

**AGENDA
REGULAR SESSION
HIGHLAND CITY COUNCIL
CITY HALL, 1115 BROADWAY
MONDAY, FEBRUARY 3, 2020
7:00 PM**

CALL TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE:

MINUTES:

MOTION – Approve Minutes of January 21, 2020 Regular Session (attached)

PUBLIC FORUM:

A. Citizens' Requests and Comments:

1. Rusty Rodz Car Cruise, Square Use Request – Russel Huelsmann (attached)
2. Easter Egg Hunt on the Square, Square Use Request – Lisa Sauer and Gay Bentlage, Lisa Sauer Insurance (attached)
3. Rock-A-Block, Square Use Request – Apostolic Revival Church, Andrea & Joe Garson (attached)
4. Madison County Fair and Highland Speedway 2020 Calendar of Events -- Madison County Fair Association, Sue Zobrist, Track Manager (attached)
5. Highland Masonic Lodge #583 – 2020 Old Swiss Sausage Supper Traffic Alteration Request – Joe Szoke, 2020 Event Chairman (attached)

**Anyone wishing to address the Council on any subject may do so at this time.
Please come forward to the microphone.**

B. Requests of Council:

C. Staff Reports:

1. Presentation by Director Imming on the cost to video and broadcast city council meetings.

NEW BUSINESS:

A. **MOTION** – Bill #20-15/ORDINANCE An Ordinance of the City of Highland, Illinois, Authorizing and Providing for an Installment Purchase Agreement for the Purpose of Paying the Costs of Certain Capital Projects of the City and Authorizing and Providing for the Issue of General Obligation Debt Certificates (Limited Tax), Series 2020, Evidencing the Rights to Payment Under Such Agreement, Prescribing the Details of the Agreement and Certificates, and Providing for the Security for and Means of Payment Under the Agreement of the Certificates (attached)

B. **MOTION** – Bill #20-16/RESOLUTION Authorizing Allocation of Hotel/Motel Tax Funding to Highland Arts Council for the 2020 Art in the Park (attached)

C. **MOTION** – Bill #20-17/RESOLUTION Accepting Illinois Commerce Commission Order to Interconnect the Traffic Signal at the Intersection of U.S. Route 40/Hemlock Street/Frank Watson Parkway (attached)

Continued

- D. **MOTION** – Bill #20-18/ORDINANCE Approving and Authorizing Execution of an Economic Development Agreement Pursuant to 65 ILCS 5/8-1-2.5, with Central Rubber Extrusions, and Other Actions Related Thereto (attached)
- E. **MOTION** – Bill #20-19/ORDINANCE Amending Chapter 78, Article VII, Section 78-732, of the Code of Ordinances, Entitled Schedule of FTTP Rates and Charges, Creating New Rate Schedule for Sale of Internet Protocol Addresses (“IP Addresses”) (attached)
- F. **MOTION** – Bill #20-20/RESOLUTION Approving Vivicast System Participation Agreement with Fox Cable Network Services, LLC, and Fox News Network, LLC, for City d/b/a Highland Communication Services (attached)
- G. **MOTION** – Bill #20-21/ORDINANCE Repealing and Replacing Chapter 18—Buildings, Building Regulations, and Municipal Codes, Article XIII.—Building Permit Fees and Fines, of the Code of Ordinances (attached)
- H. **MOTION** – Bill #20-22/ORDINANCE Amending the Code of Ordinances, Chapter 90—Zoning, Article II—Administration and Enforcement, Division 3—Applications, Permits and Fees, Sec. 90-67. – Fee Schedule (attached)
- I. **MOTION** – Approving a Notice of Municipal Letting, Bid #BZ-01-20, for the Demolition of Structures at 1213 13th Street (attached)
- J. **MOTION** – Award Bid #PR-23-19 for the Silver Lake Shoreline and Point Restoration Project (attached)

REPORTS:

- A. **MOTION** – Approve Warrant #1155 (attached)

EXECUTIVE SESSION:

The City Council will conduct an Executive Session pursuant to the Illinois Open Meetings Act, citing **5 ILCS 120/2(c)(21) to discuss approval of executive session minutes.**

ADJOURNMENT:



Anyone requiring accommodations, provided for in the Americans with Disabilities Act (ADA), to attend this public meeting, please contact Dylan Stock, ADA Coordinator, by 2:00 PM on Monday, February 3, 2020.



CITY OF HIGHLAND

SPECIAL EVENT APPLICATION

Authorized under City Ordinance Sec. 64-3-1

PURPOSE: The City of Highland supports various community activities and festivals throughout the year. Establishing public safety and coordinating needs between the events and the city are the overall goals of this process. It is the responsibility of the specific event Sponsors to obtain, complete, and follow through the application process for city approval.

SPECIAL EVENT: A "Special Event" is defined as: (1) any event, race, gathering, demonstration, or service; (2) that occurs partially or completely within the jurisdiction of the City of Highland; (3) is expected to draw crowds in excess of one hundred fifty (150) attendees; and (4) is expected to or could disrupt normal daily functions within the City of Highland including but not limited to traffic congestion and excess noise; or could create a public health/safety concern without proper precautions or prior planning. Specific examples would include (but are not limited to): The Kirchenfest, Schweizerfest, 5K runs, parades, Art in the Park, Fourth of July Festivities, Madison County Fair, etc. The City Manager will make the final determination as to whether an event qualifies. This will be based upon the totality of the circumstances presented.

PROCEDURE:

1. All Requests will be directed to Highland City Hall, to the attention of the Deputy City Clerk.
2. Applications will be available at Highland City Hall, Monday-Friday, 8:00 am to 5:00 pm or online through the City's web site.
3. Applications will be completed by the Event Sponsor and submitted at least 60 days prior to the event. The application must be signed by the Event Sponsor Responsible Party. Incomplete applications will not be accepted. If an application is accepted and later determined to be incomplete, the applicant will be notified by the Deputy Clerk. Failure to provide information will result in denial of application.
4. The Deputy City Clerk will forward the application to all city departments that have responsibilities relating to the event. If necessary, a committee meeting involving the event Sponsor and city stakeholders may take place to clarify questions, determine specific needs, and address concerns.
5. The event Sponsor is required to obtain final approval for the special event from the City Manager. The City Council may announce the special event to the public at a scheduled Council meeting.

CITY OF HIGHLAND-SPECIAL EVENT APPLICATION

Name of Event: Rusty Rodz Car Cruise

Type/Purpose of Event: Festival Race Other Fundraiser Service Parade
 Demonstration Other (please specify): Car Cruise

Location of Event: on Square

Sponsoring Organization/Individual: Rusty Rodz Car Club

Event Responsible Party: Russel Huelsmann
Address: PO Box 302 Aviston IL
Phone(s): (618) 304-3560
Email: RUSSEL HUELSMANN @ YAHOO . COM

Secondary Contact: _____
Address: _____
Phone(s): _____
Email: _____

Date(s) of Set-up: May 30, June 27, July 25, Aug 29, Sept 26, Oct 31

Event Date(s) / Times:
5:00 pm - 8:00 pm

Date(s) of Tear-down: Same Day

Expected Attendance: 200 - 300 people

Alcohol License Required: Yes No
If yes, application received: Yes No

Sound Amplification System utilized: Yes No
If yes, hours of operation: 5:00 pm - 8:00 pm

Funding request of the Council: Yes No
Amount requested and purpose: _____

City Services Requested – Please attach additional documents (maps, detailed information), where needed. Write “Not applicable” if no services requested.

(Directors must initial behind requests)

Street Dept: Signage, Barricades, Street Closures (Specify): **Public Works Director:** _____

Laurel - Main - Washington

Electric Dept: Electrical Service, Lighting (Specify): **Electric Dept. Director:** _____

NONE

Public Safety: Security, First Aid, Traffic Control (Specify): **Public Safety Director:** _____

NONE

HCS Services: Wi-Fi or other technological needs (Specify): **HCS Director:** _____

NONE

Other City Services: Restrooms, City Officials (Sign approval), Refuse Dumpsters (Specify):

Department: _____

NONE

Application Checklist (Attachments):

Deputy Clerk Initial
Upon receipt or waiver:

Certificate of Insurance: (attached) _____

- Must be General liability
- \$1 Million per occurrence/\$2 million aggregate
- City named as “additional insured” If Event is on city property.

Site Plan Rendering _____

Evacuation Plan _____

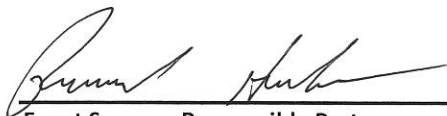
Fire Plan _____

Parking Plan _____

Schedule City Council Meeting for announcement _____

Date: _____

Application Submittal (60+ days) _____



Event Sponsor Responsible Party

Date

City Manager

Date



CITY OF HIGHLAND

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4. The Deputy City Clerk will forward the application to all city departments that have responsibilities relating to the event. If necessary, a committee meeting involving the event Sponsor and city stakeholders may take place to clarify questions, determine specific needs, and address concerns.
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CITY OF HIGHLAND-SPECIAL EVENT APPLICATION

Name of Event: _____

Type/Purpose of Event: Festival Race Other Fundraiser Service Parade
 Demonstration Other (please specify): _____

Location of Event: _____

Sponsoring Organization/Individual: _____

Event Responsible Party: _____
Address: _____
Phone(s): _____
Email: _____

Secondary Contact: _____
Address: _____
Phone(s): _____
Email: _____

Date(s) of Set-up: _____

Event Date(s) / Times:

Date(s) of Tear-down: _____

Expected Attendance: _____

Alcohol License Required: Yes No
If yes, application received: Yes No

Sound Amplification System utilized: Yes No
If yes, hours of operation: _____

Funding request of the Council: Yes No
Amount requested and purpose: _____

City Services Requested – Please attach additional documents (maps, detailed information), where needed. Write “Not applicable” if no services requested.

(Directors must initial behind requests)

Street Dept: Signage, Barricades, Street Closures (Specify): **Public Works Director:** _____

Electric Dept: Electrical Service, Lighting (Specify): **Electric Dept. Director:** _____

Public Safety: Security, First Aid, Traffic Control (Specify): **Public Safety Director:** _____

HCS Services: Wi-Fi or other technological needs (Specify): **HCS Director:** _____

Other City Services: Restrooms, City Officials (Sign approval), Refuse Dumpsters (Specify):
Department: _____

Application Checklist (Attachments):

**Deputy Clerk Initial
Upon receipt or waiver:**

Certificate of Insurance: (attached) _____

- Must be General liability
- \$1 Million per occurrence/\$2 million aggregate
- City named as “additional insured” If Event is on city property.

Site Plan Rendering _____

- Evacuation Plan _____
- Fire Plan _____
- Parking Plan _____
- Schedule City Council Meeting for announcement _____
- **Date:** _____
- Application Submittal (60+ days) _____

Event Sponsor Responsible Party _____ Date _____

City Manager _____ Date _____

January 13, 2020

To Mayor Joe Michaelis

& the Highland City Council

Dear Mr. Mayor and Highland City Council,

Lisa Sauer State Farm would like permission to use the downtown square for the annual Easter Egg Hunt to be held on Saturday, April 4, 2020 at 2 p.m.

If inclement weather, we would like permission to move the event indoors to the Weinheimer Community Center.

Our staff will be distributing eggs and finalizing the event as it has been done in the past.

We are happy to sponsor and continue this long-time event for the children, parents, and businesses of Highland and surrounding area.

Thank you so much for your time and consideration in this matter.

Gay Bentlage

Lisa Sauer State Farm

2670 Plaza Dr.

Highland, IL 62249



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CITY OF HIGHLAND-SPECIAL EVENT APPLICATION

Name of Event: Rock a Block

Type/Purpose of Event: Festival Race Other Fundraiser Service Parade
 Demonstration Other (please specify): _____

Location of Event: Highland Town Square

Sponsoring Organization/Individual: Apostolic Revival Church

Event Responsible Party: Andrea + Joe Garson

Address: 11656 St. Rt 143

Phone(s): (618) 882-8075 (618) 670-0151

Email: _____

Secondary Contact: Frank Crossin Jr.

Address: _____

Phone(s): _____

Email: _____

Date(s) of Set-up: Sat. Aug 1st 2020 7AM -

Event Date(s) / Times: Sat. Aug 1st 2020 ~~10~~¹¹AM - 2pm

Date(s) of Tear-down: Sat. Aug 1st 2020 4pm

Expected Attendance: 700

Alcohol License Required: Yes No

If yes, application received: Yes No

Sound Amplification System utilized: Yes No

If yes, hours of operation: 8AM - 3pm

Funding request of the Council: Yes No

Amount requested and purpose: _____

City Services Requested – Please attach additional documents (maps, detailed information), where needed. Write “Not applicable” if no services requested.

(Directors must initial behind requests)

Street Dept: Signage, Barricades, Street Closures (Specify): **Public Works Director:** _____

Electric Dept: Electrical Service, Lighting (Specify): **Electric Dept. Director:** _____

Public Safety: Security, First Aid, Traffic Control (Specify): **Public Safety Director:** _____

HCS Services: Wi-Fi or other technological needs (Specify): **HCS Director:** _____

Other City Services: Restrooms, City Officials (Sign approval), Refuse Dumpsters (Specify):
Department: _____

Application Checklist (Attachments):

Deputy Clerk Initial
Upon receipt or waiver:

Certificate of Insurance: (attached) _____

- Must be General liability
- \$1 Million per occurrence/\$2 million aggregate
- City named as “additional insured” If Event is on city property.

Site Plan Rendering _____

- Evacuation Plan _____
- Fire Plan _____
- Parking Plan _____
- Schedule City Council Meeting for announcement _____
- Date:** _____
- Application Submittal (60+ days) _____

Event Sponsor Responsible Party

Date

City Manager

Date



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 01/02/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER: Terrence V. Mohr, Gearhart Church Insurance Group, 1700 New Era Rd. PO Box 280, Carbondale, IL 62903-0280
CONTACT: NAME: Terrence V. Mohr, PHONE: 618-529-2261, FAX: 618-457-8346
INSURER(S) AFFORDING COVERAGE: Brotherhood Mutual Insurance Co.

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Table with columns: INSR LTR, TYPE OF INSURANCE, POLICY NUMBER, POLICY EFF (MM/DD/YYYY), POLICY EXP (MM/DD/YYYY), LIMITS. Rows include Commercial General Liability, Automobile Liability, Umbrella Liability, and Workers Compensation.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Rock-A- Block program in the park August 1, 2020.

Coverage for additional insureds is strictly subject to all the terms of the policy.

CERTIFICATE HOLDER: Additional Insured, City of Highland, Attn: Parks Dept, PO Box 218, Highland, IL 62249
CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE: Terrence V. Mohr



CITY OF HIGHLAND

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CITY OF HIGHLAND-SPECIAL EVENT APPLICATION

Name of Event: Highland Speedway races

Type/Purpose of Event: Festival Race Other Fundraiser Service Parade
 Demonstration Other (please specify): _____

Location of Event: Fairgrounds at Lindendale Park

Sponsoring Organization/Individual: Madison County Fair Assn

Event Responsible Party: Susan Zobist
Address: 11038 Ellis Rd St. Jacob, IL 62281
Phone(s): 618-410-4075
Email: zobrists@hometel.com

Secondary Contact: Tom Egbert
Address: 2905 Periwinkle Ct Highland, IL 62249
Phone(s): 618-691-7681
Email: Tom.egbert@kraftfoods.com

Date(s) of Set-up: N/A

Event Date(s) / Times:
See attached Schedule for dates. Pits open at 3:00 pm and last race is not started after 11:00 pm.

Date(s) of Tear-down: N/A

Expected Attendance: 1,800

Alcohol License Required: Yes No
If yes, application received: Yes No

Sound Amplification System utilized: Yes No
If yes, hours of operation: 3:00 - 11:00 pm

Funding request of the Council: Yes No
Amount requested and purpose: _____

City Services Requested – Please attach additional documents (maps, detailed information), where needed. Write “Not applicable” if no services requested.

(Directors must initial behind requests)

Street Dept: Signage, Barricades, Street Closures (Specify): **Public Works Director:** _____
N/A

Electric Dept: Electrical Service, Lighting (Specify): **Electric Dept. Director:** _____
N/A

Public Safety: Security, First Aid, Traffic Control (Specify): **Public Safety Director:** _____
N/A

HCS Services: Wi-Fi or other technological needs (Specify): **HCS Director:** _____
N/A

Other City Services: Restrooms, City Officials (Sign approval), Refuse Dumpsters (Specify):
Department: _____

N/A

Application Checklist (Attachments):

Deputy Clerk Initial
Upon receipt or waiver:

- Certificate of Insurance: (attached)** _____
- Must be General liability
 - \$1 Million per occurrence/\$2 million aggregate
 - City named as “additional insured” If Event is on city property.

Site Plan Rendering _____

Evacuation Plan _____

Fire Plan _____

Parking Plan _____

Schedule City Council Meeting for announcement _____

Date: _____

Application Submittal (60+ days) _____

Susan Zobrist

Event Sponsor Responsible Party

1-15-20

Date

City Manager

Date

1

Saturday Nights
Racing @ 6:45 pm



Visit us on Facebook! Track: 618-654-6656
Kids 12 & Under Free in Grandstands!
Kids 12 & Under Pit Pass \$15

www.highlandspeedway.com

Email: highlandspeedway@hometel.com

Tentative 2020 Highland Speedway Schedule (subject to change, check highlandspeedway.com for updates)

Sun.	March 15 th	<i>Play Day</i>
Sat.	March 21 st	Lucky 40 (NO Highland Speedway points given)
Sat.	March 28 th	Regular race
<i>Sat.</i>	<i>April 4th</i>	<i>Pit Stop</i>
Sat.	April 11 th	Regular race
Tues.	April 14th	Test & Tune Open Practice all Classes 5pm – 8pm
Sat.	April 18 th	Regular race
Sat.	April 25 th	Regular race
Sat.	May 2 nd	Regular race
Sat.	May 9 th	Regular race
Tues.	May 12th	Test & Tune Open Practice all Classes 5pm – 8pm
Sat.	May 16 th	Regular Race
Sat.	May 23 rd	Regular race
Sat.	May 30 th	Regular race
Sat.	June 6 th	Regular race
Tues.	June 9th	Test & Tune Open Practice all Classes 6pm – 9pm
Sat.	June 13 th	Regular race
Sat.	June 20 th	Regular race
Sat.	June 27 th	Regular race
<i>Sat.</i>	<i>July 4th</i>	<i>Pit Stop</i>
Sat.	July 11 th	UMP Summer Nationals \$10,000 to Win Late Models! Plus UMP Summit Modifieds, & BMods- (NO Highland Speedway Points given)
Tues.	July 14th	Test & Tune Open Practice all Classes 6pm – 9pm
Sat.	July 18 th	Regular race
Tues	July 21 st	ITPA Tractor Pull
Wed.	July 22 nd	Scott Wernle & Kyle Roberts Annual Memorial Race ” Madison County Fair:
Thurs	July 23 rd	Combine Demo Derby
Fri	July 24 th	Demo Derby
Sat.	July 25 th	Rodeo
Sat.	Aug 1 st	Leaps of Love race
Sat	Aug 8 th	Regular race
Tues.	Aug 11th	Test & Tune Open Practice all Classes 6pm – 9pm
Sat.	Aug 15 th	Regular race
Sat.	Aug 22 nd	Championship night
Sat.	Aug 29 th	Regular race
Sat.	Sept 5 th	Regular race
Sat.	Sept 12 th	Regular race
Sat.	Sept 19 th	Regular race
Sat.	Sept 26 th	Regular race

Weekly Classes: UMP Late Models, UMP Modifieds, UMP PROMods, & Street Stocks



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CITY OF HIGHLAND-SPECIAL EVENT APPLICATION

Name of Event: ~~Highland Speedway races~~ Madison County Fair

Type/Purpose of Event: Festival Race Other Fundraiser Service Parade
 Demonstration Other (please specify): _____

Location of Event: Fairgrounds at Lindendale Park

Sponsoring Organization/Individual: Madison County Fair Assn

Event Responsible Party: Susan Zobist
Address: 11038 Ellis Rd St. Jacob, IL 62281
Phone(s): 618-410-4075
Email: zobrists@hometel.com

Secondary Contact: David Ammann
Address: 13222 Iberg Rd Highland, IL 62249
Phone(s): 618-520-5165
Email: david.ammann92@gmial.com

Date(s) of Set-up: N/A

Event Date(s) / Times:
See attached Schedule for dates. Fair starts on Tuesday, July 21 and ends on Sunday, July 26.
Events start at 7:00 am and run throught the night until 12 midnight.

Date(s) of Tear-down: Sunday, Muly 26

Expected Attendance: 15,000

Alcohol License Required: Yes No
If yes, application received: Yes No

Sound Amplification System utilized: Yes No
If yes, hours of operation: 7:00 - 12:00 midnight

Funding request of the Council: Yes No
Amount requested and purpose: _____

City Services Requested – Please attach additional documents (maps, detailed information), where needed. Write “Not applicable” if no services requested.

(Directors must initial behind requests)

Street Dept: Signage, Barricades, Street Closures (Specify): **Public Works Director:** _____
Park Hill Drive on Tuesday morning, July 21. Barricades by parking lot on Park Hill Drive on Monday, July 20,
No parking signs along Lindendale Ave from 4 way stop to the T.

Electric Dept: Electrical Service, Lighting (Specify): **Electric Dept. Director:** _____
Poles with electric for food vendors in the week before. Will go over where and what kind in the month before.

Public Safety: Security, First Aid, Traffic Control (Specify): **Public Safety Director:** _____
Police officers when available. First responder vehicle on grounds.

HCS Services: Wi-Fi or other technological needs (Specify): **HCS Director:** _____
Already have Wi-Fi setup from HCS.

Other City Services: Restrooms, City Officials (Sign approval), Refuse Dumpsters (Specify):
Department: _____
Will let you know how many and where to put dumpsters one month before.

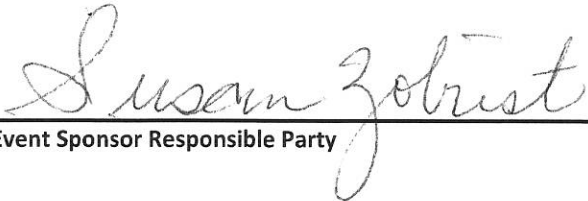
Application Checklist (Attachments):

Deputy Clerk Initial
Upon receipt or waiver:

- Certificate of Insurance: (attached)**
 - o Must be General liability *will give when renew*
 - o \$1 Million per occurrence/\$2 million aggregate
 - o City named as “additional insured” If Event is on city property.

- Site Plan Rendering** _____

- Evacuation Plan _____
- Fire Plan _____
- Parking Plan _____
- Schedule City Council Meeting for announcement _____
 - o **Date:** Feb 3, 2020
- Application Submittal (60+ days) _____


1-29-20

Event Sponsor Responsible Party Date

City Manager Date



CITY OF HIGHLAND

SPECIAL EVENT APPLICATION

Authorized under City Ordinance Sec. 64-3-1

PURPOSE: The City of Highland supports various community activities and festivals throughout the year. Establishing public safety and coordinating needs between the events and the city are the overall goals of this process. It is the responsibility of the specific event Sponsors to obtain, complete, and follow through the application process for city approval.

SPECIAL EVENT: A “Special Event” is defined as: (1) any event, race, gathering, demonstration, or service; (2) that occurs partially or completely within the jurisdiction of the City of Highland; (3) is expected to draw crowds in excess of one hundred fifty (150) attendees; and (4) is expected to or could disrupt normal daily functions within the City of Highland including but not limited to traffic congestion and excess noise; or could create a public health/safety concern without proper precautions or prior planning. Specific examples would include (but are not limited to): The Kirchenfest, Schweizerfest, 5K runs, parades, Art in the Park, Fourth of July Festivities, Madison County Fair, etc. The City Manager will make the final determination as to whether an event qualifies. This will be based upon the totality of the circumstances presented.

PROCEDURE:

1. All Requests will be directed to Highland City Hall, to the attention of the Deputy City Clerk.
2. Applications will be available at Highland City Hall, Monday-Friday, 8:00 am to 5:00 pm or online through the City’s web site.
3. Applications will be completed by the Event Sponsor and submitted at least 60 days prior to the event. The application must be signed by the Event Sponsor Responsible Party. Incomplete applications will not be accepted. If an application is accepted and later determined to be incomplete, the applicant will be notified by the Deputy Clerk. Failure to provide information will result in denial of application.
4. The Deputy City Clerk will forward the application to all city departments that have responsibilities relating to the event. If necessary, a committee meeting involving the event Sponsor and city stakeholders may take place to clarify questions, determine specific needs, and address concerns.
5. The event Sponsor is required to obtain final approval for the special event from the City Manager. The City Council may announce the special event to the public at a scheduled Council meeting.

CITY OF HIGHLAND-SPECIAL EVENT APPLICATION

Name of Event: _____

Type/Purpose of Event: Festival Race Other Fundraiser Service Parade
 Demonstration Other (please specify): _____

Location of Event: _____

Sponsoring Organization/Individual: _____

Event Responsible Party: _____

Address: _____

Phone(s): _____

Email: _____

Secondary Contact: _____

Address: _____

Phone(s): _____

Email: _____

Date(s) of Set-up: _____

Event Date(s) / Times:

Date(s) of Tear-down: _____

Expected Attendance: _____

Alcohol License Required: Yes No

If yes, application received: Yes No

Sound Amplification System utilized: Yes No

If yes, hours of operation: _____

Funding request of the Council: Yes No

Amount requested and purpose: _____

City Services Requested – Please attach additional documents (maps, detailed information), where needed. Write “Not applicable” if no services requested.

(Directors must initial behind requests)

Street Dept: Signage, Barricades, Street Closures (Specify): **Public Works Director:** _____

Electric Dept: Electrical Service, Lighting (Specify): **Electric Dept. Director:** _____

Public Safety: Security, First Aid, Traffic Control (Specify): **Public Safety Director:** _____

HCS Services: Wi-Fi or other technological needs (Specify): **HCS Director:** _____

Other City Services: Restrooms, City Officials (Sign approval), Refuse Dumpsters (Specify):
Department: _____

Application Checklist (Attachments):

**Deputy Clerk Initial
Upon receipt or waiver:**

Certificate of Insurance: (attached) _____

- Must be General liability
- \$1 Million per occurrence/\$2 million aggregate
- City named as “additional insured” If Event is on city property.

Site Plan Rendering _____

- Evacuation Plan _____
- Fire Plan _____
- Parking Plan _____
- Schedule City Council Meeting for announcement _____
- **Date:** _____
- Application Submittal (60+ days) _____

Event Sponsor Responsible Party Date

City Manager Date



Highland Masonic Lodge #583



Ancient Free and Accepted Masons

January 24, 2020
Honorable Mayor Joe Michaelis
and Highland City Council

RE: *Street Closing for Highland Masonic Lodge Old Swiss Sausage Supper*

Highland Masonic Lodge #583 will be holding their 66th Annual Old Swiss Sausage Supper on Sunday, February 23 from 10:30 AM to 6:00 PM.

The drive-thru that was approved for the Sausage Supper for the last several years was well received and we request permission to once again use the street for our event.

Our request is exactly the same as that requested for the previous years:

1. One way traffic on Ninth Street heading east from Walnut to Pestalozzi
(1 block)
2. No parking on either side of Ninth Street between Walnut and Pestalozzi
(1 block) from 6:00 am to 8:00 PM.

A map is attached for your convenience.

The completed Special Event Application has been delivered.

If you have any questions or concerns, someone will attend the February 3, 2020 Council meeting.

Thank you in advance for considering our request.

Sincerely,

Joe Szoke
Event Chairman
2020 Old Swiss Sausage Supper



Highland Masonic Lodge – John Wildi Masonic Temple – 721 9th Street, Highland, Illinois



GILMORE & BELL, P.C.
DRAFT 4 – JANUARY 29, 2020
FOR DISCUSSION PURPOSES ONLY

ORDINANCE NO. _____

OF THE

CITY OF HIGHLAND, ILLINOIS

PASSED

FEBRUARY 3, 2020

Relating to:

[\$[*PRINCIPAL*]]
GENERAL OBLIGATION DEBT CERTIFICATES
(LIMITED TAX)
SERIES 2020

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ORDINANCE NUMBER _____

AN ORDINANCE OF THE CITY OF HIGHLAND, ILLINOIS, AUTHORIZING AND PROVIDING FOR AN INSTALLMENT PURCHASE AGREEMENT FOR THE PURPOSE OF PAYING THE COSTS OF CERTAIN CAPITAL PROJECTS OF THE CITY AND AUTHORIZING AND PROVIDING FOR THE ISSUE OF GENERAL OBLIGATION DEBT CERTIFICATES (LIMITED TAX), SERIES 2020, EVIDENCING THE RIGHTS TO PAYMENT UNDER SUCH AGREEMENT, PRESCRIBING THE DETAILS OF THE AGREEMENT AND CERTIFICATES, AND PROVIDING FOR THE SECURITY FOR AND MEANS OF PAYMENT UNDER THE AGREEMENT OF THE CERTIFICATES.

PREAMBLES

WHEREAS, the City of Highland, Illinois (the “City”) is a municipality and unit of local government of the State of Illinois (the “State”) operating, *inter alia*, under and pursuant to (1) the Illinois Municipal Code, (2) the Local Government Debt Reform Act of the State of Illinois (the “Debt Reform Act”), and in particular, the provisions of Section 17 of the Debt Reform Act (the “Installment Purchase Provisions of the Debt Reform Act”), and (3) all other Omnibus Bond Acts of the State; in each case, as supplemented and amended (collectively, “Applicable Law”).

WHEREAS, the City Council of the City (the “Corporate Authorities”) has considered the needs of the City and, in so doing, the Corporate Authorities have deemed and do now deem it advisable, necessary, and for the best interests of the City in order to promote and protect the public health, welfare, safety, and convenience of the residents of the City to acquire, construct, renovate, equip and furnish public safety facilities (the “Project”).

WHEREAS, the Corporate Authorities have determined the total cost of the Project and expenses incidental thereto, including financial, legal, architectural, and engineering services related to such work and to the Agreement hereinafter provided for in this Ordinance (collectively “Related Expenses”) to be not less than \$[*Principal*] plus estimated investment earnings which may be received on said sum prior to disbursement.

WHEREAS, sufficient funds of the City are not available to pay the costs of the Project and Related Expenses, and it will, therefore, be necessary to borrow money in the amount of not to exceed \$[*Principal*] for the purpose of paying such costs.

WHEREAS, pursuant to the Installment Purchase Provisions of the Debt Reform Act, as amended by Public Act 91-868 of the 91st General Assembly of the State of Illinois, the City has the powers as follows:

The governing body of each governmental unit may purchase or lease either real or personal property, including investments, investment agreements, or investment services, through agreements that provide that the consideration for the purchase or lease may be paid through installments made at stated intervals for a period of no more than 20 years or another period of time authorized by law, whichever is greater *provided, however*, that investments, investments agreements or investment services purchased in connection

with a bond issue may be paid through installments made at stated intervals for a period of time not in excess of the maximum term of such bond issue. Each governmental unit may issue certificates evidencing the indebtedness incurred under the lease or agreement. The governing body may provide for the treasurer, comptroller, finance officer, or other officer of the governing body charged with financial administration to act as counterparty to any such lease or agreement, as nominee lessor or seller. When the lease or agreement is executed by the officer of the governmental unit authorized by the governing body to bind the governmental unit thereon by the execution thereof and is filed with and executed by the nominee lessor or seller, the lease or agreement shall be sufficiently executed so as to permit the governmental unit to issue certificates evidencing the indebtedness incurred under the lease or agreement. The certificates shall be valid whether or not an appropriation with respect thereto is included in any annual or supplemental budget adopted by the governmental unit. From time to time, as the governing body executes contracts for the purpose of acquiring and constructing the services or real or personal property that is a part of the subject of the lease or agreement, including financial, legal, architectural, and engineering services related to the lease or agreement, the governing body shall order the contracts filed with its nominee officer, and that officer shall identify the contracts to the lease or agreement; that identification shall permit the payment of the contract from the proceeds of the certificates; and the nominee officer shall duly apply or cause to be applied proceeds of the certificates to the payment of the contracts. The governing body of each governmental unit may sell, lease, convey, and reacquire either real or personal property, or any interest in real or personal property, upon any terms and conditions and in any manner, as the governing body shall determine, if the governmental unit will lease, acquire by purchase agreement, or otherwise reacquire the property, as authorized by this subsection or any other applicable law.

All indebtedness incurred under this subsection, when aggregated with the existing indebtedness of the governmental unit, may not exceed the debt limits provided by applicable law.

WHEREAS, the Corporate Authorities find that it is desirable and in the best interests of the City to avail of the provisions of the Installment Purchase Provisions of the Debt Reform Act, as quoted, as follows:

1. To authorize an Installment Purchase Agreement (the "Agreement") as more particularly described and provided in this Ordinance;
2. To name as counter-party to the Agreement the City Treasurer, as nominee-seller;
3. To authorize the Mayor of the City and the City Clerk to execute and attest, respectively, the Agreement on behalf of the City and to file same with the City Clerk in his or her capacity as keeper of the records and files of the City; and
4. To issue certificates evidencing the indebtedness incurred under the Agreement in the amount of \$[*Principal*], in form and having such details as set forth in this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND, ILLINOIS, AS FOLLOWS:

Section 1. Definitions. Words and terms used in this Ordinance shall have the meanings given them unless the context or use clearly indicates another or different meaning is intended. Words and terms defined in the singular may be used in the plural and vice-versa. Reference to one gender shall be deemed to include the other and also inanimate persons such as corporations, where applicable. In addition to words and terms defined elsewhere herein, the following words and terms as used in this Ordinance shall have the following meanings:

“Agreement” means the Installment Purchase Agreement, as referred to in the preambles of this Ordinance, for the purpose of purchasing and financing the Project and Related Expenses, in substantially the form of **Exhibit A** attached hereto.

“Applicable Law” shall have the meaning given to such term in the preambles hereto.

“Bond Counsel” means Gilmore & Bell, P.C., Edwardsville, Illinois, or other attorneys or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

“Book Entry Form” means the form of the Certificates as fully-registered and available in physical form only to the Depository.

“Certificates” means the General Obligation Debt Certificates (Limited Tax), Series 2020, authorized to be issued by this Ordinance.

“Certificate Fund” means the fund established and defined in **Section 14** of this Ordinance.

“Certificate Moneys” means moneys on deposit in the Certificate Fund.

“Certificate Registrar” means the books of the City kept by the Certificate Registrar to evidence the registration and transfer of the Certificates.

“Certificate Registrar” or **“Paying Agent”** means BOKF, N.A., St. Louis, Missouri, and its successor or successors and any other corporation which at the time may be substituted in its place pursuant to and at the time serving as certificate registrar and paying agent hereunder.

“City” shall have the meaning given to such term in the preambles hereto.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Treasury Department proposed or promulgated thereunder.

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking made by the City, in substantially the form of **Exhibit C** attached hereto.

“Corporate Authorities” shall have the meaning given to such term in the preambles hereto.

“Debt Reform Act” shall have the meaning given to such term in the preambles hereto.

“Depository” means The Depository Trust Company, a New York limited trust company, its successors, or a successor depository qualified to clear securities under applicable state and federal laws.

“Federal Tax Certificate” means the Federal Tax Certificate made by the City relating to the Certificates, in substantially the form of **Exhibit D** attached hereto.

“Installment Purchase Provisions of the Debt Reform Act” shall have the meaning given to such term in the preambles hereto.

“Ordinance” means this Ordinance adopted by the governing body of the City, authorizing the issuance of the Certificates, as amended from time to time.

“Project” shall have the meaning given to such term in the preambles hereto.

“Project Fund” means the Project Fund established and defined in **Section 13** hereof.

“Purchase Contract” means the Purchase Contract between the City and the Purchaser, in substantially the form of **Exhibit E** attached hereto.

“Purchaser” means Commerce Bank, Kansas City, Missouri.

“Rebate Fund” means the Rebate Fund authorized to be established and as defined in **Section 14** hereof.

“Record Date” means the 15th day of the month next preceding any regular or other interest payment date occurring on the 1st day of any month.

“Related Expenses” shall have the meaning given to such term in the preambles hereto.

“Seller” shall mean the City Treasurer, as nominee-seller under the Agreement.

“State” shall have the meaning given to such term in the preambles hereto.

“Tax-exempt” means the status of interest paid and received thereon as excludable from the gross income of the owners thereof under the Code for federal income tax purposes.

Section 2. Incorporation of Preambles. The Corporate Authorities hereby find that the recitals contained in the preambles to this Ordinance are true, correct, and complete and do incorporate them into this Ordinance by this reference.

Section 3. Determination to Authorize and Enter into Agreement and to Issue Certificates. It is necessary and advisable for the public health, safety, welfare, and convenience of residents of the City to pay costs of the Project and Related Expenses and to borrow money and, in evidence thereof and for the purpose of financing same, enter into the Agreement and, further, to provide for the issuance and delivery of the Certificates evidencing the indebtedness incurred under the Agreement.

Section 4. Agreement is a General Obligation; Annual Appropriation. The City hereby represents, warrants, and agrees that the obligation to make the payments due under the Agreement shall be a lawful direct general obligation of the City, for the payment of which its full faith and credit are pledged, and are payable from the corporate funds of the City and such other sources of payment as are otherwise lawfully available. The City represents and warrants that the total amount due the Seller under the Agreement, together with all other indebtedness of the City, is within all statutory and constitutional debt limitations. The City agrees to appropriate funds of the City annually and in a timely manner so as to provide for the making of all payments when due under the terms of the Agreement.

