual's expression, some people may nonetheless view the employee as a de facto spokesperson for the City. This is why City computers and other electronic devices should not be used for social media communications unless this is a specified job function of the employee.

Such activities at or outside of work also may affect their job performance, the performance of others, staff morale, teamwork, and/or the reputation or business interests of our City. Considering these possibilities, employees must observe the following guidelines:

- a. Since the postings are in a public space, be respectful to the City, our employees, our patrons, our partners and affiliates, and others. For example, refrain from posting personal insults or obscenity, or engaging in any conduct that would not be acceptable in the workplace. Show proper consideration for others' privacy and for topics that may be considered objectionable, inflammatory, or counterproductive to morale or teamwork.
- b. An employee may provide a link from their site to the City website. However, the employee will require permission to use the City logo or reproduce any City material on their site.
- c. When using City computers, the employees are subject to both the City's Internet Use Policy and Computer Use Policy. Social media sites and other websites such as Slack, Facebook Messenger, Snapchat, GChat, WhatsApp, or other tools hosted outside of the City's protected intranet environment should not be used for internal communications among fellow employees.
- d. Recognize that both during working hours and non-working hours, the employees are an ambassador of the City. Employees are expected to conduct themselves at all times in the best interest of the City. Further, all employees are expected to promote teamwork and inspire trust and confidence. For example, if their views negatively impact the reputation and integrity of the City, hurt staff morale, and/or create friction among staff, the employees may be disciplined, up to and including termination of employment.

- e. Lastly, use good judgment. Your actions both in and outside the workplace reflect on your judgment, decision-making, professionalism, maturity, and commitment to the City. If you're about to publish something that makes you even the slightest bit uncomfortable, review the guidelines above and consider the potential consequences of your actions. Ultimately, you have sole responsibility for what you post to your blog or publish in any form of online social media.
- f. If any employees have any questions about these guidelines or any matter related to their site that these guidelines do not address, please direct them to a representative from the Human Resources Office or the City Administrator or designee.
- g. There is nothing in this Policy that is intended to limit or restrict the rights of any employee engaged in speech or communications that are concerted or protected under the law.

4. City's E-Mail Policy

Every City employee and elected or appointed official is authorized and responsible for using the City E-mail system properly and in accordance with this Policy. Any questions about this Policy should be addressed to a representative from the Human Resources Office.

The E-mail system is the property of the City. It has been provided by the City for use in conducting City business. All communications and information transmitted by, received from, or stored in this system are City records and property of the City. An employee has no right of personal privacy in any matter stored in, created, received, or sent over the City E-mail system. Therefore, please understand that these communications are periodically reviewed and monitored to ensure compliance with our policies and the applicable laws.

Even if employees use a password to access the E-mail system, the confidentiality of any message stored in, created, received, or sent from the City from the City E-mail system still cannot be assured. Use of passwords or other security measures does not in any way diminish the City's rights to access materials on its system or create any privacy rights of the employees in the messages and files on the system. Any password used by employees must be revealed to the City as E-mail files may need to be accessed by the City in an employee's absence.

Employees should be aware that deletion of any E-mail messages or files will not truly eliminate the messages from the system. All E-mail messages are stored on a central back-up system in the normal course of data management. Even though the City has the right to retrieve and read any E-mail messages, those messages should still be treated as confidential by other employees and accessed only by the intended recipient. An employee is not authorized to retrieve or read any E-mail messages that are not sent to them. Any exception to this Policy must receive the prior approval of the City Administrator or designee.

The City's policies against sexual and/or other harassment apply fully to the E-mail system and other Department communications systems (and devices), and any violation of those policies is grounds for discipline up to and including discharge. Therefore, no E-mail messages should be created, sent, or received if they contain intimidating, hostile, or offensive material concerning

race, color, religion, sex, age, national origin, citizenship status, ancestry, marital status, civil union partnership, veteran status, disability, sexual orientation, gender, gender identity or expression, genetic information, unfavorable discharge from military service or military status, pregnancy, childbirth or a related medical condition related to childbirth or pregnancy or any other protected characteristic as established by law. The E-mail system may not be used to solicit for religious or political causes, commercial enterprises, outside organizations, or other non-job-related solicitations.

The E-mail system will not be used to send (upload) or receive (download) copyrighted materials, trade secrets, proprietary financial information, or similar materials without prior authorization from City management. An employee, if uncertain about whether certain information is copyrighted, proprietary, or otherwise inappropriate for transfer, should resolve all doubts in favor of not transferring the information and consult the employee's Department Head or City Administrator or designee.

Any employee who discovers misuse of the E-mail system should immediately contact their Department Head and the City Administrator or designee. Violations of the City's E-mail Policy will result in disciplinary action, up to and including discharge.

5. Internet Use Policy

Approval from the City Administrator or designee is required before anyone can post any information on commercial on-line systems or the Internet on behalf of the City. Any approved material that is posted should obtain all proper copyright and trademark notices. An employee's use of the Internet is governed by this Policy, the E-mail Policy, and all applicable laws and ordinances.

The computers and computer accounts given to the employees are to assist them in performance of their jobs. All employees should not have an expectation of privacy in anything they create, store, send, or receive on the computer system. The computer system belongs to the City and may only be used for business purposes. The City has the right, but not the duty, to monitor any and all of the aspects of its computer system, including, but not limited to, monitoring sites visited by the employees on the Internet, monitoring chat groups and news groups, reviewing material downloaded or uploaded by users to the Internet, and reviewing e-mail sent and received by users.

The City uses software to attempt to identify and block inappropriate or sexually explicit Internet sites. Such sites may be blocked from access by City networks. In the event an employee nonetheless encounters inappropriate or sexually explicit material while browsing on the Internet, immediately navigate away from the site, regardless of whether the site was subject to City blocking software. Out of caution, the employee also is encouraged to notify the Human Resources Office if they inadvertently accessed a site in violation of this Policy.

6. City's Voice Mail Policy

Every City employee is responsible for using the City's Voice Mail system properly and in accordance with this Policy. Any questions about this Policy should be addressed to a

representative from the Human Resources Office. The employees have no right of personal privacy in any matter stored in, created, received, or sent over the City's Voice Mail system.

The City, in its discretion as owner of the Voice Mail system, reserves and may exercise the right to monitor, access, retrieve, and delete any matter stored in, created, received, or sent over the Voice Mail system, for any reason without the permission of any employee and without notice. Employees are reminded to be courteous to other users of the system and always to conduct themselves in a professional manner. Voice Mails are sometimes misdirected or forwarded and may be heard by persons other than the intended recipient. Users should create Voice Mail communications with no less care, judgment and responsibility than they would use for letters or internal memoranda written on City letterhead. Employees should also use professional and courteous greetings on their Voice Mail boxes to properly represent the City to outside callers.

Any employee who discovers misuse of the Voice Mail system should immediately contact a representative from the Human Resources Office so the matter can be investigated and remedied promptly. Any violation of the City's Voice Mail Policy will result in disciplinary action, up to and including discharge of the offenders.

7. Tape Recording & Photograph Policy

It is a violation of City Policy to record conversations with a tape recorder or any listening or recording devices, except as authorized pursuant to your job functions (i.e., patrol officers, etc.). It is also a violation of City Policy to take photographs of other employees with a cellular phone or other camera-type device unless prior approval is received from the Department Head and provided all parties involved give their prior consent.

The purpose of this Policy is to eliminate a chilling effect on the expression of views that may exist when one person is concerned that their conversation with another is being secretly recorded. This concern can inhibit spontaneous and honest dialogue especially when sensitive or confidential matters are being discussed. Violation of this Policy will result in disciplinary action, up to and including immediate termination of employment.

8. Telephone and Cellular Telephone Usage Policy

Office telephones are a vital part of the City's business operations. Because of the large volume of City business transacted by telephone, personal use of the telephone should be limited, and personal calls should be brief.