Section 5. Execution and Filing of the Agreement. The Agreement is hereby approved and the Mayor and City Clerk are hereby authorized and directed to execute and attest, respectively, the Agreement and to do all things necessary and essential to effectuate the provisions of the Agreement, including the execution of any documents and certificates incidental thereto or necessary to carry out the provisions thereof. Further, as nominee-seller, the City Treasurer is hereby authorized and directed to execute the Agreement. Upon full execution, the original of the Agreement shall be filed with the City Clerk and retained in the City records and constitute authority for issuance of the Certificates.

Section 6. Certificate Details.

(a) For the purpose of providing funds to pay costs of the Project and Related Expenses, there shall be issued and sold the Certificates in the aggregate principal amount of \$[*Principal*]. The Certificates shall be issued in one series and shall be designated “General Obligation Debt Certificates (Limited Tax), Series 2020” and shall be in substantially the form set forth in **Exhibit B** attached hereto.

(b) The Certificates shall be dated the date of payment and delivery thereof, shall be in fully-registered form, shall be in denominations of \$5,000 each or authorized integral multiples thereof (but no single Certificate shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Certificates shall become due and payable (subject to prior redemption as hereinafter described) on February 1 of each of the years, in the amounts and bearing interest at the rates per annum as follows:

SERIAL CERTIFICATES

<u>STATED MATURITY (FEBRUARY 1)</u>	<u>PRINCIPAL AMOUNT</u>	<u>ANNUAL RATE OF INTEREST</u>
2021	\$	%
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		

TERM CERTIFICATES

<u>STATED MATURITY (FEBRUARY 1)</u>	<u>PRINCIPAL AMOUNT</u>	<u>ANNUAL RATE OF INTEREST</u>
2040	\$	%

(c) The Certificates shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Certificates is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semi-annually commencing August 1, 2020, and on each February 1 and August 1 thereafter to maturity.

(d) Interest on each Certificate shall be paid by check or draft of the Paying Agent, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Certificate is registered at the close of business on the Record Date. The principal of the Certificates shall be payable in lawful money of the United States of America upon presentation thereof at the principal corporate trust office of the Paying Agent.

Section 7. Book Entry Provisions. The Certificates shall be initially issued in the form of a separate single fully-registered Certificate for each of the maturities of the Certificates. Upon initial issuance, the ownership of each such Certificate shall be registered in the Certificate Register in the name of the Depository or a designee or nominee of the Depository (such depository or nominee being the “Book Entry Owner”). Except as otherwise expressly provided, all of the outstanding Certificates from time to time shall be registered in the Certificate Register in the name of the Book Entry Owner (and accordingly in Book Entry Form as such term is used in this Ordinance). Any City officer, as representative of the City, is hereby authorized, empowered, and directed to execute and deliver or to utilize a previously executed and delivered Letter of Representations or Blanket Letter of Representations (either being the “Letter of Representations”) substantially in the form common in the industry, or with such changes therein as any officer executing the Letter of Representations on behalf of the City shall approve, his or her execution thereof to constitute conclusive evidence of approval of such changes, as shall be necessary to effectuate Book Entry Form. Without limiting the generality of the authority given with respect to entering into such Letter of Representations, it may contain provisions relating to (a) payment procedures, (b) transfers of the Certificates or of beneficial interests therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices. With respect to Certificates registered in the Certificate Register in the name of the Book Entry Owner, none of the City, any of its financial officers, or the Certificate Registrar shall have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which the Depository holds Certificates from time to time as securities depository (each such broker-dealer, bank, or other financial institution being referred to herein as a “Depository Participant”) or to any person on behalf of whom such a Depository Participant holds an interest in the Certificates. Without limiting the meaning of the immediately preceding sentence, the City, any of its financial officers, and the Certificate Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Book Entry Owner, or any Depository Participant with respect to any ownership interest in the Certificates, (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Certificate as shown in the Certificate Register or as otherwise expressly provided in the Letter of Representations, of any notice with respect to the Certificates, including any notice of redemption, or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Certificate as shown in the Certificate Register, of any amount with respect to principal of or interest on the Certificates. No person other than a registered

owner of a Certificate as shown in the Certificate Register shall receive a certificate with respect to any Certificate. In the event that (a) a majority of the broker-dealers, banks or other financial institutions for which the Depository holds Certificates as securities depository (the "Participants") determines that the Depository is incapable of discharging its responsibilities described herein and in the Letter of Representations, (b) the agreement among the City, the Certificate Registrar, and the Depository evidenced by the Letter of Representations shall be terminated for any reason, or (c) a majority of the Participants determines that it is in the best interests of the beneficial owners of the Certificates either that they be able to obtain certificated Certificates or that another depository is preferable, the Participants shall notify the Depository and the City, and the City shall make available physical Certificates; and the Certificates shall no longer be restricted to being registered in the Certificate Register in the name of the Book Entry Owner. Alternatively, at such time, a majority of Participants holding a majority position in the Certificates may determine that the Certificates shall be registered in the name of and deposited with a successor depository operating a system accommodating Book Entry Form, as may be acceptable to the Participants, or such depository's agent or designee, but if such Participants do not select such alternate book entry system, then the Certificates shall be registered in whatever name or names registered owners of Certificates transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

Section 8. Execution and Authentication of Certificates.

(a) The Certificates shall be executed on behalf of the City by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the City. In case any such officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

(b) All Certificates shall have thereon a certificate of authentication, substantially in the form set forth in **Exhibit B** hereto, duly executed by the Certificate Registrar as authenticating agent of the City and showing the date of authentication. No Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Certificate Registrar by manual signature, and such certificate of authentication upon any such Certificate shall be conclusive evidence that such Certificate has been authenticated and delivered under this Ordinance. The certificate of authentication on any Certificate shall be deemed to have been executed by it if signed by an authorized officer of the Certificate Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Certificates issued hereunder.

Section 9. Registration of Certificates; Persons Treated as Owners.

(a) The City shall cause the Certificate Register to be kept at the office maintained for such purpose by the Certificate Registrar, which is hereby constituted and appointed the registrar of the City for the Certificates. The City is authorized to prepare, and the Certificate Registrar or such other agent as the City may designate shall keep custody of, multiple Certificate blanks executed by the City for use in the transfer and exchange of Certificates. Subject to the provisions of this Ordinance relating to the Certificates in Book Entry Form, any Certificate may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance.

(b) Upon surrender for transfer or exchange of any Certificate at the office of the Certificate Registrar maintained for the purpose, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Certificate Registrar and duly executed by

the registered owner or an attorney for such owner duly authorized in writing, the City shall execute and the Certificate Registrar shall authenticate, date, and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully-registered Certificate or Certificates of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

(c) The Certificate Registrar shall not be required to transfer or exchange any Certificate during the period from the close of business on the Record Date for an interest payment to the opening of business on such interest payment date, nor to transfer or exchange any Certificate after notice calling such Certificate for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Certificates.

(d) The execution by the City of any fully-registered Certificate shall constitute full and due authorization of such Certificate; and the Certificate Registrar shall thereby be authorized to authenticate, date, and deliver such Certificate; *provided, however*, the principal amount of Certificates of each maturity authenticated by the Certificate Registrar shall not at any one time exceed the authorized principal amount of Certificates for such maturity less the amount of such Certificates which have been paid. The person in whose name any Certificate shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Certificate shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid.

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

Section 10. Redemption.

(a) *Optional Redemption.* The Certificates due on and after February 1, 2028 shall be subject to redemption prior to maturity at the option of the City from any available funds, as a whole or in part, and if in part in integral multiples of \$5,000 in any order of their maturity as determined by the City on February 1, 2027 and on any date thereafter, at the redemption price of par plus accrued interest to the date fixed for redemption.

(b) *Mandatory Redemption.* The Certificates due on February 1, 20__ (the “Term Certificates”) are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Certificate Registrar, at a redemption price of par plus accrued interest to the redemption date for the Term Certificates, on February 1 of the years and in the principal amounts, as follows:

Year	Principal Amount
2039	
2040 (final maturity)	

The principal amounts of Term Certificates to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Term Certificates credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the City may determine. In addition, on or prior to the 60th day preceding

any mandatory redemption date, the Certificate Registrar may, and if directed by the Corporate Authorities shall, purchase Term Certificates required to be retired on such mandatory redemption date. Any such Term Certificates so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

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

(d) The Certificate Registrar shall promptly notify the City and the Paying Agent in writing of the Certificates or portions of Certificates selected for redemption and, in the case of any Certificate selected for partial redemption, the principal amount thereof to be redeemed.

Section 11. Redemption Procedure.

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

(b) All notices of redemption shall state:

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

(c) Unless moneys sufficient to pay the redemption price of the Certificates to be redeemed shall have been received by the Paying Agent prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption shall be conditional upon the receipt of such moneys by the Paying Agent on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates, and the Certificate Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Certificates will not be redeemed. Otherwise, prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Certificates or portions of Certificates which are to be redeemed on that date.

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

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

Section 12. Sale of Certificates; Official Statement.

(a) The Mayor is hereby authorized to proceed to sell and deliver the Certificates to the Purchaser at a purchase price of \$_____ (representing the original principal amount of the Certificates, plus a net original issue premium of \$_____ and less an underwriting discount of \$_____). It being hereby found and determined that (i) the sale of the Certificates to the Purchaser is in the best interests of the City and that no person holding any office of the City, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the sale of the Certificates to the Purchaser, and (ii) the Certificates have been sold at such price and bear interest at such rate that either the true interest cost (yield) or the net interest rate received upon the sale of the Certificates does not exceed the maximum rate otherwise authorized by applicable law. The Mayor is hereby authorized to execute the Purchase Contract for and on the City's behalf. Delivery of the Certificates shall be made to the Purchaser upon payment therefor in accordance with the terms of Purchase Contract.

(b) The Preliminary Official Statement, in the form attached hereto as **Exhibit F**, is hereby approved, and the final Official Statement is hereby authorized and approved by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor is hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the final Official Statement by the Purchaser in connection with the reoffering of the Certificates is hereby authorized. The proper officials of the City are hereby authorized to execute and deliver a

certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Certificates.

(c) For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the City hereby deems the information regarding the City contained in the Preliminary Official Statement to be “final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the City are hereby authorized, if requested, to provide the Purchaser a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of such Rule.

(d) The City agrees to provide to the Purchaser within seven business days of the date of the sale of Certificates sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 13. Creation of Funds and Appropriations.

(a) There is hereby created the “General Obligation Debt Certificates (Limited Tax), Series 2020, Certificate Fund” (the “Certificate Fund”), which shall be the fund for the payment of the principal of and interest on the Certificates. Accrued interest, if any, received upon delivery of the Certificates shall be deposited into the Certificate Fund and be applied to pay the first interest coming due on the Certificates. Funds lawfully available for the purpose shall be deposited into the Certificate Fund and used solely and only for the purpose of paying the principal of and interest on the Certificates. Interest income or investment profit earned in the Certificate Fund shall be retained in the Certificate Fund for payment of the principal of or interest on the Certificates on the interest payment date next after such interest or profit is received or, to the extent lawful and as determined by the Corporate Authorities, transferred to such other fund as may be determined. Moneys in the Certificate Fund shall be applied to pay interest when due and principal when due.

(b) \$_____ of the proceeds of the Certificates shall be deposited into the Project Fund (the “Project Fund”), which is hereby created.

(c) It is hereby found and determined and hereby declared and set forth that the Corporate Authorities (i) have not entered into an agreement of any kind with any entity, party or person (including, but not limited to, the Purchaser) to not expend the proceeds of the Certificates deposited into the Project Fund for any period of time and (ii) is not required by any contract, decree, instrument, order, regulation or ruling, to not expend the proceeds of the Certificates deposited into the Project Fund for any period of time. Moneys in the Project Fund shall be used to pay costs of the Project in accordance with the following procedures:

1. Contracts (“Work Contracts”) have been or will be awarded, from time to time, by the Corporate Authorities for the work on the Project; and the Corporate Authorities represent and covenant that each Work Contract has been or will be let in strict accordance with Applicable Law and the rules and procedures of the City for same.
2. By paragraph 3 of this Section of this Ordinance, as follows, or pursuant to ordinance or resolution to be duly adopted, the Corporate Authorities will identify all or a designated portion of each Work Contract to the Agreement. This Ordinance and any such further ordinance or resolution will be filed of record with the City Clerk and the City Treasurer. The adoption and filing of any such ordinance or resolution and the Work Contracts with

such officers will constitute authority for the officer or officers of the City to make disbursements from the Project Fund to pay amounts due under such Work Contracts from time to time, upon such further resolutions, orders, vouchers, warrants, or other proceedings as are required under Applicable Law and the rules and procedures of the City for same. No action need be taken by or with respect to the contractors under the Work Contracts as, pursuant to the Installment Purchase Provisions of the Debt Reform Act, the City Treasurer acts as Nominee-Seller of the Project for all purposes, enabling the issuance of the Certificates. Funds on deposit in the Project Fund will be invested by the appropriate officers of the City in any lawful manner. Investment earnings will first be reserved and transferred to such other account as and to the extent necessary to pay any “excess arbitrage profits” or “penalty in lieu of rebate” under Code Section 148 to maintain the Tax-exempt status of the Certificates, and the remainder will be retained in the fund for costs of the Project. Within sixty (60) days after full depletion of the Project Fund, the appropriate offices of the City will certify to the Corporate Authorities the fact of such depletion; and, upon approval of such certification by the Corporate Authorities, the Project Fund will be closed.

3. The following Work Contracts are hereby identified to the Agreement:

<u>Brief Description of Work Contract</u>	<u>Name of Contractor</u>	<u>Contract Amount</u>	<u>Identified Amount</u>
Construction Services	Poettker Construction Company	\$1,598,000	\$1,598,000
Architectural Services	Loyet Architects	385,000	385,000

The Work Contracts so identified are attached to this Ordinance as **Exhibit G**.

Alternatively to the creation of the funds described above, the appropriate officers may allocate the proceeds of the Certificates to one or more related funds of the City already in existence and in accordance with good accounting practice; *provided, however*, that this shall not relieve such officers of the duty to account and invest the Certificate Moneys and the proceeds of the Certificates, as herein provided, as if such funds had in fact been created.

(d) Notwithstanding any other provision of this Ordinance, moneys in the Project Fund may be used to pay costs of issuing the Certificates.

(e) There is hereby created the “General Obligation Debt Certificates (Limited Tax), Series 2020, Rebate Fund” (the “Rebate Fund”). There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent necessary to satisfy the arbitrage rebate required pursuant to the Federal Tax Certificate, for payment to the United States of America, and neither the City nor the registered owner of any Certificates shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Federal Tax Certificate.

The City shall periodically determine the amount of arbitrage rebate under Section 148(f) of the Code in accordance with the Federal Tax Certificate, and the City shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax Certificate. Any money remaining in the Rebate Fund after redemption and payment of all of the Certificates and payment and satisfaction of any arbitrage rebate required pursuant to the Federal Tax Certificate, or provision made therefor, shall be released to the City.

Notwithstanding any other provision of this Ordinance, the obligation to pay arbitrage rebate to the United States and to comply with all other requirements of this Section and the Federal Tax Certificate shall survive the defeasance or payment in full of the Certificates.

Section 14. Tax-Exemption Covenants.

(a) The City agrees to comply with all provisions of the Code which, if not complied with by the City, would cause the Certificates not to be tax-exempt. In furtherance of the foregoing provisions, but without limiting their generality, the City agrees: (1) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable, (2) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by Bond Counsel, (3) to consult with Bond Counsel and to comply with such advice as may be given, (4) to file such forms, statements and supporting documents as may be required and in a timely manner, and (5) if deemed necessary or advisable by its officers, to employ and pay financial advisors, attorneys and other persons to assist the City in such compliance.

(b) The City also certifies and further covenants with the Purchaser and registered owners of the Certificates from time to time outstanding that moneys on deposit in any fund or account in connection with the Certificates, whether or not such moneys were derived from the proceeds of the sale of the Certificates or from any other source, will not be used in a manner which will cause the Certificates to be “arbitrage bonds” within the meaning of Code Section 148 and any lawful regulations promulgated hereunder, as the same presently exist or may from time to time hereafter be amended, supplemented or revised.

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

(d) The City covenants and agrees to comply with all provisions and requirements of the Federal Tax Certificate, which is hereby approved, with such changes therein as shall be approved by the Mayor, which officer is hereby authorized to execute the Federal Tax Certificate for and on behalf of the City, such officer’s signature thereon being conclusive evidence of his or her approval thereof.

Section 15. Pertaining to the Certificate Registrar. If requested by the Certificate Registrar, any officer of the City is authorized to execute a standard form of agreement between the City and the Certificate Registrar with respect to the obligations and duties of the Certificate Registrar under this Ordinance. In addition to the terms of such agreement and subject to modification thereby, the Certificate Registrar by acceptance of duties under this Ordinance agrees (a) to act as registrar, paying agent, authenticating agent, and transfer agent as provided herein, (b) to maintain a list of Certificateholders as set forth herein and to furnish such list to the City upon request, but otherwise to keep such list confidential to the extent permitted by law, (c) to give notice of redemption of Certificates as provided herein, (d) to cancel and/or destroy Certificates which have been paid at maturity or submitted for exchange or transfer, (e) to furnish the City at least annually a certificate with respect to

Certificates cancelled and/or destroyed, and (f) to furnish the City at least annually an audit confirmation of Certificates paid, Certificates outstanding and payments made with respect to interest on the Certificates. The City covenants with respect to the Certificate Registrar, and the Certificate Registrar further covenants and agrees as follows:

A. The City shall at all times retain a Certificate Registrar with respect to the Certificates; it will maintain at the designated office(s) of such Certificate Registrar a place or places where Certificates may be presented for payment, registration, transfer, or exchange; and it will require that the Certificate Registrar properly maintain the Certificate Register and perform the other duties and obligations imposed upon it by this Ordinance in a manner consistent with the standards, customs, and practices of the municipal securities industry.

B. The Certificate Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance by executing the certificate of authentication on any Certificate, and by such execution the Certificate Registrar shall be deemed to have certified to the City that it has all requisite power to accept and has accepted such duties and obligations not only with respect to the Certificate so authenticated but with respect to all the Certificates. Any Certificate Registrar shall be the agent of the City and shall not be liable in connection with the performance of its duties except for its own negligence or willful wrongdoing. Any Certificate Registrar shall, however, be responsible for any representation in its certificate of authentication on Certificates.

C. The City may remove the Certificate Registrar at any time. In case at any time the Certificate Registrar shall resign, shall be removed, shall become incapable of acting, or shall be adjudicated a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Certificate Registrar or of the property thereof shall be appointed, or if any public officer shall take charge or control of the Certificate Registrar or of the property or affairs thereof, the City covenants and agrees that it will thereupon appoint a successor Certificate Registrar. The City shall give notice of any such appointment made by it to each registered owner of any Certificate within twenty days after such appointment in the same manner. Any Certificate Registrar appointed under the provisions of this Section shall be a bank, trust company, or national banking association maintaining its principal corporate trust office in Illinois or Missouri and having capital and surplus and undivided profits in excess of \$100,000,000. The City Clerk is hereby directed to file a certified copy of this Ordinance with the Certificate Registrar.

Section 16. Defeasance. Any Certificate or Certificates which (a) are paid and cancelled, (b) which have matured and for which sufficient sums been deposited with the Certificate Registrar to pay all principal and interest due thereon, or (c) for which sufficient United States of America dollars and direct United States Treasury obligations have been deposited with the Certificate Registrar or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on (and redemption premium, if any, on) such Certificate or Certificates when due at maturity or as called for redemption, if applicable, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on or right to receive or be paid from the Certificate Moneys hereunder and shall no longer have the benefits of any covenant for the registered owners of outstanding Certificates as set forth herein as such relates to lien and security of the outstanding Certificates. All covenants relative to the Tax-exempt status of the Certificates; and payment, registration, transfer, and exchange; are expressly continued for all Certificates whether outstanding Certificates or not.

Section 17. Continuing Disclosure Undertaking. The Mayor is hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City are hereby authorized, empowered and

directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedy for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Certificate to seek mandamus or specific performance by court order to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

Section 18. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 19. Superseder and Effective Date. All ordinances, resolutions, and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect upon its passage and approval as provided by law.

ADOPTED by the City Council of the City of Highland, Illinois on the 3rd day of February, 2020.

Aye: _____

Nay: _____

Absent: _____

APPROVED by me, as Mayor of the City of Highland, Illinois, the 3rd day of February, 2020.

Mayor

PASSED by the City Council of the City of Highland, Illinois, the 3rd day of February, 2020.

Attest: _____
City Clerk

**EXHIBIT A
TO ORDINANCE**

FORM OF INSTALLMENT PURCHASE AGREEMENT

**INSTALLMENT PURCHASE AGREEMENT FOR PURCHASE OF REAL
OR PERSONAL PROPERTY, OR BOTH, FOR THE PURPOSE OF
PAYING THE COSTS OF CERTAIN CAPITAL PROJECTS OF THE
CITY, SPECIFICALLY PUBLIC SAFETY IMPROVEMENTS, IN AND
FOR THE CITY OF HIGHLAND, ILLINOIS.**

THIS INSTALLMENT PURCHASE AGREEMENT (this “Agreement”) made as of the _____ day of February, 2020 by and between the City Treasurer of the City, as Nominee-Seller (the “Seller”), and the City of Highland, Illinois, a municipality and unit of local government of the State of Illinois (the “City”):

WITNESSETH

A. The City Council (the “Corporate Authorities”) of the City has determined to acquire real or personal property, or both, for the purpose of paying the costs of certain capital projects of the City, specifically public safety improvements (the “Project”), all as previously approved by the Corporate Authorities and on file with the City Clerk (the “Clerk”).

B. Pursuant to the provisions of the Illinois Municipal Code; the Local Government Debt Reform Act of the State of Illinois (the “Debt Reform Act”), and, in particular, the provisions of Section 17 of the Debt Reform Act (the “Installment Purchase Provisions of the Debt Reform Act”); and all other Omnibus Bond Acts of the State of Illinois; in each case, as supplemented and amended (collectively “Applicable Law”); the City has the power to purchase real or personal property through agreements that provide that the consideration for the purchase may be paid through installments made at stated intervals for a period of no more than 20 years and has the power to issue certificates evidencing indebtedness incurred under such agreements.

C. On the 3rd day of February, 2020, the Corporate Authorities, pursuant to Applicable Law and the need to provide for the Project, adopted an ordinance (the “Ordinance”), numbered _____, authorizing the borrowing of money for the Project, the execution and delivery of this Agreement to finance same, and the issuance of certificates evidencing the indebtedness so incurred.

D. The Ordinance is

- (a) incorporated herein by reference; and
- (b) made a part hereof as if set out at this place in full;

and each of the terms as defined in the Ordinance is also incorporated by reference for use in this Agreement.

E. The Seller, as nominee as expressly permitted by the Installment Purchase Provisions of the Debt Reform Act, has agreed to acquire, construct, renovate, equip and furnish the Project on the terms as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained and other valuable consideration, it is mutually agreed between the Seller and the City as follows:

1. MAKE AND ACQUIRE PROJECT

The Seller agrees to make, construct, and acquire the Project upon real estate owned or to be owned by or upon which valid easements have been obtained in favor of the City.

2. CONVEYANCE

The Seller agrees to convey each part of the Project to the City and to perform all necessary work and convey all necessary equipment; and the City agrees to purchase the Project from the Seller and pay for the Project the purchase price of \$[*Principal*]; plus the amount of investment earnings which are earned on the amount deposited with the City Treasurer from the sale of the Certificates (as defined in the Ordinance) and in no event shall the total aggregate principal purchase price to be paid pursuant to this Agreement exceed the sum of \$[*Principal*], plus the amount of investment earnings which are earned on the amount deposited with the City Treasurer from the sale of the Certificates.

3. PAYMENTS

The payment of the entire sum of \$[*Principal*] of said purchase price shall:

- (a) be payable in installments due on the dates and in the amounts;
- (b) bear interest at the rates percent per annum which interest shall also be payable on the dates and in the amounts;
- (c) be payable at the place or places of payment, in the medium of payment, and upon such other terms, including prepayment (redemption) if any;

all as provided for payment of the Certificates in the Ordinance.

4. ASSIGNMENT

Rights to payment of the Seller as provided in this Agreement are assigned as a matter of law, under the Installment Purchase Provisions of the Debt Reform Act, to the owners of the Certificates. This Agreement and any right, title, or interest herein, shall not be further assignable. The Certificates, evidencing the indebtedness incurred hereby, are assignable (registrable) as provided in the Ordinance.

5. TAX COVENANTS

The covenants relating to the tax-exempt status of the Certificates, as set forth in the Ordinance, insofar as may be applicable, apply to the work to be performed and the payments made under this Agreement.

6. TITLE

- (a) *Vesting of Title.* Title in and to any part of the Project, upon delivery or as made, during all stages of the making or acquisition thereof, shall and does vest in the City.

(b) *Damage, Destruction, and Condemnation.* If, during the term of this Agreement, (i) all or any part of the Project is destroyed, in whole or in part, or damaged by fire or other casualty or event; or (ii) title to, or the temporary or permanent use of, all or any part of the Project is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm, or corporation acting under governmental authority; or (iii) a material defect in construction of all or any part of the Project becomes apparent; or (iv) title to or the use of all or any part of the Project is lost by reason of a defect in title; then the City shall continue to make payments as promised herein and in the Certificates and to take such action as it shall deem necessary or appropriate to repair and replace the Project.

7. LAWFUL CORPORATE OBLIGATION

The City hereby represents, warrants, and agrees that the obligation to make the payments due hereunder shall be a lawful direct general obligation of the City, for the payment of which its full faith and credit are pledged, and are payable from the corporate funds of the City and such other sources of payment as are otherwise lawfully available. The City represents and warrants that the total amount due the Seller hereunder, together with all other indebtedness of the City, is within all statutory and constitutional debt limitations. The City agrees to appropriate funds of the City annually and in a timely manner so as to provide for the making of all payments when due under the terms of this Agreement.

8. GENERAL COVENANT AND RECITAL

It is hereby certified and recited by the Seller and the City, respectively, that as to each, respectively, for itself, all conditions, acts, and things required by law to exist or to be done precedent to and in the execution of this Agreement did exist, have happened, been done and performed in regular and due form and time as required by law.

9. NO SEPARATE TAX

THE SELLER AND THE CITY RECOGNIZE THAT THERE IS NO STATUTORY AUTHORITY FOR THE LEVY OF A SEPARATE TAX IN ADDITION TO OTHER TAXES OF THE CITY OR THE LEVY OF A SPECIAL TAX UNLIMITED AS TO RATE OR AMOUNT TO PAY ANY OF THE AMOUNTS DUE HEREUNDER.

10. DEFAULT

In the event of a default in payment hereunder by the City, the Seller or any Certificateholder may pursue any available remedy by suit at law or equity to enforce the payment of all amounts due or to become due under this Agreement, including, without limitation, an action for specific performance.

IN WITNESS WHEREOF the Seller has caused this Installment Purchase Agreement to be executed and attested, and his or her signature to be attested by the City Clerk, and the City has caused this Installment Purchase Agreement to be executed by its Mayor, and also attested by the City Clerk, and the official seal of the City to be hereunto affixed, all as of the day and year first above written.

SELLER: Signature: _____
_____, as
Nominee-Seller and City Treasurer

ATTEST:

City Clerk

[SEAL]

CITY OF HIGHLAND, ILLINOIS

Mayor

ATTEST:

City Clerk

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF MADISON)

CERTIFICATE OF INSTALLMENT PURCHASE AGREEMENT FILING

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Highland, Illinois (the “City”), and as such officer I do hereby certify that on the ___ day of February, 2020 there was filed in my office a properly certified copy of that certain document, executed by the Mayor of the City, attested by me in my capacity as City Clerk, and further executed, as Nominee-Seller, by the City Treasurer of the City, also attested by me, dated the _____ day of February, 2020, and entitled “INSTALLMENT PURCHASE AGREEMENT for purchase of real or personal property, or both, for the purpose of paying the costs of certain capital projects of the City, dated the _____ day of February, 2020, in and for the City of Highland, Illinois”; and supporting the issuance of certain General Obligation Debt Certificates (Limited Tax), Series 2020, of the City; that attached hereto is a true and complete copy of said Agreement as so filed; and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of the City of Highland, Illinois, this _____ day of February, 2020.

City Clerk

[Seal]

**EXHIBIT B
TO ORDINANCE**

(FORM OF CERTIFICATES)

EXCEPT AS OTHERWISE PROVIDED IN THE ORDINANCE (DESCRIBED HEREIN), THIS GLOBAL CERTIFICATE MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY (DESCRIBED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

**REGISTERED
NO. _____**

**REGISTERED
\$ _____**

**UNITED STATES OF AMERICA
STATE OF ILLINOIS**

CITY OF HIGHLAND, ILLINOIS

GENERAL OBLIGATION DEBT CERTIFICATE (LIMITED TAX), SERIES 2020

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP Number</u>
	February 1, 20____	February __, 2020	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the City of Highland, Illinois, a municipality and political subdivision of the State of Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay from the source and as hereinafter provided to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above (subject to right of prior redemption), the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Certificate identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, such interest to be payable on February 1 and August 1 of each year, commencing August 1, 2020, until said Principal Amount is paid or duly provided for. The principal of this Certificate is payable in lawful money of the United States of America upon presentation hereof at the office maintained for such purpose of BOKF, N.A., St. Louis, Missouri, as paying agent and registrar (the "Certificate Registrar"). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Certificate Registrar at the close of business on the applicable Record Date (the "Record Date"). The Record Date shall be the 15th day of the month next preceding any regular or other interest payment date occurring on the 1st day of any month. Interest shall be paid by check or draft of the Certificate Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Certificate Registrar, or as otherwise agreed by the City and the Certificate

Registrar and a qualified securities clearing corporation as depository, or nominee, for so long as this Certificate shall be in Book Entry Form as provided for same.

This Certificate is one of a series (the “Certificates”) in the aggregate principal amount of \$[*Principal*] issued by the City for the purpose of providing funds to pay part of the cost of the Project and Related Expenses, all as described and defined in the ordinance authorizing the Certificates (the “Ordinance”), pursuant to and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as supplemented and amended, and in particular as supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended, and the other Omnibus Bond Acts of the State of Illinois (“Applicable Law”), and with the Ordinance, which has been duly passed by the City Council of the City on the 3rd day of February, 2020, and approved by the Mayor, in all respects as by law required. The Certificates issued by the City in connection with the Project have been issued in evidence of the indebtedness incurred pursuant to a certain Installment Purchase Agreement (the “Agreement”), dated as of the ____ day of February, 2020, entered into by and between the City and its City Treasurer, as Seller-Nominee, to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the holder by the acceptance of this certificate assents.

Certificates due on or after February 1, 2028, are subject to redemption prior to maturity at the option of the City as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the City (less than all the Certificates of a single maturity to be selected by lot by the Certificate Registrar), on February 1, 2027, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

Certificates due on February 1, 20__ are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Certificate Registrar, at a redemption price of par plus accrued interest to the redemption date for such Certificates, on February 1 of the years and in the principal amounts set forth in the Ordinance.

Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Certificate to be redeemed at the address shown on the registration books of the City maintained by the Certificate Registrar or at such other address as is furnished in writing by such registered owner to the Certificate Registrar. When so called for redemption, this Certificate will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

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

The Certificates are issued in fully-registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This Certificate may be exchanged at the principal corporate trust office of the Certificate Registrar for a like aggregate principal amount of Certificates of the same maturity of other authorized denominations, upon the terms set forth in the Ordinance. The Certificate Registrar shall not be required to transfer or exchange any Certificate during the period beginning at the close of business on the Record Date on such Certificate and ending at the opening of business on such interest payment date, nor to transfer or exchange any Certificate after notice calling such Certificate for

redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Certificates.

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

It is hereby certified and recited that all conditions, acts, and things required by the Constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Certificate, including Applicable Law as defined herein, have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the obligation to make payments due hereon are a lawful direct general obligation of the City, for the payment of which its full faith and credit are pledged, and are payable from the corporate funds of the City and such other sources of payment as are otherwise lawfully available; that the total amount due under the Agreement, represented by the Certificates, together with all other indebtedness of the City, is within all statutory and constitutional debt limitations; and that the City shall appropriate funds annually and in a timely manner so as to provide for the making of all payments hereon when due. **THE OWNER OF THIS CERTIFICATE ACKNOWLEDGES THAT THERE IS NO STATUTORY AUTHORITY FOR THE LEVY OF A SEPARATE TAX IN ADDITION TO OTHER TAXES OF THE CITY OR THE LEVY OF A SPECIAL TAX UNLIMITED AS TO RATE OR AMOUNT TO PAY ANY OF THE AMOUNTS DUE HEREUNDER.**

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

IN WITNESS WHEREOF, the **CITY OF HIGHLAND, ILLINOIS**, by its City Council, has caused this Certificate to be executed by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

CERTIFICATE OF AUTHENTICATION

CITY OF HIGHLAND, ILLINOIS

This Certificate is one of the Certificates of the issue described in the within-mentioned Ordinance.

By: _____
Mayor

Registration Date: _____

BOKF, N.A.,
Paying Agent

(Seal)

ATTEST:

By: _____
Authorized Signatory

City Clerk



ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Certificate on the books kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Certificate in every particular.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15))

By: _____
Title: _____

**EXHIBIT C
TO ORDINANCE**

CONTINUING DISCLOSURE UNDERTAKING

[On file in the office of the City Clerk.]

**EXHIBIT D
TO ORDINANCE**

FEDERAL TAX CERTIFICATE

[On file in the office of the City Clerk.]

**EXHIBIT E
TO ORDINANCE**

PURCHASE CONTRACT

[On file in the office of the City Clerk.]

**EXHIBIT F
TO ORDINANCE**

PRELIMINARY OFFICIAL STATEMENT

[On file in the office of the City Clerk.]

**EXHIBIT G
TO ORDINANCE**

WORK CONTRACTS

[On file in the office of the City Clerk.]

STATE OF ILLINOIS)
) SS.
COUNTY OF MADISON)

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Highland, Illinois (the "City"), and as such officer I am the keeper of the records and files of the City Council of said City.

I do further certify that the foregoing constitutes a full, true, correct and complete copy of an ordinance of the City adopted at a legally convened meeting of the City Council of the City held on the 3rd day of February, 2020.

I do further certify that the deliberations of the City Council of said City on the adoption of said ordinance were taken openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all news media requesting such notice; that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the City Council of said City at least 48 hours in advance of the holding of said meeting on a day other than a Saturday, a Sunday or a legal holiday for municipalities in the State of Illinois; that said agenda contained a specific reference to said ordinance; and that said meeting was called and held in strict accordance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Illinois Municipal Code, as amended, and that said City Council has complied with all of the applicable provisions of said Act, said Code and its procedural rules in the adoption of said ordinance.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of said City, this 10th day of February, 2020.

City Clerk, City of Highland, Illinois

(SEAL)



City of Highland

Finance Department

MEMO TO: Mark Latham, City Manager
FROM: Kelly Korte, Director of Finance
SUBJECT: Public Safety Facility Debt Documents
DATE: January 29, 2020

Included on the Council agenda for Monday February 3rd are Debt Documents for council approval in order to finalize the issuance of debt certificates to finance the public safety facility improvements. The final terms of this financing will be determined on Friday January 31, 2020 and updated documents will be provided by Bond Counsel. Following the completion of this approval, the bond closing is scheduled for February 10, 2020.

Joy Howard of WM Financial Strategies (Financial Advisor) and Sean Flynn of Gilmore Bell (Bond Counsel) will be in attendance at the meeting if questions should arise.

GILMORE & BELL, P.C.
DRAFT 2 - NOVEMBER 27, 2019
FOR DISCUSSION PURPOSES ONLY

CONTINUING DISCLOSURE UNDERTAKING

Dated as of February 1, 2020

By the

CITY OF HIGHLAND, ILLINOIS

**[\$*Principal*]
General Obligation Debt Certificates
(Limited Tax),
Series 2020**

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of February 1, 2020 (this “**Continuing Disclosure Undertaking**”), is executed and delivered by the **CITY OF HIGHLAND, ILLINOIS** (the “**Issuer**”).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of \$[*Principal*] **General Obligation Debt Certificates (Limited Tax), Series 2020** (the “**Certificates**”), pursuant to an ordinance adopted by the governing body of the Issuer on February 3, 2020 (the “**Ordinance**”).

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Certificates and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “**Rule**”). The Issuer is the only “**obligated person**” with responsibility for continuing disclosure hereunder.

The Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** hereof.

“**Beneficial Owner**” means any registered owner of any Certificates and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

“**Business Day**” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“**Dissemination Agent**” means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“**Financial Obligation**” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial

Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Fiscal Year**” means the 12-month period beginning on **May 1** and ending on **April 30** or any other 12-month period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

“**Material Events**” means any of the events listed in **Section 3** hereof.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means any of the original underwriter(s) of the Certificates required to comply with the Rule in connection with the offering of the Certificates.

Section 2. Provision of Annual Reports.

- (a) The Issuer shall, not later than 180 days after the end of the Issuer’s Fiscal Year, commencing with the fiscal year ending April 30, 2020, file with the MSRB, through EMMA, the following financial information and operating data (the “**Annual Report**”):
- (1) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with the accounting principles described in the notes to the financial statements contained in the final Official Statement related to the Certificates. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Certificates, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.
 - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Certificates, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an “**obligated person**” (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date

required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3** hereof.