Cellular telephones are furnished to certain employees in connection with their job duties. Employees need to limit personal use of their cellular telephone in the same way they need to limit personal use of their office telephone. The City requires the safe use of its cellular telephones by employees while conducting business. Employees who are issued cellular telephones may also be issued an earphone/microphone adapter for increased safety and convenience. Employees are expected to fully comply with all traffic laws and laws related to cellular phone use. Employees are specifically prohibited from accessing email, text messaging, or instant messaging while driving. This includes composing, sending, or reading a message while operating a vehicle on a roadway. However, this prohibition does not apply to either: (1) law enforcement employees while

performing their official duties; or (2) the employees engaging in electronic communications via their cellular telephones in hands-free or voice-activated mode; or while parked.

9. Personal Communication Devices (“PCD”) for City Business Policy

In the event City employees use a Personal Communication Device (PCD) or their personal computer for City business, City information of any kind shall be kept separate from personal information. City information contained or referenced on an employee’s PCD, or personal computer remains the exclusive property of the City and the City may require access to it at any time.

In addition to the City needing access to its information for business use, it may also be legally obligated to collect and share its information for the purposes of an investigation, Freedom of Information Act (FOIA) request, or other reporting requirement. Pursuant to the Illinois FOIA requirements, which provide for transparency in government operations, all written City business communications, including but not limited to email communications, text messages, instant messages and the like are subject to disclosure.

Employees are required to provide the City with access to any City information stored on employee’s PCD or personal computer within two calendar days of the request to the employee from the City. Said access shall require the employee to provide authorization to the carrier or any third party to retrieve the City-related communications or documentation. When necessary for information retrieval and verification, the City may direct the employee to temporarily turn over the relevant devices.

The City has neither the right nor interest in any personal, non-City related information on employees’ devices. Any directive to provide device access for information retrieval shall be limited to City business and the scope of the search shall be detailed in writing.

Employees who fail to grant access to City information on PCDs or computers may be subject to disciplinary action, up to and including termination of employment, as well as legal action. Notwithstanding the foregoing, the City will not require any employee to disclose any personal account information covered by the Illinois Right to Privacy in the Workplace Act, or any other applicable law.

XIII. SEPARATIONS FROM CITY EMPLOYMENT

1. Employment at-Will

Unless provided otherwise in an applicable CBA or pursuant to the express terms of a written employment agreement that is entered into and signed by an authorized representative of the City Council, employment with the City is on an at-will basis. This means that any employee has the right to end the employment relationship at any time and for any or no reason and the City has that same right.

2. Lay-Offs

Unless otherwise provided in an applicable CBA the City may, in its sole discretion, reduce the number of the employees in any given position or division at any time. An employee may be laid-off whenever there is a lack of work or funds or a change in functions directly or indirectly creates a surplus of the employees for the workload of the City. Although the City is under no obligation to do so, reasonable efforts normally will be made to transfer a Full-time employee to another Department rather than laying them off if another vacant position is available for which the Full-time employee is qualified. When this is impractical, the Department Head will consider seniority, among other factors, where qualifications, ability, attitude, and performance factors are substantially the same in determining whom to lay off.

3. Resignations

As an at-will employee, an employee may resign their position with the City at any time, with or without notice or cause. However, the City requests that an employee gives their Immediate Supervisor enough notice of their intention to resign to enable the City to try to minimize departmental hardship and to make proper provisions for the filling of their position, when appropriate. The City requests that an employee should give written notice to their Immediate Supervisor at least 10 working days prior to their last workday; however, 20 working days' notice is preferred. Vacation days or personal days may not be included in the 10-day notice period. An employee may leave anytime during the 10 days with their Immediate Supervisor's consent and remain in good standing. If an employee fails to resign in good standing, they may not be eligible for rehire unless an employee demonstrates good cause deemed acceptable to the City for leaving early. Seasonal or temporary employees will not be in good standing or eligible for rehire if they leave their employment before the end of their assignment without good cause for leaving early.

4. Exit Interviews

Before officially separating from the City's employment for any reason, an employee must return all City property, including without limitation vehicles, documents (in any form), tools, keys, passwords, uniforms, equipment, identification cards and City issued credit cards. The departing employee may be asked to meet with a representative from the Human Resources Office and/or their Department Head to participate in an exit interview when separating from the City. During this meeting, an employee may want to speak with a representative from the Human Resources Office about required completion of forms for insurance continuation, IMRF and other termination of employment related matters.

ACKNOWLEDGEMENT OF RECEIPT OF HANDBOOK

This Acknowledgement Form will serve to notify the City and confirm that I have received my personal copy of the Handbook, which has been updated effective February 2023, and that I have read and understand the policies, benefits and rules contained in this Handbook.

I understand that the provisions of this Handbook are not a contract, promise or guarantee of employment. I further understand that no representative of the City, other than the City Administrator or designee (with the approval of the City Council) has the authority to enter into any agreement for my employment for any specified period of time. I acknowledge and agree that I am an "employee at-will," and therefore my employment status with the City may be terminated at any time, with or without cause, and with or without notice, by myself or management of the City. The only exception is if the terms and conditions of my employment are governed by a collective bargaining agreement.

I also understand that the City may change, delete or add policies to this Handbook at its discretion for business reasons that may include changes of the law. As a condition of my employment, I agree to abide by the policies and rules set forth in this Handbook, including changes that are made to the policies and procedures in the Handbook from time to time during my employment.

Employee's name [Printed]

Employee's signature

Date

Management/Human Resources Manager

Date

APPENDIX A

WHISTLEBLOWER PROTECTION POLICY & PROCEDURES

Purpose

Pursuant to § 4.1 of the Public Officer Activities Act, 50 ILCS 105/4.1 (the “Act” as used in this Policy only), the City protects the confidentiality of and prohibits retaliation against any full-time, part-time, or temporary employee or contractor who reports improper governmental action under the Act and this Policy. The City’s Auditing Official will manage and investigate complaints filed under the Act and this Policy in accordance with the following processes and procedures.

Improper Governmental Action

For purposes of this Policy, “improper governmental action” means any action by an employee of the City, an appointed or elected member of the City Council, or an elected official of the City that:

- is undertaken in violation of a federal or state law or local ordinance;
- is an abuse of authority;
- violates the public's trust or expectation of their conduct;
- is of substantial and specific danger to the public's health or safety; or,
- is a gross waste of public funds.

The action need not be within the scope of the official duties of the employee, elected official, appointed official, member or other agent of the City to be subject to a claim of improper governmental action.

Improper governmental action in violation of this Policy does not include the City’s personnel actions, including but not limited to: (1) employee grievances or complaints; (2) appointments, promotions, transfers, reassignments, or reinstatements; (3) restorations or reemployment; (4) performance evaluations; (5) reductions in compensation; (6) dismissals, suspensions, demotions, reprimands, or violations of collective bargaining agreements, except to the extent that the action amounts to retaliation.

Confidentiality

The identity of an employee will be kept confidential to the extent allowable by law unless waived in writing by the employee. The Auditing Officials may take reasonable measures to protect employees who reasonably believe they may be subject to bodily harm for reporting improper government action.

No Retaliation

The City will not retaliate against or tolerate retaliation against an employee or contractor or other person who performs services for the City who:

- reports an improper governmental action under this Policy or the Act;
- cooperates with an investigation by the Auditing Official related to a report of improper governmental action; or
- testifies in a proceeding or prosecution arising out of an improper governmental action.

Prohibited retaliation means any adverse change in an employee's employment status or terms and conditions of employment. Retaliatory action includes, but is not limited to,: (1) denial of adequate staff to perform duties; (2) frequent staff changes; (3) frequent and undesirable office changes; (4) refusal to assign meaningful work; (5) unsubstantiated letters of reprimand or unsatisfactory performance evaluations; (6) demotion; (7) reduction in pay; (8) denial of promotion; (9) transfer or reassignment; (10) suspension or dismissal; or (11) other disciplinary action made because of an employee's protected activity under the Act.