- (b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. Not later than **10** Business Days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Certificates ("**Material Events**"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Certificates, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)** hereof, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this Section.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or

payment in full of all of the Certificates. If the Issuer's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Certificates, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3** hereof.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3** hereof, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an

event of default under the Ordinance or the Certificates, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and the Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Ordinance or the Certificates shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Illinois.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Undertaking to be executed this 10th day of February, 2020.

CITY OF HIGHLAND, ILLINOIS

By: _____
Title: Mayor

EXHIBIT A
TO CONTINUING DISCLOSURE UNDERTAKING

**FINANCIAL INFORMATION AND OPERATING DATA TO BE
INCLUDED IN ANNUAL REPORT**

The financial information and operating data contained in the tables in the following sections contained in **Appendix A** of the final Official Statement relating to the Certificates:

1. **“THE CITY’S FINANCES”**
2. **“PROPERTY TAXATION”**
3. **“DEBT OF THE CITY”**

GILMORE & BELL, P.C.
DRAFT 3 – JANUARY 30, 2020
FOR DISCUSSION PURPOSES ONLY

FEDERAL TAX CERTIFICATE

Dated February 10, 2020

OF

CITY OF HIGHLAND, ILLINOIS

\$8,475,000
General Obligation Debt Certificates
(Limited Tax),
Series 2020

FEDERAL TAX CERTIFICATE

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Exhibit A – Debt Service Schedule and Proof of Certificate Yield

Exhibit B – IRS Form 8038-G

Exhibit C – Description of Property Comprising the Project and List of Reimbursement Expenditures

Exhibit D – Sample Annual Compliance Checklist

Exhibit E – Sample Final Written Allocation

Exhibit F – Tax Compliance Procedure

Exhibit G – Resolution of Official Intent

* * *

FEDERAL TAX CERTIFICATE

THIS FEDERAL TAX CERTIFICATE (the “Tax Certificate”), is executed as of February 10, 2020, by the **CITY OF HIGHLAND, ILLINOIS**, a political subdivision organized and existing under the laws of the State of Illinois (the “Issuer”).

RECITALS

1. This Tax Certificate is being executed and delivered in connection with the issuance by the Issuer of \$8,475,000 aggregate principal amount of General Obligation Debt Certificates (Limited Tax), Series 2020 (the “Certificates”), under an ordinance adopted by the City Council of the Issuer on February 3, 2020 (the “Ordinance”), for the purposes described in this Tax Certificate and in the Ordinance.

2. The Internal Revenue Code of 1986, as amended (the “Code”), and the applicable regulations and rulings issued by the U.S. Treasury Department (collectively, the “Regulations”), impose certain limitations on the uses and investment of the Certificate proceeds and of certain other money relating to the Certificates and set forth the conditions under which the interest on the Certificates will be excluded from gross income for federal income tax purposes.

3. The Issuer is executing this Tax Certificate in order to set forth certain facts, covenants, representations, and expectations relating to the use of Certificate proceeds and the property financed or refinanced with those proceeds and the investment of the Certificate proceeds and of certain other related money, in order to establish and maintain the exclusion of the interest on the Certificates from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate and yield reduction amounts provisions of Code § 148(f).

4. The Issuer adopted a Tax-Exempt Financing Compliance Procedure on March 19, 2012 (the “Tax Compliance Procedure”), a copy of which is attached hereto as **Exhibit F**, for the purpose of setting out general procedures for the Issuer to continuously monitor and comply with the federal income tax requirements set out in the Code and the Regulations.

5. This Tax Certificate is entered into as required by the Tax Compliance Procedure to set out specific tax compliance procedures applicable to the Certificates.

NOW, THEREFORE, the Issuer represents, covenants and agrees as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. Except as otherwise provided in this Tax Certificate or unless the context otherwise requires, capitalized words and terms used in this Tax Certificate have the same meanings as set forth in the Ordinance, and certain other words and phrases have the meanings assigned in Code §§ 103, 141-150 and the Regulations. The following words and terms used in this Tax Certificate have the following meanings:

“Adjusted Gross Proceeds” means the Gross Proceeds of the Certificates reduced by amounts (1) in a Bona Fide Debt Service Fund or a reasonably required reserve or replacement fund, (2) that as of the Issue Date are not expected to be Gross Proceeds, but which arise after the end of the applicable spending period, and (3) representing grant repayments or sale or Investment proceeds of any purpose Investment.

“Annual Compliance Checklist” means a checklist for the Certificates designed to measure compliance with the requirements of this Tax Certificate and the Tax Compliance Procedure after the Issue Date, as further described in **Section 4.2** hereof and substantially in the form attached hereto as **Exhibit D**.

“Available Construction Proceeds” means the sale proceeds of the Certificates, increased by (1) Investment earnings on the sale proceeds, (2) earnings on amounts in a reasonably required reserve or replacement fund allocable to the Certificates but not funded from the Certificates, and (3) earnings on such earnings, reduced by sale proceeds (A) in any reasonably required reserve fund or (B) used to pay issuance costs of the Certificates. But Available Construction Proceeds do not include Investment earnings on amounts in a reasonably required reserve or replacement fund after the earlier of (a) the second anniversary of the Issue Date, or (b) the date the Financed Facility is substantially completed.

“Bona Fide Debt Service Fund” means a fund, which may include Certificate proceeds, that (1) is used primarily to achieve a proper matching of revenues with principal and interest payments within each Certificate Year; and (2) is depleted at least once each Certificate Year, except for a reasonable carryover amount not to exceed the greater of (A) the earnings on the fund for the immediately preceding Certificate Year, or (B) one-twelfth of the principal and interest payments on the Certificates for the immediately preceding Certificate Year.

“Bond Compliance Officer” means the Director of Finance of the Issuer or other person named in the Tax Compliance Procedure.

“Bond Counsel” means Gilmore & Bell, P.C., or other firm of nationally recognized bond counsel acceptable to the Issuer.

“Certificate” or **“Certificates”** means any Certificate or Certificates described in the recitals, authenticated and delivered under the Ordinance.

“Certificate Year” means each 1-year period (or shorter period for the first Certificate Year) ending February 1, or another 1-year period selected by the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended.

“Computation Date” means each date on which arbitrage rebate and Yield reduction amounts for the Certificates are computed. The Issuer may treat any date as a Computation Date, subject to the following limits:

(1) the first rebate installment payment must be made for a Computation Date not later than 5 years after the Issue Date;

(2) each subsequent rebate installment payment must be made for a Computation Date not later than 5 years after the previous Computation Date for which an installment payment was made; and

(3) the date the last Certificate is discharged is the final Computation Date.

The Issuer selects February 1, 2025 as the first Computation Date but reserves the right to select a different date consistent with the Regulations.

“Final Written Allocation” means the written allocation of expenditures prepared by the Bond Compliance Officer in accordance with the Tax Compliance Procedure and **Section 4.2(b)** hereof.

“Financed Facility” means the portion of the Project financed or refinanced with the proceeds of the Certificates as described on **Exhibit C** hereto.

“Gross Proceeds” means (1) sale proceeds (any amounts actually or constructively received by the Issuer from the sale of the Certificates, including amounts used to pay underwriting discount or fees, but excluding pre-issuance accrued interest), (2) Investment proceeds (any amounts received from investing sale proceeds, or other Investment proceeds), (3) any amounts held in a sinking fund for the Certificates, (4) any amounts held in a pledged fund or reserve fund for the Certificates, and (5) any other replacement proceeds. Specifically, Gross Proceeds includes (but is not limited to) amounts held in the following funds:

- (A) Project Fund.
- (B) Certificate Fund.
- (C) Rebate Fund (to the extent funded with sale proceeds or Investment proceeds of the Certificates).

“Guaranteed Investment Contract” is any Investment with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, including any agreement to supply Investments on two or more future dates (*e.g.*, a forward supply contract).

“Investment” means any security, obligation, annuity contract or other investment-type property that is purchased directly with, or otherwise allocated to, Gross Proceeds. This term does not include a tax-exempt bond, except for “specified private activity bonds” as defined in Code § 57(a)(5)(C), but it does include the investment element of most interest rate caps.

“IRS” means the United States Internal Revenue Service.

“Issue Date” means February 10, 2020.

“Issuer” means City of Highland, Illinois, and its successors and assigns, or any body, agency or instrumentality of the State of Illinois succeeding to or charged with the powers, duties and functions of the Issuer.

“Management or Service Agreement” means a legal agreement defined in Regulations § 1.141-3(b) as a management, service, or incentive payment contract with an entity that provides services involving all or a portion of any function of the Financed Facility, such as a contract to manage the entire Financed Facility or a portion of the Financed Facility. Contracts for services that are solely incidental to the primary governmental function of the Financed Facility (for example, contracts for janitorial, office equipment repair, billing or similar services), however, are not treated as Management or Service Agreements.

“Measurement Period” means, with respect to each item of property financed as part of the Financed Facility, the period beginning on the later of (1) the Issue Date, or (2) the date the property is placed in service and ending on the earlier of (A) the final maturity date of the Certificates, or (B) the expected economic useful life of the property.

“Minor Portion” means the lesser of \$100,000 or 5% of the sale proceeds of the Certificates.

“Net Proceeds” means, when used in reference to the Certificates, the sale proceeds (excluding pre-issuance accrued interest), less an allocable share of any proceeds deposited in a reasonably required reserve or replacement fund, plus an allocable share of all Investment earnings on such sale proceeds.

“Non-Qualified Use” means use of Certificate proceeds or the Financed Facility in a trade or business carried on by any Non-Qualified User. The rules set out in Regulations § 1.141-3 determine whether Certificate proceeds or the Financed Facility are “used” in a trade or business. Generally, ownership, a lease, or any other use that grants a Non-Qualified User a special legal right or entitlement with respect to the Financed Facility, will constitute use under Regulations § 1.141-3.

“Non-Qualified User” means any person or entity other than a Qualified User.

“Opinion of Bond Counsel” means the written opinion of Bond Counsel to the effect that the proposed action or the failure to act will not adversely affect the exclusion of the interest on the Certificates from gross income for federal income tax purposes.

“Ordinance” means the ordinance adopted by the City Council of the Issuer on February 3, 2020 authorizing the issuance of the Certificates, as amended and supplemented in accordance with the provisions thereof.

“Post-Issuance Tax Requirements” means those requirements related to the use of proceeds of the Certificates, the use of the Financed Facility and the investment of Gross Proceeds after the Issue Date.

“Project” means all of the property acquired, developed, constructed, renovated, and equipped by the Issuer using Certificate proceeds and Qualified Equity, as summarized on **Exhibit C** hereto.

“Purchaser” means Commerce Bank, Kansas City, Missouri, as the original purchaser of the Certificates.

“Qualified Equity” means funds that are not derived from proceeds of a tax-exempt financing that are spent on the Project at any time during the period beginning not earlier than the later of (a) 60 days prior to the date of adoption of the Ordinance or (b) three years prior to the Issue Date, and ending not later than the date the Project is capable of and actually used at substantially its designed level. Qualified Equity excludes an ownership interest in real property or tangible personal property.

“Qualified Use Agreement” means any of the following:

(1) A lease or other short-term use by members of the general public who occupy the Financed Facility on a short-term basis in the ordinary course of the Issuer’s governmental purposes.

(2) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 200 days in length pursuant to an arrangement whereby (A) the use of the Financed Facility under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business, and (B) the compensation for the use is determined based on generally applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed. Any Qualified User or Non-Qualified User using all or any portion of the Financed Facility under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(3) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 100 days in length pursuant to arrangements whereby (A) the use of the property by the person would be general public use but for the fact that generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business, (B) the compensation for the use under the arrangement is determined based on applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed, and (C) the Financed Facility was not constructed for a principal purpose of providing the property for use by that Qualified User or Non-Qualified User. Any Qualified User or Non-Qualified User using all or any portion of the Financed Facility under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(4) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 50 days in length pursuant to a negotiated arm's-length arrangement at fair market value so long as the Financed Facility was not constructed for a principal purpose of providing the property for use by that person.

“Qualified User” means a State, territory, possession of the United States, the District of Columbia, or any political subdivision thereof, or any instrumentality of such entity, but it does not include the United States or any agency or instrumentality of the United States.

“Reasonable Retainage” means Gross Proceeds retained by the Issuer for reasonable business purposes, such as to ensure or promote compliance with a construction contract; provided that such amount may not exceed (1) for purposes of the 18-month spending test, 5% of net sale proceeds of the Certificates on the date 18 months after the Issue Date, or (2) for purposes of the 2-year spending test, 5% of the Available Construction Proceeds as of the end of the 2-year spending period.

“Rebate Analyst” means Gilmore & Bell, P.C. or any successor Rebate Analyst selected pursuant to this Tax Certificate.

“Regulations” means all Regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to the Certificates.

“Tax Certificate” means this Federal Tax Certificate as it may from time to time be amended and supplemented in accordance with its terms.

“Tax Compliance Procedure” means the Issuer's Tax-Exempt Financing Compliance Procedure, dated March 19, 2012, attached hereto as **Exhibit F**.

“**Tax-Exempt Bond File**” means documents and records for the Certificates maintained by the Bond Compliance Officer pursuant to the Tax Compliance Procedure.

“**Transcript**” means the Transcript of Proceedings relating to the authorization and issuance of the Certificates.

“**Yield**” means yield on the Certificates, computed under Regulations § 1.148-4, and yield on an Investment, computed under Regulations § 1.148-5.

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the Issuer. The Issuer represents and covenants as follows:

(a) *Organization and Authority.* The Issuer (1) is a political subdivision organized and existing under the laws of the State of Illinois, (2) has lawful power and authority to issue the Certificates for the purposes set forth in the Ordinance, to adopt the Ordinance, to execute and deliver the Certificates and this Tax Certificate, and to carry out its obligations under this Tax Certificate and under such documents, and (3) by all necessary action has been duly authorized to execute and deliver the Ordinance, the Certificates, and this Tax Certificate, acting by and through its duly authorized officials.

(b) *Tax-Exempt Status of Certificates—General Covenant and Allocation of Proceeds to Project.*

(1) The Issuer (to the extent within its power or direction) will not use any money on deposit in any fund or account maintained in connection with the Certificates, whether or not such money was derived from the proceeds of the sale of the Certificates or from any other source, in a manner that would cause the Certificates to be “arbitrage bonds,” within the meaning of Code § 148, and will not (to the extent within its power or direction) otherwise use or permit the use of any Certificate proceeds or any other funds of the Issuer, directly or indirectly, in any manner, or take or permit to be taken any other action or actions, that would cause interest on the Certificates to be included in gross income for federal income tax purposes.

(2) The Issuer will finance the Project with Certificate proceeds and Qualified Equity. For purposes of the covenants in this **Section 2.1** relating to Non-Qualified Use of the Project, any Non-Qualified Use shall be treated as first allocated entirely to the portion of the Project financed with Qualified Equity, and then, but only to the extent of any excess Non-Qualified Use, to the portion of the Project financed by Certificate proceeds (that is, the Financed Facility).

(c) *Governmental Obligations—Use of Proceeds.* Throughout the Measurement Period, (1) all of the Financed Facility has been and is expected to be owned by the Issuer or another Qualified User, (2) no portion of the Financed Facility has been or is expected to be used in a Non-Qualified Use, and (3) the Issuer will not permit any Non-Qualified Use of the Financed Facility without first obtaining favorable advice of Bond Counsel.

(d) *Governmental Obligations–Private Security or Payment.* As of the Issue Date, the Issuer expects that none of the principal of and interest on the Certificates will be (under the terms of the Certificates or any underlying arrangement) directly or indirectly:

(1) secured by (A) any interest in property used or to be used for a Non-Qualified Use, or (B) any interest in payments in respect of such property; or

(2) derived from payments (whether or not such payments are made to the Issuer) in respect of property, or borrowed money, used or to be used for a Non-Qualified Use.

For purposes of the foregoing, taxes of general application, including payments in lieu of taxes, are not treated as private payments or as private security. The Issuer will not permit any private security or payment with respect to the Certificates without first obtaining favorable advice of Bond Counsel.

(e) *No Private Loan.* Not more than 5% of the net proceeds of the Certificates will be loaned directly or indirectly to any Non-Qualified User.

(f) *Management or Service Agreements.* As of the Issue Date, the Issuer has no Management or Service Agreements with Non-Qualified Users. During the Measurement Period, the Issuer will not enter into or renew any Management or Service Agreement with any Non-Qualified User without first obtaining favorable advice of Bond Counsel.

(g) *Leases.* As of the Issue Date, the Issuer has not entered into any leases of any portion of the Financed Facility other than Qualified Use Agreements during the Measurement Period. During the Measurement Period, the Issuer will not enter into or renew any lease or similar agreement or arrangement other than a Qualified Use Agreement without first obtaining favorable advice of Bond Counsel.

(h) *Limit on Maturity of Certificates.* A list of the assets included in the Project and a computation of the “average reasonably expected economic life” is attached hereto as **Exhibit C**. Based on this computation, the “average maturity” of the Certificates as computed by Bond Counsel, does not exceed the average reasonably expected economic life of the Financed Facility.

(i) *Expenditure of Certificate Proceeds.*

(1) Allocations. The Issuer will evidence each allocation of the proceeds of the Certificates and Qualified Equity for the Project to an expenditure in writing. No allocation will be made more than 18 months following the later of (i) the date of the expenditure or (ii) the date the Financed Facility was placed in service.

(2) Reimbursement of Expenditures; Official Intent. On November 18, 2019, the governing body of the Issuer adopted a resolution declaring the intent of the Issuer to finance the Financed Facility with tax-exempt bonds and to reimburse the Issuer for expenditures made for the Financed Facility prior to the issuance of those bonds (the “Official Intent Date”). A copy of the resolution is attached to this Tax Certificate as **Exhibit G**. \$534,080.63 of the proceeds of the Bonds will be allocated to expenditures paid by the Issuer prior to the Issue Date and should be shown on line 45 of Form 8038-G. No portion of the Net Proceeds of the Bonds will be used to reimburse an expenditure paid by the Issuer more than 60 days prior to the Official Intent Date, except as described on **Exhibit C**. Each expenditure listed on **Exhibit C** may be reimbursed from the proceeds of the Bonds for the reasons permitted under Regulations § 1.150-2(f) (for

example, issuance costs, de minimis amounts, and preliminary expenditures), as set forth on **Exhibit C**. No reimbursement allocation will be made for an expenditure made more than 3 years before the date of the reimbursement allocation.

(j) *Registered Certificates*. The Ordinance requires that all of the Certificates will be issued and held in registered form within the meaning of Code § 149(a).

(k) *Certificates Not Federally Guaranteed*. The Issuer will not take any action or permit any action to be taken which would cause any Certificate to be “federally guaranteed” within the meaning of Code § 149(b).

(l) *IRS Form 8038-G*. Bond Counsel will prepare Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) based on the representations and covenants of the Issuer contained in this Tax Certificate or otherwise provided by the Issuer. Bond Counsel will sign the return as a paid preparer following completion and will then deliver copies to the Issuer for execution and for the Issuer’s records. The Issuer agrees to timely execute and return to Bond Counsel the execution copy of Form 8038-G for filing with the IRS. A copy of the “as-filed” copy along with proof of filing will be included as **Exhibit B**. None of the Net Proceeds of the Certificates will be allocated to reimburse expenditures made prior to the Issue Date.

(m) *Hedge Certificates*. At least 85% of the net sale proceeds (the sale proceeds of the Certificates less any sale proceeds invested in a reserve fund) of the Certificates will be used to carry out the governmental purpose of the Certificates within 3 years after the Issue Date, and not more than 50% of the proceeds of the Certificates will be invested in Investments having a substantially guaranteed Yield for 4 years or more.

(n) *Compliance with Future Tax Requirements*. The Issuer understands that the Code and the Regulations may impose new or different restrictions and requirements on the Issuer in the future. The Issuer will comply with such future restrictions that are necessary to maintain the exclusion of the interest on the Certificates from gross income for federal income tax purposes.

(o) *Single Issue; No Other Issues*. The Certificates constitute a single “issue” under Regulations § 1.150-1(c). No other debt obligations of the Issuer (1) are being sold within 15 days of the sale of the Certificates, (2) are being sold under the same plan of financing as the Certificates, and (3) are expected to be paid from substantially the same source of funds as the Certificates (disregarding guarantees from unrelated parties, such as bond insurance).

(p) *Interest Rate Swap*. As of the Issue Date, the Issuer has not entered into an interest rate swap agreement or any other similar arrangement designed to modify its interest rate risk with respect to the Certificates. The Issuer will not enter into any such arrangement in the future without first obtaining favorable advice of Bond Counsel.

(q) *Guaranteed Investment Contract*. As of the Issue Date, the Issuer does not expect to enter into a Guaranteed Investment Contract for any Gross Proceeds of the Certificates. The Issuer will be responsible for complying with **Section 4.4(d)** hereof if it decides to enter into a Guaranteed Investment Contract at a later date.

(r) *Bank Qualified Tax-Exempt Obligations*. The Issuer designates the Certificates as “qualified tax-exempt obligations” under Code § 265(b)(3), and with respect to this designation certifies as follows:

(1) the Issuer reasonably anticipates that the amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds and current refunding obligations) that will be issued by or on behalf of the Issuer (and all subordinate entities of the Issuer) during the calendar year that the Certificates are issued, including the Certificates, will not exceed \$10,000,000; and

(2) the Issuer (including all subordinate entities of the Issuer) will not issue tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds and current refunding obligations) during the calendar year that the Certificates are issued, including the Certificates, in an aggregate principal amount or aggregate issue price in excess of \$10,000,000, without first obtaining an Opinion of Bond Counsel that the designation of the Certificates as “qualified tax-exempt obligations” will not be adversely affected.

Section 2.2. Survival of Representations and Covenants. All representations, covenants and certifications contained in this Tax Certificate or in any certificate or other instrument delivered by the Issuer under this Tax Certificate, will survive the execution and delivery of such documents and the issuance of the Certificates, as representations of facts existing as of the date of execution and delivery of the instruments containing such representations. The foregoing covenants of this Section will remain in full force and effect notwithstanding the defeasance of the Certificates.

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.1. General. The purpose of this **Article III** is to certify, under Regulations § 1.148-2(b), the Issuer’s expectations as to the sources, uses and investment of Certificate proceeds and other money, in order to support the Issuer’s conclusion that the Certificates are not arbitrage bonds. The individuals executing this Tax Certificate on behalf of the Issuer are officers of the Issuer responsible for issuing the Certificates.

Section 3.2. Reasonable Expectations. The facts, estimates and expectations set forth in this **Article III** are based upon and in reliance upon the Issuer’s understanding of the documents and certificates that comprise the Transcript, and the representations, covenants and certifications of the parties contained therein. To the Issuer’s knowledge, the facts and estimates set forth in this Tax Certificate are accurate, and the expectations of the Issuer set forth in this Tax Certificate are reasonable. The Issuer has no knowledge that would cause it to believe that the representations, warranties and certifications described in this Tax Certificate are unreasonable or inaccurate or may not be relied upon.

Section 3.3. Purposes of the Financing. The Certificates are being issued for the purpose of providing funds to (a) pay certain costs of the Project and (b) pay the costs of issuing the Certificates.

Section 3.4. Funds. The following funds have been established under the Ordinance:

Project Fund
Certificate Fund
Rebate Fund

Section 3.5. Amount and Use of Certificate Proceeds.

(a) *Amount of Certificate Proceeds.* The total proceeds to be received by the Issuer from the sale of the Certificates will be as follows:

Principal Amount	\$8,475,000.00
[**Net Original Issue Premium/(Discount)**]	
Less Underwriting Discount	
Total Proceeds Received by Issuer	\$

(b) *Use of Certificate Proceeds.* The Certificate proceeds will be deposited in the Project Fund, of which \$_____ will be used to pay costs of the Project and \$_____ will be used to pay costs of issuing the Certificates.

Section 3.6. Multipurpose Issue. Pursuant to Regulations § 1.148-9(h), the Issuer is applying the arbitrage rules to separate financing purposes of the issue that have the same initial temporary period as if they constitute a single issue for purposes of applying the arbitrage rules

Section 3.7. No Refunding. No proceeds of the Certificates will be used to pay principal of or interest on any debt obligation.

Section 3.8. Project Completion. The Issuer has incurred, or will incur within 6 months after the Issue Date, a substantial binding obligation to a third party to spend at least 5% of the Net Proceeds of the Certificates on the Financed Facility. The completion of the Financed Facility and the allocation of the Net Proceeds of the Certificates to expenditures will proceed with due diligence. At least 85% of the Net Proceeds of the Certificates will be allocated to expenditures on the Financed Facility within 3 years after the Issue Date.

Section 3.9. Sinking Funds. The Issuer is required to make periodic payments in amounts sufficient to pay the principal of and interest on the Certificates. Such payments will be deposited into the Certificate Fund. Except for the Certificate Fund, no sinking fund or other similar fund that is expected to be used to pay principal of or interest on the Certificates has been established or is expected to be established. The Certificate Fund is used primarily to achieve a proper matching of revenues with principal and interest payments on the Certificates within each Certificate Year, and the Issuer expects that the Certificate Fund will qualify as a Bona Fide Debt Service Fund.

Section 3.10. Reserve, Replacement and Pledged Funds.

(a) *Debt Service Reserve Fund.* No reserve or replacement fund has been established for the Certificates.

(b) *No Other Replacement or Pledged Funds.* None of the Certificate proceeds will be used as a substitute for other funds that were intended or earmarked to pay costs of the Financed Facility and that instead has been or will be used to acquire higher yielding Investments. Except for the Certificate Fund, there are no other funds pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of the principal of or interest on the Certificates if the Issuer encounters financial difficulty.

Section 3.11. Purpose Investment Yield. The proceeds of the Certificates will not be used to purchase an Investment for the purpose of carrying out the governmental purpose of the financing.

Section 3.12. Issue Price and Yield on Certificates.

(a) *Issue Price.* Based on the Purchaser's certifications in the Underwriter's Receipt for Certificates and Closing Certificate, the Issuer hereby elects to establish the issue price of the Certificates pursuant to Regulations § 1.148-1(f)(2)(i) (relating to the so-called "general rule"). Therefore, the aggregate issue price of the Certificates for such purpose is \$_____.

(b) *Certificate Yield.* Based on the issue price, the Yield on the Certificates is _____%, as computed by Bond Counsel as shown on **Exhibit A**. The Issuer has not entered into an interest rate swap agreement with respect to any portion of the proceeds of the Certificates.

Section 3.13. Miscellaneous Arbitrage Matters.

(a) *No Abusive Arbitrage Device.* The Certificates are not and will not be part of a transaction or series of transactions that has the effect of (1) enabling the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (2) overburdening the tax-exempt bond market.

(b) *No Over-Issuance.* The sale proceeds of the Certificates, together with expected Investment earnings thereon and other money contributed by the Issuer, do not exceed the cost of the governmental purpose of the Certificates as described above.

Section 3.14. Conclusion. On the basis of the facts, estimates and circumstances set forth in this Tax Certificate, the Issuer does not expect that the Certificate proceeds will be used in a manner that would cause any Certificate to be an "arbitrage bond" within the meaning of Code § 148 and the Regulations.

ARTICLE IV

POST-ISSUANCE TAX REQUIREMENTS, POLICIES AND PROCEDURES

Section 4.1. General.

(a) *Purpose of Article.* The purpose of this **Article IV** is to supplement the Tax Compliance Procedure and to set out specific policies and procedures governing compliance with the federal income tax requirements that apply after the Certificates are issued. The Issuer recognizes that interest on the Certificates will remain excludable from gross income only if the Post-Issuance Tax Requirements are followed after the Issue Date. The Issuer further acknowledges that written evidence substantiating compliance with the Post-Issuance Tax Requirements must be retained in order to permit the Certificates to be refinanced with tax-exempt obligations and substantiate the position that interest on the Certificates is exempt from gross income in the event of an audit of the Certificates by the IRS.

(b) *Written Policies and Procedures of the Issuer.* The Issuer intends for the Tax Compliance Procedure, as supplemented by this Tax Certificate, to be its primary written policies and procedures for monitoring compliance with the Post-Issuance Tax Requirements for the Certificates and to supplement

any other formal policies and procedures related to tax compliance that the Issuer has established. The provisions of this Tax Certificate are intended to be consistent with the Tax Compliance Procedure. In the event of any inconsistency between the Tax Compliance Procedure and this Tax Certificate, the terms of this Tax Certificate will govern.

(c) *Bond Compliance Officer.* The Issuer when necessary to fulfill its Post-Issuance Tax Requirements will, through its Bond Compliance Officer, sign Form 8038-T in connection with the payment of arbitrage rebate or Yield reduction amounts, participate in any federal income tax audit of the Certificates or related proceedings under a voluntary compliance agreement procedures (VCAP) or undertake a remedial action procedure pursuant to Regulations § 1.141-12. In each case, all costs and expenses incurred by the Issuer shall be treated as a reasonable cost of administering the Certificates and the Issuer shall be entitled to reimbursement and recovery of its costs to the same extent as provided in the Ordinance or State law.

Section 4.2. Record Keeping; Use of Certificate Proceeds and Use of Financed Facility.

(a) *Record Keeping.* The Bond Compliance Officer will maintain the Tax-Exempt Bond File for the Certificates in accordance with the Tax Compliance Procedure. Unless otherwise specifically instructed in a written Opinion of Bond Counsel or to the extent otherwise provided in this Tax Certificate, the Bond Compliance Officer shall retain records related to the Post-Issuance Tax Requirements until 3 years following the final maturity of (1) the Certificates, or (2) any obligation issued to refund the Certificates. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (A) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (B) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (C) exhibit a high degree of legibility and readability both electronically and in hardcopy, (D) provide support for other books and records of the Issuer and (E) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the Issuer's premises.

(b) *Accounting and Allocation of Certificate Proceeds and Qualified Equity to Expenditures.* The Bond Compliance Officer will account for the investment and expenditure of Certificate proceeds in the level of detail required by the Tax Compliance Procedure. The Bond Compliance Officer will supplement the expected allocation of Certificate proceeds and Qualified Equity to expenditures with a Final Written Allocation as required by the Tax Compliance Procedure. A sample form of Final Written Allocation is attached as **Exhibit E**.

(c) *Annual Compliance Checklist.* Attached as **Exhibit D** hereto is a sample Annual Compliance Checklist for the Certificates. The Bond Compliance Officer will prepare and complete an Annual Compliance Checklist for the Financed Facility at least annually in accordance with the Tax Compliance Procedure. If the Annual Compliance Checklist identifies a deficiency in compliance with the requirements of this Tax Certificate, the Bond Compliance Officer will take the actions identified in an Opinion of Bond Counsel the Tax Compliance Procedure to correct any deficiency.

(d) *Opinions of Bond Counsel.* The Bond Compliance Officer is responsible for obtaining and delivering to the Issuer any Opinion of Bond Counsel required under the provisions of this Tax Certificate, including any opinion required by this Tax Certificate or the Annual Compliance Checklist.

Section 4.3. Temporary Periods/Yield Restriction. Except as described below, the Issuer will not invest Gross Proceeds at a Yield greater than the Yield on the Certificates:

(a) *Project Fund.* Certificate proceeds deposited in the Project Fund and Investment earnings on those proceeds may be invested without Yield restriction for up to 3 years following the Issue Date. If any unspent proceeds remain in therein after 3 years, those amounts may continue to be invested without Yield restriction so long as the Issuer pays to the IRS all Yield reduction payments in accordance with Regulations § 1.148-5(c). These payments are required whether or not the Certificates are exempt from the arbitrage rebate and yield reduction amounts requirements of Code § 148.

(b) *Certificate Fund.* To the extent that the Certificate Fund qualifies as a Bona Fide Debt Service Fund, money in such fund may be invested without Yield restriction for 13 months after the date of deposit. Earnings on such amounts may be invested without Yield restriction for 1 year after the date of receipt of such earnings.

(c) *Rebate Fund.* Money other than sale proceeds or Investment proceeds of the Certificates on deposit in the Rebate Fund may be invested without Yield restriction.

(d) *Minor Portion.* In addition to the amounts described above, Gross Proceeds not exceeding the Minor Portion may be invested without Yield restriction.

Section 4.4. Procedures for Establishing Fair Market Value.

(a) *General.* No Investment may be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment, or sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment. The fair market value of any Investment is the price a willing buyer would pay to a willing seller to acquire the Investment in a bona fide, arm's-length transaction. Fair market value will be determined in accordance with Regulations § 1.148-5.

(b) *Established Securities Market.* Except for Investments purchased for a Yield-restricted defeasance escrow, if an Investment is purchased or sold in an arm's-length transaction on an established securities market (within the meaning of Code § 1273), the purchase or sale price constitutes the fair market value. Where there is no established securities market for an Investment, market value must be established using one of the paragraphs below. The fair market value of Investments purchased for a Yield-restricted defeasance escrow must be determined in a bona fide solicitation for bids that complies with Regulations § 1.148-5.

(c) *Certificates of Deposit.* The purchase price of a certificate of deposit (a "CD") is treated as its fair market value on the purchase date if (1) the CD has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, (2) the Yield on the CD is not less than the Yield on reasonably comparable direct obligations of the United States, and (3) the Yield is not less than the highest Yield published or posted by the CD issuer to be currently available on reasonably comparable CDs offered to the public.

(d) *Guaranteed Investment Contracts.* The Issuer is applying Regulations § 1.148-5(d)(6)(iii)(A) to the Certificates. The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if all of the following requirements are met:

(1) Bona Fide Solicitation for Bids. The Issuer makes a bona fide solicitation for the Guaranteed Investment Contract, using the following procedures:

(A) The bid specifications are in writing and are timely forwarded to potential providers, or are made available on an internet website or other similar electronic media that is regularly used to post bid specifications to potential bidders. A writing includes a hard copy, a fax, or an electronic e-mail copy.

(B) The bid specifications include all “material” terms of the bid. A term is material if it may directly or indirectly affect the Yield or the cost of the Guaranteed Investment Contract.

(C) The bid specifications include a statement notifying potential providers that submission of a bid is a representation (i) that the potential provider did not consult with any other potential provider about its bid, (ii) that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person (whether or not in connection with the bond issue), and (iii) that the bid is not being submitted solely as a courtesy to the Issuer or any other person, for purposes of satisfying the requirements of the Regulations.

(D) The terms of the bid specifications are “commercially reasonable.” A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the Guaranteed Investment Contract.

(E) The terms of the solicitation take into account the Issuer’s reasonably expected deposit and draw-down schedule for the amounts to be invested.

(F) All potential providers have an equal opportunity to bid. If the bidding process affords any opportunity for a potential provider to review other bids before providing a bid, then providers have an equal opportunity to bid only if all potential providers have an equal opportunity to review other bids. Thus, no potential provider may be given an opportunity to review other bids that is not equally given to all potential providers (that is no exclusive “last look”).

(G) At least 3 “reasonably competitive providers” are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of Investments being purchased.

(2) Bids Received. The bids received must meet all of the following requirements:

(A) At least 3 bids are received from providers that were solicited as described above and that do not have a “material financial interest” in the issue. For this purpose, (i) a lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the Issue Date of the issue, (ii) any entity acting as a financial advisor with respect to the purchase of the Guaranteed Investment Contract at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue, and (iii) a provider that is a related party to a

provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(B) At least 1 of the 3 bids received is from a reasonably competitive provider, as defined above.

(C) If an agent or broker is used to conduct the bidding process, the agent or broker did not bid to provide the Guaranteed Investment Contract.

(3) Winning Bid. The winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(4) Fees Paid. The obligor on the Guaranteed Investment Contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the Guaranteed Investment Contract.

(5) Records. The Issuer retains the following records with the bond documents until 3 years after the last outstanding Certificate is redeemed:

(A) A copy of the Guaranteed Investment Contract.

(B) The receipt or other record of the amount actually paid for the Guaranteed Investment Contract, including a record of any administrative costs paid by the Issuer, and the certification as to fees paid, described in paragraph (d)(4) above.

(C) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.

(D) The bid solicitation form and, if the terms of Guaranteed Investment Contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

(e) *Other Investments*. If an Investment is not described above, the fair market value may be established through a competitive bidding process, as follows:

(1) at least 3 bids on the Investment must be received from persons with no financial interest in the Certificates (*e.g.*, as underwriters or brokers); and

(2) the Yield on the Investment must be equal to or greater than the Yield offered under the highest bid.

Section 4.5. Certain Gross Proceeds Exempt from the Rebate Requirement.

(a) *General*. A portion of the Gross Proceeds of the Certificates may be exempt from rebate pursuant to one or more of the following exceptions. The exceptions typically will not apply with respect to all Gross Proceeds of the Certificates and will not otherwise affect the application of the Investment limitations described in **Section 4.3** hereof. Unless specifically noted, the obligation to compute, and if necessary, to pay rebate as set forth in **Section 4.6** hereof applies even if a portion of the Gross Proceeds of the Certificates is exempt from the rebate requirement. To the extent all or a portion of the Certificates

is exempt from rebate the Rebate Analyst may account for such fact in connection with its preparation of a rebate report described in **Section 4.6** hereof. The Issuer may defer the final rebate Computation Date and the payment of rebate for the Certificates to the extent permitted by Regulations §§ 1.148-7(b)(1) and 1.148-3(e)(2), but only in accordance with specific written instructions provided by the Rebate Analyst.

(b) *Applicable Spending Exceptions.*

(1) The Issuer expects that at least 75% of the Available Construction Proceeds will be used for construction or rehabilitation expenditures for property owned by the Issuer.