Reporting Procedures

Any employee who is aware of an improper governmental action (as defined above) is required to make a written report to the City Administrator or designee who serves as our designated Ethics Officer.

Any employee who believes that they are being retaliated against, in violation of the Act and this Policy, may submit a written report to the City's Auditing Official, within 60 days of learning of the retaliatory conduct. If the Ethics Officer is the individual involved in the alleged improper governmental action, then a report may be submitted to any State's Attorney.

Investigation Procedures

Upon receiving a report of alleged improper governmental action, the Auditing Official shall conduct a confidential investigation of report.

The Auditing Official will also notify the employee and all witnesses of the City's policy against retaliation for reporting alleged improper government action or participating in a related investigation or proceeding.

The Auditing Official shall notify the City's corporate counsel of the report and seek legal advice regarding the report, investigation, and potential findings and remedies.

The Auditing Official may transfer a report of improper governmental action to another auditing official for investigation if the Auditing Official deems it appropriate, including, but not limited to, the appropriate State's Attorney.

If the Auditing Official concludes that an improper governmental action has taken place or concludes that the any person has hindered the investigation, the Auditing Official shall notify in writing the City Administrator or designee and any other individual or entity the Auditing Official deems necessary in the circumstances, including, for example, the President of the City Council.

If the Auditing Official determines that an employee has been subjected to retaliation in violation of the Act or this Policy, the Auditing Official may also reinstate, reimburse for lost wages or expenses incurred, promote, or provide some other form of restitution. In instances where the Auditing Official determines that restitution will not suffice, the Auditing Official may make their investigation findings available for the purposes of aiding in that employee's or the employee's attorney's effort to make the employee whole.

The Auditing Official shall maintain records relating to the report, investigation, and findings confidential to the extent allowed by law and shall consult with the City's corporate counsel before disclosing such records to any third parties.

APPENDIX B

REPORTING IMPROPER GOVERNMENTAL ACTIVITY, PROTECTION FROM RETALIATION

This Policy is intended to comply with Section 4.1 of the Public Officer Prohibited Activities Act. The definitions of terms included in this Policy are provided for ease of reference. To the extent (the “Act” as used in this Policy only) that this information differs from the requirements of the law, or any subsequent amendments, the definitions in the law (as amended from time to time) will control.

Retaliation Is Prohibited

The City strictly prohibits retaliation against any employee or contractor who:

- a. Reports an improper governmental action;
- b. Cooperates with an investigation by an auditing official related to a report of improper governmental action;
- c. Testifies in a proceeding or prosecution arising out of an improper governmental action.

This prohibition applies to retaliation by the City or any employee, agent, or representative of the City.

The Act defines “improper governmental action” as:

“[A]ny action by a unit of local government employee, an appointed member of a City Council, commission, or committee, or an elected official of the unit of local government that is undertaken in violation of a federal, State, or unit of local government law or rule; is an abuse of authority; violates the public's trust or expectation of their conduct; is of substantial and specific danger to the public's health or safety; or is a gross waste of public funds. The action need not be within the scope of the employee's, elected official's, City Council's, commission member's, or committee member's official duties to be subject to a claim of “improper governmental action”. “Improper governmental action” does not include a unit of local government personnel actions, including, but not limited to employee grievances, complaints, appointments, promotions, transfers, assignments, reassignments, reinstatements, restorations, reemployment, performance evaluations, reductions in pay, dismissals, suspensions, demotions, reprimands, or violations of collective bargaining agreements, except to the extent that the action amounts to retaliation.”

Under the Act, “retaliate,” “retaliation,” or “retaliatory action” mean:

“[A]ny adverse change in an employee's employment status or the terms and conditions of employment that results from an employee's protected

activity under this Section. "Retaliatory action" includes, but is not limited to, denial of adequate staff to perform duties; frequent staff changes; frequent and undesirable office changes; refusal to assign meaningful work; unsubstantiated letters of reprimand or unsatisfactory performance evaluations; demotion; reduction in pay; denial of promotion; transfer or reassignment; suspension or dismissal; or other disciplinary action made because of an employee's protected activity under this Section."

Under the Act and this policy, "Employee" includes anyone employed by the City, whether in a permanent or temporary position, including full-time, part-time, and intermittent workers. "Employee" for purposes of the Act and this policy also includes members of appointed City Councils and commissions, paid or unpaid. "Employee" also includes persons terminated because of any report or complaint submitted under the Act or this policy.

Reporting Improper Governmental Activity or Retaliation

To invoke the protections of the Act and this policy, an employee shall make a written report of improper governmental action to the City's Auditing Official. An employee who believes that they have been retaliated against in violation of this policy or the Act must submit a written report to the

Auditing Official within 60 days of gaining knowledge of the retaliatory action. If the Auditing Official is the individual who engaged in the improper governmental action, then a report under this provision may be submitted to any State's Attorney.

The Auditing Official designated to receive reports under this policy shall be the City Administrator or designee.

Processes and Procedures for Investigation

The following processes and procedures will apply to investigation of any written report submitted under this policy:

Upon receipt of a written report under this Policy, the Auditing Official will review the report and determine whether it raises an issue of an alleged improper governmental action or retaliation covered by this policy, assuming all factual assertions in the complaint to be true. If the report does not raise matters covered by this Policy, the Auditing Official will close the investigation and will notify the complainant in writing of this determination.

If the Auditing Official determines that the report raises an allegation of improper governmental action or retaliation as defined in the Act and this Policy, the Auditing Official will promptly investigate the allegations to determine whether an improper governmental action or retaliation occurred.

The Auditing Official may designate others to assist with or provide advice with respect to the conduct of the investigation, as the Auditing Official deems appropriate.

The Auditing Official (or designee) will determine what steps are necessary to properly investigate the allegations included in the written report. Depending upon the circumstances, these may include, but are not limited to:

- Interviewing the reporting party.
- Interviewing any individuals who allegedly engaged in retaliation or improper governmental activity.
- Interviewing other witnesses.
- Obtaining and reviewing documents and electronically stored information relevant to the matters alleged in the report.
- At the conclusion of the investigation, the Auditing Official (or designee) will prepare a written investigation report, which will include, at a minimum:
 - A summary of the evidence obtained through the investigation.
 - Findings as to any facts the Auditing Official determines are relevant to the investigation.
 - A determination as to whether there is sufficient evidence to conclude that an improper governmental action or retaliation, as defined in this policy, occurred.

Transfer to Another Auditing Official

The Auditing Official may transfer a report of improper governmental action to another Auditing Official for investigation if the Auditing Official deems it appropriate, including, but not limited to, the appropriate State's Attorney. In that event, the matter will be investigated according to the processes and procedures established by the Auditing Official to whom the matter is transferred.

Confidentiality

To the extent allowed by law, the identity of an employee reporting information about an improper governmental action shall be kept confidential unless the employee waives confidentiality in writing. Auditing Officials may take reasonable measures to protect employees who reasonably believe they may be subject to bodily harm for reporting improper government action.

Reporting Results of the Investigation

If the Auditing Official concludes that an improper governmental action has taken place or concludes that the relevant unit of local government, department, agency, or supervisory officials have hindered the Auditing Official's investigation into the report, the Auditing Official shall notify in writing the Mayor and City Administrator or designee, and any other individual or entity the auditing official deems necessary in the circumstances.

Additionally, if the Auditing Official concludes that an employee was subjected to adverse actions for reporting improper government action:

- a. The Auditing Official may reinstate, reimburse for lost wages or expenses incurred, promote, or provide some other form of restitution;
- b. In instances where an Auditing Official determines that restitution will not suffice, the auditing official may make their investigation findings available for the purposes of aiding in that employee's or the employee's attorney's effort to make the employee whole.

Consequences for Violation of the Act and This Policy

Under the Act, a person perpetrating retaliatory action may be subject to a fine of no less than \$500 and no more than \$5,000, suspension without pay, demotion, discharge, civil or criminal prosecution or any combination of these penalties, as appropriate.

Providing false or misleading information in connection with an investigation under this policy may result in disciplinary action up to and including termination of employment.

Determinations regarding discipline or other employment consequences for violations of this policy or the Act will be made in accordance with the City's established disciplinary policies and procedures.

APPENDIX C

ILLINOIS IDENTITY PROTECTION ACT POLICY

Introduction

This policy is adopted pursuant to the Illinois Identity Protection Act to protect social security numbers from unauthorized disclosures.

Prohibited Acts

All employees are prohibited from doing any of the following:

1. Publicly post or publicly display or otherwise intentionally communicate or otherwise intentionally make available to the general public in any manner an individual's social security number.
2. Print an individual's social security number on any card required for the individual to access products or services provided by the City.
3. Require an individual to transmit their social security number over the Internet, unless the connection is secure, or the social security number is encrypted.
4. Print an individual's social security number on any materials that are mailed to the individual, through the U.S. Postal Service, any private mail service, electronic mail, or any similar method of delivery, unless state or federal law requires the social security number to be on the document to be mailed. Notwithstanding any provision in this section to the contrary, social security numbers may be included in applications and forms sent by mail, including, but not limited to, any material mailed in connection with the administration of the Unemployment Insurance Act, any material mailed in connection with any tax administered by the Illinois Department of Revenue, and documents sent as part of an application or enrollment process or to establish, amend, or terminate an account, contract, or policy or to confirm the accuracy of the social security number. A social security number that may permissibly be mailed under this section may not be printed, in whole or in part, on a postcard or other mailer that does not require an envelope or be visible on an envelope without the envelope having been opened.
5. Collect, use, or disclose a social security number from an individual, unless:
 - a. required to do so under state or federal law, rules, or regulations, or the collection, use, or disclosure of the social security number is otherwise necessary for the performance of the employee's duties and responsibilities;
 - b. the need and purpose for the social security number is documented before collection of the social security number; and
 - c. The social security number collected is relevant to the documented need and purpose.
6. Require an individual to use their social security number to access an internet website.

7. Use the social security number for any purpose other than the purpose for which it was collected.

8. Encode or embed a social security number in or on a card or document, including, but not limited to, using a bar code, chip, magnetic strip, RFID technology, or other technology, in place of removing the social security number as required by this policy.

Exclusions from Prohibitions

The prohibited acts listed above do not apply in the following circumstances:

- a. The disclosure of social security numbers to agents, employees, contractors, or subcontractors of a governmental entity or disclosure by a governmental entity to another governmental entity or its agents, employees, contractors, or subcontractors if disclosure is necessary in order for the entity to perform its duties and responsibilities; and, if disclosing to a contractor or subcontractor, prior to such disclosure, the governmental entity must first receive from the contractor or subcontractor a copy of the contractor's or subcontractor's policy that sets forth how the requirements imposed under the Identity Protection Act on a governmental entity to protect an individual's social security number will be achieved.
- b. The disclosure of social security numbers pursuant to a court order, warrant, or subpoena.
- c. The collection, use, or disclosure of social security numbers in order to ensure the safety of: state and local government employees; persons committed to correctional facilities, local jails, and other law enforcement facilities or retention centers; wards of the State; and all persons working in or visiting a state or local government agency facility.
- d. The collection, use, or disclosure of social security numbers for internal verification or administrative purposes.
- e. The disclosure of social security numbers by a state agency to any entity for the collection of delinquent child support or of any state debt or to a governmental agency to assist with an investigation or the prevention of fraud.
- f. The collection or use of social security numbers to investigate or prevent fraud, to conduct background checks, to collect a debt, to obtain a credit report from a consumer reporting agency under the federal Fair Credit Reporting Act, to undertake any permissible purpose that is enumerated under the federal Gramm Leach Bliley Act, or to locate a missing person, a lost relative, or a person who is due a benefit, such as a pension benefit or an unclaimed property benefit.

Freedom of Information Act Requests

Consistent with the Illinois Freedom of Information Act, City employees must redact social security numbers from information or documents being supplied to the public pursuant to a

Freedom of Information Act request before allowing the public inspection or copying of the information or documents.

Applicability

This policy does not apply to the collection, use, or disclosure of a social security number as required by state or federal law, rule, or regulation. This policy does not apply to documents that are recorded with a county recorder or required to be open to the public under any state or federal law, rule, or regulation, applicable case law, Supreme Court Rule, or the Constitution of the State of Illinois. If a federal law takes effect requiring any federal agency to establish a national unique patient health identifier program, any City employee that complies with the federal law shall be deemed to be in compliance with this policy.

Identity Protection Procedures

All City employees having access to social security numbers in the course of performing their duties shall be trained to protect the confidentiality of social security numbers. The training shall include instructions on the proper handling of information that contains social security numbers from the time of collection through the destruction of the information.

Only City employees who are required to use or handle information or documents that contain social security numbers have access to such information or documents. Social security numbers requested from an individual shall be provided in a manner that makes the social security number easily redacted if required to be released as part of a public records request. When collecting a social security number, or upon request by the individual, a statement of the purpose or purposes for which the City is collecting and using the social security number shall be provided to the individual.

Unauthorized access by an employee to personal information retained by the City, including SSNs, will subject the employee to disciplinary action, up to and including termination.

APPENDIX D

HEALTH INSURANCE OPT-OUT PROGRAM

PURPOSE

The City of West Chicago, as with many employers, must deal with the continuing increase in the cost of health insurance. The City is aware that some employees may not need the Health insurance benefits received through the City because alternative coverage is available under a spouse's insurance plan. A health insurance Opt-out Program is being offered to employees who have alternative coverage. Current employees who for the plan year discontinue participation in an existing City health insurance plan or reduce coverage from a family plan to a single plan will receive a bi-weekly payment in recognition of the City's insurance cost savings. Newly hired employees are also eligible for the Program.

PROGRAM

An employee who has an alternative source of health insurance coverage and wants to either discontinue or reduce the current level of coverage under a City health insurance plan may do so during the open enrollment period for a following plan year (January 1 – December 31). In return, the employee is eligible for a bi-weekly monetary waiver payment. The amounts of the waiver payments shall be set by the City Administrator or designee. Because having health insurance is vitally important, no employee will be allowed to waive/reduce existing coverage unless they can offer proof of coverage under an alternative health insurance plan.

Employees desiring to participate in the Opt-out Program must complete a waiver form (copy attached) and submit it to a representative from the Human Resources Office during the City's annual open-enrollment period. Following the submission of the waiver application and verification of alternative insurance coverage, the current City health insurance coverage will terminate on December 31, the end of a plan year. An employee may qualify as a participant in the Opt-out Program during a plan year if within 30 days of a qualifying life-changing event (i.e., marriage, divorce) that provides them with alternative coverage they apply for the program.

Participants in the Program will in addition to the waiver payment no longer have a bi-weekly deduction of the employee premium co-payments. The waiver payment is made over 24 pay periods during the plan year. All payments are considered income and are subject to normal withholdings. Offering this Program does not obligate the City to continue the Program from year-to-year if it is not economically feasible or if in conflict with Federal or State law. Contact a representative from the Human Resources Office for the current opt-out waiver rates.

Health insurance opt-out payments can be received for three changes in health coverage.

- 1 Discontinuation of participation in a City single health insurance plan
- 2 Discontinuation of participation in a City family health insurance plan
- 3 Reduction of City health insurance coverage from a family plan to a single plan (only available to those employees providing evidence of alternative family health insurance coverage). This option is NOT available to employees who naturally or

under plan terms lose family status (e.g., divorce, death, age of dependent child, etc.).