(2) The following optional rebate spending exceptions can apply to the Certificates:

- 6-month spending exception (Code § 148(f)(4)(B) and Regulations § 1.148-7(c)).
- 18-month spending exception (Regulations § 1.148-7(d)).
- 2-year spending exception (Code § 148(f)(4)(C) and Regulations § 1.148-7(e)).

(c) *Special Elections Made with Respect to Spending Exception Elections.* No special elections are being made in connection with the application of the spending exceptions.

(d) *Bona Fide Debt Service Fund.* To the extent that the Certificate Fund qualifies as a Bona Fide Debt Service Fund, Investment earnings in the fund cannot be taken into account in computing arbitrage rebate and yield reduction amounts (1) with respect to such portion that meets the 6-month, 18-month or 2-year spending exception, or (2) for a given Certificate Year, if the gross earnings on the Certificate Fund for such Certificate Year are less than \$100,000. If the average annual debt service on the Certificates does not exceed \$2,500,000, the \$100,000 earnings test may be treated as satisfied in every Certificate Year.

(e) *Documenting Application of Spending Exception.* At any time prior to the first Computation Date, the Issuer may engage the Rebate Analyst to determine whether one or more spending exceptions has been satisfied, and the extent to which the Issuer must continue to comply with **Section 4.6** hereof.

(f) *General Requirements for Spending Exception.* The following general requirements apply in determining whether a spending exception is met.

(1) Using Adjusted Gross Proceeds or Available Construction Proceeds to pay principal of any Certificates is not taken into account as an expenditure for purposes of meeting any of the spending tests.

(2) The 6-month spending exception generally is met if all Adjusted Gross Proceeds of the Certificates are spent within 6 months following the Issue Date. The test may still be satisfied even if up to 5% of the sale proceeds remain at the end of the initial 6-month period, so long as this amount is spent within 1 year of the Issue Date.

(3) The 18-month spending exception generally is met if all Adjusted Gross Proceeds of the Certificates are spent in accordance with the following schedule:

Time Period After the Issue Date	Minimum Percentage of Adjusted Gross Proceeds Spent
6 months	15%
12 months	60%
18 months (Final)	100%

(4) The 2-year spending exception generally is met if all Available Construction Proceeds are spent in accordance with the following schedule:

Time Period After the Issue Date	Minimum Percentage of Available Construction Proceeds Spent
6 months	10%
12 months	45%
18 months	75%
24 months (Final)	100%

(5) For purposes of applying the 18-month and 2-year spending exceptions only, the failure to satisfy the **final** spending requirement is disregarded if the Issuer uses due diligence to complete the Project and the failure does not exceed the lesser of 3% of the aggregate issue price of the Certificates or \$250,000. **No such exception applies for any other spending period.**

(6) For purposes of applying the 18-month and 2-year spending exceptions only, the Certificates meet the applicable spending test even if, at the end of the **final** spending period, proceeds not exceeding a Reasonable Retainage remain unspent, so long as such Reasonable Retainage is spent within 30 months after the Issue Date in the case of the 18-month exception or 3 years after the Issue Date in the case of the 2-year spending exception.

Section 4.6. Computation and Payment of Arbitrage Rebate and Yield Reduction Amounts.

(a) *Rebate Fund.* The Issuer will keep the Rebate Fund separate from all other funds and will administer the Rebate Fund under this Tax Certificate. Any Investment earnings derived from the Rebate Fund will be credited to the Rebate Fund, and any Investment loss will be charged to the Rebate Fund.

(b) *Computation of Rebate Amount.* The Issuer will provide the Rebate Analyst Investment reports relating to each fund held by it that contains Gross Proceeds of the Certificates, together with copies of Investment reports for any funds containing Gross Proceeds that are held by a party other than the Issuer, annually as of the end of each Certificate Year and not later than 10 days following each Computation Date. Each Investment report provided to the Rebate Analyst will contain a record of each Investment, including (1) purchase date, (2) purchase price, (3) information establishing the fair market value on the date such Investment was allocated to the Certificates, (4) any accrued interest paid, (5) face amount, (6) coupon rate, (7) frequency of interest payments, (8) disposition price, (9) any accrued interest received, and (10) disposition date. Such records may be supplied in electronic form. The Rebate Analyst will compute rebate following each Computation Date and deliver a written report to the Issuer

together with an opinion or certificate of the Rebate Analyst stating that arbitrage rebate and yield reduction amounts were determined in accordance with the Regulations. Each report and opinion will be provided not later than 45 days following the Computation Date to which it relates. In performing its duties, the Rebate Analyst may rely, in its discretion, on the correctness of financial analysis reports prepared by other professionals. If the sum of the amount on deposit in the Rebate Fund and the value of prior rebate payments is less than the arbitrage rebate and yield reduction amounts due, the Issuer will, within 55 days after such Computation Date, pay the amount of the deficiency for deposit into the Rebate Fund. If the sum of the amount on deposit in the Rebate Fund and the value of prior rebate payments is greater than the rebate due, the Issuer will transfer such surplus in the Rebate Fund to the Certificate Fund. After the final Computation Date or at any other time if the Rebate Analyst has advised the Issuer, any money left in the Rebate Fund will be paid to the Issuer and may be used for any purpose not prohibited by law.

(c) *Rebate Payments.* Within 60 days after each Computation Date, the Issuer will pay to the United States the rebate and yield reduction amount then due, determined in accordance with the Regulations. Each payment must be (1) accompanied by IRS Form 8038-T and such other forms, documents or certificates as may be required by the Regulations, and (2) mailed or delivered to the IRS at the address shown below, or to such other location as the IRS may direct:

Internal Revenue Service Center
Ogden, UT 84201

Section 4.7. Successor Rebate Analyst. If the firm acting as the Rebate Analyst resigns or becomes incapable of acting for any reason, or if the Issuer desires that a different firm act as the Rebate Analyst, then the Issuer by an instrument in writing delivered to the firm then serving as the Rebate Analyst, will name a successor Rebate Analyst. In each case the successor Rebate Analyst must be a firm of nationally recognized bond counsel or a firm of independent certified public accountants and such firm must expressly agree to undertake the responsibilities assigned to the Rebate Analyst hereunder.

Section 4.8. Filing Requirements. The Issuer will file or cause to be filed with the IRS such reports or other documents as are required by the Code in accordance with an Opinion of Bond Counsel.

Section 4.9. Survival after Defeasance. Notwithstanding anything in the Ordinance to the contrary, the obligation to pay arbitrage rebate and yield reduction amounts to the United States will survive the payment or defeasance of the Certificates.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of Tax Certificate. This Tax Certificate will be effective concurrently with the issuance and delivery of the Certificates and will continue in force and effect until the principal of, redemption premium, if any, and interest on all Certificates have been fully paid and all such Certificates are cancelled; provided that, the provisions of **Article IV** hereof regarding payment of arbitrage rebate and yield reduction amounts and all related penalties and interest will remain in effect until all such amounts are paid to the United States and the provisions of **Section 4.2** hereof relating to record keeping shall continue in force for the period described therein for records to be retained.

Section 5.2. Amendments. This Tax Certificate may be amended from time to time by the Issuer without notice to or the consent of any of the registered owners of the Certificates, but only if such amendment is in writing and is accompanied by an Opinion of Bond Counsel to the effect that, under then existing law, assuming compliance with this Tax Certificate as so amended such amendment will not cause interest on any Certificate to be included in gross income for federal income tax purposes. No such amendment will become effective until the Issuer receives this Opinion of Bond Counsel.

Section 5.3. Opinion of Bond Counsel. The Issuer may deviate from the provisions of this Tax Certificate if furnished with an Opinion of Bond Counsel to the effect that the proposed deviation will not adversely affect the exclusion of interest on the Certificates from gross income for federal income tax purposes. The Issuer will comply with any further or different instructions provided in an Opinion of Bond Counsel to the effect that the further or different instructions need to be complied with in order to maintain the validity of the Certificates or the exclusion from gross income of interest on the Certificates.

Section 5.4. Reliance. In delivering this Tax Certificate, the Issuer is making only those certifications, representations and agreements as are specifically attributed to it in this Tax Certificate. The Issuer is not aware of any facts or circumstances which would cause it to question the accuracy of the facts, circumstances, estimates or expectations of any other party providing certifications as part of this Tax Certificate and, to the best of its knowledge, those facts, circumstances, estimates and expectations are reasonable. The Issuer understands that its certifications will be relied upon by Bond Counsel in rendering its opinion as to the validity of the Certificates and the exclusion from federal gross income of the interest on the Certificates.

Section 5.5. Severability. If any provision in this Tax Certificate or in the Certificates is determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not be affected or impaired.

Section 5.6. Benefit of Agreement. This Tax Certificate is binding upon the Issuer its respective successors and assigns, and inures to the benefit of the Issuer and the owners of the Certificates. Nothing in this Tax Certificate, the Ordinance or the Certificates, express or implied, gives to any person, other than the Issuer, its successors and assigns, and the owners of the Certificates, any benefit or any legal or equitable right, remedy or claim under this Tax Certificate.

Section 5.7. Default, Breach and Enforcement. Any misrepresentation contained herein or any breach of a covenant or agreement contained in this Tax Certificate may be pursued by the owners of the Certificates pursuant to the terms of the Ordinance or any other document which references this Tax Certificate and gives remedies for a misrepresentation or breach thereof.

Section 5.8. Execution in Counterparts. This Tax Certificate may be executed in any number of counterparts, each of which so executed will be deemed to be an original, but all such counterparts will together constitute the same instrument.

Section 5.9. Governing Law. This Tax Certificate will be governed by and construed in accordance with the laws of the State of Illinois.

Section 5.10. Electronic Transactions. The transaction described in this Tax Certificate may be conducted, and related documents may be sent, received or stored, by electronic means.

IN WITNESS WHEREOF, the undersigned Mayor and the Director of Finance of the Issuer, by their execution of this Tax Certificate hereby make the foregoing certifications, representations, and agreements contained in this Tax Certificate on behalf of the Issuer, as of the Issue Date.

CITY OF HIGHLAND, ILLINOIS

By: _____
Title: Mayor

By: _____
Title: Director of Finance

EXHIBIT A

DEBT SERVICE SCHEDULE AND PROOF OF CERTIFICATE YIELD

EXHIBIT B

IRS FORM 8038-G

EXHIBIT C

**DESCRIPTION OF PROPERTY COMPRISING THE PROJECT
AND LIST OF REIMBURSEMENT EXPENDITURES**

Description of Property Comprising the Project and Financed Property							
2020 Project							
Asset Description	Original Economic Life	Estimated Placed in Service Date	Elapsed Time from Issue Date	Estimated Remaining Economic Life	Asset Type	Cost	Economic Life x Financed Cost
Station 1							
Construction Costs	40	February-20	0.00	40.00	Building	1,400,000	56,000,000
FFE costs	10	February-20	0.00	10.00	Other	150,000	1,500,000
Architectural and Engineering costs*		February-20	0.00	0.00	Other	150,000	-
PSB							
Construction Costs	40	February-20	0.00	40.00	Building	5,750,000	230,000,000
FFE costs	10	February-20	0.00	10.00	Other	805,000	8,050,000
A and E contingencies*		February-20	0.00	0.00	Other	545,000	-
						8,800,000	295,550,000
Less architectural, engineering and contingencies costs						(695,000)	
Net costs, excluding architectural, engineering and contingencies costs						8,105,000	
Original Average, Reasonably Expected Economic Life:			36.465	years			
120% of Original Economic Life		120%	43.758				
Issue Date Series 2020 Bonds		2/10/2020					
* These assets take on the average life of the Project.							

List of Reimbursement Expenditures

Date Paid	Vendor	Description	Amount
4/17/2018	Loyet Architects	Public Safety Facility Architectural Fees	19,250.00
5/8/2018	Loyet Architects	Public Safety Facility Architectural Fees	19,250.00
5/22/2018	Loyet Architects	Downtown Fire Station Upgrades Architectural Fees	2,887.50
5/22/2018	Loyet Architects	Public Safety Facility Architectural Fees	19,250.00
5/22/2018	Loyet Architects	Public Safety Facility Architectural Fees	2,887.50
6/6/2018	Loyet Architects	Downtown Fire Station Upgrades Architectural Fees	2,887.50
6/6/2018	Loyet Architects	Public Safety Facility Architectural Fees	14,437.50
6/6/2018	Loyet Architects	Public Safety Facility Architectural Fees	2,887.50
6/19/2018	Loyet Architects	Public Safety Facility Architectural Fees	16,362.50
7/3/2018	Loyet Architects	Public Safety Facility Architectural Fees	19,250.00
7/17/2018	Loyet Architects	Downtown Fire Station Upgrades Architectural Fees	1,925.00
7/17/2018	Loyet Architects	Public Safety Facility Architectural Fees	7,700.00
7/17/2018	Loyet Architects	Public Safety Facility Architectural Fees	1,925.00
8/7/2018	Loyet Architects	Public Safety Facility Architectural Fees	19,250.00
8/21/2018	Loyet Architects	Downtown Fire Station Upgrades Architectural Fees	962.50
8/21/2018	Loyet Architects	Public Safety Facility Architectural Fees	7,700.00
8/21/2018	Loyet Architects	Public Safety Facility Architectural Fees	962.50
9/5/2018	Loyet Architects	Public Safety Facility Architectural Fees	19,250.00
10/2/2018	Loyet Architects	Public Safety Facility Architectural Fees	19,250.00
10/16/2018	Loyet Architects	Public Safety Facility Architectural Fees	11,550.00
11/6/2018	Loyet Architects	Public Safety Facility Architectural Fees	19,950.00
11/20/2018	Loyet Architects	Downtown Fire Station Upgrades Architectural Fees	962.50
11/20/2018	Loyet Architects	Public Safety Facility Architectural Fees	11,550.00
11/20/2018	Loyet Architects	Public Safety Facility Architectural Fees	962.50
12/4/2018	Loyet Architects	Public Safety Facility Architectural Fees	24,200.00
12/18/2018	Loyet Architects	Public Safety Facility Architectural Fees	12,375.00
1/8/2019	Loyet Architects	Public Safety Facility Architectural Fees	25,008.00
1/23/2019	Loyet Architects	Public Safety Facility Architectural Fees	11,127.00
2/5/2019	Loyet Architects	Public Safety Facility Architectural Fees	12,870.00
5/21/2019	Loyet Architects	Public Safety Facility Architectural Fees	9,420.08
6/4/2019	Loyet Architects	Downtown Fire Station Upgrades Architectural Fees	2,750.00
6/4/2019	Loyet Architects	Public Safety Facility Architectural Fees	12,434.44
6/4/2019	Loyet Architects	Public Safety Facility Architectural Fees	2,750.00
6/18/2019	Loyet Architects	Public Safety Facility Architectural Fees	17,875.00
7/2/2019	Loyet Architects	Public Safety Facility Architectural Fees	17,875.00
7/16/2019	Loyet Architects	Public Safety Facility Architectural Fees	11,115.76
8/6/2019	Loyet Architects	Public Safety Facility Architectural Fees	17,875.00
9/4/2019	Loyet Architects	Public Safety Facility Architectural Fees	17,875.00
9/17/2019	Loyet Architects	Downtown Fire Station Upgrades Architectural Fees	3,093.75
9/17/2019	Loyet Architects	Downtown Fire Station Upgrades Architectural Fees	2,031.25
9/17/2019	Loyet Architects	Public Safety Facility Architectural Fees	7,150.00
9/17/2019	Loyet Architects	Public Safety Facility Architectural Fees	3,093.75
9/17/2019	Loyet Architects	Public Safety Facility Architectural Fees	2,031.25
10/8/2019	Loyet Architects	Public Safety Facility Architectural Fees	17,875.00
11/5/2019	Loyet Architects	Downtown Fire Station Upgrades Architectural Fees	8,507.93
11/5/2019	Loyet Architects	Public Safety Facility Architectural Fees	8,507.92
12/3/2019	Loyet Architects	Downtown Fire Station Upgrades Architectural Fees	3,347.38
12/3/2019	Loyet Architects	Public Safety Facility Architectural Fees	3,347.37
12/17/2019	Loyet Architects	Public Safety Facility Architectural Fees	10,725.00
1/7/2020	Loyet Architects	Downtown Fire Station Upgrades Architectural Fees	3,847.38
1/7/2020	Loyet Architects	Public Safety Facility Architectural Fees	3,847.37
1/22/2020	Loyet Architects	Public Safety Facility Architectural Fees	17,875.00
		Total Reimbursement Expenditures -	\$ 534,080.63

EXHIBIT D

SAMPLE ANNUAL COMPLIANCE CHECKLIST

Name of tax-exempt obligations (“Certificates”) financing the Financed Facility*:	General Obligation Debt Certificates (Limited Tax), Series 2020
Issue Date of Certificates:	February 10, 2020
Placed in service date of Financed Facility:	
Name of Bond Compliance Officer:	Director of Finance
Period covered by request (“Annual Period”):	

Item	Question	Response
1 Ownership	Was the entire Financed Facility owned by the Issuer during the entire Annual Period? If “Yes,” skip to Item 2.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “No,” was advice of Bond Counsel obtained prior to the transfer? If Yes, include a description of the advice in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

2 Leases & Other Rights to Possession	During the Annual Period, was any part of the Financed Facility leased at any time pursuant to a lease or similar agreement for more than 50 days? If “No,” skip to Item 3.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “Yes,” was advice of Bond Counsel obtained prior to entering into the lease or other arrangement? If Yes, include a description of the advice in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

* Capitalized words and terms used herein, unless otherwise defined herein or the context requires otherwise, shall have the same meanings ascribed to them in the Issuer’s Tax-Exempt Financing Compliance Procedure adopted on March 19, 2012, as amended and supplemented.

Item	Question	Response
3 Management or Service Agreements	During the Annual Period, has the management of all of or any part of the operations of the Financed Facility (e.g., cafeteria, concessions, etc.) been assumed by or transferred to another entity? If “No,” skip to Item 4.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “Yes,” was advice of Bond Counsel obtained prior to entering into the management or service agreement? If Yes, include a description of the advice in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
4 Other Use	Was any other agreement entered into with an individual or entity that grants special legal rights to the Financed Facility? If “No,” skip to Item 5.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “Yes,” was advice of Bond Counsel obtained prior to entering into the agreement? If Yes, include a description of the advice in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
5 Arbitrage & Yield Restriction	Have all rebate and yield reduction calculations mandated in the Federal Tax Certificate been prepared for the current year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If “No,” contact Rebate Analyst and incorporate report or include description of resolution in the Tax-Exempt Bond File.	

Bond Compliance Officer: _____

Date Completed: _____

EXHIBIT E

SAMPLE FINAL WRITTEN ALLOCATION

CITY OF HIGHLAND, ILLINOIS

**\$8,475,000
GENERAL OBLIGATION DEBT CERTIFICATES
(LIMITED TAX)
SERIES 2020**

Final Written Allocation

The undersigned is the Bond Compliance Officer of City of Highland, Illinois (the “Issuer”) and in that capacity is authorized to execute federal income tax returns required to be filed by the Issuer and to make appropriate elections and designations regarding federal income tax matters on behalf of the Issuer. This allocation of the proceeds of the obligations referenced above (the “Certificates”) is necessary for the Issuer to satisfy ongoing reporting and compliance requirements under federal income tax laws.

Purpose. This document, together with the schedules and records referred to below, is intended to memorialize allocations of Certificate proceeds to expenditures for purposes of §§ 141 and 148 of the Internal Revenue Code of 1986, as amended (the “Code”). All allocations are or were previously made no later than 18 months following the date the expenditure was made by the Issuer or, if later, the date the Project was Placed in Service (both as defined below), and no later than 60 days following the 5th anniversary of the Issue Date (as defined below) of the Certificates.

Background. The Certificates were issued on February 10, 2020 (the “Issue Date”), by the Issuer. The Certificates were issued to construct the Project as described in the Federal Tax Certificate (the “Project”). The Certificates were issued pursuant to an ordinance of the Issuer passed on February 3, 2020. The proceeds of the Certificates were deposited to the Project Fund.

Sources Used to Fund Project Costs and Allocation of Proceeds to Project Costs. The sources and uses of Certificate proceeds and other legally available money of the Issuer, if any, are shown on **Exhibit A** hereto.

Identification of Financed Assets. The portions of the Project financed from Certificate proceeds (i.e., the “Financed Facility” referenced in the Federal Tax Certificate) are listed on page 1 of **Exhibit B** hereto.

Identification and Timing of Expenditures for Arbitrage Purposes. For purposes of complying with the arbitrage rules, the Issuer allocates the proceeds of the Certificates to the various expenditures described in the invoices, requisitions or other substantiation attached as **Exhibit B** hereto. In each case, the cost requisitioned was either paid directly to a third party or reimbursed the Issuer for an amount it had previously paid or incurred. Amounts received from the sale of the Certificates and retained as underwriting discount are allocated to that purpose and spent on the Issue Date.

Placed In Service. The Project was Placed in Service on the date set out on **Exhibit B** hereto. For this purpose, the Financed Facility is considered to be Placed in Service as of the date on which, based on all the facts and circumstances: (1) the constructing, renovating, furnishing and equipping of the

Financed Facility has reached a degree of completion which would permit its operation at substantially its designed level; and (2) the Financed Facility is, in fact, in operation at that level.

This allocation has been prepared based on statutes and regulations existing as of this date. The Issuer reserves the right to amend this allocation to the extent permitted by future Treasury Regulations or similar authorities.

CITY OF HIGHLAND, ILLINOIS

By: _____
Name: _____
Title: Director of Finance

Dated: _____

Name of Legal Counsel/Law Firm Reviewing Final Written Allocation:

Date of Review: _____

**EXHIBIT A
TO FINAL WRITTEN ALLOCATION**

ALLOCATION OF SOURCES AND USES

**EXHIBIT B
TO FINAL WRITTEN ALLOCATION**

**IDENTIFICATION OF PROJECT ASSETS
&
DETAILED LISTING OF EXPENDITURES**

EXHIBIT F

TAX COMPLIANCE PROCEDURE

EXHIBIT G

RESOLUTION OF OFFICIAL INTENT

GILMORE & BELL, P.C.
DRAFT 2 – JANUARY 27, 2020
FOR DISCUSSION PURPOSES ONLY

CITY OF HIGHLAND, ILLINOIS

\$8,745,000
GENERAL OBLIGATION DEBT CERTIFICATES
(LIMITED TAX),
SERIES 2020

February 3, 2020

CERTIFICATE PURCHASE AGREEMENT

City of Highland, Illinois
1115 Broadway
Highland, Illinois 62249

Ladies and Gentlemen:

The undersigned, Commerce Bank (the “**Underwriter**”), hereby offers to purchase from the City of Highland, Illinois (the “**City**”), a body corporate and politic and political subdivision of the State of Illinois (the “**State**”), \$8,745,000 aggregate principal amount of General Obligation Debt Certificates (Limited Tax), Series 2020 (the “**Certificates**”). The issuance and sale of the Certificates is authorized by an ordinance adopted by the City Council of the City (the “**Council**”) on February 3, 2020 (the “**Ordinance**”). Capitalized terms not otherwise defined herein have the meaning given such terms in the Ordinance.

The Certificates are to be issued by the City pursuant to and in accordance with the provisions of the laws of the State, including particularly the Illinois Municipal Code and the Local Government Debt Reform Act of the State and all laws amendatory thereof and supplementary thereto (collectively, the “**Act**”). The Certificates are being issued to (a) acquire, construct, renovate, equip and furnish public safety facilities, and (b) pay costs associated with the issuance of the Certificates.

The Certificates evidence the indebtedness incurred under the Installment Purchase Agreement between the City Treasurer of the City, as nominee-seller, and the City (the “**Installment Purchase Agreement**”). The payments due under the Installment Purchase Agreement shall be a lawful direct general obligation of the City, for the payment of which its full faith and credit are pledged, and are payable from the corporate funds of the City and such other sources of payment as are otherwise lawfully available. There is no statutory authority for the levy of a separate tax in addition to other City taxes or for the levy of a special tax unlimited as to rate or amount to pay the principal and interest due on the Certificates.

The Certificates shall mature on the dates in the years and in the amounts, and shall bear interest at the rates per annum, set forth in **Schedule I** hereto.

This offer is made subject to your acceptance of this Certificate Purchase Agreement on or before 11:00 p.m., Highland, Illinois, time, on February 3, 2020. Upon your acceptance of the offer, the following agreement will be binding upon you and the Underwriter.

The words “Transaction Documents” when used herein shall mean, individually and collectively, the following: the Certificates; the Ordinance; this Certificate Purchase Agreement; the Continuing Disclosure Undertaking of the City relating to the Certificates (the “**Continuing Disclosure Undertaking**”); the Installment Purchase Agreement; the Preliminary Official Statement (as defined herein); the Official Statement (as defined herein); and any and all other documents or instruments that evidence or are a part of the transactions referred to herein or in the Official Statement or contemplated hereby or by the Official Statement; provided, however, that when the words “Transaction Documents” are used in the context of the authorization, execution, delivery, approval or performance of Transaction Documents by a party hereto, the same shall mean only those Transaction Documents that provide for or contemplate authorization, execution, delivery, approval or performance by such party.

1. Purchase of Certificates. Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants hereinafter set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the Certificates at a purchase price of \$_____ (which is equal to the aggregate principal amount of the Certificates, plus an original issue premium of \$_____, less an underwriting discount of \$_____).

The City acknowledges and agrees that (i) the primary role of the Underwriter is to purchase securities pursuant to this Certificate Purchase Agreement, for resale to investors, in an arm’s-length commercial transaction between the City and the Underwriter and the Underwriter has financial and other interests that differ from those of the City, (ii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the City and has not assumed an advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters), (iii) the only obligations the Underwriter has to the City with respect to the transaction contemplated hereby are expressly as set forth in this Certificate Purchase Agreement, and (iv) the City has consulted its own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent it has deemed appropriate.

2. Public Offering. The Underwriter intends to make a bona fide initial public offering of all of the Certificates at prices no higher than set forth on **Schedule I**; provided, however, that the Underwriter reserves the right to lower such initial offering prices as it deems necessary in connection with the marketing of the Certificates. The Underwriter may offer and sell the Certificates to certain dealers (including dealers depositing Certificates into investment trusts) and others at prices lower than the initial offering price or prices set forth in **Schedule I**. The Underwriter also reserves the right to (i) over-allot or effect transactions which stabilize or maintain the market price of the Certificates at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

3. Establishment of Issue Price for the Certificates.

For purposes of this section the following definitions shall apply:

“Effective Time” means the time on the Sale Date that this Certificate Purchase Agreement to purchase the Certificates becomes enforceable.

[*“Holding Period” means with respect to each Undersold Maturity the period beginning on the Sale Date and ending on the earlier of the following:

- (A) the close of the fifth (5th) business day after the Sale Date; or
- (B) the date and time at which the Underwriter has sold at least 10% of that Undersold Maturity of the Certificates to the Public at one or more prices that are no higher than the Initial Offering Price.*]

“Initial Offering Price” means the price listed on **Schedule I** for each Maturity.

“Maturity” means Certificates with the same credit and payment terms; Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriting Firm or a related party to an Underwriting Firm. An Underwriting Firm and a person are related if it and the person are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

“Sale Date” means the date of execution of this Certificate Purchase Agreement.

“Undersold Maturity” or “Undersold Maturities” means any Maturity for which less than 10% of the principal amount of Certificates of that Maturity have been sold.

“Underwriting Firm” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this definition to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

The Underwriter represents and agrees as follows:

(a) As of the Effective Time all of the Certificates have been the subject of an initial offering to the Public.

(b) As of the Effective Time none of the Certificates have been sold to any person at a price higher than the Initial Offering Price for that Maturity.

(c) [*As of the Effective Time there were no Undersold Maturities.*] [*For any Undersold Maturity, during the Holding Period each Underwriting Firm agrees it will not offer nor sell any of the Undersold Maturities to the Public at a price that is higher than the respective Initial Offering Price for that Undersold Maturity.

(d) Any separate agreement among any Underwriting Firm related to the sale of an Undersold Maturity during the Holding Period does or shall contain the agreement referenced in (c) above.*]

(e) The Underwriter agrees to assist the City in establishing the issue price of the Certificates and shall execute and deliver to the City at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to demonstrate, as applicable, the sales price or prices or the initial offering price of the Certificates.

4. Preliminary Official Statement and Official Statement. The City consents to and ratifies the use and distribution by the Underwriter prior to the date upon which the Official Statement is executed and available for distribution, of the Preliminary Official Statement dated January __, 2020 (which, together with the cover page, inside cover page and any exhibits, appendices, maps, pictures, diagrams, reports and statements included therein or attached thereto and any amendments and supplements that may be authorized for use with respect to the Certificates, is herein called the “**Preliminary Official Statement**”), in connection with the public offering of the Certificates. The City further confirms the authority of the Underwriter to use, and consents to the use of, the final Official Statement with respect to the Certificates in connection with the public offering of the Certificates. The City represents and warrants that the Preliminary Official Statement previously furnished to the Underwriter was “deemed final” by the City as of its date, and the City hereby reaffirms that the Preliminary Official Statement is deemed final, for purposes of Rule 15c2-12(b)(1) (the “**Rule**”) promulgated under the Securities Exchange Act of 1934, as amended, except for the omission of certain information permitted to be omitted by the Rule, such as offering prices, interest rates, selling commission, aggregate principal amounts, principal per maturity, delivery dates, ratings, and other terms of the Certificates depending on such matters.

The City hereby agrees to deliver to the Underwriter within seven business days after the date hereof, the Official Statement, dated the date hereof, relating to the Certificates (which, together with the cover page, and all exhibits, appendices, maps, pictures, diagrams, reports and statements included therein or attached thereto and any amendments and supplements that may be authorized for use with respect to the Certificates is herein called the “**Official Statement**”) executed on behalf of the City by a duly authorized officer, in such quantity as the Underwriter may request to enable the Underwriter to provide the Official Statement to potential customers and to comply with any rules of the Municipal Securities Rulemaking Board (the “**MSRB**”) and the Securities and Exchange Commission (the “**SEC**”).

The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable MSRB rules and as may be agreed to by the City and the Underwriter. If the Official Statement is prepared for distribution in electronic form, the City hereby confirms that it does not object to distribution of the Official Statement in electronic form.

5. City’s Representations and Warranties. The City hereby agrees with, and makes the following representations and warranties to, the Underwriter as of the date hereof and as of the date of the Closing:

(a) Status of the City. The City is, and will be at the Closing, a body corporate and politic and political subdivision of the State created and existing under the laws of the State with the power and authority to (i) operate, repair and maintain its governmental facilities, (ii) execute and deliver the Transaction Documents, and (iii) carry out and consummate the transactions contemplated by the Transaction Documents.

(b) Authorization to Enter into Transaction Documents. The City is authorized by the laws of the State, including particularly the Act, (i) to issue, sell and deliver the Certificates for the purposes set forth in the opening paragraphs hereof and in the Ordinance, (ii) to adopt the Ordinance and to enter into and perform its obligations under the Transaction Documents, and (iii) to secure the Certificates in accordance with the provisions of the Ordinance.

(c) Official Action. Prior to the Closing, the City shall have duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Certificates upon the terms set forth herein and in the Official Statement, (ii) the approval, execution, delivery and receipt by the City of the Ordinance, the Certificates, this Certificate Purchase Agreement and any and all such other Transaction Documents and/or agreements and documents as may be required to be executed, delivered and received by the City in order to carry out, give effect to, and consummate the transactions contemplated hereby and by the Official Statement, and (iii) the approval of the use of the Official Statement.

(d) Documents Legal, Valid and Binding. This Certificate Purchase Agreement constitutes a legal, valid and binding obligation of the City enforceable in accordance with its terms. The Certificates when executed, issued, authenticated, delivered and paid for as herein and in the Ordinance provided and the Transaction Documents when executed will have been duly authorized and issued and will constitute valid and binding obligations of the City enforceable in accordance with their terms (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar law or laws affecting the enforcement of creditors' rights generally or against municipal corporations such as the City from time to time in effect and further subject to the availability of equitable remedies).

(e) No Conflict or Breach. The City is not in breach of or default in any material respect under (i) any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or (ii) any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an event of default under any such instrument; and neither the execution and delivery of any of the Transaction Documents, or the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the terms and conditions thereof conflicts with or constitutes a breach of or default under (i) any applicable law, administrative regulation, judgment or decree or (ii) the terms of any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject; nor shall any such execution, delivery, adoption, fulfillment or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City (i) under the terms of any such law, administrative regulation, judgment or decree or (ii) under the terms of any such loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Transaction Documents.

(f) No Litigation. Except as otherwise set forth in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body, pending or, to the knowledge of the City, threatened against the City wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the transactions contemplated hereby or by the Official Statement, including the status of the interest on the Certificates as excludable from gross income of the owners thereof for federal income tax purposes, (ii) the validity or enforceability in accordance with their respective terms of the Certificates, the Ordinance, this Certificate Purchase Agreement or any agreement or instrument to which the City is

a party, used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement (nor to the best knowledge of the City, is there any basis therefor), (iii) the existence or powers of the City or the titles of its officers to their respective offices, or (iv) the financial condition of the City or the operation by the City of its property.

(g) No Consents or Approvals Required. The City has received all licenses, permits, or other regulatory approvals required (if any) to execute the Transaction Documents and to perform its obligations thereunder and the City is not in material default, and no event has occurred which would constitute or result in a material default under any such licenses, permits or approvals.

(h) Preliminary Official Statement and Official Statement True and Correct. The descriptions and information contained in the Preliminary Official Statement and the Official Statement are and, as of their respective dates and at the Closing shall be, true and correct and do not, and with respect to the Preliminary Official Statement and the Official Statement, as of their respective dates and at the Closing shall not, contain an untrue statement of a material fact and do not, with respect to the Preliminary Official Statement and Official Statement, and at the Closing, shall not omit to state a material fact necessary to make any statement made therein, in light of the circumstances under which it was made, not misleading.

(i) No Default Under Transaction Documents. The execution and delivery by the City of the Certificates, the Transaction Documents and the other documents contemplated hereby and by the Official Statement to be executed and delivered by the City, compliance with the provisions thereof, and the approval of the use of the Official Statement do not conflict with or constitute on the part of the City a breach of or a default under any existing law, court or administrative regulation, decree, order, agreement, resolution, indenture, mortgage or lease by which the City is or may be bound. No event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a breach of or an event of default by the City under the Transaction Documents.

(j) Application of Certificate Proceeds. The City represents and warrants that the proceeds of the Certificates shall be used as provided in the Transaction Documents. The City shall not take or omit to take any action which action or omission shall in any way cause or result in the proceeds from the sale of the Certificates being applied in a manner other than as provided in the Transaction Documents and as described in the Preliminary Official Statement and the Official Statement.

(k) Securities Laws Cooperation. The City agrees to reasonably cooperate with the Underwriter in any endeavor to qualify the Certificates for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the City shall not be required with respect to the offer or sale of the Certificates, or otherwise, to file written consent to suit or to file written consent to service of process in any jurisdiction. The City consents to the use of drafts of the Preliminary Official Statement, the Preliminary Official Statement and drafts of the Official Statement prior to the availability of the Official Statement, by the Underwriter in obtaining such qualifications, subject to the right of the City to withdraw such consent for cause by written notice to the Underwriter.

(l) City Certificate. Any certificate signed by an authorized officer of the City and delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(m) Financial Statements. The financial statements of the City included as Appendix A to the Preliminary Official Statement and the Official Statement and any other later available unaudited financial data of the City furnished to the Underwriter present fairly the financial position of the City as of the dates indicated and the results of its operations for the periods specified in all material respects for the periods involved except as stated in the notes thereto. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The City has not since April 30, 2019 incurred any material liabilities and since such date there has been no material adverse change in the financial position of the City or the operation by the City of its property other than as may be set forth in the Preliminary Official Statement and the Official Statement.

Since April 30, 2019, except as described in the Preliminary Official Statement and the Official Statement, there has been no material decrease in the City's fund balances, no increase in short-term debt or long-term debt of the City and no adverse change, or any development involving a prospective adverse change, in or affecting the general affairs, management, properties, financial position, or results of operations of the City, which in any such case is material to the City.

(n) Supplements to Official Statement. If the Official Statement is supplemented or amended pursuant to **subsection (o)** of this section, at the time of such supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto including the Closing, the information contained in the Official Statement as provided in **subsection (h)** of this section, as so supplemented or amended, shall not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(o) Subsequent Events. If between the date of the Official Statement and the Closing any event shall occur which might or would cause the information contained in the Official Statement to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter thereof, and if in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City shall, at the expense of the City, supplement or amend the Official Statement in a form and in a manner approved by the Underwriter.

(p) Continuing Disclosure. The City will undertake, pursuant to the Ordinance and the Continuing Disclosure Undertaking, to provide certain annual financial information and operating data and notices of the occurrence of certain events. Except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, there have been no instances in the previous five years in which the City failed to comply, in all material respects, with any of its previous continuing disclosure obligations under the Rule.