An employee whose spouse is also a City employee, and both individuals have insurance, will be eligible to participate in the Program.

NEW EMPLOYEES

New employees starting with the City after the beginning of a plan year may be eligible to participate in the Opt-out Program by declining health insurance coverage during the initial sign-in period. The waiver payment received will be prorated for the balance of the plan year (January 1 - December 31) based on the number of waiver payment pay periods remaining in the plan year. Also, new employees must also offer proof of coverage under another health insurance plan.

DURATION

A waiver of health insurance is in effect for only one plan year (January 1 – December 31). If economically viable and not in conflict with Federal or State law, the City may authorize the Program for the next plan year. Employee's desiring to continue in the Opt-out Program for the next plan year must complete a new waiver form (with proof of alternative insurance coverage) during the open enrollment period for that plan year. Employees desiring not to continue in the Opt-out Program MUST complete all required forms for City health insurance coverage during the open enrollment period. Coverage is effective January 1 of the next plan year.

SEPARATION

If an employee participating in the Opt-out Program separates employment with the City during a plan year, waiver payments will only continue through the last payroll period employed. An employee participating in the program who retires during the plan year does NOT have health insurance rights to participate in a City health insurance plan after retirement.

RE-ENROLLMENT

Re-enrollment to a City plan can only occur during the annual open enrollment period or within 30 days of a life-changing event (e.g., spouse losing insurance coverage). Under a qualifying re-enrollment during the plan year, the waiver payment will cease in the payroll period that City health insurance coverage becomes effective.

APPENDIX E

EMPLOYEE SAFETY PROGRAM

POLICY STATEMENT

The health and safety of all employees is of utmost importance and concern to the City of West Chicago. The objectives of the City of West Chicago Employee Safety Program include: the prevention of injury to employees, the prevention of damage to property, and the prevention of lost time accidents. Adherence to this program by all City employees will result in improved employee morale, increased productivity and safeguarding City assets.

This Program establishes guidelines and sets forth responsibilities intended to increase the safety of City employees in the workplace.

CITY DUTIES AND EMPLOYEE RESPONSIBILITIES

Department Heads – Department Heads are responsible for the safe operation of their respective departments. Although personnel exposure to safety hazards varies widely among departments, the Directors work with their supervisors and their assigned Safety Committee to provide a clean, safe and healthy work environment for all employees. Other responsibilities include:

- Know and understand the City's Safety Program, policies, and coordinate efforts with their supervisors to ensure effective application within the Department.
- Review all serious accidents to personally ensure that accident causes are being investigated and proper corrective action taken.
- When new operations, tools, equipment, or materials are introduced into the Department, the Director shall ensure that all appropriate safety precautions are clearly identified and followed by the affected employees.
- Cooperate with the City's Safety Committee on all programs sponsored or facilitated by this committee.
- Work with the City's Risk Manager to identify loss trends and determine ways to reduce the causes of loss.

Supervisors/Managers

- Know and understand the City's Safety Program and responsibilities related to its application within their department.
- Advise all employees under their control of the hazards of the jobs they will be performing, and the necessary safety precautions that must be taken to minimize or eliminate those hazards.

- See that injured employees receive proper medical care. For minor injuries transport the employee to the City's occupational health care provider or in case of a serious injury call 911 for emergency medical care. Promptly investigate and report all accidents and injuries.
- Ensure that tools and equipment are properly maintained and that protective devices are utilized.
- Conduct frequent safety inspections of work areas and operations. Advise and implement ways to improve housekeeping, eliminate unsafe conditions, and encourage safe work practices.
- Continually observe and evaluate work conditions and job duties to correct unsafe conditions and practices.

Employee Responsibilities - Each employee has individual responsibility for the prevention of accidents and is required to develop and exercise safe work habits during the day to prevent any injuries. Each employee is responsible for compliance with the safety procedures outlined in this program and all other applicable Department directives concerning safety. Additional responsibilities include but are not limited to:

- Reporting all accidents and injuries immediately, or as soon as practicable, to your supervisor, regardless of severity. If injured, get medical treatment.
- Keeping work areas clean and orderly at all times.
- Wearing required personal protective equipment as provided by the City.
- Operating only the equipment that you have been trained and authorized to operate.
- Promptly reporting any unsafe practice or condition observed to your supervisor.
- Following instructions and all safety policies. If any doubt exists concerning your ability to safely perform a job, STOP and get proper instructions from your supervisor before continuing work.
- Cooperating with and taking an active part in the activities of the Safety Committees.
- Properly operating, caring for and conserving City vehicles, furnishings, systems, equipment, tools, and supplies used to carry out assigned job tasks.

CRASH REPORTING -- VEHICULAR

An employee involved in any type of vehicular crash while on duty, or when operating a City vehicle off-duty, must report the crash immediately to the Police Department of the municipality where the crash occurred. Additionally, the employee's Immediate Supervisor and the Human Resources Office must be advised of the crash as soon as practicable.

The Immediate supervisor of the employee involved in a vehicular crash is responsible for completing the *Supervisor's Accident Investigation Report* (see Intranet). The employee will be required to complete an *Employer's First Report of Injury or Illness – Form 45* (See Intranet). Copies of the completed reports are to be retained by the Department and reviewed by the assigned Safety Committee. The original reports are to be forwarded to the Risk Manager within forty-eight (48) hours of receiving notice of the crash.

APPENDIX F

ALCOHOL AND SUBSTANCE ABUSE POLICY

Possessing and/or using any illegal drug, engaging in prohibited alcohol-related activities, or misusing prescription drugs or other substances, is contrary to the principles of a drug free workforce and workplace. The City of West Chicago (hereafter referred to as “City”) subscribes to these principles, which applies equally to both members of the City's work force, and final candidates for positions with the City. When illegal drugs are used, alcohol abused, or prescription drugs or other substances misused, the potential for employee accidents, absenteeism, sub-standard performance, turnover, misconduct, and damage to property increases. Such use, abuse, or misuse can also place at risk co-workers, residents and the general public. If such problem exists and is not corrected, the City's image and the public's trust in its ability to effectively deliver services to its residents can deteriorate. This policy identifies prohibited conduct and formalizes a response to such conduct that is contrary to fostering these principles.

PROHIBITIONS

It is the City's Policy that all employees and candidates for appointment to the City's work force adhere to the principles of an alcohol and drug free workforce and workplace. Employees are prohibited from using or being under the influence of alcohol, illegal drugs, or other dangerous substances while performing their assigned duties, while representing the City, or while "on-call" for duty. They shall not sell, distribute, dispense or transfer alcohol, illegal drugs, prescription drugs or medications, or other dangerous substances to any other employee or person while on duty, during breaks or meal periods or in a capacity of representing the City. Employees shall not produce, possess, store, or transport alcohol, illegal drugs or other dangerous substances while at any City facilities or on City property, in any City-owned or leased motor vehicle or equipment, or at any other location that the employee is performing work. This policy applies to all City employees except where modified in part, by a specific term of a collective bargaining agreement. Employees holding a Commercial Driver's License (CDL) and performing safety sensitive functions are regulated by and subject to the terms of the Drug and Alcohol Policy for CDL employees, which is mandated by Federal and State laws. All employees in violation of this policy are subject to disciplinary action up to and including termination.

VOLUNTARY TREATMENT, COUNSELING AND ACCOMMODATION

The City's Employee Assistance Program (“EAP”) is available to assist employees who desire help for an illegal drug, alcohol, or substance abuse/misuse problem. An employee on their own can obtain help through the EAP, which is confidential in nature, by direct contact with the EAP provider or one of their other resources.

Employees are encouraged to voluntarily initiate a self-referral to the EWP for help with an alcohol or drug abuse problem. It is hoped that employees engaged in prohibited alcohol related activity, the use of illegal drugs, abuse of alcohol, or the misuse of prescription drugs or other substance seeks assistance before they are found to be in violation of this policy.

An employee will not be subject to disciplinary action for voluntarily participating in the EWP as voluntary requests for help are kept confidential. However, an employee will not evade possible disciplinary action by requesting EWP participation after being required to undergo alcohol and/or drug testing, has had a positive alcohol/drug test result, has violated a signed "Last Chance Agreement" or has violated other City policies and rules of conduct.

The City recognizes that an employee diagnosed with an alcohol dependency is covered under the Americans with Disabilities Act. The City will consider a reasonable accommodation for the employee if it does not constitute a threat to the safety of the employee or of others. Further, eligibility for an accommodation will not exonerate an employee from possible disciplinary action for other violations of this policy, ordinances and rules of the City or the laws and regulations of other federal or state regulatory agencies.

ALCOHOL AND/OR DRUG TESTING

The intent of alcohol and/or drug testing is to detect the presence or lack of a presence of an illegal drug, or to determine if a prohibited level of alcohol, or controlled substances, is in an employee's system. The detected presence of an illegal substance, or a prohibited level of alcohol could impair an individual's ability to perform the assigned duties and responsibilities of their job. Substances that can be identified through drug testing include, but are not limited to, illegal drugs (e.g., amphetamines, cocaine, opiates, and PCP), misused prescriptions, over-the-counter medication, and other dangerous substances. The procedures followed for drug testing are listed in **Attachment "A"**.

CANDIDATE PRE-EMPLOYMENT SCREENING

A conditional appointment to a position with the City requires the candidate to undergo a pre-employment drug test with a negative result for unlawful substances as part of their qualifying for the position. If the candidate refuses to undergo a drug test for illegal substances, it will be considered a positive test result and the candidate will no longer be considered for employment.

If an initial test result is positive and is verified by a confirmation drug analysis, the candidate has forty-eight (48) hours from the time they are notified of the results by the City's Medical Review Officer (MRO), to provide the MRO with a bona fide medical explanation. If the candidate cannot provide a satisfactory explanation to the MRO, the City will be notified of the results and the candidate will no longer be considered for a position with the City.

TESTING OF CURRENT EMPLOYEES

Upon employment with the City employees may still be required under certain circumstances to submit to alcohol and/or drug screening. The nature and/or frequency of such testing may be further defined by the terms of a Collective Bargaining Agreement (CBA). Testing includes:

Reasonable Suspicion: A supervisor's observation of an employee's behavior may cause a "reasonable suspicion" that the employee's appearance, actions or conduct is indicative of being under the influence of or impaired by alcohol, an illegal drug or other substance. The supervisor

who believes an employee is under the influence or whose conduct is impaired by alcohol, illegal drugs or other substance shall have the observation confirmed by a second supervisor. The initial observation and the independent confirmation must be based on currently observed specific behavior that can be clearly described regarding the appearance, conduct, mannerisms, speech or body odor of the employee. With a confirmed observation, the supervisor shall have the right to require the employee to submit to alcohol and/or drug testing.

A City representative will transport the employee to the health care provider and await the completion of the tests. The employee will be transported back to City premises where a spouse, family member or other individual will be contacted to transport the employee home.

If the employee refuses to comply with someone else transporting them home and attempts to operate a motor vehicle, the supervisor will take appropriate steps to verbally discourage this action. If the employee leaves City property operating a motor vehicle, the supervisor will contact the West Chicago Police Department.

A refusal by an employee to submit to alcohol and/or drug testing, or a refusal to consent to the release of test information to the City, will be treated as having a positive result and the employee will be placed on administrative leave and may be subject to other disciplinary action up to and including termination. The employee will then be required to undergo evaluation by a Substance Abuse Professional (SAP). The refusal of an employee to attend the SAP evaluation will be considered a voluntary resignation from City employment.

Post-Accident: An employee involved in an accident while operating a City vehicle shall follow certain procedures. They shall remain at the scene, contact or have someone contact the local police to come to the scene and contact the immediate supervisor as soon as practical. The employee must remain available for testing and may not consume any alcohol for at least eight (8) hours following the accident. City policy requires alcohol and/or drug testing for one (1) or more of the below listed events:

- Receipt of a Moving Traffic Offense Citation, which occurred while operating a City vehicle that is involved in an accident, if the accident involves:
- Bodily injury to any person who as a result of the injury immediately receives medical treatment away from the scene of the accident; or
- One or more motor vehicles incur disabling damage as a result of the accident requiring the motor vehicle to be transported away from the scene by a tow truck or other motor vehicle.

- Any accident involving a City vehicle that results in the loss of a human life.

An employee involved in any of these events is required to go to the City's health care provider for an alcohol and/or drug test. The employee shall not transport them self to the health care provider. Moreover, if the police officials on the scene of the accident requests the employee operating the City vehicle to undergo a breathalyzer, urine and/or blood test, the employee shall comply with such request. The employee operator of the City vehicle may be seriously injured and cannot provide an alcohol and/or drug specimen following the accident. Under such circumstances, they shall provide the City with the authorization to obtain hospital reports and other documents that could indicate if they were under the influence of any alcohol or controlled substances.

An employee refusing to submit to post accident alcohol and/or drug testing, or a refusal to consent to the release of test information to the City, will be treated as having a positive result and the employee will be placed on administrative leave and may be subject to other disciplinary action up to and including termination. The employee will then be required to undergo evaluation by a SAP. The refusal of an employee to attend the SAP evaluation will be considered a voluntary resignation from the City.

Random Testing: Random testing is required of employees holding a **Commercial Driver's License (CDL)**. Guidelines for such testing are found in the ***"Drug and Alcohol Policy for Commercial Driver's License Holders"***.

Return-to-Work Testing: Before an employee returns to work after having tested positive for alcohol and/or drugs or having acknowledged and received treatment for an alcohol, drug or substance problem, they must pass alcohol and/or drug testing.

Follow-up Testing: Employees who under the terms of this policy **voluntarily enter into a "Last Chance Agreement" or a "Substance Monitoring Agreement"** shall submit to unannounced additional alcohol and/or drug testing as prescribed under the terms of each agreement.

PROHIBITED ALCOHOL OR DRUG USE BY CURRENT EMPLOYEES

The City encourages its employees to seek qualified assistance for illegal drug, alcohol or the misuse of other substance problems. However, instances can occur where an employee fails to follow the City's Alcohol and Substance Abuse Policy. Any of the following consequences can result from any violation of the policy:

disciplinary action up to and including termination;

Evaluation by a SAP and compliance with and completion of any SAP recommended rehabilitation; or

a "Last Chance Agreement" as a condition of continued employment;

Temporarily reassign or transfer an employee who is enrolled in a rehabilitation/treatment program or has had their driver's license temporarily suspended to another position in the work force, if available, or place the employee on a leave of absence.

On-The-Job Use, Possession, Transfer of Illegal Drugs: The use, possession, sale, distribution, dispensation, transportation or manufacture of illegal drugs by an employee while at any City facility or on City property, in any City-owned or leased motor vehicle or equipment, or at any other location at which the employee is to perform work will result in the employee's termination. Discovered violations of this section will be reported to the West Chicago Police Department or other appropriate authorities. By Federal law an employee in a position requiring a CDL may not use or possess a controlled substance while on or off duty.

Illegal Drug Use and Fitness for Duty: All City employees must be fit to report for duty and perform their assigned duties throughout the assigned period of work without impaired judgment. Duties should be performed so as not to jeopardize the health and safety of the employee, other employees, or the public. Employees are subject to testing when a supervisor or director has reasonable suspicion to believe that their behavior and/or ability to work are impaired from possibly being under the influence of an illegal drug, alcohol, or other dangerous substances. Employees may be tested after any accident in any vehicle while on duty or in an official capacity, where there has been a fatality, the issuance of a citation for a moving traffic violation resulting from the accident, an injury requiring treatment at a medical facility, or the vehicle is disabled or removed from service.