6. Closing. Prior to or at 12:00 noon, Highland, Illinois, time, on February 10, 2020, or at such other time or such other date as shall have been mutually agreed upon by the City and the Underwriter (the "**Closing Time**"), the City will deliver, or cause to be delivered, to the Underwriter, the Certificates, in definitive form duly executed and authenticated by BOKF, N.A., as bond registrar and paying agent for the Certificates (the "**Paying Agent**"), together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price of the Certificates by delivering to the City immediately available funds payable to the order of the City (or such other arrangement as shall be mutually

agreed upon by the City and the Underwriter) in an amount equal to the purchase price. Such payment and delivery is referred to herein as the “**Closing.**”

Payment and delivery of the Certificates as aforesaid shall be made in Chicago, Illinois, New York, New York, or such other place as is mutually agreed to by the City and the Underwriter. The Certificates will be delivered in denominations as set forth in the Ordinance as definitive Certificates in fully registered form. The Certificates will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“**DTC**”). One fully registered certificate for each maturity of Certificates in the principal amount of such maturity (as set forth in **Schedule I** hereto) will be deposited with DTC, or delivered to the Paying Agent for “**FAST**” delivery prior to the Closing pursuant to the rules and procedures of DTC.

It is anticipated that CUSIP identification numbers will be printed on the Certificates, but neither the failure to print such numbers on any Certificate nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for any Certificates.

7. Events Permitting Underwriter to Terminate. The Underwriter shall have the right to cancel its obligation to purchase the Certificates and to terminate this Certificate Purchase Agreement, without liability to the Underwriter, by written notice to the City if, between the date of this Certificate Purchase Agreement and the Closing, in the Underwriter’s sole and reasonable judgment, any of the following events shall occur (each, a “**Termination Event**”):

(a) the market price or marketability of the Certificates, or the ability of the Underwriter to enforce contracts for the sale of the Certificates, shall be materially adversely affected by any of the following events:

(i) Legislation shall be enacted or for the first time actively considered for enactment by the Congress of the United States (“**Congress**”) or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to Congress for passage by the President of the United States or a member of the President’s cabinet, or a decision shall have been rendered by a federal court of the United States, a State court or the United States Tax Court, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State authority with appropriate jurisdiction, with respect to federal taxation upon interest or other income to be derived by the City pursuant to the Transaction Documents, or upon interest on the Certificates or securities of the general character of the Certificates; or

(ii) There shall have occurred a formal declaration of national emergency or war or engagement in military conflict or hostilities whether conventional, nuclear and/or biological, by the United States or by other sovereign state or states against the United States or the occurrence of any military conflict or hostilities whether conventional, nuclear and/or biological, involving the United States without the benefit of a formal declaration of war by the United States or any conflict involving the armed forces of the United States shall have escalated beyond the level of such conflict as of the date hereof, or the occurrence of any acts of terrorists or attacks by terrorists within or outside of the borders of the United States which would cause the effective operation of the government of the United States to cease or which would cause the Underwriter to be unable to carry on their regular business; or the occurrence of any other national emergency or calamity, including natural disasters or a downgrade in the sovereign debt rating of the United States by any

major credit rating agency or a payment default on United States Treasury obligations, which would cause the effective operation of the government of the United States to cease or which would cause the Underwriter to be unable to carry on its regular business; or

(iii) There shall be in force a general suspension of trading or material limitation on the New York Stock Exchange or another major exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(iv) Legislation shall have been enacted by Congress or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Certificates, the Ordinance or the Transaction Documents are not exempt from registration, qualification or other requirements of the Securities Act of 1933, as amended (the "**Securities Act**") or the Trust Indenture Act or otherwise, or would be in violation of any provisions of the federal securities laws; or

(v) Except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the City shall have occurred; or

(vi) Any rating (A) on any certificates or other obligations of the City (B) if the Certificates are insured by a bond insurance policy, on the bond insurer, is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(b) Any fact, event or circumstance shall exist that either makes untrue or incorrect any statement or information contained in the Official Statement as then amended or supplemented (other than any statement provided by the Underwriter) or is not reflected in the Official Statement as then amended or supplemented, but should be reflected therein in order to make the statements and information contained therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the City refuses to permit the Official Statement to be supplemented or corrected in a form and manner approved by the Underwriter or supply such statement or information or if such supplement or correction would, in the reasonable opinion of the Underwriter, materially adversely affect the market for the Certificates or the ability of the Underwriter to enforce contracts for the sale of the Certificates at the contemplated offering prices; or

(c) A general banking moratorium shall have been declared by federal, State or State of New York authorities and be in force; or

(d) A material disruption in securities settlement, payment or clearance services affecting the Certificates shall have occurred; or

(e) Other action or events shall have occurred or transpired, any of which has the purpose or effect, directly or indirectly, of materially adversely affecting the federal income tax consequences of any of the transactions contemplated in connection herewith, or that securities of the general character of the Certificates shall not be exempt from registration under the Securities Act; or

(f) There shall have occurred since April 30, 2019, any material adverse change in the affairs of the City from that reflected in the financial statements of the City provided to the Underwriter in connection with the Certificates, not otherwise disclosed to the Underwriter or in the Official Statement; or

(g) Any representation of the City contained in this Certificate Purchase Agreement or in any Transaction Document shall prove to be or to have been false in any material respect; or

(h) Litigation or an administrative proceeding or investigation shall be pending or threatened affecting, contesting, questioning or seeking to restrain or enjoin (i) the issuance or delivery of any of the Certificates or the payment, collection or application of the proceeds of the Certificates or of other moneys or securities pledged or to be pledged under the Transaction Documents, (ii) the validity of the Certificates, (iii) the validity of any of the Transaction Documents or any proceedings taken by the City with respect to any of the foregoing, (iv) the City's creation, organization or existence or the titles to office of any members of the Council or officers or its power to engage in any of the transactions contemplated by the Transaction Documents, (v) the incorporation, organization or existence of the City, or (vi) the legal power or authority of the City to enter into and engage in any of the transactions contemplated by this Certificate Purchase Agreement.

Upon the occurrence of a Termination Event and the termination of this Certificate Purchase Agreement by the Underwriter, all obligations of the City and the Underwriter under this Certificate Purchase Agreement shall terminate, without further liability, except that the City and the Underwriter shall pay their respective expenses as set forth in **Section 10** hereof.

8. Conditions to Closing. The obligations hereunder of each party hereto shall be subject to the performance by the other party of its respective obligations to be performed hereunder at and prior to the Closing, to the accuracy in all material respects of the representations and warranties herein of the other party as of the date hereof and as of the Closing Time, and to the following conditions, including the delivery by the appropriate party hereto or other entities of such documents as are enumerated herein:

(a) At the Closing Time, (i) the Transaction Documents shall have been authorized, executed and delivered, and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter and the City, the Closing in all events, however, to be deemed such approval, (ii) the proceeds of the sale of the Certificates shall have been deposited and applied as described in the Ordinance and the Official Statement, (iii) the City shall have duly adopted and there shall be in full force and effect such ordinances as, in the opinion of Gilmore & Bell, P.C., Edwardsville, Illinois ("**Bond Counsel**"), shall be necessary in connection with the transactions contemplated hereby, (iv) the City shall have delivered to the Underwriter the Official Statement within the time period and in a format that complies with the Rule and MSRB rules pursuant to **Section 4** hereof, and (v) the City shall have undertaken, pursuant to the Continuing Disclosure Undertaking, to provide annual reports and notice of certain events relating to the Certificates.

(b) At or prior to the Closing Time, the Underwriter shall have received counterparts, copies or certified copies (as appropriate) of the following documents in form and substance satisfactory to Bond Counsel and the Underwriter:

(i) The approving opinions of Bond Counsel, dated the date of the Closing, relating to the due authorization, execution and delivery of the Certificates, satisfactory in form and substance to the City and the Underwriter.

(ii) The supplemental opinion of Bond Counsel, satisfactory in form and substance to the City and the Underwriter.

(iii) Certifications of the City, dated the date of the Closing, signed by authorized officials of the City, to the effect that (A) all representations and warranties of the City contained in this Certificate Purchase Agreement are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing, (B) the City has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied at or prior to the Closing Time, (C) no event affecting the City has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the date of Closing any statement or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect, and (D) there is no action, suit, proceeding or investigation before or by any court or public board or body pending or threatened against the City to restrain or enjoin the issuance, execution or delivery of the Certificates or in any manner questioning the proceedings or authority for the issuance of the Certificates or affecting directly or indirectly the validity of the Certificates or of any provisions made or authorized for their payment or contesting the existence of the City or the title of any of its officers to their respective offices.

(iv) The Official Statement authorized, approved and executed on behalf of the City by a duly authorized official thereof.

(v) The Ordinance, duly adopted by the Council.

(vi) The Continuing Disclosure Undertaking, executed by a duly authorized officer of the City.

(vii) A letter from Moody's Investor Service, Inc. assigning a rating to the Certificates of "Aa3" (underlying).

(viii) A receipt of the City for the purchase price of the Certificates.

(ix) Information Return for Tax-Exempt Governmental Obligations (IRS Form 8038-G) relating to the Certificates in form satisfactory to Bond Counsel for filing, executed by a duly authorized officer of the City.

(x) A copy of the Blanket Issuer Letter of Representations.

(xi) Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel or the Underwriter may reasonably request to evidence compliance with all legal requirements, the truth and accuracy, as of the Closing, of the

representations herein and the due performance or satisfaction of all agreements then to be performed and all conditions then to be satisfied.

(c) At the Closing Time, (i) the Transaction Documents shall have been authorized, executed and delivered, and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter and the City, the Closing in all events, however, to be deemed such approval, (ii) the proceeds of the sale of the Certificates shall have been deposited and applied as described in the Ordinance and the Official Statement, (iii) the City shall have duly adopted and there shall be in full force and effect such ordinances as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, (iv) the City shall have delivered to the Underwriter the Official Statement within the time period and in a format that complies with the Rule and MSRB rules pursuant to **Section 4** hereof, and (v) the City shall have undertaken, pursuant to the Continuing Disclosure Undertaking, to provide annual reports and notice of certain events relating to the Certificates.

The documents to be delivered to the Underwriter pursuant to this Certificate Purchase Agreement shall be deemed to be in compliance with the conditions of this Certificate Purchase Agreement if, but only if, in the reasonable judgment of the Underwriter, they are satisfactory in form and substance. No condition hereof shall be deemed to have been waived by the Underwriter, unless expressed specifically in a writing signed by the Underwriter.

Unless performance is waived by the party for whose benefit a condition or obligation is intended, if any person shall be unable to satisfy the above conditions to the obligations of any party to this Certificate Purchase Agreement, or if the obligations hereunder of any party shall be terminated for any reason permitted by this Certificate Purchase Agreement and unless otherwise waived, this Certificate Purchase Agreement shall terminate and neither the Underwriter nor the City shall be under further obligation hereunder; except that the respective obligations of the City and the Underwriter, as provided in **Section 10** hereof, shall continue in full force and effect.

9. Survival of Representations, Warranties and Agreements. All representations, warranties and agreements of the City shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of any other party and shall survive the Closing. The obligations of the City and the Underwriter under **Section 10** hereof shall survive any termination of this Certificate Purchase Agreement.

10. Expenses. Whether or not the Certificates are sold by the City to the Underwriter (unless such sale be prevented at Closing by the Underwriter's default), the City shall be responsible for the following fees and expenses: paying agent fees, Bond Counsel fees, City attorney fees, CUSIP fees, rating agency fees, and municipal advisor fees. If the Certificates are sold by the City to the Underwriter, all such expenses and costs shall be paid by the City out of the proceeds of the Certificates.

11. Amendments to Official Statement. If, after the date of this Certificate Purchase Agreement and until the earlier of (a) ninety (90) days after the "end of the underwriting period" (as defined in the Rule) or (b) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than twenty-five (25) days following the end of the underwriting period, an event relating to or affecting the City shall occur, or come to the attention of the City, the City shall promptly notify the Underwriter and, if as a result of such event, it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances then existing, the City will forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will amend or supplement the Official

Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements not misleading. The expenses of preparing such amendment or supplement shall be borne by the City. Thereafter, all references to and representations regarding the Official Statement contained herein shall refer to or regard the Official Statement as so amended or supplemented. For the purpose of this Section, the City will furnish to the Underwriter such information with respect to the City as the Underwriter may from time to time reasonably request. If notification is given by the City, or such information comes to the attention of the Underwriter, after the Closing, the City shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

12. Good Faith Deposit. A good faith deposit (“**Deposit**”) in the form of a federal funds wire or certified or cashier’s check drawn on a bank located in the United States of America in the amount of \$169,500.00, payable to the order of the City, accompanies this Certificate Purchase Agreement. No interest will be paid upon the Deposit made by the Underwriter. Said Deposit shall be deducted from the purchase price at the option of the City. If the City fails to deliver the Certificates to the Underwriter in accordance with the terms and conditions of this Certificate Purchase Agreement, the Deposit shall be returned to the Underwriter. If the Underwriter defaults in the performance of any of the terms and conditions of this Certificate Purchase Agreement, the Deposit shall be retained by the City as and for liquidated damages.

13. Third Party Beneficiaries. The City agrees that the Underwriter is and shall be a third-party beneficiary of any and all representations and warranties made by the City in the Transaction Documents, to the same effect as if the City had made such representations and warranties to the Underwriter in this Certificate Purchase Agreement.

14. Notices. Any notice or other communication to be given to the City under this Certificate Purchase Agreement may be given by delivering the same in writing at its address set forth above, and any notice or other communications to be given to the Underwriter under this Certificate Purchase Agreement may be given by delivering the same in writing to the Underwriter at the following address:

Commerce Bank
1000 Walnut Street, Fourth Floor
Kansas City, Missouri 64106
Attention: Mr. Matthew Koch

15. Successors. This Certificate Purchase Agreement is made for the benefit of the City and the Underwriter (including the successors or assigns of the Underwriter) and no other person including any purchaser of the Certificates shall acquire or have any rights hereunder or by virtue hereof.

16. Governing Law. This Certificate Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

17. Effectiveness. This Certificate Purchase Agreement shall become effective upon your acceptance hereof.

18. Counterparts. This Certificate Purchase Agreement may be executed in any number of counterparts, each of which so executed and delivered shall constitute an original and all together shall constitute but one and the same instrument.

19. Captions. The captions or headings in this Certificate Purchase Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or section of this Certificate Purchase Agreement.

[Remainder of Page Intentionally Left Blank]

Very truly yours,

COMMERCE BANK

By: _____
Name: _____
Title: _____

Accepted and agreed to as of
the date first above written:

CITY OF HIGHLAND, ILLINOIS

By: _____

Name: Joseph R. Michaelis

Title: Mayor

SCHEDULE I
TO
CERTIFICATE PURCHASE AGREEMENT

\$8,745,000
CITY OF HIGHLAND, ILLINOIS
GENERAL OBLIGATION DEBT CERTIFICATES
(LIMITED TAX),
SERIES 2020

SERIAL CERTIFICATES

<u>Year</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Undersold</u> <u>Maturities</u>
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				

TERM CERTIFICATES

<u>Year</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Undersold</u> <u>Maturities</u>
2040				

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 27, 2020

New Issue — Bank Qualified

Moody's Rating: Aa3

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Certificates (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purpose, and is not an item of tax preference for purposes of the federal alternative minimum tax. The Certificates are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The interest on the Certificates is not exempt from present State of Illinois income taxes. See "TAX MATTERS" in this Official Statement.

\$8,475,000*

**CITY OF HIGHLAND, ILLINOIS
GENERAL OBLIGATION DEBT CERTIFICATES (LIMITED TAX), SERIES 2020**

Dated: Date of Original Issuance

Due: February 1, as on the inside cover page

The Certificates will be issued in fully registered form, as herein described, and, when issued, will be registered in the name of Cede & Co., as Certificate owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Certificates. Purchases of the Certificates will be made in book-entry only form. The Certificates will be issued in the denomination of \$5,000 or any authorized integral multiple thereof. Purchasers will not receive certificates representing their interest, in Certificates purchased. See "APPENDIX B - BOOK-ENTRY ONLY SYSTEM" herein.

Interest on the Certificates will be payable semiannually on February 1 and August 1, commencing August 1, 2020. So long as DTC or its nominee, Cede & Co., is the Certificate Owner, such payments will be made by BOKF, N.A., St. Louis, Missouri, as paying agent and registrar (the "Paying Agent" and the "Registrar") directly to such Certificate owner. Disbursement of such payments to the DTC Participants is the responsibility of DTC. Distribution of such payments to the Beneficial Owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein.

The Certificates evidence indebtedness incurred under an Installment Purchase Agreement (the "Agreement") with the Treasurer of the City, as the "nominal seller" as authorized under Section 17 of the Local Government Debt Reform Act of the State of Illinois. The Certificates are valid and legally binding direct and general obligations of the City payable from any funds of the City legally available and annually appropriated for such purpose. The full faith and credit of the City has been irrevocably pledged to the punctual payment of principal of and interest on the Certificates, except that the rights of the owners of the Certificates and the enforceability of the Certificates may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. **There is no statutory authority for the levy of a separate tax in addition to other City taxes or for the levy of a special tax unlimited as to rate or amount to pay the principal and interest due on the Certificates.** The City agrees to appropriate funds annually and in a timely manner so as to provide for the making of all payments when due under the terms of the Agreement entered into by the City. See "THE CERTIFICATES -Security" herein.

The Certificates are subject to redemption prior to maturity in the manner, at the times and at the redemption prices described under the caption "THE CERTIFICATES – Redemption."

The Certificates are offered subject to prior sale, when, as and if issued by the City and accepted by the Underwriter, and subject to the approval of their legality by Gilmore & Bell, P.C., Edwardsville, Illinois, Bond Counsel. It is expected that the Certificates will be available for delivery on or about February 10, 2020.



This Official Statement is dated _____.

* Subject to Change

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances may this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor may there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction.

MATURITY SCHEDULE*
BASE CUSIP: _____

Serial Certificates

<u>February 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Price</u>
2021	\$300,000		
2022	315,000		
2023	325,000		
2024	340,000		
2025	355,000		
2026	365,000		
2027	380,000		
2028	390,000		
2029	400,000		
2030	410,000		
2031	420,000		
2032	435,000		
2033	450,000		
2034	460,000		
2035	480,000		
2036	495,000		
2037	510,000		
2038	530,000		

Term Certificates

\$1,115,000 Due February 1, 2040, Rate _____%, Price _____%

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman, or other person has been authorized by the City, the Municipal Advisor, or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the Municipal Advisor, or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Certificates by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

The information set forth herein has been furnished by the City and from other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Municipal Advisor or the Underwriter. This Official Statement is not to be construed as a contract or agreement between the City or the Underwriter and the purchasers or owner of any of the Certificates. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

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

This Official Statement is in a form deemed final by the City for purposes of Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended, except for certain information to be omitted pursuant to Rule 15c2-12(B)(1).

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CITY OF HIGHLAND, ILLINOIS

MAYOR

Joseph R. Michaelis

COUNCIL MEMBERS

Peggy Bellm
John Hipskind

Rick J. Frey
Sarah Sloan

CITY MANAGER

Mark Latham

DIRECTOR OF FINANCE

Kelly Korte

CITY ATTORNEY

Sandberg Phoenix & von Gontard P.C.
Edwardsville, Illinois

BOND COUNSEL

Gilmore & Bell, P.C.
Edwardsville, Illinois

MUNICIPAL ADVISOR

WM Financial Strategies
St. Louis, Missouri

SUMMARY STATEMENT

This Summary Statement is expressly qualified by the entire Official Statement, which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors.

- Issuer:** The City of Highland, Illinois (the “City”) is the issuer. Additional information regarding the City is included under the caption “THE CITY.”
- Issue:** The Certificates consist of \$8,475,000* aggregate principal amount of General Obligation Debt Certificates (Limited Tax), Series 2020.
- Dated Date:** The Certificates will be dated as of the date of original issuance thereof.
- Interest:** Interest on the Certificates will be payable semiannually on August 1 and February 1, beginning on August 1, 2020.
- Principal Due:** Principal will be due on the dates and in the amounts shown on the cover page of this Official Statement.
- Optional Redemption:** The Certificates maturing on or after February 1, 2028 are subject to redemption prior to their stated maturity, in whole or in part at the option of the City on February 1, 2027 and thereafter, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.
- Purpose:** The Certificates are being issued for the purpose of remodeling a fire station and constructing a public safety facility. See the caption “THE PROJECTS”
- Security:** The Certificates are valid and legally binding general obligations and a debt of the City. Although the intent of the City is to pay for the Certificates from the Business District Sales Taxes (See “THE CITY’S FINANCES – Governmental Funds – Revenue Sources – Sales Taxes -Business District Sales Taxes”), the payment of the principal of and the interest on the Certificates is payable from any funds of the City legally available and annually appropriated for that purpose, except that the rights of the owners of the Certificates and the enforceability of the Certificates may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The City represents and warrants in the Certificate Ordinance that the total amount due the nominee-seller under the installment purchase agreement, as described hereinafter (the “Agreement”), together with all other indebtedness of the City, is within all statutory and constitutional debt limitations. The City agrees in the Certificate Ordinance to appropriate funds of the City annually and in a timely manner so as to provide for the making of all payments when due under the terms of the Agreement. There is no statutory authority, however, for the levy of a separate tax in addition to other City taxes or the levy of a special tax unlimited as to rate or amount to pay the installments of principal and interest due on the Certificates. The Certificates shall be valid whether or not an appropriation with respect

thereto is included in any annual or supplemental budget adopted by the City.

Rating: Moody's Investors Service, Inc. has assigned the Certificates a rating of "Aa3". See "RATING" herein.

Paying Agent and Certificate Registrar: BOKF, N.A., St. Louis, Missouri.

Delivery: The Certificates are expected to be delivered on or about February 10, 2020.

Book-Entry Form: The Certificates will be registered in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Certificates.

The City's Finances: The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The City's Fiscal Year commences on May 1 of each year and ends on the following April 30 ("Fiscal Year"). Additional information regarding the City's finances are contained under the caption "THE CITY'S FINANCES."

**OFFICIAL STATEMENT
OF THE
CITY OF HIGHLAND, ILLINOIS
Relating to
\$8,475,000*
GENERAL OBLIGATION DEBT CERTIFICATES (LIMITED TAX), SERIES 2020**

INTRODUCTION

This Official Statement including the cover page and Appendices hereto is provided by the City of Highland, Illinois (the “City”) to furnish information in connection with its issuance of \$8,475,000* principal amount of General Obligation Debt Certificates (Limited Tax), Series 2020 (the “Certificates”).

The Certificates are issued pursuant to applicable sections of the Illinois Municipal Code, as supplemented and amended and the Local Government Debt Reform Act of the State of Illinois, as supplemented and amended (the “Debt Reform Act”) (particularly Section 17 thereof concerning among other things, “debt certificates”) (collectively, the “Act”). The City will enter into an Installment Purchase Agreement (the “Agreement”) with the Treasurer of the City as the “nominal seller” under Section 17 of the Debt Reform Act. The City will authorize the issuance of the Certificates by an ordinance expected to be approved by the City on February 3, 2020 (the “Certificate Ordinance”). The Certificates are being issued for the purpose of remodeling a fire station and constructing a new public safety facility (the “Projects”). The use of Certificate proceeds is described in greater detail herein under the caption “THE PROJECTS.”

The City represents and warrants to appropriate funds annually and in a timely manner to make payments on the Certificates when due. **No statutory authority exists for the levy of a separate tax in addition to other City taxes or the levy of a special tax unlimited as to rate or amount to pay debt service payments due on the Certificates.**

Brief descriptions of the Certificates, the City, the Projects, and the Certificate Ordinance are included in this Official Statement. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the Certificate Ordinance and any other documents are qualified in their entirety by reference to such documents, and references herein to the Certificates are qualified in their entirety by reference to the form thereof included in the Certificate Ordinance.

THE CERTIFICATES

Authority

The Certificates are issued pursuant to applicable sections of the Illinois Municipal Code, as supplemented and amended, and the Local Government Debt Reform Act of the State of Illinois, as supplemented and amended (the “Debt Reform Act”) (and particularly Section 17 thereof concerning among other things, “debt certificates”) (collectively, the “Act”). The City will enter into an Installment Purchase Agreement (the “Agreement”) with the Treasurer of the City as the “nominal seller” under Section 17 of the Debt Reform Act. The City has authorized the issuance of the Certificates by an ordinance expected to be approved by the City on February 3, 2020 (the “Certificate Ordinance”).

Description

The Certificates will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as Certificate owner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Certificates. Purchases of the Certificates will be made in book-entry only form. The Certificates will be issued in the denomination of \$5,000 or any authorized

* Subject to Change

integral multiple thereof. Purchasers will not receive certificates representing their interest in Certificates purchased. See “APPENDIX B - BOOK-ENTRY ONLY SYSTEM.”

The Certificates are dated as of the date of original issuance and will mature on February 1 in each of the years and in the amounts shown on the cover page of this Official Statement. Interest on the Certificates will be payable semiannually thereafter on February 1 and August 1, commencing August 1, 2020. So long as DTC or its nominee, Cede & Co., is the Certificate owner, such payments will be made by Paying Agent and Registrar directly to such Certificate owner. Disbursement of such payments to the DTC Participants is the responsibility of DTC. Distribution of such payments to the Beneficial Owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described in the Official Statement under the caption “THE CERTIFICATES.”

Security

The Certificates evidence indebtedness of the City incurred under the Agreement between the City and the Treasurer of the City as the nominal seller. The Agreement provides for the City's purchase of certain property through installment payments of principal and interest.

The Certificates are valid and legally binding direct and general obligations of the City payable from any funds of the City legally available and annually appropriated for such purpose. The full faith and credit of the City has been irrevocably pledged to the punctual payment of principal of and interest on the Certificates, except that the rights of the owners of the Certificates and the enforceability of the Certificates may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. **There is no statutory authority for the levy of a separate tax in addition to other City taxes or for the levy of a special tax unlimited as to rate or amount to pay the principal and interest due on the Certificates.**

Although the intent of the City is to pay for the Certificates from the Business District Sales Taxes (See “THE CITY’S FINANCES – Governmental Funds – Revenue Sources – Sales Taxes -Business District Sales Taxes”), the payment of the principal of and the interest on the Certificates is payable from any funds lawfully available to the City for the payment of such obligations and debt and annually appropriated for that purpose. The City agrees to appropriate funds annually and in a timely manner so as to provide for the making of all payments when due under the terms of the Agreement.

The Seller shall not have any obligation or liability to the owners of the Certificates with respect to the payment, when due, of installment payments by the City or with respect to the performance by the City of any other covenant made by the Seller in the Agreement.

THE OBLIGATION OF THE CITY TO MAKE PAYMENTS OF PRINCIPAL AND INTEREST UNDER THE AGREEMENT IS A LIMITED TAX GENERAL OBLIGATION OF THE CITY PAYABLE FROM ANY FUNDS LEGALLY AVAILABLE AND ANNUALLY APPROPRIATED FOR THAT PURPOSE. NO STATUTORY AUTHORITY EXISTS FOR THE LEVY OF A SEPARATE TAX IN ADDITION TO OTHER CITY TAXES OR THE LEVY OF A SPECIAL TAX UNLIMITED AS TO RATE OR AMOUNT TO PAY DEBT SERVICE DUE ON THE CERTIFICATES. PAYMENTS DUE ON THE AGREEMENT ARE NOT SECURED BY ANY INTEREST IN THE PROJECTS THAT ARE THE SUBJECT OF THE AGREEMENT.

THE PAYMENT OF THE CERTIFICATES IS SOLELY DEPENDENT ON THE CITY’S ABILITY TO GENERATE SUFFICIENT REVENUES TO MAKE THE PAYMENTS NECESSARY TO PAY PRINCIPAL OF AND INTEREST ON THE CERTIFICATES AND PAY THE OTHER ONGOING EXPENSES OF THE CITY FOR OPERATIONS, DEBT SERVICE AND OTHER PAYMENT OBLIGATIONS, INCLUDING PENSION OBLIGATIONS.

Redemption

Optional Redemption

The Certificates maturing on or after February 1, 2028 are subject to redemption prior to their stated maturity, in whole or in part at the option of the City on February 1, 2027 and thereafter, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date. When less than all of the outstanding Certificates are to be redeemed, such Certificates shall be redeemed in such order of maturity as shall be determined by the City, and the Certificates of less than a full maturity shall be selected by the Paying Agent in \$5,000 units of principal amount by lot or in such other equitable manner as the Paying Agent may determine.

In the event the City elects to exercise its option to redeem the Certificates pursuant to the Certificate Ordinance, written notice shall be given by first class mail to the registered owner of the Certificates to be redeemed at least 30 days, but not more than 60 days, prior to the redemption date.

Mandatory Redemption

The Certificates maturing February 1, 2040 (the "Term Certificates") shall be subject to mandatory redemption and payment prior to maturity at the Redemption Price of 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date, on the dates and in the amounts set forth below.

Term Certificates Maturing February 1, 2040*

<u>February 1</u>	<u>Principal Amount</u>
2039	\$550,000
2040(final maturity)	565,000

THE CITY OF HIGHLAND

General

The City was incorporated in 1884. Located in west central Illinois, the City is approximately 40 miles east of downtown St. Louis and covers an area of approximately 7.4 square miles. The City is a growing community characterized by a strong commercial/industrial base, an abundance of public facilities and a variety of attractive residential developments. Founded in 1831 by Swiss settlers, the City functioned as a service center for the surrounding agricultural areas. Today, the City not only retains this function, but also serves as an attractive suburban community providing employment opportunities both locally and in other employment centers in the St. Louis Metropolitan Area. The City's proximity to interstate highways and to a major metropolitan area has enhanced the City's growth and development and offers residents the opportunity to enjoy the cultural advantages of a large metropolitan area.

Government

The City is a non-home rule municipality and operates under the Managerial Form of municipal government. The legislative body of the City is the City Council. The City Council is comprised of the Mayor and four council members. Council members are elected at large to serve four-year terms, one-half of which expire biennially. The Mayor, elected at large to serve a four-year term, is the presiding officer of the City Council. The Mayor has the right to vote on all questions coming before the City Council, but has no power to veto any ordinance, resolution or motion of the City Council.

* Subject to Change

The Mayor, with the advice and consent of the City Council, appoints the City Manager. The City Manager is the chief administrative officer of the City and is responsible for implementing council directives and policies, hiring all department heads, managing the administrative and operating functions of the government.

Employees

The City currently has 118 full-time and 177 part-time employees. City paramedics, electric linemen, police officers, telecommunicators, sergeants and operating engineers are members of one of six unions; the Fraternal Order of Police Labor Council (“FOP Patrol”), International Union of Operating Engineers (“IUOE”), International Brotherhood of Electrical Workers (“IBEW”), Fraternal Order of Police Labor Council-Sergeants (“FOP Sergeants”), Fraternal Order of Police Labor Council-Telecommunicators (“FOP Telecommunicators”) or International Association of Firefighters (“IAFF”). The union contact with the FOP Patrol expired on April 30, 2019 and is being renegotiated. The contract with the IAFF expires on April 30, 2020, the contract with the IUOE expires on April 30, 2021 and the contracts with the Telecommunicators, IBEW and FOP Sergeants expire on April 30, 2022. The City has no record of a strike or labor dispute.

Pension Plan

City employees, except for policemen, are provided retirement benefits by the State of Illinois’ State-administered Illinois Municipal Retirement Fund (“IMRF”), in which the City is required to participate. Pursuant to the Illinois Pension Code, the City is required to establish and maintain actuarial requirements of the fund.

Employees not qualifying for the Illinois Municipal Retirement Fund are considered “non-participating employees” and are covered under Social Security or the Police Pension Fund.

The annual City contribution rate is fixed by the State and provides for funding of prior service costs, including interest, as determined actuarially, over a future period of not more than 40 years. Pursuant to the Illinois Pension Code, the City is required to annually appropriate an amount sufficient to provide for its current contribution, including amounts required for contributions for Social Security purposes for covered employees. The City is authorized to levy a tax without voter approval, in an amount equal to the amount appropriated for such contributions.

Policemen receive pension benefits from the State-mandated, City-administered, Policemen’s Pension Fund. A mandatory tax levy is imposed on cities in Illinois for funding this plan. A detailed description of the funds is included in Note 7 to the Financial Statements included in APPENDIX A to this Official Statement.

Community Services

Utilities

Natural gas service is provided by Ameren Illinois. The City provides water, sewer, electric, telephone, internet and cable service. The following is a brief description of the waterworks, sewerage and electric systems.

The City’s waterworks facilities include a treatment plant, distribution facilities and storage facilities. Storage facilities, with a combined capacity of 2,950,000 gallons, consist of a 1 million gallon ground storage tank, a 1.5-million-gallon standpipe tank, a 200,000 gallon elevated storage tank, a 150,000 clear well and a 100,000 gallon clear well. The City’s treatment plant was upgraded in 1993 and has a maximum capacity to treat 4,200,000 gallons per day. Average daily demand is 1,221,000 gallons per day and peak demand is 2,100,000 gallons per day.

The City's sewerage system includes a collection and distribution system and a water reclamation facility. The water reclamation facility is undergoing an upgrade to be completed in spring 2021. The design capacity will treat an average of 2.0 million gallons of wastewater per day with peak loads up to 4 million gallons per day. The City's average dry weather flow is 1.2 million gallons per day.

Electric production facilities serving the City are owned by the City or the Illinois Municipal Electric Agency. Residents obtain electrical service through the City-owned distribution system. The City is presently developing a broadband network using a Fiber-To-The-Premises system (the "FTTP System") which is operated as a component of the City's Electric System. Additional phases of the FTTP System have been constructed and, as of April 30, 2019, the FTTP System had approximately 2,230 customers.

Media

A weekly newspaper is published in the City. The City provides cable television through its FTTP System. Cable television in the City is also available from Charter Communications.

Within the City is the Louis Latzer Memorial Public Library. Encompassing 15,552 square feet, the library has approximately 30,000 adult books, 15,500 juvenile books, 3,200 DVDs, and 2,500 audiobooks and CDs.

Public Safety

The City's police department provides police protection throughout the corporate limits of the City. Services are provided by 20 full-time officers and 8 civilian employees. Community programs offered by the department include Shop with a Cop, bicycle engraving and neighborhood watch groups.

The City's fire department (the "Department") provides services from two stations. Thirty volunteer firefighters serve the City. The Department is rated "4" by the Insurance Services Organization, among ratings ranging from 1 to 10 with 1 as the highest. This rating is based on several factors including the number of firefighters and their training, response time, firefighting equipment, the City's water system, and fire prevention programs of the Department.

Recreation Activities

There are numerous parks within and immediately adjacent to the City. The City owns and operates 11 parks, the largest of which is the Silver Lake Park which encompasses 460-acres of land surrounding a 740-acre lake. Recreational activities available at this park include fishing, boating, picnicking, archery, hiking and camping.

The other City parks encompass a combined total area of approximately 76-acres. Facilities at these parks include tennis courts, soccer fields, baseball diamonds, nature walks, a skate park, playground equipment and small children playground equipment. The parks offer supervised summer activities through full-time park and recreation leaders. The City also operates a public swimming pool and has a municipal band which offers weekly outdoor band concerts in the summer.

The City also owns a recreation center, the Korte Recreation Center, and a community building, the Weinheimer Memorial Building. The Korte Recreation Center is located on approximately 6.32-acres of a 27-acre site at Glik Park located in the City. The facility was opened in 2002, and has two gymnasiums, an indoor aquatic center with both a lap and lazy river function, an indoor walking and jogging track, an administrative office, a room for aerobics, and a state-of-the-art fitness center. The Weinheimer Memorial Building has a gymnasium and meeting rooms.

In May, following renovations by the property owner, the City will lease a 31-year old building encompassing 3,800 square feet for use as a senior center for 10 years. Rental payments will equal \$30,000 annually. The City has an option to renew the lease agreement and an option to purchase the property.

Privately owned parks include: Lindendale, owned by the Helvetia Sharpshooters Society since 1861; the Veterans of Foreign Wars Park, and; the Pistol and Rifle Club Park, which offers an indoor pistol range, and outdoor rifle and trap shooting ranges.

The Highland Country Club offers a nine-hole golf course, fishing, swimming, and dining facilities.

Medical

Within the City is St. Joseph’s Hospital (the “Hospital”), a 25-bed acute care medical facility that provides a wide range of inpatient, outpatient and emergency services. Established more than 135 years ago, in August 2013, the Hospital opened a new campus consisting of a 75,000 square foot hospital and a 125,000 square foot Medical Office Building. Inpatient and outpatient services include surgery, specialty clinics, rehab, digital imaging, laboratory, wound care, cancer care, sleep center, and community health and education outreach programs.

The City provides ambulance service to an area encompassing approximately 280 square miles which encompasses the corporate limits of the City and five fire protection districts outside the City. The City’s ambulance service maintains a fleet of three Advanced Life Support (Paramedic) ambulances, staffing two units 24-hours a day, 7 days a week with the third staffed for 12 hours a day every day.

Education

The public school system within the City is operated under the administration and control of the Highland Community Unit School District #5 (the “School District”) and the Southwestern Illinois Community College, a two-year community college district with a campus located in Belleville, Illinois 30 miles from the City. These districts are independent of the City, having their own elected or appointed officials, budgets and administrators. The districts are empowered to levy taxes, separate and distinct from those levied by the City.

The School District owns and operates 1 elementary school, 1 middle school and 1 high school in the City limits. In addition, there is a privately owned elementary and junior high school in the City.

In addition to Southwestern Illinois Community College, higher education is available at Southern Illinois University Edwardsville (“SIUE”), located approximately 23 miles from the City. SIUE provides undergraduate, graduate and professional programs for approximately 14,000 students on a 2,600-acre campus. SIUE has more than 273 areas of study.

Several other institutions of higher education are within a 35-mile radius of the City including McKendree University in Lebanon, Lewis and Clark College in Godfrey, Kaskaskia Community College in Centralia, Washington University in St. Louis, and Saint Louis University in St. Louis.