Employees who have a positive drug test resulting from either an ordered reasonable suspicion test or a post-accident test shall have forty-eight (48) hours from the time they were notified of the positive result by the MRO to provide the MRO with a legitimate medical explanation. Employees failing to provide a satisfactory explanation to the MRO will be subject to one of the following disciplinary actions:

Collective bargaining unit employees during their Probationary Period and non-contract employees with less than 1 year of service will be terminated.

Non-contract employees with more than 1 year of service, who have a first positive drug test result, will be suspended without pay from 10 to 30 working days depending on the severity of the violation. The employee shall be required to be evaluated by a SAP, authorize the disclosure of treatment program, and authorize a periodic reporting of their continued participation and the successful completion of the SAP's recommended substance abuse treatment program. The employee shall also be required to and sign and

comply with the terms of a "Last Chance Agreement". The failure to meet these requirements, refusal to sign the agreement, or the failure to comply with its terms will result in the employee's termination.

Non-contract employees who have a second positive drug test result without a valid medical explanation from the MRO will be terminated.

Use and Misuse of Prescriptions, Over-The-Counter Medications, or Other Substances: The fitness for duty of an employee can be influenced by the proper use of a legally prescribed controlled substance. Regular prescriptions and over-the-counter drugs and medications can also affect an employee's fitness for duty. It is every employee's responsibility to inquire of the treating physician what the side effects are of any prescribed substance, drug or medication and how it will affect the performance of job duties. If there is a potential side effect that will interfere with their duties the employee shall inform their supervisor of the side effect, the substance, drug or medication being used and the prescribed duration of such use. The City will consult with the MRO, as appropriate, regarding an employee's fitness for duty. An employee may be temporarily assigned to a non-safety sensitive position, or placed on unpaid leave-of-absence, if unable to perform the full essential duties of the job, employees may elect to use available personal paid leave (e.g., vacation and floating holidays). Employees who fail to report the use of a legally prescribed controlled substance, or drug(s) or medication(s) that interferes with the performance of their assigned duties and/or be subject to a disciplinary review.

Prescriptions, over-the-counter drugs and medications, and other dangerous substances can also be misused. Any employee abusing a legal drug, medication or other substance will be subject to a disciplinary review and will be required to undergo an evaluation by the SAP. Based on a case-by-case evaluation, the employee may have to execute and comply with a "Substance Monitoring Agreement" as a condition of continued employment. Employees found to be abusing legal drugs, medications and/or other substances a second time in a period of five (5) years from the date of the last incident will be subject to disciplinary action up to and including termination.

Alcohol On-The-Job, or Being Under its Influence: Alcohol, though not an illegal substance, is widely used, misused and abused. While on-duty, employees are prohibited from the possession, use, sale, distribution, dispensation or transportation of alcohol. Employees are also prohibited from reporting to work under the influence of or impaired by alcohol (even if it is consumed by the employee while off duty).

Further, an off-duty City employee may not distribute or dispense alcoholic beverages to an on-duty City employee. Though the off-duty use of alcohol by an employee cannot be regulated, an employee is not permitted under

this policy to report to work or return to work from a break under the influence of alcohol. Employees holding a CDL license by Federal law cannot use alcohol within 4 hours of the time they are scheduled to report to work.

Where there is reasonable suspicion to believe an employee may be under the influence of alcohol, the employee shall be directed to a location identified by the City to take a breath alcohol test to measure blood alcohol concentration (BAC). A certified Breathalyzer Operator using a certified and calibrated breath alcohol-testing instrument will conduct the breath alcohol test. A Blood Alcohol Concentration of 0.04 or more shall be considered a positive test result and will result in disciplinary action. It is mandated that a CDL employee be removed from duty for a minimum of 24 hours with a BAC test result of 0.04 or more. If the CDL employee's BAC test result is 0.04 or more, the employee will remain off-duty until evaluated by the SAP.

Non-contract employees with 1 or more years of service who, for the first time, are in violation of a prohibited alcohol-related activity or who test positive for alcohol with a 0.04 BAC or above, will be suspended without pay for 5 to 10 working days depending on the severity of the violation. A SAP shall evaluate the employee, who will comply with and complete any SAP recommended rehabilitation. Depending on the need for treatment, the employee will be required to enter into **either a "Monitoring" or "Last Chance Agreement"**.

Non-contract employees who test positive for alcohol, or otherwise violate any of the prohibited alcohol-related activities of this policy more than once in a period of 5 years from date of the last incident, will be terminated.

When more than 5 years have elapsed between 2 alcohol related violations of this policy or between positive alcohol tests, the employee's status would be evaluated on a case-by-case basis by HR.

Alcoholic beverages are not to be consumed during breaks or meal periods of the workday when the employee is scheduled to and actually returns to work. Further, employees may not possess alcoholic beverages on City premises or while on duty, nor transport alcoholic beverages in any City vehicles on or off duty. It should be noted that the Illinois Compiled Statutes provides certain limited occasions under which, following a resolution by the City Council, alcoholic beverages may be served on City premises and may be transported to the site in a City vehicle.

ALCOHOL AND/OR DRUG RELATED CONVICTION

Employees who are arrested and/or convicted for an off-the-job alcohol and/or drug incident may also violate this policy. The employee must report all arrests or convictions to their supervisor within five (5) working days of the arrest or notice of conviction. If the City decides to take any disciplinary action it will consider the nature of the charges, the sentence, the employee's job assignment, the employee's record with the City, the adverse impact that the employee's arrest or conviction may have on the City's ability to maintain public trust, and other relevant factors.

POLICY IDENTIFICATION

This policy is subject to revision, as necessary, in order to remain consistent with applicable law. Reasonable written notice will be given of revisions. If Federal, State or local law pre-empts any provision of this policy all other provisions and sections will remain in full force and effect.

APPENDIX G GOVERNMENTAL ETHICS

ARTICLE 1 - POLICY AND PURPOSE

Sec. 15-1-1. - Policy and purpose.

- a. It is essential to the proper operation of democratic government that public officials be independent and impartial; that governmental decisions and policy be made through proper channels; that public office not be used for private gain; and that there be public confidence in the integrity of government. Public officials, appointees and employees must serve their government in a fiduciary capacity and must not bestow special consideration upon any person merely because of that person's relationship to an official or employee. The attainment of these ends is impaired whenever there exists conflict between the private interests of a public official or employee and their duty as such. The public interest therefore requires that the law protect against such conflicts of interest and establish appropriate ethical standards with respect to the conduct of elected officials, appointees and government employees in situations where conflict exist, as well as in situations where conflict might develop.
- b. It is also essential to the proper operation of government that those best qualified be encouraged to serve the government. Accordingly, legal safeguards against conflicts of interest must be so designed as not unnecessarily or unreasonably to impede the recruitment and retention by the government of those men and women who are best qualified to serve it. The right of each official, appointee and employee to privacy in their financial affairs must not, therefore, be limited beyond that disclosure necessary to ensure the integrity of government. Moreover, because an essential principle underlying the staffing of our government is that its officials and employees should not be denied the opportunity, available to all other citizens, to acquire and retain private economic and other interests, such opportunity should not be limited unless conflicts with the responsibility of such officials, appointees and employees to the public cannot be avoided.
- c. It is the policy and purpose of this Chapter to implement these objectives of protecting the integrity of the City of West Chicago and of facilitating the recruitment and retention of qualified personnel by prescribing essential restrictions against conflicts of interest in municipal government without creating unnecessary barriers to public service and by establishing a Code of Ethics for officials, appointees and employees of the City of West Chicago.

Sec. 15-1-2. - Definitions.

[The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:]

"Official" shall mean any person elected or appointed to an elective office in the City of West Chicago.

"Appointee" shall mean any person not otherwise an "official" or "employee" who is appointed to City Council under authority of Chapter 4 of the West Chicago Municipal Code.

"Employee" shall mean any person employed by the City of West Chicago whether part-time or full-time.

"Financial Interest" shall mean any economic interest or relationship, whether by ownership, trust, purchase, sale, lease, contract, option, investment, employment, gift, fee, or otherwise; whether present, promised, or reasonably expected; whether direct or indirect; whether or not legally enforceable; whether in the person itself or in a parent or subsidiary corporation, or in another subsidiary of the same parent. An indirect financial interest shall include, but is expressly not limited to, any economic interest, as set forth above, of a spouse or minor child, as well as any economic interest held by an agent on behalf of an official, appointee or employee, their spouse or minor child, by a business entity managed or controlled by, or by a trust in which an official, appointee or employee has a substantial interest. A business entity is controlled by an official, appointee or employee when their spouse or their minor child, singly or in the aggregate, possess a majority ownership interest in the entity. An official, appointee or employee has a substantial interest in a trust when employee, their spouse or their minor child, singly or in the aggregate, have a present or future interest worth more than \$1,000.00. "Financial Interest" shall not include ownership through purchase at fair market value of less than one percent of the share of a parent, subsidiary or other affiliated corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934. "Financial Interest" shall also not include authorized compensation or salary paid to an official, appointee or employee for services rendered to the City of West Chicago, or any economic benefit provided equally to all residents of the City of West Chicago.

"Compensation" shall mean any money, thing of value or other pecuniary benefit received or to be received in return for, or as reimbursement for, services rendered or to be rendered.

"Person" shall mean any individual, entity, corporation, proprietorship, partnership, firm, association, trade union, trust, estate or group, as well as any parent or subsidiary of any of the foregoing entities, whether or not operated for profit.

The term *"contribution"* as used herein shall be defined as provided in 10 ILCS 5/9-1-4.

Sec. 15-1-3. - Code of conduct.

Fiduciary Duty. Officials, appointees and employees shall at all times in the performance of their public duties owe a fiduciary duty to the City of West Chicago.

Improper Influence. No official, appointee or employee shall make, participate in making or in any way attempt to use their position to influence any governmental decision or action in which they know or have reason to know that they have a financial interest. An official, appointee or employee has a financial interest in a governmental decision or action when it is reasonably foreseeable that said decision or action will have a material effect on said official, appointee or employee distinguishable from its effect on the public generally.

Criminal Misconduct. An official, appointee or employee shall not commit the act of bribery, intimidation, official misconduct or perjury. Proof of such offenses shall be evidenced by a certified record of conviction in any court of jurisdiction. The additional penalty herein shall be limited to Section 15-1-6-A-3.

Use or Disclosure of Confidential Information. No current or former public official, appointee or employee shall use or disclose, other than in the performance of their official duties and responsibilities, confidential or other non-public information gained in the course of or by reason of their position or employment and identified to such official, appointee or employee in writing by the Corporation Counsel, City Administrator or designee or City Council as a confidential matter.

Regulations of Business While Official, Appointee or Employee is Associated. Whenever the City Council or a committee or other subdivision thereof, or any City Department, agency, City Council, commission or any other body, undertakes consideration of any matter in which one of its members or employees has a financial interest, said member or employee shall refrain from all official activity respecting such matter and shall publicly state the nature and extent of their interest in the matter during any deliberation thereon. However, such an interested member or employee shall be considered present for purposes of establishing a quorum.

APPENDIX H CONFLICT OF INTEREST PROHIBITIONS

Interest in City Business.

No official, appointee or employee shall have a financial interest in their own name or in the name of any other person in any contract, work or business of the City of West Chicago, or in the sale of any article, whenever the expense, price or consideration of the contract, work, business or sale is paid either from the City treasury or by an assessment levied by any ordinance.

Money paid by the City to an official, appointee or employee as compensation for property taken pursuant to the City's eminent domain power shall not constitute a financial interest within the meaning of this Article. Unless sold pursuant to a process of competitive bidding following public notice, no official, appointee or employee shall have a financial interest in the purchase of any property that:

- belongs to the City, or
- is sold for taxes or assessments, or
- is sold by virtue of legal process at the suit of the City.

The foregoing notwithstanding, this provision shall not prohibit an official, appointee or employee from having a financial interest in any contract, work or business of the City of West Chicago, but only if:

1. The contract, work or business of the City is awarded pursuant to a process of competitive bidding following public notice; and
2. The contract, work or business is with a person in which such interested official, appointee or employee has less than a five percent share in the ownership and from which they derived income of less than \$25,000.00 during the preceding calendar year; and
3. Such interested official, appointee or employee publicly discloses the nature and Extent of their interest prior to the commencement of any deliberations, or the taking of any official action, concerning the contract, work or business; and

The award of the contract, work or business would not cause the aggregate amount of all such contracts, work or business so awarded to the same person in the same calendar year to exceed \$25,000.00.

Sec. 15-1-5. - Financial disclosure.

For purpose of this Article, each elected official of the City, and certain appointees and employees are required by 5 ILCS 420/4A-101 to file a statement of economic interest.

By May 1 of each year, each such elected official, appointee and employee shall file a photocopy of the Statement of Economic Interest as required by 5 ILCS 420/4A-101 that is

required to be filed with the County Clerk. Such statement shall be filed with the City Clerk. If a person required to file such statement fails to file by May 1 of any year, the City Clerk shall notify such person with seven days after May 1 of their failure to file and such person shall not be considered in violation of this Article until May 15 of any year for failure to file such statement.

Disgorging Corporation Opportunity. Any current or formal official, appointee or employee shall, upon demand of the Corporation Counsel, account for all benefits accruing to such official, appointee or employee as a result of any violation of the provisions of this Chapter. Any current or formal official, appointee or employee receiving any such benefits in violation of any of the provisions of this Chapter shall disgorge such benefits and, in addition to any other penalty provided herein, shall be subject to a penalty equal to two times the amount of such benefits. In the event that any such official, appointee or employee refuses to account for benefits received in violation of any of the provisions of this Article, the City's corporate attorney may seek an accounting in a court of law.

Severability. If any provision of the terms of this Appendix or application thereof to any person or circumstance is held unconstitutional or otherwise invalid, such invalidity does not affect other provisions or applications of this Appendix which can be given effect without the invalid application or provisions, and to this end each such invalid provision or invalid application of this Chapter is severable, unless otherwise provided by this Chapter. It is hereby declared to be the legislative intent of the City of West Chicago that this Chapter would have been adopted had any such unconstitutional or otherwise invalid provision or application not been included.

**CITY OF WEST CHICAGO
MEMORANDUM**

TO: Honorable Mayor Pineda and Members of Council
FROM: Michael L. Guttman, City Administrator
SUBJ: 2023 CAO Goals
DATE: April 24, 2023

Below are suggested goals for the current Calendar Year:

- (1) Begin to transition the budget process responsibility to the Assistant City Administrator and the Finance Director.
- (2) Transition the revenue and expenditure tracking/projecting responsibility to the Finance Director.
- (3) Oversee the staff effort of the LRS Appeal before the IL Pollution Control Board.
- (4) Should grant funds be released, finalize the West Washington Street Remediation Effort.
- (5) Once the Space Needs Analysis is complete, spearhead the elected officials' discussion on a new City Hall and its financing.
- (6) Once the design is established, developing a funding plan/policy for the new Community Park.
- (7) Conduct an organizational analysis to identify gaps in leadership, knowledge, skills and abilities both today and in the mid-term and begin to identify solutions.
- (8) Build and/or maintain high quality intergovernmental relations with the appointed leadership in local units of government.
- (9) Assume and/or maintain leadership roles in City-supported initiatives.
- (10) Maintain Credentialed Manager designation.
- (11) Take meaningful paid time off throughout the year.