Economic and Demographic Data

Economy

The City is a growing community characterized by a strong commercial/industrial base, an abundance of public facilities and a variety of attractive residential developments. Founded in 1831 by Swiss settlers, the City functioned as a service center for the surrounding agricultural areas. Today, the City not only retains this function, but also serves as an attractive suburban community providing

employment opportunities both locally and in other employment centers in the St. Louis Metropolitan Area. The City’s proximity to interstate highways and to a major metropolitan area has enhanced the City’s growth and development and offers residents the opportunity to enjoy the cultural advantages of a large metropolitan area.

The City currently has approximately 300 business establishments. The City’s retail activity is centered in four locations; the historic downtown and three strip shopping centers.

Transportation

There are four interstate highways which run through Madison County, two are within eight miles of the City (Interstate 55, and 270) and one (Interstate 70 running east and west across the United States) is immediately adjacent to the City. U.S. Route 40, running east and west, is the main artery through the City. Two railroads, the Chicago Northwestern and the Norfolk Southern, provide rail transportation and fixed route bus transportation in the City is provided by the Madison County Transit District.

Tri-City Regional Port District, located 40 miles west of the City, operates barge terminal facilities on the Mississippi River. Lambert-St. Louis International Airport, a major international airport located in St. Louis County, Missouri is approximately 45 miles from the City. Commercial air service is provided by St. Louis Regional Airport, a general aviation facility in Bethalto, Illinois approximately 30 miles from the City, and at MidAmerica Airport, located approximately 20 miles from at the City. The City is also served by two private general aviation airports, Highland Winet and Schaefer Metro East in Troy, the latter just 10 miles from the City.

Population

The following table sets forth population statistics for the City:

<u>Year</u>	<u>Population</u>
1980	7,122
1990	7,546
2000	8,438
2010	9,919

Source: United States Department of Commerce, Bureau of Census.

Major Employers

The largest employers located within the City are as follows:

<u>Name</u>	<u>Product or Service</u>	<u>Number of Employees</u>
Eaton Corporation	Industrial Support Systems	475
Basler Electric	Electrical Equipment Manufacturer	340
Highland C.U.S.D.	Education	330
City of Highland	Municipal Government	295
Wal-Mart Stores	Department Store	270
St. Joseph’s Hospital	General Hospital	263
Faith Countryside Homes	Nursing/Assisted Living	117
Nutreco	Animal Food Provider	99
Apex Therapy	Physical Therapy	76
Highland Machine	Sheet Metal Fabrication	70

Source: City of Highland 2019 survey of employers.

Employment

According to the US Bureau of Census, 2013-2017 American Community Survey, 5-Year Estimates, the total civilian labor force of the City was 5,146 and 231 people were unemployed. This represents a 4.5% unemployment rate.

Housing

The following table sets forth certain statistics relating to housing for the City and, for comparative purposes, Madison County and the State of Illinois:

	Median Value of Owner <u>Occupied Housing</u>	% Built from <u>2000 or later</u>	% Built Before <u>1940</u>
City of Highland	\$146,900	24.0%	12.8%
Other Entities:			
Madison County	130,200	13.4	16.2
State of Illinois	179,700	12.7	21.8

Source: US Bureau of Census, 2013-2017 American Community Survey 5-Year Estimates.

Income

The following table sets forth certain income statistics for the City and, for comparative purposes, Madison County and the State of Illinois:

	Per Capita <u>Income</u>	Median <u>Family Income</u>	% Population Below <u>Poverty Level</u>
City of Highland	\$29,077	\$72,974	14.6%
Other Entities:			
Madison County	30,278	72,185	13.5
State of Illinois	32,924	76,533	13.5

Source: US Bureau of Census, 2013-2017 American Community Survey 5-Year Estimates.

Building and Construction Data

The following table sets forth the number of units and value of building permits issued by the City for new construction and improvements for the past five Fiscal Years:

Fiscal Year	Residential		Commercial & Industrial		Total Value
	Number of Permits	Value	Number of Permits	Value	
2015	181	\$3,078,000	50	\$3,439,000	\$ 6,517,000
2016	255	5,400,000	40	4,272,000	9,672,000
2017	243	7,222,000	38	1,369,000	8,591,000
2018	184	5,787,000	32	5,476,000	11,263,000
2019	343	9,443,000	58	6,565,000	16,008,000

Source: City Development Department.

THE CITY'S FINANCES

The General Fund

In accordance with established accounting procedures for governmental units, the City records its financial transactions under various funds. The largest is the General Corporate Fund, from which all general operating expenses are paid and to which taxes and all other revenues not specifically allocated by law or contractual agreement to other funds are deposited.

The following table indicates the City's General Corporate Fund revenues, expenditures and changes in fund balance for the fiscal years ended April 30, 2016 through 2019:

**SUMMARY OF OPERATIONS
GENERAL CORPORATE FUND
Revenues, Expenditures and Changes in Fund Balances**

	Fiscal Year ended April 30			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES:				
Property Taxes	\$1,318,701	\$1,362,365	\$1,360,440	\$1,391,295
Corporate Personal Property				
Replacement Taxes	99,821	141,800	104,152	118,146
Intergovernmental ⁽¹⁾	4,440,011	4,099,705	4,408,056	4,400,137
Charges for Services	2,356,641	2,360,332	2,412,005	2,442,958
Licenses and Permits	249,133	242,861	251,510	282,042
Fines and Penalties	29,817	18,480	18,345	19,613
Revenue from Use of Property	89,184	92,455	90,883	96,666
Grants	-	178,078	345,625	562,792
Miscellaneous	<u>395,058</u>	<u>473,357</u>	<u>285,790</u>	<u>199,111</u>
Total Cash Revenues	8,978,366	8,969,433	9,276,806	9,512,760
CURRENT EXPENDITURES:				
General Government	1,335,459	1,227,991	1,325,568	1,326,382
Public Safety	3,096,418	3,170,447	3,280,449	3,401,414
Highways and Streets	927,059	1,017,382	898,993	934,569
Economic Development	310,318	179,261	143,661	431,300
Culture and Recreation	1,946,620	1,891,961	1,885,398	1,947,297
Capital Expenditures	<u>2,255,357</u>	<u>1,271,857</u>	<u>897,253</u>	<u>1,511,586</u>
Total Expenditures	9,871,231	8,758,899	8,431,322	9,552,548
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(892,865)	210,534	845,484	(39,788)
DEBT SERVICE EXPENDITURES AND OTHER FINANCING SOURCES (USES)				
Principal Retirement	(400,000)	(403,264)	(452,372)	(458,326)
Interest, Issue Costs and Fixed Charges	(31,319)	(29,356)	(29,253)	(23,088)
Note Payable Proceeds	-	221,000	-	-
Sale of Capital Assets	6,500	57,000	1,800	1,940
Unrealized Depreciation of Investments	-	-	(8,972)	7,981
Transfers in ⁽²⁾	1,534,530	415,468	94,808	1,039,232
Transfers out ⁽²⁾	<u>(104,000)</u>	<u>(560,000)</u>	<u>(280,000)</u>	<u>(115,000)</u>
Total other financing sources (uses)	1,005,711	(299,152)	(673,989)	452,739
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	112,846	(80,118)	171,495	412,951
BALANCE BEGINNING OF YEAR	<u>2,562,631</u>	<u>2,675,477</u>	<u>2,595,359</u>	<u>2,766,854</u>
BALANCE END OF YEAR	<u>\$2,675,477</u>	<u>\$2,595,359</u>	<u>\$2,766,854</u>	<u>\$3,179,805</u>

Footnotes to Prior Page

- (1) Intergovernmental revenue includes Revenue Sharing Receipts, personal property replacement tax, and various Federal and State grants.
- (2) Information regarding “Transfers In” and “Transfers Out” is included in the notes to the financial statements included as APPENDIX A to this Official Statement under “INTERFUND ACTIVITY.”

Source: Derived from audited financial statements of the City and the City’s Director of Finance.

Projected 2020 General Fund Results

The City’s 2020 Fiscal Year ends on April 30, 2020. Based on the budget and year to date results, the City expects the general fund ending balance to equal approximately \$3,180,000.

The City also maintains a savings balance in the Property Replacement Fund, which is a fund established by the City for capital expenditures in various City funds including the General Fund. For the 2020 Fiscal Year the projected ending balance is \$5,022,000. The Property Replacement Fund is voluntary and the funds credited to this fund are available for any legal purpose.

Governmental Funds - Revenue Sources

The City derives its revenues from a variety of sources. The following list sets forth the primary sources of City revenues for its governmental funds based on audited results for the 2019 Fiscal Year:

	<u>Revenue</u>	<u>Percentage of Total Revenue</u>
Intergovernmental:		
Sales Tax:		
General Sales Tax	\$ 2,718,178	16.45%
Non-Home Rule Sales Tax	1,458,085	8.82
Business District Sales Taxes ⁽¹⁾	493,431	2.99
State Income Tax ⁽²⁾	1,327,101	8.03
Other Intergovernmental	<u>948,028</u>	<u>5.74</u>
Total	<u>6,944,823</u>	<u>42.03</u>
Property Taxes	3,898,828	23.60
Corporate Personal Property Taxes	170,962	1.03
Charges for Services	4,167,512	25.22
Licenses, Permits and Fees	282,042	1.71
Revenue from the Use of Property	96,666	0.59
Grants and Contributions	593,992	3.59
Other	<u>368,698</u>	<u>2.23</u>
	<u>\$16,523,523</u>	<u>100.00%</u>

(1) The City began receiving this tax in October 2018.

(2) Revenue Sharing Receipts.

Source: Fiscal Year 2019 audited financial statements.

The following is a summary of some of the more significant revenue sources of the City:

Sales Taxes

General Description. Prior to 1990 a 6% State sales tax was charged by the State of Illinois of which 1% was distributed to cities as a local sales tax (the “General Sales Tax”). The sales tax rate in the City is currently 7.85% of which the State receives 5%, the County receives .25%, the Madison County Transit District receives .25%, the Metroeast Park District receives .1%, the County Flood Prevention District receives .25%, and the City receives 1% from the General Sales Tax and 1% from the Non-

Home Rule Sales Tax. The sales taxes are collected by the Illinois Department of Revenue and distributed to the City monthly.

General Sales Tax. The following table sets forth the City’s 1% General Sales Tax receipts for the past five Fiscal Years:

<u>Fiscal Year</u>	<u>General Sales Tax</u>
2015	\$2,473,224
2016	2,624,354
2017	2,687,754
2018	2,692,857
2019	2,718,178

Source: City’s audited financial statements.

Non-Home Rule Sales Tax. In March 2006 voters approved a 1% Non-Home Rule Sales Tax. The 2008 Fiscal Year was the first full year of receipts from the tax. The Non-Home Rule Sales Tax is pledged to the payment of the Series 2014B Bonds and the Series 2010 Bonds. Funds remaining after payment of such bonds will be used for the maintenance of existing streets and sidewalks.

The following table sets forth the City’s Non-Home Rule Sales Tax receipts for the past five Fiscal Years:

<u>Fiscal Year</u>	<u>Non-Home Rule Sales Tax</u>
2015	\$1,356,778
2016	1,397,348
2017	1,409,810
2018	1,402,969
2019	1,458,085

Source: City’s audited financial statements.

Business District Sales Taxes. In July 2018, the City imposed business district sales taxes pursuant to the Business District Development and Redevelopment Law of the Illinois Municipal Code (“Business District Sales Taxes”) in three districts. Two of the districts, known as Business District A and Business District B, encompassed substantially all of the City’s commercial businesses. In July 2019, Business District B was combined with Business District A. The Business District Sales Tax is imposed at the rate of ½%. The Business District Sales Tax was imposed on Business District A and Business District B beginning in July 2018 and distributed to the City beginning in October 2018. The tax will expire in 23 years from that date. The City expects to collect approximately \$674,000 annually from this tax. Additional information regarding the Business District and the Business District Sales Taxes is included under the caption “THE BUSINESS DISTRICT.”

Revenue Sharing Receipts

Illinois municipalities and counties receive a portion of the Illinois State income tax as a form of revenue sharing. A portion of the Illinois State income taxes are deposited into the Local Government Distributive Fund and are then distributed to municipalities and counties monthly. The amount of such funds allocable to each such municipality and county is the proportion of the number of individual residents of such municipality or county to the total population of the State, determined in each case on the basis of the latest census of the State, municipality or county conducted by the Federal government

and certified by the Secretary of State. During the past two years, distribution has been delayed due to financial constraints experienced by the State of Illinois.

The following table sets forth the City’s distributive share of income tax receipts for the past five Fiscal Years.

<u>Fiscal Year</u>	<u>Income Tax Receipts</u>
2015	\$1,171,822
2016	1,421,357
2017	1,046,684
2018	1,359,263
2019	1,327,101

Source: City’s audited financial statements.

Charges for Services

Charges for services are for business licenses, building permits, and parks and recreation. Fees from recreation activities represent the majority of funds classified as “Charges for Services.”

PROPERTY TAXATION

Tax Procedures

Real estate and railroad property, not used for transportation, are assessed by the Madison County Assessor. Railroad property used for transportation, private car lines, pollution control equipment and capital stock are assessed by the Illinois Department of Revenue. The Department is also responsible for establishing the rules and supervising the assessment of property and assigning multipliers or equalization ratios to each county.

The assessor’s valuations are subject to appeal by the taxpayer and then to equalization by the Illinois Department of Revenue. The purpose of equalization is to develop a common level of assessment among counties to provide, among other things, a uniform basis for the distribution of State grant-in-aid programs and to minimize problems in the distribution of the tax burden of a governmental unit in more than one county. The multiplier is applied to all assessments, other than farmland, in a county in order to bring the level of assessment as close as possible to the statutory standard. The statutory standard for assessed values is 33 1/3% of fair cash value for non-farmland and 33 1/3% of the agricultural economic value for farmland. Agricultural economic value is determined on the basis of a productivity index. The index is based on moving averages for the most recent five-year period for which statistics are available relating to various information including (i) gross income, (ii) production costs and (iii) net return to land.

Taxable property is reassessed quadrennially. Between these quadrennial assessments, the assessor has the authority to revalue properties whose condition has altered significantly since the last assessment and any other properties which may be incorrectly assessed.

An annual tax levy, in dollar amounts, is established by the City each fiscal year and is certified and filed with the County Clerk of Madison County (the “County”) not later than the last Tuesday in December. Taxes levied for the current year are collected in the next succeeding year. The County Clerk is responsible for establishing the rate of tax required to produce a net amount of funds not less than the total amount directed to be levied by the City. Pursuant to “The Truth in Taxation Act” of the State of Illinois (P.A. 82-102, approved and effective July 29, 1981), the City is required to disclose by publication and to hold a public hearing on its intention to adopt an aggregate levy in amounts more than

105% of the amount of property taxes extended or estimated to be extended upon the levy of the preceding year, exclusive of election costs, as a condition precedent to such increased levy by the City of the extension thereof by the County Clerk. The provisions of the Truth in Taxation Act do not apply to levies made to pay debt service on bonds.

Taxes in Madison County are due in four equal installments in July, September, October and December in the year following the date of the tax levy. The volume of assessment complaints required to be reviewed by the Board of Review, changes in assessment procedures and late submission of assessment data by taxing districts to the Board of Review, among other things, can substantially affect the date in which bills are actually mailed and taxes are due. Delinquent taxes accrue interest at the rate of 1½% per month until they are paid or until the property is forfeited.

By Illinois statute, the County has a first lien upon real property for payment of taxes. Delinquent taxes may be collected by judicial foreclosure. If an arrearage remains after the second tax payment is due, a Treasurer's tax sale occurs, usually within six months. Participants in this sale are not purchasing the actual property, but merely the taxes owed. If the taxes are not sold, the property remains with a county trustee. If the property owner fails to pay all owed taxes plus interest within two years, the property itself is sold in an auction. The new owner must then pay the tax agent or county trustee the back taxes and interest. Detailed procedures covering the sale of property for delinquent taxes are prescribed in the Illinois Property Tax Code.

The County Treasurer is responsible for tax collections and distributions to the City and other taxing districts. Distributions are made as soon as sufficient funds are available for this purpose.

Tax-Exemptions

Principal categories of exempt property are property used for religious, educational, or charitable purposes, property of the United States, property of the State of Illinois and political subdivisions thereof, homes used by disabled veterans, and property of not-for-profit corporations. Personal property was exempted from taxation after January 1, 1979. In addition, the Property Tax Code provides a variety of homestead and other exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$10,000 for tax year 2017 and thereafter.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of \$100,000 or less ("Qualified Homestead Property"). If the taxpayer's annual income is \$75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

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

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2017, the maximum exemption is \$8,000.

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

Beginning January 1, 2015 purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the applicable section of the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by the Consumer Price Index ("CPI"). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

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

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

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

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

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

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law of the State of Illinois, as amended (the “*Limitation Law*”), limits the amount of the annual increase in property taxes to be extended for certain Illinois non-home rule units of government. The Limitation Law, permits the county boards of all counties not subject to the Limitation Law to initiate binding referenda to extend the provisions of the Limitation Law to all non-home rule taxing bodies in the county. At the April 13, 1999 Consolidated Election, voters of Madison County rejected a proposition to extend the provisions of the Limitation Law to taxing bodies in Madison County.

Property Assessment

The following table indicates the equalized assessed valuation for the City for the past five tax years:

<u>Tax Year</u>	<u>Equalized Assessed Valuation</u>	<u>Change from Prior Year</u>
2014	\$177,827,085	—
2015	177,612,345	-0.12%
2016	180,405,083	1.57
2017	184,021,018	2.00
2018	189,946,306	3.22

Source: Office of the County Clerk.

The following table sets forth the composition of equalized assessed valuation for 2018 tax year and the estimated market value:

<u>Assessment Category</u>	<u>Assessed Value</u>	<u>Estimated Market Value</u>
Residential	\$137,963,798	\$413,891,394
Commercial	46,999,602	140,998,806
Industrial	4,653,830	13,961,490
Railroads	88,046	264,138
Farmland	241,030	241,030
Total Taxable Properties	<u>189,946,306</u>	<u>569,356,858</u>
Exemptions (Sr. Citizens Homestead, Sr. Citizens Tax Freeze, General Homestead and Others)	26,571,488	79,714,464
Tax Increment Financing	<u>6,505,647</u>	<u>19,516,941</u>
Total	<u>\$223,023,441</u>	<u>\$668,588,263</u>

Source: Equalized assessed values were provided by the County Clerk.

Tax Rates

The following table sets forth the City's tax rates per \$100 equalized assessed valuation for the tax years 2015 through 2018:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government ⁽¹⁾	\$.3330	\$.3279	\$.3298	\$.3291
Police Protection ⁽²⁾	.0750	.0739	.0743	.0742
Fire Protection ⁽³⁾	.0750	.0739	.0743	.0742
Playground & Recreation ⁽⁴⁾	.0900	.0887	.0892	.0890
Band ⁽⁵⁾	.0259	.0255	.0250	.0211
Social Security	.2619	.2495	.2446	.2317
Retirement	.2787	.2495	.2446	.2291
Liability Insurance	.1295	.1636	.1783	.1712
Crossing Guards ⁽⁶⁾	.0070	.0056	.0055	.0048
Audit	.0096	.0089	.0087	.0106
Ambulance ⁽⁷⁾	.2500	.2462	.2476	.2471
Community Building ⁽⁸⁾	.0750	.0739	.0743	.0742
Police Pension	.2367	.3059	.3125	.3342
Library ⁽⁹⁾	.1500	.1477	.1486	.1483
Library Liability Insurance ⁽¹⁰⁾	.0189	.0183	.0191	.0187
Bonds	—	—	—	—
Public Comfort Station	.0141	.0084	.0109	—
	<u>\$2.0303</u>	<u>\$2.0674</u>	<u>\$2.0873</u>	<u>\$2.0575</u>

-
- (1) The maximum tax rate is equal to \$.33 per \$100 of Assessed Value but may be increased to \$.4375 by referendum.
- (2) The maximum tax rate is equal to \$.075 per \$100 of Assessed Value but may be increased to \$.60 by referendum.
- (3) The maximum tax rate is equal to \$.075 per \$100 of Assessed Value but may be increased to \$.60 by referendum.
- (4) The maximum tax rate is equal to \$.09 per \$100 of assessed value but may be increased by referendum to any rate.
- (5) The maximum tax rate is equal to \$.04 per \$100 of Assessed Value.
- (6) The maximum tax rate is equal to \$.02 per \$100 of Assessed Value.
- (7) The maximum tax rate is equal to \$.25 per \$100 of Assessed Value.
- (8) The maximum tax rate is equal to \$.075 per \$100 of Assessed Value.
- (9) The maximum tax rate is equal to \$.15 per \$100 of Assessed Value.
- (10) The maximum tax rate is equal to \$.0333 per \$100 of Assessed Value.

Tax Levies and Collections

Due to the procedures used in the collection and distribution of taxes, Madison County does not make a distinction in record keeping between total current taxes collected and back taxes collected (See the caption “PROPERTY TAXATION-Tax Procedures”). A final annual settlement of taxes is made by the County approximately 6 to 10 months following the due date on the last installment of taxes. The following table sets forth the total taxes distributed to the City by the final tax settlement date:

<u>Tax Year</u>	<u>Taxes Extended</u>	<u>Taxes Distributed</u>	<u>% Distributed</u>
2013	\$3,446,329	\$3,421,827	99.29%
2014	3,541,960	3,523,231	99.47
2015	3,606,064	3,590,386	99.57
2016	3,729,694	3,734,016	100.12
2017	3,841,070	3,828,718	99.68
2018	3,908,144	n/a	n/a

Source: City’s Finance Department.

Major Taxpayers

The following table sets forth information regarding the top ten taxpayers in the City based on 2018 property tax assessment.

<u>Taxpayer</u>	<u>Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation⁽¹⁾</u>
St. Joseph’s Hospital	Healthcare	\$3,573,850	1.88%
Walmart Stores	Department Store	2,840,190	1.50
Frey Properties	Developer	1,676,910	0.88
CBL Acquisition Corp. (formerly Cooper B-Line Systems)	Industrial Support Systems	1,334,360	0.70
Retko Group	Rental Property	1,271,740	0.67
Cedarhurst of Highland Real Estate LLC	Real Estate Development	1,254,510	0.66
Glik Development Co.	Real Estate Development	982,750	0.52
Trouw Nutrition	Feed Additive	949,010	0.50
Dow Jones	Wall Street Journal-MidWest Edition	947,690	0.50
Highland Leasehold/ Health	Health Care	937,830	0.49

(1) Based on the ratio of the assessed valuation of the taxpayer to the City’s assessed valuation of \$189,946,306.

Source: Madison County Clerk.

DEBT OF THE CITY

The Debt Certificates*

The following table sets forth the debt service requirements on the Certificates.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021	\$ 300,000	\$ 271,464	\$ 571,464
2022	315,000	266,425	581,425
2023	325,000	253,825	578,825
2024	340,000	240,825	580,825
2025	355,000	227,225	582,225
2026	365,000	213,025	578,025
2027	380,000	198,425	578,425
2028	390,000	187,025	577,025
2029	400,000	179,225	579,225
2030	410,000	169,225	579,225
2031	420,000	156,925	576,925
2032	435,000	144,325	579,325
2033	450,000	131,275	581,275
2034	460,000	117,775	577,775
2035	480,000	103,975	583,975
2036	495,000	87,175	582,175
2037	510,000	69,850	579,850
2038	530,000	52,000	582,000
2039	550,000	33,450	583,450
2040	<u>565,000</u>	<u>16,950</u>	<u>581,950</u>
Total	<u>\$8,475,000</u>	<u>\$3,120,389</u>	<u>\$11,595,389</u>

Alternate Revenue Bonds

The following table sets forth a list of the City’s outstanding general obligation alternate revenue source bonds as of the date of this Official Statement. The table includes the source of revenue from which debt service payments are made or expected to be made.

<u>Issue</u>	<u>Source of Repayment</u>	<u>Principal Outstanding</u>
General Obligation Capital Appreciation Bonds (Alternate Revenue Source) Series 2010	Non-Home Rule Sales Tax	\$2,817,579
General Obligation Bonds (Alternate Revenue Source) Series 2012	General Obligation Bonds and Incremental Revenues	2,830,000
General Obligation Sewerage System Bonds (Alternate Revenue Source) Series 2013	Sewerage System	2,110,000
General Obligation Refunding Bonds (Alternate Revenue Source) Series 2014A	General Sales Tax	<u>430,000</u>
Total		<u>\$8,187,579</u>

* Subject to Change

The following table sets forth the debt service on the City’s outstanding general obligation alternate revenue source bonds, as of the date of this Official Statement including the source of revenue from which debt service is expected to be paid:

Fiscal Year	Incremental Revenues and Other Funds	General Sales Tax	Non-Home Rule Sales Tax	Sewer System	Total Debt Service
2020		\$ 4,515			\$ 4,515
2021	\$ 292,563	434,515	\$ 535,000	\$ 198,800	1,460,878
2022	291,563	—	535,000	195,613	1,022,176
2023	290,413	—	535,000	197,263	1,022,676
2024	289,113	—	535,000	198,450	1,022,563
2025	292,663	—	535,000	199,220	1,026,883
2026	290,350	—	535,000	199,623	1,024,973
2027	287,875	—	535,000	199,643	1,022,518
2028	290,238	—	535,000	199,265	1,024,503
2029	292,275	—	535,000	198,275	1,025,550
2030	288,350	—	540,000	196,775	1,025,125
2031	289,250	—	—	195,075	484,325
2032	289,800	—	—	197,850	487,650
2033	—	—	—	180,413	180,413
2034	—	—	—	163,400	163,400
Total	<u>\$3,484,453</u>	<u>\$439,030</u>	<u>\$5,355,000</u>	<u>\$2,719,665</u>	<u>\$11,998,148</u>

Promissory Note and Installment Purchase Agreement

On October 20, 2018, the City issued Promissory Notes, Series 2018 (the “Promissory Notes”) in the principal amount of \$1,665,000 of which \$1,522,000 is presently outstanding. Proceeds from the Promissory Notes were used to make improvements to the City’s waterworks system. The Promissory Notes are a general obligation of the City; however, the City expects to make payments solely from the City’s waterworks system.

During the 2020 Fiscal Year, the City entered into an installment purchase agreement in the amount of \$300,000 (\$30,000 annual rental payments over a term of 10 years) in connection with a senior center.

Legal Debt Limit and Debt Margin*

The City may enter into installment purchase contracts, and, subject to a vote, may issue general obligation bonds in an amount not exceeding 8.625% of its assessed valuation. The following table sets forth the City’s legal debt limit and debt margin.

2018 Assessed Value	<u>\$189,946,306</u>
Debt Limit - 8.625% of Assessed Value	\$16,382,869
Less: Debt Counting Against Limit ⁽¹⁾	<u>10,297,000*</u>
Legal Debt Margin	<u>\$ 6,085,869*</u>

(1) As long as the City’s pays the alternate bonds from the Pledged Revenues, the alternate revenue source bonds will not count against any constitutional or statutory debt limit. Accordingly, the City’s alternate bonds are not included in the table above.

* Subject to Change

Without voter approval, the City may issue bonds pursuant to the Illinois Municipal Code (bonds authorized under Section 8-5-16 of the Illinois Municipal Code) in an amount equal to .50% of assessed valuation. The following table sets forth the City’s non-referendum debt limit:

2018 Assessed Value	<u>\$189,946,306</u>
Debt Limit - .50% of Assessed Value	\$949,732
Less: Debt Counting Against Limit	—
Legal Debt Margin	<u>\$949,732</u>

Direct and Overlapping Debt*

The following table sets forth information relating to the direct and overlapping general obligation debt of the City as of the date of this Official Statement:

	Outstanding Bonds	Percent Applicable to The City ⁽¹⁾	City’s Direct and Overlapping Debt
City of Highland ⁽²⁾	\$10,322,000	100.00%	\$10,322,000
Southwestern Illinois College #522	8,865,000	2.72	241,128
Community Unit School Dist. No. 5	<u>18,144,217</u>	48.46	<u>8,792,688</u>
	<u>\$37,331,217</u>		<u>\$19,355,816</u>

- (1) Based on 2018 assessed valuation including the value of property in tax increment financing areas.
 - (2) The table excludes the City’s alternate bonds since the alternate bonds are not considered debt unless property taxes are extended for payment of such bonds.
- Source: Bond amounts were derived from records available through the Municipal Securities Rulemaking Board’s Electric Municipal Market Access system (“EMMA”). Assessments were provided by records of the County Clerk.

Additional and Future Debt

The City is evaluating the feasibility of constructing a new swimming pool. The estimated cost of the pool is \$5,000,000 and the City may commence the project within the 2021 calendar year.

THE BUSINESS DISTRICT

General Description

Municipalities are authorized to create and amend Business Districts by the Illinois Municipal Code, specifically in 65 ILCS 5/11-74.3 et seq. (the “Business District Act”). The Business District Act sets forth the requirements and procedures for establishing and amending a Business District and a Business District Plan. In order to impose the retailers’ occupation tax and service occupation tax, the corporate authorities of the municipality shall make a formal finding that the Business District area is a “Blighted Area”, as defined as follows:

"Blighted area" means an area that is a blighted area which, by reason of the predominance of defective, non-existent, or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire or other causes, or any combination of those factors, retards the provision of housing accommodations or constitutes an economic or social liability, an economic underutilization of the area, or a menace to the public health, safety, morals, or welfare."

* Subject to Change

The Business District Act requires that a Business District Plan is prepared and adopted by a municipality that sets forth the conditions of blight.

The Business District Act also requires that any Business District Plan adopted by a municipality include:

- A specific description of the District boundaries and map;
- A general description of each project proposed to be undertaken within the District including a description of the approximate location of each project and a description of any developer, user, or tenant of any property to be located or improved within the proposed business district;
- The name of the proposed District;
- The estimated business district project costs;
- Anticipated source of funds to pay District project costs;
- Anticipated type and terms of any obligations to be issued; and
- The retailers' occupation tax and service occupation tax, if any, and the rate of such taxes and
- the period of time for which the tax shall be imposed.

The City's Business Districts

In 2017, the City engaged Moran Economic Development, Edwardsville, Illinois, to prepare Business District Plans in connection with potential business districts in the City. Three business districts were established. Two of the districts, known as Business District A and Business District B, encompassed substantially all of the City's commercial businesses. In July 2019, Business District B was combined with Business District A.

The combined Business District A was found to be "blighted" due to the presence of conditions representative of those outlined in the Business District Act. These included:

- Unsanitary or unsafe conditions
- Deterioration of site improvements
- Existence of conditions which endanger property
- Improper subdivision or obsolete platting

Business District Sales Taxes were established at the rate of ½%. The Business District Sales Taxes were initially implemented in Business District A and Business District B beginning in July 2018 with a 23-year expiration date. Business District Sales Taxes were distributed to the City beginning in October 2018. The City expects to collect approximately \$674,000 annually from the Business District Sales Taxes from Business District A and intends to use the taxes for payment of the principal of and interest on the Certificates.

Redevelopment projects set forth in the Business District Plan include among others, the incurrence of fire and EMS capital costs as determined by the City and the costs of installation or construction of buildings, including public safety buildings, structures, works, streets, improvements, equipment, utilities, or fixtures.

THE PROJECTS

Description

The Certificates are being issued for the purpose of financing the renovation of Fire Station 1 and construction of a new public safety facility.

Fire Station 1 is a 35-year old building that predates the Americans with Disabilities Act of 1990 (“ADA”) laws. Renovations will be made to make the building ADA compliant. In addition, the building is being updated to include additional administration space for both supervision and billing. An approximately 2,000 square foot addition will be added to the rear of the facility that will allow for safe and compliant living quarters for up to 2 full crews of staff. The building will be ADA compliant following completion.

The new public safety facility will house the police department administration and operations as well as space for 2 full EMS crews and apparatus. The building will be approximately 20,000 square feet and will include modern detention, interview, evidence and operational facilities. It will also include an approximately 4,500 square feet of pre-engineered building separate from the main facility that will house fleet vehicles and other emergency apparatus and will provide growth for the Fire Department. The police station will be located on a 10-acre site currently owned by the City.

Loyet Architects, Highland, Illinois, is the architect for the Fire Station project. The City is in the process of selecting a firm to design and build the public safety facility. The Fire Station renovation will begin in March 1, 2020 and is expected to be completed in 3 to 4 months. Construction of the new public safety facility is expected to begin in 6-9 months with completion approximately 12-14 months thereafter.

Estimated Sources and Uses of Funds*

The estimated sources and uses of funds are set forth below.

Sources of Funds	
Net Proceeds of the Certificates ⁽¹⁾	\$8,863,424
Interest Earnings During Construction ⁽²⁾	<u>154,000</u>
Total	<u>\$9,017,424</u>
Uses of Funds	
Estimated Project Costs:	
Fire Station Renovation ⁽³⁾	\$1,500,000
Public Safety Building ⁽⁴⁾	6,650,000
Furniture, Fixtures, Equipment and Contingencies	805,924
Costs of Issuance	<u>61,500</u>
Total	<u>\$9,017,424</u>

(1) Represents the principal amount of the Certificates, plus the estimated original issue premium less the estimated underwriter’s discount.

(2) Assumes a 24-month construction period and an interest rate of 1.75%.

(3) Based on a bid received for renovation of Fire Station Number 1, 2019.

(4) Based on a City estimate.

* Subject to Change

RATING

Moody's Investors Service, Inc. has assigned the rating of "Aa3" to the Certificates. Such rating reflects only the view of the rating agency and any desired explanation of the significance of the rating should be obtained from the rating agency at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich, New York, New York 10007. There is no assurance that a rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by the rating agency. Such lowering or withdrawal may have an adverse effect on the market price of the Certificates.

LEGAL MATTERS

All matters incident to the authorization and issuance of the Certificates are subject to the approval of Gilmore & Bell, P.C., Edwardsville, Illinois, Bond Counsel. Bond Counsel has participated only in the preparation of portions of this Official Statement captioned "THE CERTIFICATES", "LEGAL MATTERS," "TAX MATTERS," "CONTINUING DISCLOSURE UNDERTAKING" (except for "Prior Compliance") and APPENDIX B. Bond Counsel accordingly expresses no opinion as to the accuracy or sufficiency of other portions of this Official Statement or as to the financial statements contained herein.

TAX MATTERS

The following is a summary of the material federal and State of Illinois income tax consequences of holding and disposing of the Certificates. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Certificates as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Illinois, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Certificates in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Certificates.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under the law existing as of the issue date of the Certificates:

Federal Tax Exemption. The interest on the Certificates (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. The interest on the Certificates is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Certificates are "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

Bond Counsel's opinions are provided as of the date of the original issue of the Certificates, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Certificates in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of

interest on the Certificates in gross income for federal income tax purposes retroactive to the date of issuance of the Certificates. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Certificates, but has reviewed the discussion under the heading “TAX MATTERS.”

Other Tax Consequences

Interest Taxable. The interest on the Certificates is not exempt from income taxation by the State of Illinois. Bond Counsel is not rendering any opinion to owners of the Certificates regarding the treatment of interest on the Certificates for Illinois income taxation. Purchasers of Certificates should consult their tax advisors as to the applicability of these tax consequences of the purchase, ownership and disposition of the Certificates, including the possible application of state, local, foreign and other tax laws.

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Certificate over its issue price. The issue price of a Certificate is generally the first price at which a substantial amount of the Certificates of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt obligations accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Certificate during any accrual period generally equals (1) the issue price of that Certificate, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Certificate (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Certificate during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Certificate. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Certificate over its stated redemption price at maturity. The issue price of a Certificate is generally the first price at which a substantial amount of the Certificates of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt obligations amortizes over the term of the Certificate using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Certificate and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Certificate prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Certificates. Upon the sale, exchange or retirement (including redemption) of a Certificate, an owner of the Certificate generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Certificate (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Certificate. To the extent a Certificate is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Certificate has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Certificates, and to the proceeds paid on the sale of the Certificates, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend

and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Certificates should be aware that ownership of the Certificates may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Certificates. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Certificates should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Certificates, including the possible application of state, local, foreign and other tax laws.

MUNICIPAL ADVISOR

WM Financial Strategies, St. Louis, Missouri, (the "Municipal Advisor") is a registered municipal advisor with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor is employed by the City to render certain professional services, including advising the City on a plan of financing and assisting in preparing the Official Statement for the sale of the Certificates. The Municipal Advisor does not guaranty, warrant or represent the accuracy or completeness of the information contained in this Official Statement.

UNDERWRITING

Commerce Bank, Kansas City, Missouri (the "Underwriter"), has agreed to purchase the Certificates from the City at a price equal to \$ _____ (representing \$ _____ original principal amount of the Certificates, plus a net original issue premium of \$ _____, and less an underwriting discount of \$ _____). The Underwriter is purchasing the Certificates from the City for resale in the normal course of the Underwriter's business activities. The Certificates may be offered and sold to certain dealers and others at prices lower than the initial public offering price, and such initial offering price may be changed from time to time.

NO LITIGATION CERTIFICATE

Simultaneously with the delivery of and payment for the Certificates, the Mayor, acting on behalf of the City, will furnish to the Underwriter a certificate which shall state, among other things, that there is no controversy, suit or other proceeding of any kind pending or to his knowledge, threatened in any court (either State or Federal) restraining or enjoining the issuance or delivery of the Certificates or questioning (i) the proceedings under which the Certificates are to be issued, (ii) the validity of the Certificates, (iii) the creation of the City's business districts or the imposition of the Business District Sales Taxes, or (iv) the legal existence of the City or the title to office of the present officials of the City.

CONTINUING DISCLOSURE UNDERTAKING

The Undertaking

The City will covenant in a Continuing Disclosure Undertaking to provide certain financial information and operating data relating to the City as described below (the "Annual Report") and to provide notices of the occurrence of certain enumerated events. The City shall file the Annual Reports with the Municipal Securities Rulemaking Board (the "MSRB") via the Electronic Municipal Market Access system ("EMMA") as follows:

- (i) Within 180 days following the end of each Fiscal Year, commencing with the Fiscal Year ending April 30, 2020, the audited financial statements of the City.
- (ii) Within 180 days following the end of each Fiscal Year, commencing with the Fiscal Year ending April 30, 2020, certain annual financial information and operating data generally consistent with the tables contained in this Official Statement under the captions “THE CITY’S FINANCES,” “PROPERTY TAXATION,” and “DEBT OF THE CITY.”
- (iii) Notice of the occurrence of any of the following events with respect to the Certificates, within 10 business days after the occurrence:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) modifications to rights of bondholders, if material;
 - (4) bond calls, if material, and tender offers;
 - (5) defeasances;
 - (6) rating changes;
 - (7) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Forms 570-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax-exempt status of the Certificates;
 - (8) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (9) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (10) substitution of credit or liquidity providers, or their failure to perform;
 - (11) release, substitution or sale of property securing repayment of the Certificates, if material;
 - (12) bankruptcy, insolvency, receivership or similar event of the City;
 - (13) the consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
 - (15) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and
 - (16) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

For purposes of (15) and (16) above, “financial obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c-12.

The City may also, from time to time, choose to provide notice of other events or matters, but the City does not undertake to commit to provide any such notice of any event or matter except those indicated herein.

The foregoing information, data and notices can be obtained from the City’s Director of Finance at the Highland City Hall, 1115 Broadway, Highland, Illinois 62249, (618) 654-9891.

The City may amend its disclosure obligations provided that the City receives an opinion from nationally recognized bond counsel to the effect that such modifications are in compliance with the Rule.

If the City fails to comply with its disclosure obligations, any holder or Beneficial Owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations. A default by the City in its disclosure obligations shall not be deemed a default under the Certificate Ordinance authorizing the issuance of the Certificates and the sole remedy shall be an action to compel performance.

Prior Compliance

To the best of the City’s knowledge and belief, the City has complied in all material respects with its prior continuing disclosure obligations under Rule 15c2-12.

CERTIFICATION OF OFFICIAL STATEMENT

Simultaneously with the delivery of the Certificates, the Mayor, acting on behalf of the City, will furnish to the Underwriter a certificate which shall state, among other things, that to the best of his knowledge and belief, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Certificates does not contain any untrue statement of a material fact and does not omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Certificates. Any statement made in this Official Statement involving matters of opinion is intended merely as an opinion and not as a representation of fact. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

CITY OF HIGHLAND, ILLINOIS

BY: _____
Mayor

APPENDIX A
CITY OF HIGHLAND, ILLINOIS
FINANCIAL STATEMENTS
April 30, 2019

The financial statements presented within this APPENDIX A have been extracted from the City’s annual financial statements for the year ended April 30, 2019. The statements include supplemental information and the auditor’s report which are not included herein. Copies of the annual financial statements, in their entirety, and the budget for the fiscal year ending April 30, 2020 are at <https://www.highlandil.gov/finance-department>.

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CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF NET POSITION

	PRIMARY GOVERNMENT						COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL		INDUSTRIAL DEVELOPMENT COMMISSION
	APRIL 30,		APRIL 30,		APRIL 30,		
	2019	2018	2019	2018	2019	2018	2019
ASSETS							
Current Assets:							
Cash and Investments	\$ 11,449,634	\$ 10,561,759	\$ 9,356,367	\$ 8,142,965	\$ 20,806,001	\$ 18,704,724	\$ 77,886
Receivables (Net, Where Applicable of Allowance for Uncollectibles):							
Property Taxes	3,818,970	3,771,571			3,818,970	3,771,571	
Replacement Tax Receivable	46,176	33,499			46,176	33,499	
Accounts Receivable	826,928	862,710	815,309	869,422	1,642,237	1,732,132	
Income Tax Receivable	312,581	241,781			312,581	241,781	
Sales Tax Receivable	762,953	637,491			762,953	637,491	
Unbilled Revenue			1,239,203	1,254,123	1,239,203	1,254,123	
Other	112,379	104,356	31,237	22,647	143,616	127,003	
Prepaid Expenses	276,267	268,428	194,648	237,644	470,915	506,072	
Restricted Assets:							
Cash and Investments	130,911	97,193	418,017	68,995	548,928	166,188	
Capital Assets (Net of Accumulated Depreciation)	31,732,664	33,260,553	37,986,119	37,740,948	69,718,783	71,001,501	
Land	7,807,558	7,757,958	2,160,714	2,051,199	9,968,272	9,809,157	
Construction in Progress	1,658,735	667,265	983,074	934,436	2,641,809	1,601,701	
Other Assets (Net of Accumulated Amortization)		163				163	
Total Assets	<u>58,935,756</u>	<u>58,264,727</u>	<u>53,184,688</u>	<u>51,322,379</u>	<u>112,120,444</u>	<u>109,587,106</u>	<u>77,886</u>
DEFERRED OUTFLOWS OF RESOURCES							
Related to OPEB	44,317		18,711		63,028		
Related to Pensions - IMRF and SLEP	3,837,815	1,207,010	2,165,464	728,223	6,003,279	1,935,233	
Related to Pensions - Police Pension	2,537,627	2,013,698			2,537,627	2,013,698	
Total Deferred Outflows of Resources	<u>6,419,759</u>	<u>3,220,708</u>	<u>2,184,175</u>	<u>728,223</u>	<u>8,603,934</u>	<u>3,948,931</u>	<u>0</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 65,355,515</u>	<u>\$ 61,485,435</u>	<u>\$ 55,368,863</u>	<u>\$ 52,050,602</u>	<u>\$ 120,724,378</u>	<u>\$ 113,536,037</u>	<u>\$ 77,886</u>
LIABILITIES							
Current Liabilities:							
Accounts Payable	\$ 430,221	\$ 370,747	\$ 1,624,239	\$ 1,399,069	\$ 2,054,460	\$ 1,769,816	
Accrued Salaries and Benefits	355,627	342,466	149,789	130,025	505,416	472,491	
Accrued Interest	39,076	40,119	181,918	185,079	220,994	225,198	
Customer Deposits			95,746	68,995	95,746	68,995	
Premium on Revenue Bonds	13,251	23,096	19,109	20,427	32,360	43,523	
Long-Term Liabilities:							
Portion Due or Payable Within One Year:							
Bonds Payable	991,787	1,340,000	770,000	745,000	1,761,787	2,085,000	
Notes Payable	90,927	43,327	143,000		233,927	43,327	
Maintenance Agreement Payable			168,903	168,896	168,903	168,896	
Portion Due or Payable After One Year:							
Compensated Absences	746,065	736,629	346,555	345,208	1,092,620	1,081,837	
Net Pension Liability - IMRF and SLEP	3,593,236	294,420	2,025,654	210,126	5,618,890	504,546	
Net Pension Liability - Police Pension	7,526,310	6,309,009			7,526,310	6,309,009	
Other Post Employment Benefits Payable	1,275,029	1,171,898	538,347	494,800	1,813,376	1,666,698	
Bonds Payable	6,077,580	7,069,367	11,835,000	12,605,000	17,912,580	19,674,367	
Notes Payable	234,834	132,037	1,450,000		1,684,834	132,037	
Long-Term Accrued Interest	1,223,731	1,080,230			1,223,731	1,080,230	
Maintenance Agreement Payable			54,255	223,158	54,255	223,158	
Total Liabilities	<u>22,597,674</u>	<u>18,953,345</u>	<u>19,402,515</u>	<u>16,595,783</u>	<u>42,000,189</u>	<u>35,549,128</u>	<u>\$ 0</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Property Taxes	3,818,970	3,771,571			3,818,970	3,771,571	
Related to Pensions - IMRF and SLEP	1,821,154	2,401,926	1,014,921	1,366,252	2,836,075	3,768,178	
Related to Pensions - Police Pension	649,337	774,183			649,337	774,183	
Total Deferred Inflows of Resources	<u>6,289,461</u>	<u>6,947,680</u>	<u>1,014,921</u>	<u>1,366,252</u>	<u>7,304,382</u>	<u>8,313,932</u>	<u>0</u>
NET POSITION							
Invested in Capital Assets, Net of Related Debt	33,803,829	33,101,045	26,708,749	26,984,529	60,512,578	60,085,574	
Restricted for:							
Special Revenue Purposes	2,646,084	2,075,548			2,646,084	2,075,548	77,886
Other Purposes	122,901	129,104			122,901	129,104	
Long-Term Debt	105,658	72,943	418,017	68,995	523,675	141,938	
Unrestricted	(210,092)	205,770	7,824,661	7,035,043	7,614,569	7,240,813	
Total Net Position	<u>36,468,380</u>	<u>35,584,410</u>	<u>34,951,427</u>	<u>34,088,567</u>	<u>71,419,807</u>	<u>69,672,977</u>	<u>77,886</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 65,355,515</u>	<u>\$ 61,485,435</u>	<u>\$ 55,368,863</u>	<u>\$ 52,050,602</u>	<u>\$ 120,724,378</u>	<u>\$ 113,536,037</u>	<u>\$ 77,886</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government		
						Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 1,838,268	\$ 1,740,062	\$ 7,628		\$ (90,578)	\$	\$ (90,578)	
Public Safety	7,021,129	1,766,486	1,815		(5,252,828)		(5,252,828)	
Highways and Streets	2,841,512	10,800	50,343	\$ 55,575	(2,724,794)		(2,724,794)	
Culture and Recreation	2,728,009	1,051,585	75,002	402,028	(1,199,394)		(1,199,394)	
Economic Development	509,973		1,601		(508,372)		(508,372)	
Employer's Contribution to Retirement Fund	894,799				(894,799)		(894,799)	
Interest on Long-Term Debt	270,278				(270,278)		(270,278)	
Total Governmental Activities	16,103,968	4,568,933	136,389	457,603	(10,941,043)	\$ 0	(10,941,043)	\$ 0
Business-Type Activities:								
Electric	16,922,749	17,046,844				124,095	124,095	
Water	2,366,794	2,688,256				321,462	321,462	
Sewer	1,764,812	2,277,562				512,750	512,750	
Solid Waste	1,637,497	1,674,774				37,277	37,277	
Total Business-Type Activities	22,691,852	23,687,436	0	0	0	995,584	995,584	0
Total Primary Government	\$ 38,795,820	\$ 28,256,369	\$ 136,389	\$ 457,603	(10,941,043)	995,584	(9,945,459)	0
Component Unit:								
Industrial Development								0
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					3,898,828		3,898,828	
Intergovernmental					7,115,785		7,115,785	
Gain on Disposal of Capital Assets					14,409		14,409	
Unrealized Appreciation of Investments					25,006	26,380	51,386	558
Interest and Miscellaneous Income					345,985	265,896	611,881	
Transfers					425,000	(425,000)	0	
Total General Revenues					11,825,013	(132,724)	11,692,289	558
Change in Net Position					883,970	862,860	1,746,830	558
Net Position Beginning					35,584,410	34,088,567	69,672,977	77,328
Net Position Ending					\$ 36,468,380	\$ 34,951,427	\$ 71,419,807	\$ 77,886

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 1,867,653	\$ 1,687,664	\$ 4,145		\$ (175,844)	\$	\$ (175,844)	
Public Safety	6,773,811	1,448,672	2,150		(5,322,989)		(5,322,989)	
Highways and Streets	2,794,453	5,743	29,174	\$ 117,425	(2,642,111)		(2,642,111)	
Culture and Recreation	2,591,003	1,040,722	62,060	278,837	(1,209,384)		(1,209,384)	
Economic Development	241,216		1,601		(239,615)		(239,615)	
Employer's Contribution to Retirement Fund	930,104				(930,104)		(930,104)	
Interest on Long-Term Debt	285,835				(285,835)		(285,835)	
Total Governmental Activities	15,484,075	4,182,801	99,130	396,262	(10,805,882)	0	(10,805,882)	0
Business-Type Activities:								
Electric	16,637,826	16,548,836			(88,990)		(88,990)	
Water	2,236,009	2,628,949			392,940		392,940	
Sewer	2,178,795	2,180,024			1,229		1,229	
Solid Waste	1,543,662	1,636,834			93,172		93,172	
Total Business-Type Activities	22,596,292	22,994,643	0	0	398,351		398,351	0
Total Primary Government	\$ 38,080,367	\$ 27,177,444	\$ 99,130	\$ 396,262	(10,805,882)	398,351	(10,407,531)	0
Component Unit								
Industrial Development								(6)
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					3,794,954		3,794,954	
Intergovernmental					6,521,853		6,521,853	
Gain on Disposal of Capital Assets					9,979		9,979	
Unrealized Depreciation of Investments					(28,509)	(29,238)	(57,747)	
Interest and Miscellaneous Income					399,080	309,048	708,128	1,893
Transfers					150,000	(150,000)	0	
Total General Revenues					10,847,357	129,810	10,977,167	1,893
Change in Net Position					41,475	528,161	569,636	1,887
Net Position Beginning - Restated					35,542,935	33,560,406	69,103,341	75,441
Net Position Ending					\$ 35,584,410	\$ 34,088,567	\$ 69,672,977	\$ 77,328

CITY OF HIGHLAND, ILLINOIS
BALANCE SHEETS
GOVERNMENTAL FUNDS
APRIL 30, 2019

	PRIMARY GOVERNMENT						COMPONENT UNIT
	GENERAL CORPORATE	CITY PROPERTY REPLACEMENT	AMBULANCE	STREET IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
ASSETS							
Cash and Investments	\$ 2,849,329	\$ 5,064,133	\$ 4,838	\$ 396,442	\$ 3,134,892	\$ 11,449,634	\$ 77,886
Receivables (Net, Where Applicable of Allowance for Uncollectibles):							
Property Taxes	1,266,182		469,357		2,083,431	3,818,970	
Replacement Tax Receivable	31,405		4,571		10,200	46,176	
Accounts Receivable	51,306		775,622			826,928	
Income Tax Receivable	312,581					312,581	
Sales Tax Receivable	439,778			220,494	102,681	762,953	
Other	65,598		16	734	29,296	112,379	
Due from Other Fund					206,192	115,000	
Prepaid Expenses	67,244		2,831			276,267	
Restricted Cash					130,911	130,911	
Total Assets	\$ 5,083,423	\$ 5,195,868	\$ 1,257,235	\$ 617,670	\$ 5,697,603	\$ 17,851,799	\$ 77,886
LIABILITIES							
Accounts Payable	\$ 323,228		\$ 40,496	\$ 27,783	\$ 38,714	\$ 430,221	
Accrued Salaries and Benefits	244,208		65,476		45,943	355,627	
Due to Other Fund	70,000			0	45,000	115,000	
Total Liabilities	\$ 637,436	\$ 0	\$ 105,972	\$ 27,783	\$ 129,657	\$ 900,848	\$ 0
DEFERRED INFLOWS OF RESOURCES							
Unavailable Property Taxes	1,266,182		469,357		2,083,431	3,818,970	
FUND BALANCES							
Nonspendable	67,244		2,831		206,192	276,267	
Restricted	55,657				2,542,719	2,598,376	77,886
Assigned		5,195,868	679,075	589,887	824,688	7,289,518	
Unassigned	3,056,904				(89,084)	2,967,820	
Total Fund Balances	\$ 3,179,805	\$ 5,195,868	\$ 681,906	\$ 589,887	\$ 3,484,515	\$ 13,131,981	\$ 77,886
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 5,083,423	\$ 5,195,868	\$ 1,257,235	\$ 617,670	\$ 5,697,603	\$ 17,851,799	\$ 77,886

Total Liabilities, Deferred Inflows of Resources, and Fund Balance

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
BALANCE SHEETS
GOVERNMENTAL FUNDS
APRIL 30, 2018

	PRIMARY GOVERNMENT					TOTAL GOVERNMENTAL FUNDS	COMPONENT UNIT
	CITY	OTHER GOVERNMENTAL FUNDS	STREET IMPROVEMENT	AMBULANCE	PROPERTY REPLACEMENT		
	GENERAL CORPORATE						INDUSTRIAL DEVELOPMENT COMMISSION
<u>ASSETS</u>							
Cash and Investments	\$ 2,430,084	\$ 61,474	\$ 362,701	\$ 2,642,124	\$ 10,561,759	\$ 42,957	
Receivables (Net, Where Applicable of Allowance for Uncollectibles):							
Property Taxes	1,257,416	455,636		2,058,519	3,771,571		
Replacement Tax Receivable	21,426	3,122		8,951	33,499		
Accounts Receivable	125,262	737,448			862,710		
Income Tax Receivable	241,781		212,969		241,781		
Sales Tax Receivable	424,522		610	27,649	637,491		
Other	61,959	170			104,356		34,371
Due from Other Fund					527,500		
Prepaid Expenses	70,484	1,523		196,421	268,428		
Restricted Cash				97,193	97,193		
Total Assets	\$ 4,632,934	\$ 1,259,373	\$ 576,280	\$ 5,030,857	\$ 17,106,288	\$ 77,328	
<u>LIABILITIES</u>							
Accounts Payable	\$ 309,732	\$ 6,629	\$ 15,722	\$ 38,664	\$ 370,747		
Accrued Salaries and Benefits	228,932	64,429		49,105	342,466		
Due to Other Fund	70,000		\$ 405,000	52,500	527,500		
Total Liabilities	\$ 608,664	\$ 71,058	\$ 420,722	\$ 140,269	\$ 1,240,713	\$ 0	
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable Property Taxes	1,257,416	455,636	0	2,058,519	3,771,571	0	
<u>FUND BALANCES</u>							
Nonspendable	70,484	1,523		196,421	268,428		
Restricted	58,620			1,950,547	2,009,167		77,328
Assigned		731,156	155,558	781,696	7,275,254		
Unassigned	2,637,750			(96,595)	2,541,155		
Total Fund Balances	2,766,854	732,679	155,558	2,832,069	12,094,004	77,328	
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 4,632,934	\$ 1,259,373	\$ 576,280	\$ 5,030,857	\$ 17,106,288	\$ 77,328	

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
RECONCILIATIONS OF THE GOVERNMENTAL FUNDS BALANCE SHEETS
TO THE STATEMENTS OF NET POSITION
APRIL 30, 2019
WITH COMPARATIVE AMOUNTS FOR APRIL 30, 2018

	2019	2018
Total fund balances for governmental funds	\$ 13,131,981	\$ 12,094,004
Total net position reported for governmental activities in the statements of net position is different because:		
Capital and intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	\$ 7,807,558	\$ 7,757,958
Construction in progress	1,658,735	667,265
Infrastructure, net of accumulated depreciation	22,847,343	24,357,369
Buildings and improvements, net of accumulated depreciation	4,231,671	4,430,104
Other improvements, net of accumulated depreciation	3,446,904	3,320,521
Equipment, net of accumulated depreciation	1,206,746	1,152,559
	41,198,957	41,685,776
Certain premiums paid on investments are not financial resources and therefore are not reported in the funds. Those premiums consist of:		
Bond premiums paid on certificates of deposit		163
Deferred outflows and inflows of resources related to defined benefit pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	6,375,442	3,220,708
Deferred inflows of resources related to pensions	(2,470,491)	(3,176,109)
Deferred outflows of resources related to defined benefit OPEB is applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to OPEB	44,317	
Certain liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities (both current and long-term) are reported in the statement of net position. Those liabilities consist of:		
Accrued interest	\$ (1,262,807)	\$ (1,120,349)
Bonds and notes payable	(7,395,128)	(8,584,731)
Bond premium, net of accumulated amortization	(13,251)	(23,096)
Net pension liability	(11,119,546)	(6,603,429)
Other post employment benefits	(1,275,029)	(1,171,898)
Compensated absences	(746,065)	(736,629)
	(21,811,826)	(18,240,132)
Total net position of governmental activities	\$ 36,468,380	\$ 35,584,410

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2019

	PRIMARY GOVERNMENT							COMPONENT UNIT
	GENERAL CORPORATE	CITY PROPERTY REPLACEMENT	AMBULANCE	STREET IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	INDUSTRIAL DEVELOPMENT COMMISSION	
Revenues:								
General Property Taxes	\$ 1,391,295		\$ 454,163		\$ 2,053,370	\$ 3,898,828		
Corporate Personal Property Replacement Taxes	118,146		16,345		36,471	170,962		
Intergovernmental	4,400,137		318,966	\$ 1,458,085	767,635	6,944,823		
Charges for Services	2,442,958		1,704,619		19,935	4,167,512		
Licenses, Permits and Other Taxes	282,042					282,042		
Fines and Forfeitures	19,613				3,100	22,713		
Revenue from Use of Property	96,666					96,666		
Grants and Contributions	562,792				31,200	593,992		
Miscellaneous and Interest Income	199,111	\$ 77,001	8,137	7,143	54,593	345,985	\$ 558	
Total Revenues	<u>9,512,760</u>	<u>77,001</u>	<u>2,502,230</u>	<u>1,465,228</u>	<u>2,966,304</u>	<u>16,523,523</u>	<u>558</u>	
Expenditures:								
Current-								
General Government	1,326,382				327,763	1,654,145		
Public Safety	3,401,414		2,683,545			6,084,959		
Highways and Streets	934,569				203,503	1,138,072		
Culture and Recreation	1,947,297				350,572	2,297,869		
Economic Development	431,300				63,092	494,392		
Employer's Contribution to Retirement Fund				284,215	894,799	894,799		
Capital Outlay	1,511,586		262,659			2,058,460		
Debt Service Expenditures-								
Other Debt Service Fees				551	200	751		
Principal Retirement	458,326			735,000	190,000	1,383,326		
Interest and Fixed Charges	23,088			11,760	102,063	136,911		
Total Expenditures	<u>10,033,962</u>	<u>0</u>	<u>2,946,204</u>	<u>1,031,526</u>	<u>2,131,992</u>	<u>16,143,684</u>	<u>0</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(521,202)</u>	<u>77,001</u>	<u>(443,974)</u>	<u>433,702</u>	<u>834,312</u>	<u>379,839</u>	<u>558</u>	
Other Financing Sources (Uses):								
Note Payable Proceeds			193,723			193,723		
Proceeds from Sale of Capital Assets	1,940		12,469			14,409		
Unrealized Appreciation of Investments	7,981		9	627	2,366	25,006		
Operating Transfers in	1,039,232	14,023	187,000			1,491,232		
Operating Transfers out	(115,000)	(767,000)			(184,232)	(1,066,232)		
Total Other Financing Sources (Uses)	<u>934,153</u>	<u>(487,977)</u>	<u>393,201</u>	<u>627</u>	<u>(181,866)</u>	<u>658,138</u>	<u>0</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>412,951</u>	<u>(410,976)</u>	<u>(50,773)</u>	<u>434,329</u>	<u>652,446</u>	<u>1,037,977</u>	<u>558</u>	
Fund Balance, Beginning of Year	<u>2,766,854</u>	<u>5,606,844</u>	<u>732,679</u>	<u>155,558</u>	<u>2,832,069</u>	<u>12,094,004</u>	<u>77,328</u>	
Fund Balance, End of Year	<u>\$ 3,179,805</u>	<u>\$ 5,195,868</u>	<u>\$ 681,906</u>	<u>\$ 589,887</u>	<u>\$ 3,484,515</u>	<u>\$ 13,131,981</u>	<u>\$ 77,886</u>	

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2018

	PRIMARY GOVERNMENT					TOTAL GOVERNMENTAL FUNDS	COMPONENT UNIT
	CITY GENERAL CORPORATE	CITY PROPERTY REPLACEMENT	AMBULANCE	STREET IMPROVEMENT	OTHER GOVERNMENTAL FUNDS		
Revenues:							
General Property Taxes	\$ 1,360,440		\$ 444,672		\$ 1,989,842	\$ 3,794,954	
Corporate Personal Property Replacement Taxes	104,152		13,943		39,973	158,068	
Intergovernmental	4,408,056		281,672	\$ 1,402,969	271,088	6,363,785	
Charges for Services	2,412,005		1,388,944		18,361	3,819,310	
Licenses, Permits and Other Taxes	251,510				2,753	251,510	
Fines and Forfeitures	18,345					21,098	
Revenue from Use of Property	90,883			117,425	9,420	495,392	
Grants and Contributions	368,547			6,414	57,393	399,080	
Miscellaneous and Interest Income	262,868	\$ 65,714	6,691				\$ 1,893
Total Revenues	9,276,806	65,714	2,135,922	1,526,808	2,388,830	15,394,080	1,893
Expenditures:							
Current-							
General Government	1,325,568				291,357	1,616,925	
Public Safety	3,280,449		2,535,537			5,815,986	
Highways and Streets	898,993				134,085	1,033,078	
Culture and Recreation	1,885,398				274,655	2,160,053	
Economic Development	143,661				81,977	225,638	6
Employer's Contribution to Retirement Fund					930,104	930,104	
Capital Outlay	897,253			200,865	45,222	1,143,340	
Debt Service Expenditures-							
Other Debt Service Fees				418	200	618	
Principal Retirement	452,372			1,175,000	185,000	1,812,372	
Interest and Fixed Charges	29,253			25,859	105,763	160,875	
Total Expenditures	8,912,947	0	2,535,537	1,402,142	2,048,363	14,898,989	6
Excess (Deficiency) of Revenues Over (Under) Expenditures	363,859	65,714	(399,615)	124,666	340,467	495,091	1,887
Other Financing Sources (Uses):							
Proceeds from Sale of Capital Assets	1,800		8,179			9,979	
Unrealized Depreciation of Investments	(8,972)	(16,182)	(217)	(780)	(2,358)	(28,509)	
Operating Transfers in	94,808	430,000	150,000			674,808	
Operating Transfers out	(280,000)	(225,000)			(19,808)	(524,808)	
Total Other Financing Sources (Uses)	(192,364)	188,818	157,962	(780)	(22,166)	131,470	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	171,495	254,532	(241,653)	123,886	318,301	626,561	1,887
Fund Balance, Beginning of Year	2,595,359	5,352,312	974,332	31,672	2,513,768	11,467,443	75,441
Fund Balance, End of Year	\$ 2,766,854	\$ 5,606,844	\$ 732,679	\$ 155,558	\$ 2,832,069	\$ 12,094,004	\$ 77,328

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
 RECONCILIATIONS OF THE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENTS OF ACTIVITIES
 FOR THE YEAR ENDED APRIL 30, 2019
 WITH COMPARATIVE AMOUNTS FOR APRIL 30, 2018

	<u>2019</u>	<u>2018</u>
Net change in fund balances - total governmental funds	\$ 1,037,977	\$ 626,561
Amounts reported for governmental activities in the statements of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation expense exceeded capital outlay in the current period.	(486,819)	(1,379,179)
In the governmental funds, bond and CD premiums are amortized over the life of the bonds and this amortization reduces the amount of interest expense recorded on the bonds. This amount represents the net effect of the amortization of bond and CD premiums.	9,682	12,587
Proceeds from new notes payable are recorded as revenues in the governmental funds but increase liabilities in the statement of net position.	(193,723)	
Some expenses, including accrued interest, OPEB, and compensated absences, reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(210,708)	(216,304)
Governmental funds report defined benefit pension contributions as expenditures. However in the Statement of Activities, the cost of defined benefit pension benefits earned net of employee contributions is reported as pension expense.	(655,765)	(814,562)
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	<u>1,383,326</u>	<u>1,812,372</u>
Change in net position of governmental activities	<u>\$ 883,970</u>	<u>\$ 41,475</u>

CITY OF HIGHLAND, ILLINOIS
BALANCE SHEETS
ENTERPRISE FUNDS
APRIL 30, 2019

	ASSETS		LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS		
Current Assets:									
Cash and Investments	\$	2,611,672	\$	3,594,402	\$	2,479,350	\$	9,356,367	
Receivables:									
Accounts, Net		546,847		85,850		81,108		815,309	
Unbilled Revenue		798,114		182,569		151,973		1,239,203	
Other Receivable		8,947		11,879		8,194		31,237	
Other Current Assets		124,479		35,878		34,291		194,648	
Total Current Assets		4,090,059		3,910,578		2,754,916		11,636,764	
Restricted Assets:									
Cash and Investments		95,746		322,271				418,017	
Capital Assets (Net of Accumulated Depreciation)		25,429,258		8,116,245		4,440,616		37,986,119	
Land		1,708,936		401,635		50,143		2,160,714	
Construction in Progress		270,058		20,788		692,228		983,074	
Total Noncurrent Assets		27,503,998		8,860,939		5,182,987		41,547,924	
Total Assets		31,594,057		12,771,517		7,937,903		53,184,688	
DEFERRED OUTFLOWS OF RESOURCES									
Related to OPEB		10,833		3,939		3,939		18,711	
Related to Pensions		1,259,943		459,448		446,073		2,165,464	
Total Deferred Outflows of Resources		1,270,776		463,387		450,012		2,184,175	
Total Assets and Deferred Outflows of Resources		\$	32,864,833	\$	13,234,904	\$	8,387,915	\$	55,368,863
LIABILITIES									
Current Liabilities (Payable from Current Assets):									
Accounts Payable		966,081		438,628		68,614		1,624,239	
Accrued Interest Payable				4,872		6,545		11,417	
Current Portion Notes Payable				143,000				143,000	
Current Portion Maintenance Agreement Payable				168,903				168,903	
Accrued Salaries and Benefits		83,572		36,656		29,561		149,789	
Premium on Revenue Bonds						19,109		19,109	
Total Current Liabilities (Payable from Current Assets)		1,049,653		792,059		123,829		2,116,457	
Current Liabilities (Payable from Restricted Assets):									
Customer Deposits		95,746						95,746	
Current Portion Revenue Bonds		650,000				120,000		770,000	
Accrued Interest on Revenue Bonds		170,501						170,501	
Total Current Liabilities (Payable from Restricted Assets)		916,247		0		120,000		1,036,247	
Long-Term Liabilities:									
Revenue Bonds (Net of Current Portion)		9,725,000		1,450,000		2,110,000		11,835,000	
Notes Payable (Net of Current Portion)				54,255				1,450,000	
Maintenance Agreement Payable (Net of Current Portion)		187,425		84,858		74,272		346,555	
Compensated Absences		1,167,405		420,219		438,030		2,025,654	
Net Pension Liability		311,675		113,336		113,336		538,347	
Other Post Employment Benefits Payable		11,391,505		2,122,668		2,735,638		16,249,811	
Total Long-Term Liabilities		13,357,405		2,914,727		2,979,467		19,402,515	
Total Liabilities		584,909		210,544		219,468		1,014,921	
DEFERRED INFLOWS OF RESOURCES									
Related to Pensions		17,033,252		6,722,510		2,952,987		26,708,749	
NET POSITION									
Net Investment in Capital Assets, Net of Related Debt		95,746		322,271				418,017	
Restricted For Long Term Debt		1,793,521		3,064,852		2,235,993		7,824,661	
Unrestricted		18,922,519		10,109,633		5,188,980		34,951,427	
Total Net Position		32,864,833		13,234,904		8,387,915		55,368,863	

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
BALANCE SHEETS
ENTERPRISE FUNDS
APRIL 30, 2018

	<u>ASSETS</u>				TOTALS
	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	
Current Assets:					
Cash and Investments	\$ 2,641,841	\$ 2,917,444	\$ 1,950,461	\$ 633,219	\$ 8,142,965
Receivables:					
Accounts, Net	631,060	81,103	80,224	77,035	869,422
Unbilled Revenue	833,693	175,447	144,690	100,293	1,254,123
Other Receivable	7,476	8,046	5,379	1,746	22,647
Other Current Assets	155,207	42,060	40,377		237,644
Total Current Assets	4,269,277	3,224,100	2,221,131	812,293	10,526,801
Restricted Assets:					
Cash and Investments	68,995				68,995
Capital Assets (Net of Accumulated Depreciation)	26,106,279	6,925,433	4,709,236		37,740,948
Land	1,599,421	401,635	50,143		2,051,199
Construction in Progress	233,101	66,392	634,943		934,436
Total Noncurrent Assets	28,007,796	7,393,460	5,394,322	0	40,795,578
Total Assets	32,277,073	10,617,560	7,615,453	812,293	51,322,379
Related to Pensions	439,469	157,399	131,355		728,223
Total Assets and Deferred Outflows of Resources	\$ 32,716,542	\$ 10,774,959	\$ 7,746,808	\$ 812,293	\$ 52,050,602
Current Liabilities (Payable from Current Assets):					
Accounts Payable	\$ 955,610	\$ 129,943	\$ 197,107	\$ 116,409	\$ 1,399,069
Accrued Interest Payable			6,795		6,795
Current Portion Maintenance Agreement Payable	69,131	168,896	27,653		168,896
Accrued Salaries and Benefits		33,241	20,427		130,025
Premium on Revenue Bonds					20,427
Total Current Liabilities (Payable from Current Assets)	1,024,741	332,080	251,982	116,409	1,725,212
Current Liabilities (Payable from Restricted Assets):					
Customer Deposits	68,995				68,995
Current Portion Revenue Bonds	630,000		115,000		745,000
Accrued Interest on Revenue Bonds	178,284				178,284
Total Current Liabilities (Payable from Restricted Assets)	877,279	0	115,000	0	992,279
Long-Term Liabilities:					
Revenue Bonds (Net of Current Portion)	10,375,000		2,230,000		12,605,000
Maintenance Agreement Payable (Net of Current Portion)		223,158			223,158
Compensated Absences	185,104	89,964	70,140		345,208
Net Pension Liability	124,121	43,920	43,920		210,126
Other Post Employment Benefits Payable	286,464	104,168	104,168		494,800
Total Long-Term Liabilities	10,970,689	459,375	2,448,228	0	13,878,292
Total Liabilities	12,872,709	791,455	2,815,210	116,409	16,595,783
Related to Pensions	807,043	273,638	285,571		1,366,252
NET POSITION					
Net Investment in Capital Assets, Net of Related Debt	16,933,801	7,001,406	3,049,322		26,984,529
Restricted for Long Term Debt	68,995				68,995
Unrestricted	2,033,994	2,708,460	1,596,705	695,884	7,035,043
Total Net Position	19,036,790	9,709,866	4,646,027	695,884	34,088,567
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 32,716,542	\$ 10,774,959	\$ 7,746,808	\$ 812,293	\$ 52,050,602

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2019

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
Operating Revenues:					
Charges for Services	\$ 17,019,511	\$ 2,638,536	\$ 2,201,032	\$ 1,674,766	\$ 23,533,845
Connection Fees	27,333	49,720	76,530	8	153,591
Total Operating Revenues	<u>17,046,844</u>	<u>2,688,256</u>	<u>2,277,562</u>	<u>1,674,774</u>	<u>23,687,436</u>
Operating Expenses:					
Personnel Services	1,909,301	837,005	673,496		3,419,802
Contractual Services	2,775,621	401,318	472,526	1,637,497	5,286,962
Purchase Power (Less Generating Capacity Credit)	9,408,001				9,408,001
Supplies and Materials	336,497	232,205	97,673		666,375
Utilities	109,229	142,925	408		252,562
Depreciation and Amortization	1,856,781	721,481	442,086		3,020,348
Total Operating Expenses	<u>16,395,430</u>	<u>2,334,934</u>	<u>1,686,189</u>	<u>1,637,497</u>	<u>22,054,050</u>
Operating Income	<u>651,414</u>	<u>353,322</u>	<u>591,373</u>	<u>37,277</u>	<u>1,633,386</u>
Non-Operating Revenues (Expenses):					
Interest Income	42,435	59,386	35,398	10,239	147,458
Miscellaneous	67,232	39,972	11,234		118,438
Unrealized Appreciation of Investments	7,367	10,147	6,971	1,895	26,380
Interest Expense	(527,069)	(31,860)	(78,473)		(637,402)
Service Charges	(250)		(150)		(400)
Total Non-Operating Revenues (Expenses)	<u>(410,285)</u>	<u>77,645</u>	<u>(25,020)</u>	<u>12,134</u>	<u>(345,526)</u>
Income Before Operating Transfers	241,129	430,967	566,353	49,411	1,287,860
Operating Transfers:					
Transfers Out	(355,400)	(31,200)	(23,400)	(15,000)	(425,000)
Total Operating Transfers	<u>(355,400)</u>	<u>(31,200)</u>	<u>(23,400)</u>	<u>(15,000)</u>	<u>(425,000)</u>
Increase (Decrease) in Net Position	(114,271)	399,767	542,953	34,411	862,860
Total Net Position, Beginning of Year	19,036,790	9,709,866	4,646,027	695,884	34,088,567
Total Net Position, End of Year	<u>\$ 18,922,519</u>	<u>\$ 10,109,633</u>	<u>\$ 5,188,980</u>	<u>\$ 730,295</u>	<u>\$ 34,951,427</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2018

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
Operating Revenues:					
Charges for Services	\$ 16,523,976	\$ 2,595,124	\$ 2,141,759	\$ 1,636,834	\$ 22,897,693
Connection Fees	24,860	33,825	38,265		96,950
Total Operating Revenues	<u>16,548,836</u>	<u>2,628,949</u>	<u>2,180,024</u>	<u>1,636,834</u>	<u>22,994,643</u>
Operating Expenses:					
Personnel Services	1,778,422	851,110	681,154		3,310,686
Contractual Services	2,681,246	349,435	493,499	1,538,622	5,062,802
Purchase Power (Less Generating Capacity Credit)	9,227,281				9,227,281
Supplies and Materials	386,521	183,771	85,016	5,040	660,348
Utilities	111,716	146,422	3,556		261,694
Depreciation and Amortization	1,903,636	705,271	826,445		3,435,352
Total Operating Expenses	<u>16,088,822</u>	<u>2,236,009</u>	<u>2,089,670</u>	<u>1,543,662</u>	<u>21,958,163</u>
Operating Income	460,014	392,940	90,354	93,172	1,036,480
Non-Operating Revenues (Expenses):					
Interest Income	36,770	37,593	30,206	8,287	112,856
Miscellaneous	130,870	34,639	30,683		196,192
Unrealized Depreciation of Investments	(9,852)	(10,296)	(6,855)	(2,235)	(29,238)
Interest Expense	(548,754)		(88,975)		(637,729)
Service Charges	(250)		(150)		(400)
Total Non-Operating Revenues (Expenses)	<u>(391,216)</u>	<u>61,936</u>	<u>(35,091)</u>	<u>6,052</u>	<u>(358,319)</u>
Income (Loss) Before Operating Transfers	68,798	454,876	55,263	99,224	678,161
Operating Transfers:					
Transfers Out	(150,000)				(150,000)
Total Operating Transfers	<u>(150,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(150,000)</u>
Increase (Decrease) in Net Position	(81,202)	454,876	55,263	99,224	528,161
Total Net Position, Beginning of Year - Restated	19,117,992	9,254,990	4,590,764	596,660	33,560,406
Total Net Position, End of Year	<u>\$ 19,036,790</u>	<u>\$ 9,709,866</u>	<u>\$ 4,646,027</u>	<u>\$ 695,884</u>	<u>\$ 34,088,567</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2019

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	\$ 17,291,347	\$ 2,722,541	\$ 2,286,716	\$ 1,678,558	\$ 23,979,162
Cash Payments for Goods and Services	(12,611,760)	(457,616)	(693,597)	(1,635,602)	(15,398,575)
Cash Payments to Employees	(1,877,485)	(820,476)	(648,939)		(3,346,900)
Net Cash Provided by Operating Activities	2,802,102	1,444,449	944,180	42,956	5,233,687
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Repayments of Loans from Other Funds	(355,400)	(31,200)	(23,400)	(15,000)	(425,000)
Net Cash Used by Non-Capital Financing Activities	(355,400)	(31,200)	(23,400)	(15,000)	(425,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest Paid	(534,852)	(26,988)	(78,723)		(640,563)
Payments for Capital Acquisitions	(1,326,232)	(1,866,689)	(230,751)		(3,423,672)
Proceeds from Loans	1,665,000				1,665,000
Repayments of Loans	(630,000)	(240,896)	(115,000)		(985,896)
Net Cash Used by Capital and Related Financing Activities	(2,491,084)	(469,573)	(424,474)	0	(3,385,131)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Receipts of Interest	40,964	55,553	32,583	9,768	138,868
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(3,418)	999,229	528,889	37,724	1,562,424
CASH AND INVESTMENTS, BEGINNING OF YEAR	2,710,836	2,917,444	1,950,461	633,219	8,211,960
CASH AND INVESTMENTS, END OF YEAR	\$ 2,707,418	\$ 3,916,673	\$ 2,479,350	\$ 670,943	\$ 9,774,384
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating Income	\$ 651,414	\$ 353,322	\$ 591,373	\$ 37,277	\$ 1,633,386
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:					
Depreciation and Amortization Expense	1,856,781	721,481	442,086		3,020,348
Miscellaneous Revenues	67,232	39,972	11,234	(400)	118,438
Service Charges	(250)		(150)		(400)
Amortization of Bond Premium			(1,318)		(1,318)
Unrealized Appreciation of Investments	7,367	10,147	6,971	1,895	26,380
(Increase) Decrease in Accounts Receivables	84,213	(4,747)	(884)	(24,469)	54,113
(Increase) Decrease in Unbilled Revenue	35,579	(7,122)	(7,283)	(6,254)	14,920
Decrease in Other Current Assets	30,728	6,182	6,086		42,996
Increase in Deferred Outflows Related to Pensions	(831,307)	(305,988)	(318,657)		(1,455,952)
Increase (Decrease) in Accounts Payable	10,471	308,685	(128,493)	34,507	225,170
Increase in Accrued Salaries and Benefits	14,441	3,415	1,908		19,764
Increase (Decrease) in Compensated Absences	2,321	(5,106)			1,347
Increase in Customer Deposits	26,751		4,132		26,751
Increase in Other Post Employment Benefits	25,211	9,168	9,168		43,547
Increase in Net Pension Liability	1,043,284	378,134	394,110		1,815,528
Decrease in Deferred Inflows Related to Pensions	(222,134)	(63,094)	(66,103)		(351,331)
Total Adjustments	2,150,688	1,091,127	352,807	5,679	3,600,301
Net Cash Provided by Operating Activities	\$ 2,802,102	\$ 1,444,449	\$ 944,180	\$ 42,956	\$ 5,233,687

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2018

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 16,691,284	\$ 2,667,703	\$ 2,230,480	\$ 1,642,433	\$ 23,231,900
Cash Payments for Goods and Services	(12,548,803)	(776,885)	(426,571)	(1,550,557)	(15,302,816)
Cash Payments to Employees	(1,800,183)	(817,099)	(642,503)		(3,259,785)
Net Cash Provided by Operating Activities	2,342,298	1,073,719	1,161,406	91,876	4,669,299
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Repayment of Loans from Other Funds	(88,864)	0	0	0	(88,864)
Net Cash Used by Non-Capital Financing Activities	(88,864)	0	0	0	(88,864)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest Paid	(555,705)		(91,304)		(647,009)
Payments for Capital Acquisitions	(857,610)	(315,641)	(901,912)		(2,075,163)
Repayments of Loans	(610,000)	(168,384)	(556,515)		(1,334,899)
Net Cash Used by Capital and Related Financing Activities	(2,023,315)	(484,025)	(1,549,731)	0	(4,057,071)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Receipts of Interest	36,372	36,183	31,508	8,085	112,148
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	266,491	625,877	(356,817)	99,961	635,512
CASH AND INVESTMENTS, BEGINNING OF YEAR	2,444,345	2,291,567	2,307,278	533,258	7,576,448
CASH AND INVESTMENTS, END OF YEAR	\$ 2,710,836	\$ 2,917,444	\$ 1,950,461	\$ 633,219	\$ 8,211,960
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating Income	\$ 460,014	\$ 392,940	\$ 90,354	\$ 93,172	\$ 1,036,480
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation and Amortization Expense	1,903,636	705,271	826,445		3,435,352
Miscellaneous Revenues	130,870	34,639	30,683		196,192
Service Charges	(250)		(150)		(400)
Amortization of Bond Premium			(1,318)		(1,318)
Unrealized Depreciation of Investments	(9,852)	(10,296)	(6,855)	(2,235)	(29,238)
(Increase) Decrease in Accounts Receivables	(85,149)	(2,651)	2,089	191	(85,520)
Decrease in Unbilled Revenue	82,428	6,766	17,685	5,408	112,287
(Increase) Decrease in Other Current Assets	5,526	(5,092)	(6,352)		(5,918)
Decrease in Deferred Outflows Related to Pensions	237,625	58,929	59,888		356,442
Increase (Decrease) in Accounts Payable	(131,937)	(81,869)	170,175	(4,660)	(48,291)
Increase in Accrued Salaries and Benefits	6,165	2,957	2,809		11,931
Increase (Decrease) in Compensated Absences	(11,436)	2,058	3,555		(5,823)
Increase in Customer Deposits	8,773				8,773
Increase in Other Post Employment Benefits	2,854	5,256	5,256		13,366
Decrease in Net Pension Liability	(880,446)	(254,611)	(262,446)		(1,397,503)
Increase in Deferred Inflows Related to Pensions	623,477	219,422	229,588		1,072,487
Total Adjustments	1,882,284	680,779	1,071,052	(1,296)	3,632,819
Net Cash Provided by Operating Activities	\$ 2,342,298	\$ 1,073,719	\$ 1,161,406	\$ 91,876	\$ 4,669,299

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF NET POSITION
FIDUCIARY FUND

		POLICEMEN'S PENSION TRUST FUND APRIL 30,	
<u>ASSETS</u>		2019	2018
Cash		\$ 0	\$ 560,853
Receivables:			
Property Taxes, Current Year Levy		634,801	575,066
Interest Receivable		41,258	
Total Receivables		<u>676,059</u>	<u>575,066</u>
Investments:			
Certificates of Deposit and Interest Bearing Accounts		204,448	99,000
Municipal Bonds		3,920,557	3,485,376
Mutual Funds		7,434,423	6,929,134
Total Investments		<u>11,559,428</u>	<u>10,513,510</u>
Total Assets		<u>\$ 12,235,487</u>	<u>\$ 11,649,429</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Property Taxes		<u>\$ 634,801</u>	<u>\$ 575,066</u>
<u>NET POSITION</u>			
Net Position Held in Trust for Pension Benefits and Other Purposes		<u>11,600,686</u>	<u>11,074,363</u>
Total Deferred Inflows of Resources and Net Position		<u>\$ 12,235,487</u>	<u>\$ 11,649,429</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
 STATEMENTS OF CHANGES IN NET POSITION
 FIDUCIARY FUND

	POLICEMEN'S PENSION TRUST FUND	
	YEARS ENDED APRIL 30,	
	2019	2018
Additions:		
General Property Taxes:		
Real Estate	\$ 573,244	\$ 552,495
Intergovernmental:		
Corporate Personal Property Replacement Tax	6,900	6,900
Miscellaneous:		
Interest and Dividend Income	369,637	195,565
Employee Contributions	159,751	145,573
Net Unrealized Appreciation of Investments	241,690	438,708
Total Additions	1,351,222	1,339,241
Deductions:		
Benefit Payments	786,208	688,165
Administration	38,691	13,674
Amortization		111,720
Total Deductions	824,899	813,559
Increase in Net Position	526,323	525,682
Net Position, Beginning of Year	11,074,363	10,548,681
Net Position, End of Year	\$ 11,600,686	\$ 11,074,363

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The City of Highland, Illinois, was incorporated April 4, 1884. The City is a non-home rule unit and operates under a managerial council form of government. Under this form of government the City council is legislative, except that it is empowered to approve all expenses and liabilities, and the manager is the administrative and executive head of government.

The accounting policies of the City of Highland conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies:

(A) PRINCIPLES USED TO DETERMINE SCOPE OF ENTITY

The City's reporting entity includes the City's governing board and all related organizations for which the City exercises significant influence.

The City has developed criteria to determine whether outside agencies with activities which benefit the citizens of the City should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the City exercises significant influence (which includes financial benefit or burden, appoints a voting majority, ability to significantly impose its will, and fiscal independence).

The City has determined that a component unit exists as of April 30, 2013. The Industrial Development Commission (IDC) was established by the City Council pursuant to the authority conferred by Section 11-74-4(8) of the Industrial Project Revenue Act (65 ILCS 5/11-74-4(8)) by Ordinance #2365 adopted and approved on July 6, 2009. The IDC meets monthly and makes recommendations about economic development decisions to the City Council. The IDC is a discretely presented component unit.

(B) BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The accounting policies of the City of Highland, Illinois, conform to accounting policies generally accepted in the United States of America as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The City's funds are grouped into three broad fund categories and six generic fund types for financial statement presentation purposes. Governmental funds include the general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The City also has one fiduciary agency fund.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the City and the primary government, as a whole, excluding fiduciary activities such as employee pension plans. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Net position should be reported as restricted when constraints placed on the net position's use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments, imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes results from special revenue funds and the restrictions on its net position use.

(ii) FUND FINANCIAL STATEMENTS

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The City reports the following major governmental funds:

General Fund - The government's primary operating fund. This fund is used to account for and report all financial resources not accounted for or reported in another fund.

Special Revenue - Ambulance - The fund that accounts for proceeds of specific revenue sources (other than those for major capital projects) that are restricted or committed to expenditure for the specified purposes of providing ambulance services.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects - City Property Replacement - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities (other than those financed by proprietary funds and trust funds).

Capital Projects - Street Improvement - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of major street and infrastructure improvements.

The City reports the following major proprietary funds:

Light and Power Fund - This fund operates the electrical distribution system and includes the fiber-optic system that provides high-speed internet, television, and telephone services to customers in Highland.

Water Fund - This fund operates the water distribution system.

Sewer Fund - This fund operates the sewer treatment plant, sewage pumping stations, and collection systems.

Solid Waste Fund - This fund operates the collection of solid waste pickup.

(iii) GOVERNMENTAL FUNDS

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. The length of time to define available is 60 days or less. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

(a) REVENUE RECOGNITION

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available. This concept includes investment earnings, fines and forfeitures, and state-levied locally shared taxes (including motor vehicle fees).

Property taxes and special assessments (in the debt service funds), though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and special assessment receivables are recorded and offset with a deferred inflow of resources until they become available.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) EXPENDITURE RECOGNITION

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which has not matured, is recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

(iv) PROPRIETARY FUNDS

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. They report charges for services and connection fees as operating revenues, and items such as interest income, grants, and other miscellaneous items as non-operating revenues. The economic resource focus determines costs as a means of maintaining capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds, and unbilled utility receivables are recorded at each year end.

(v) FIDUCIARY FUNDS

The City currently has one fiduciary fund. The Policemen's Pension Trust Fund is used to account for pension assets held by the City in a trustee capacity. This fund is accounted for and reported in a manner similar to proprietary funds since capital maintenance is critical.

(C) VACATION AND SICK LEAVE

Vacation leave is accrued for full-time employees, temporary employees, and supervisors of the City at the rate of one average work week per year upon completion of the first year of continuous service. These employees are granted two average work weeks per year following completion of the second year of continuous service through the sixth year. For the seventh through the eleventh year, three average work weeks are earned per year. From the twelfth through the twentieth year, four average work weeks are earned per year and five average work weeks per year are earned following the twentieth year and thereafter. Sick leave is accrued for full-time City employees at the rate of 13 days a year. These employees can accumulate 30 days of vested sick pay and an additional 60 days of non-vested sick pay. Terminated employees are compensated for sick leave up to 30 days. The City does not accrue the additional 60 days of sick pay, representing \$710,756 of benefits, which are non-vesting. However, for the accrued vacation and vested sick pay days, the City is liable in the approximate amount of \$746,065 for payments to qualified employees of the governmental activities and \$346,555 for payments to qualified employees of the business-type activities.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) CASH AND INVESTMENTS

The City maintains an investment pool that is available for use by all funds, except those of certain special revenue and agency funds. The City maintains a separate accounting of each fund's balance in the pool. Additionally, the City participates in the Illinois Fund. Investment income earned on pooled investments is distributed to the appropriate funds based on the average daily balance of the investments in each fund.

Investments are stated at fair value. Fair value for investments is determined by closing market prices at year-end as reported by the investment custodian.

All cash and investments of the proprietary funds are considered highly liquid, as these funds participate in the City's investment pool. Consequently, these are considered to be cash and cash equivalents for cash flow purposes.

Restricted cash on the financial statements represents cash for customer deposits, street bonds, fiber bonds, electric bonds, and TIF bonds.

(E) GOVERNMENTAL RECEIVABLES

Long-term receivables due to governmental funds are reported on the balance sheets, in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered "available spendable resources", since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables. The City has determined that an allowance for uncollectible receivables is not needed based on prior years' collections.

(F) ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

(G) DEBT PREMIUMS, DISCOUNTS, AND ISSUANCE COSTS

On the government-wide statement of net position and the proprietary fund statement of net position, debt premiums and discounts are shown separately from debt payable, and debt issuance costs are recognized as an outflow of resources in the period incurred. In addition, unamortized debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

At the government fund reporting level, debt premiums and discounts are reported as inflows or outflows of resources in the period incurred.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(H) NET POSITION

Net position is calculated by taking assets plus deferred outflows of resources less liabilities and deferred inflows of resources. The portion of net position that is titled “Invested in Capital Assets, Net of Related Debt” is capital assets less accumulated depreciation and outstanding debt related to the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on its use by City legislation or external restrictions by other governments, creditors, or grantors. The City’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

(I) DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period, and therefore, will not be recognized as an outflow of resources until that time. The government-wide statements report deferred outflows of resources related to the pension and OPEB plans. This deferred outflow represents the combination of changes in assumptions and the difference between projected and actual earnings on pension plan investments to be recognized in a future period.

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period, and therefore, will not be recognized as an inflow of resources (revenue) until that time. The government-wide statements report unavailable revenues from property taxes and amounts related to pension and OPEB plans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

(J) CAPITAL ASSETS AND DEPRECIATION

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in government-wide statements. Infrastructure such as streets, traffic signals and signs are capitalized in the government-wide statements. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated fixed assets are reported at their fair value as of the date received. The City maintains a capitalization threshold of \$15,000.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the general capital assets.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings - 20 to 50 years; improvements/infrastructure - 5 to 50 years; equipment - 3 to 25 years.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(K) GOVERNMENTAL FUND BALANCES

The City elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in the fiscal year ended April 30, 2012. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. The City had no committed fund balances on April 30, 2019.

Assigned – Amounts that are constrained by an intent to be used for specific purposes but are neither restricted nor committed. The City Council has designated the City Manager and Finance Director the authority to make assignments.

Unassigned – All amounts not included in other spendable classifications.

For the classification of fund balance, the City requires restricted amounts to be spent first when both restricted and unrestricted fund balances are available unless there are legal documents or contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed fund balances, followed by assigned fund balances and then unassigned fund balances when more than one classification for unrestricted fund balances are available.

(L) COMPARATIVE DATA

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative notes to the financial statements have not been presented since their inclusion would make the notes to the financial statements unduly complex and difficult to read.

(M) RECLASSIFICATIONS

Certain accounts related to the prior year have been restated to conform to current year's presentation. The reclassifications have no effect on net position.

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(N) CHANGES IN ACCOUNTING PRINCIPLES

During the fiscal year ended April 30, 2019, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which establishes new accounting and financial reporting requirements for OPEB plans. This Statement replaces the requirements of GASB Statements No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB.

Due to the changes in accounting principles described above, beginning net position as of April 30, 2017 has been restated as follows:

	<u>Governmental Activites</u>	<u>Light and Power</u>	<u>Water</u>	<u>Sewer</u>
Net Position,				
as Previously Reported	\$ 36,307,646	\$ 19,304,921	\$ 9,322,964	\$ 4,658,738
Change in Total Other Post				
Employment Benefits Liability	<u>(764,711)</u>	<u>(186,929)</u>	<u>(67,974)</u>	<u>(67,974)</u>
Net Position, as Restated	<u>\$ 35,542,935</u>	<u>\$ 19,117,992</u>	<u>\$ 9,254,990</u>	<u>\$ 4,590,764</u>

NOTE 2. CASH AND INVESTMENTS

Cash and investments as of April 30, 2019, including fiduciary funds, are classified in the accompanying financial statements as follows:

	<u>Primary Government</u>	<u>Component Unit</u>
Total Cash	\$ 9,962,075	\$ 77,886
Illinois Funds	1,665,782	
Total Investments	21,286,500	
Total	<u>\$ 32,914,357</u>	<u>\$ 77,886</u>

Cash includes \$950 of cash on-hand and \$10,002,383 of deposits with financial institutions for the primary government and \$77,886 deposited in a financial institution for the component unit.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

The City may invest in any type of security allowed by Illinois Law (Public Funds Investment Act of the State of Illinois: 30 ILCS 235/1 et. Seq. as amended). The summary of the allowable instruments are: Passbook Savings Account; NOW, Super NOW, and Money Market Accounts; Commercial Paper – issuer must be a U.S. corporation with more than \$500,000,000 in assets, rating must be within 3 highest qualifications by 2 standard rating services, must mature within 180 days of purchase, and such purchase cannot exceed 10% of the corporation's outstanding obligations, State treasurer's investment pool; Money Market Mutual Funds – registered under the Investment Company Act of 1940, provided the portfolio is limited to bonds, notes, certificates, treasury bills, or other securities which are guaranteed by the federal government as to principal or interest; Repurchase Agreement – collateralized by full faith in credit U.S. Treasury securities; Certificates of deposit and time deposits, constituting direct obligations of any bank as defined by the Illinois Banking Act and only those insured by the FDIC, legally issuable by savings and loan associates incorporated under the laws of the State of Illinois or any other state or under the laws of the United States and only in those savings and loan associations insured by SAIF, bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest, obligations of United States government agencies which are guaranteed by the full faith and credit of the United States government, short-term discount obligations of the Federal National Mortgage Association, insured account of credit unions whose principal office is in Illinois, various tax-exempt securities, and Illinois liquid assets.

The City's Police Pension Fund is regulated by the Illinois Department of Insurance – Public Pension Division. The Police Pension Fund may invest assets in treasury bills, treasury notes and bonds, bank loan deposits, the state investment pool, zero coupon bonds, guaranteed investment contracts, mutual funds containing stocks, bonds, money market instruments and real estate, mortgage pass-through securities, State of Illinois bonds, tax anticipation warrants, and credit union investments.

When permitted by law, the City will pool cash from several different funds that are accounted for in the City's annual financial report to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

The primary objectives, in priority order, of investment activity shall be safety, liquidity, and yield. Investments shall be made with judgment and care, under circumstances then prevailing, with persons of prudence, discretion, and intelligence who exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. City officials and employees shall disclose to the City any material financial interest in financial institutions that conduct business with the City, and they shall further disclose any large personal financial or investment positions that could be related to the performance of the City's portfolio. The City Treasurer, financial officers and others employed in a similar capacity shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Authority to manage the investment program is granted to the Director of Finance and derived from the following: 65 ILCS 5/3.1-35-50 and the City of Highland Code by Resolution No. 99-12-1304.

Third party safekeeping is required for all collateral and for all securities. Safekeeping will be documented by an approved written agreement. This may be in the form of a safekeeping agreement, trust agreement, escrow agreement, or custody agreement.

Any financial institution selected by the City shall provide normal banking services, including, but not limited to: checking accounts, wire transfers, purchase and sale of United States Treasury securities, and safekeeping services.

The City will not maintain funds in any financial institution that is not a member of the FDIC or SAIF system. In addition, the City will not maintain funds in any institution not willing to or capable of posting required collateral for funds in excess of FDIC or SAIF insurable limits.

Fees for banking services shall be mutually agreed to by an authorized representative of the depository bank and the Director of Finance in consultation with the City Manager and shall not be agreed to for any period exceeding three (3) years. Fees for services shall be substantiated by a monthly account analysis and shall be reimbursed by means of compensating balances.

All financial institutions acting as a depository for the City must enter into a "Depository Agreement". All financial institutions and brokers/dealers who desire to become qualified bidders for investment transactions must supply the following upon request by the Director of Finance or an agent of the Director of Finance: audited financial statements, proof of National Association of Securities Dealers (NASD) certification, proof of state registration, completed broker/dealer questionnaire, and certification of having read the City's investment policy.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table presents the fair value hierarchy for the balances of the investments of the City's Governmental Funds measured at fair value on a recurring basis as of April 30, 2019:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of Deposit - Negotiable	\$ 3,947,413			\$ 3,947,413
Mutual Funds	7,062			7,062
	<u>\$ 3,954,475</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,954,475</u>

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

The following table presents the fair value hierarchy for the balances of the investments of the City's Police Pension Fund measured at fair value on a recurring basis as of April 30, 2019:

Investment Type	Level 1	Level 2	Level 3	Total
Municipal Bonds	\$ 3,920,557			\$ 3,920,557
Mutual Funds	7,434,423			7,434,423
	\$ 11,354,980	\$ 0	\$ 0	\$ 11,354,980

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The assets measured at fair value for both the Governmental Funds and the Police Pension Fund are valued at the closing price reported on the active market on which the individual securities are traded.

(A) INTEREST RATE RISK

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, an investment with a longer maturity date will have a greater sensitivity of its fair value to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flow from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments to market rate fluctuations is provided in the following table. As of April 30, 2019 the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Months)			
		12 Months or Less	13-36 Months	37-60 Months	> 60 Months
Certificates of Deposit -Negotiable	\$ 3,947,413	\$ 1,331,720	\$ 1,177,974	\$ 1,437,719	
Certificates of Deposit -Non-Negotiable	5,977,043	1,992,307	349,000	3,635,736	
Bonds	3,920,557	192,426	661,765	1,095,737	\$ 1,970,629
Mutual Funds	7,441,485	7,441,485			
Total	\$ 21,286,498	\$ 10,957,938	\$ 2,188,739	\$ 6,169,192	\$ 1,970,629

(B) CREDIT RISK

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's state investment pool has earned Standard and Poor's highest rating (AAAm). The Policemen's Pension Trust Fund can also invest in stocks, bonds, and mutual funds. The mutual funds held by the Policemen's Pension Trust Fund are not rated for credit risk. The City's bond holdings of the Policemen's Pension Trust Fund have earned at least Standard and Poor's "BBB" rating.

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2019

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

(C) CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. All deposits are carried at cost plus accrued interest.

The City's balance in the state investment pool is fully collateralized. The City maintains a separate investment account representing a proportionate share of the pool assets and respective collateral; therefore no collateral is identified with each individual participant's account. As of April 30, 2019, the balance in the City's state investment pool was \$1,665,782.

The City's cash deposits, including the fiduciary fund, at April 30, 2019 consisted of the following:

<u>Depository Account</u>	<u>Primary Government Bank Balance</u>	<u>Component Unit Bank Balance</u>
Insured	\$ 11,063,444	\$ 77,886
Collateralized:		
Held by pledging bank's trust department in the City's name	10,537,745	
Total Deposits	<u>\$ 21,601,189</u>	<u>\$ 77,886</u>

(D) CONCENTRATIONS OF CREDIT RISK

The City's investment policy limits the amount of funds deposited and/or invested in a financial institution. Deposits/investments shall not exceed 65% of a capital stock and surplus of such institution unless collateral security has been pledged, in which case the amount of such deposits and/or investments shall not exceed 75%.

Investments in any one issuer that represent 5% or more of the total City investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
FCB Highland Bank	Certificates of Deposit	\$ 1,403,319

NOTE 3. RISK MANAGEMENT

The City of Highland is exposed to risks of loss from normal items typically applicable to all municipalities. These include liability, worker's injury, property damage, and other risks that are too numerous to mention. To reduce the City's risk of loss from damages and claims, the City has purchased commercial insurance from the Illinois Municipal League, which provides insurance coverage for property and liability claims for over 600 Illinois municipalities. Settlement claims have not exceeded insurance coverage for each of the past three fiscal years.

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2019

NOTE 4. PROPERTY TAXES

The City's property tax is levied each year on all taxable real property located in the City on or before the last Tuesday in December. The 2018 levy was passed by the Council on December 17, 2018. Property taxes attach as an enforceable lien on property as of January 1, and are payable in four installments for 2019: July 10, September 10, October 10, and December 10. The County has not mailed tax bills as of April 30, 2019. The City receives significant distributions of tax receipts approximately one month after the bills are mailed by the County. In conjunction with NCGA Interpretation #3, revenue is accrued in the year of the levy to the extent that it is due to be paid by the taxpayer by April 30, 2019 and is expected to be collected soon enough after April 30, 2019 to be used to pay liabilities by June 30, 2019 (60 days or less) and has been budgeted for the current year.

The following are the tax rates applicable to the various levies per \$100 of assessed valuation:

	MAXIMUM							
	LEVY	2018	2017	2016	2015	2014	2013	2012
General Government	.3330	0.3291	0.3298	0.3279	0.3330	0.3220	0.3330	.3312
Police Protection	.0750	0.0742	0.0743	0.0739	0.0750	0.0726	0.0750	.0746
Fire Protection	.0750	0.0742	0.0743	0.0739	0.0750	0.0726	0.0750	.0746
Playground & Rec	.0900	0.0890	0.0892	0.0887	0.0900	0.0871	0.0900	.0895
Band	.0400	0.0211	0.0250	0.0255	0.0259	0.0259	0.0259	.0254
Social Security		0.2317	0.2446	0.2495	0.2619	0.2587	0.2099	.2040
Retirement		0.2291	0.2446	0.2495	0.2787	0.2756	0.2212	.2150
Liability Insurance		0.1712	0.1783	0.1636	0.1295	0.1294	0.1673	.1627
Crossing Guards	.0200	0.0048	0.0055	0.0056	0.0070	0.0068	0.0069	.0067
Audit		0.0106	0.0087	0.0089	0.0096	0.0096	0.0100	.0100
Municipal Ambulance	.2500	0.2471	0.2476	0.2462	0.2500	0.2418	0.2481	.2411
Community Building	.0750	0.0742	0.0743	0.0739	0.0750	0.0726	0.0750	.0746
Police Pension		0.3342	0.3125	0.3059	0.2367	0.2404	0.2324	.2200
Library	.1500	0.1483	0.1486	0.1477	0.1500	0.1451	0.1500	.1492
Library Liability Ins.		0.0187	0.0191	0.0183	0.0189	0.0175	0.0176	.0193
Public Comfort Station	.0333	0.0000	0.0109	0.0084	0.0141	0.0141	0.0171	.0124
TOTAL		<u>2.0575</u>	<u>2.0873</u>	<u>2.0674</u>	<u>2.0303</u>	<u>1.9918</u>	<u>1.9544</u>	<u>1.9103</u>

The City has established two tax increment financing (TIF) districts to encourage development within the redevelopment project areas and to enhance the value of those properties. In connection with the agreements of the redevelopment project areas, the real estate taxes, which relate to the incremental increase in property values within the redevelopment project areas, are paid directly to the TIF districts for investing in redevelopment projects within the TIF districts.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 5. CAPITAL ASSETS

Summary of capital assets for governmental activities for the year ended April 30, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Not Being Depreciated:				
Land	\$ 7,757,958	\$ 49,600		\$ 7,807,558
Construction in Progress	667,265	991,470		1,658,735
Subtotal	<u>8,425,223</u>	<u>1,041,070</u>	<u>\$ 0</u>	<u>9,466,293</u>
Other Capital Assets:				
Buildings and Improvements	11,375,488	47,664		11,423,152
Improvements	6,603,996	477,860		7,081,856
Equipment	6,496,677	427,501	(182,001)	6,742,177
Infrastructure	65,123,831	64,365		65,188,196
Subtotal	<u>89,599,992</u>	<u>1,017,390</u>	<u>(182,001)</u>	<u>90,435,381</u>
Accumulated Depreciation:				
Buildings and Improvements	6,945,384	246,097		7,191,481
Improvements	3,283,475	351,477		3,634,952
Equipment	5,344,118	373,314	(182,001)	5,535,431
Infrastructure	40,766,462	1,574,391		42,340,853
Subtotal	<u>56,339,439</u>	<u>2,545,279</u>	<u>(182,001)</u>	<u>58,702,717</u>
Net Other Capital Assets	<u>33,260,553</u>	<u>(1,527,889)</u>	<u>0</u>	<u>31,732,664</u>
Net Capital Assets	<u>\$ 41,685,776</u>	<u>\$ (486,819)</u>	<u>\$ 0</u>	<u>\$ 41,198,957</u>

Depreciation was charged to functions as follows:

Governmental Activities:	
General Government	\$ 120,619
Public Safety	297,718
Highways and Streets	1,696,700
Culture and Recreation	414,664
Economic Development	15,578
Total Governmental Activities Depreciation Expense	<u>\$ 2,545,279</u>

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 5. CAPITAL ASSETS (CONTINUED)

Summary of capital assets for business-type activities for the year ended April 30, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Not Being Depreciated				
Land	\$ 2,051,199	\$ 109,515		\$ 2,160,714
Construction in Progress	934,436	333,983	\$ (285,345)	983,074
Subtotal	<u>2,985,635</u>	<u>443,498</u>	<u>(285,345)</u>	<u>3,143,788</u>
Other Capital Assets:				
Buildings	19,881,381			19,881,381
Lines	48,757,139	2,974,031		51,731,170
Equipment	12,970,138	90,199		13,060,337
Other Improvements	15,408,181	92,837		15,501,018
Interconnect	5,725,160	108,452		5,833,612
Subtotal	<u>102,741,999</u>	<u>3,265,519</u>	<u>0</u>	<u>106,007,518</u>
Accumulated Depreciation:				
Buildings	17,357,206	227,421		17,584,627
Lines	25,679,683	1,263,150		26,942,833
Equipment	11,238,659	512,669		11,751,328
Other Improvements	8,209,322	825,143		9,034,465
Interconnect	2,516,181	191,965		2,708,146
Subtotal	<u>65,001,051</u>	<u>3,020,348</u>	<u>0</u>	<u>68,021,399</u>
Net Other Capital Assets	<u>37,740,948</u>	<u>245,171</u>	<u>0</u>	<u>37,986,119</u>
Net Capital Assets	<u>\$ 40,726,583</u>	<u>\$ 688,669</u>	<u>\$ (285,345)</u>	<u>\$ 41,129,907</u>

Depreciation was charged to functions as follows:

Business-Type Activities:

Light and Power	\$ 1,856,781
Water	721,481
Sewer	442,086
	<u>\$ 3,020,348</u>

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 6. LONG-TERM OBLIGATIONS

The following is a summary of transactions for long-term liabilities of the City for the year ended April 30, 2019:

	April 30, 2018	Additions	Reductions	April 30, 2019	Due Within One Year
Governmental Activities:					
Revenue Bonds	\$ 8,409,367		\$ (1,340,000)	\$ 7,069,367	\$ 991,787
Notes Payable	175,364	\$ 193,723	(43,326)	325,761	90,927
Compensated Absences	736,629	9,436		746,065	
Net Pension Liability - IMRF	294,420	3,298,816		3,593,236	
Net Pension Liability - Police Pension	6,309,009	1,217,301		7,526,310	
Other Post Employment Benefits - Restated	1,171,898	103,131		1,275,029	
Long-Term Accrued Interest	1,080,230	143,501		1,223,731	
Long-Term Liabilities	<u>\$ 18,176,917</u>	<u>\$ 4,965,908</u>	<u>\$ (1,383,326)</u>	<u>\$ 21,759,499</u>	<u>\$ 1,082,714</u>
Business-Type Activities:					
Revenue Bonds	\$ 13,350,000		\$ (745,000)	\$ 12,605,000	\$ 770,000
Notes Payable		\$ 1,665,000	(72,000)	1,593,000	143,000
Maintenance Agreements	392,054		(168,896)	223,158	168,903
Compensated Absences	345,208	1,347		346,555	
Net Pension Liability - IMRF	210,126	1,815,528		2,025,654	
Other Post Employment Benefits	494,800	43,547		538,347	
Long-Term Liabilities	<u>\$ 14,792,188</u>	<u>\$ 3,525,422</u>	<u>\$ (985,896)</u>	<u>\$ 17,331,714</u>	<u>\$ 1,081,903</u>

Revenue bonds and notes payable at April 30, 2019 were comprised of the following individual issuances:

Revenue Bonds

Governmental Activities:

The Korte Recreation Facility bonds were refinanced on August 4, 2014. The total bond principal amount is \$2,595,000. The bonds are being repaid in semi-annual installments representing interest at variable rates of .45% to 2.10% and annual principal installments beginning April 2015. The maturity dates of these refinanced bonds is October 1, 2020. Total interest due on remaining balance is \$17,220.

\$ 850,000

2010 street alternate bonds are due in annual installments ranging from \$211,156 to \$381,787 beginning January 2020 through January 2030. Beginning in fiscal year 2011, the bond starts compounding interest at 3.70% to 4.95%. Revenue bonds were issued for future improvements to the City's streets. Total interest due on remaining interest due on remaining balance is \$2,690,633.

3,199,367

Revenue bonds due in annual installments of \$175,000 to \$280,000 through January 2032 with average interest rate of 3.2%. The City issued bonds in 2012 to fund infrastructure improvements and reimburse certain redevelopment costs for the new hospital built in the City's TIF District #2. Total interest remaining \$752,713.

3,020,000

Total Revenue Bonds - Governmental Activities

\$ 7,069,367

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Revenue Bonds

Business-Type Activities:

2010 Electric system revenue bonds due in various semi-annual installments. These bonds have an increasing interest rate from 1.5% upon issue to 6% in 2029. Revenue bonds were issued to raise funding for the City's Fiber-To-The-Premises Project. The total bond principal amount is \$8,985,000, of which \$353,376 is attributable to bond issue costs. The maturity date of the Series 2010 Bonds is January 1, 2032. Total interest due on the remaining balance is \$2,945,673. \$ 6,795,000

2012 Electric system revenue bonds due in various semi-annual installments. These bonds have an increasing interest rate from 2.0% upon issue to 4.1% in 2032. Revenue bonds were issued to increase funding for the City's Fiber-To-The-Premises Project. The total bond principal amount is \$4,225,000 of which \$128,913 is attributable to bond issue costs. The maturity date of the Series 2012 Bonds is January 1, 2032. The total interest due on the remaining balance is \$1,039,402. 3,580,000

2013 Sewerage system revenue bonds due in various semi-annual installments. These bonds have an increasing interest rate from 2.50% upon issue to 4.25% in 2033. Revenue bonds were issued to increase funding for the improvements to the sewer system. The total principal amount of the bonds is \$2,745,000, of which \$65,200 is attributable to bond issue costs. The maturity date of the bonds is October 1, 2033. The total interest due on the remaining balance is \$686,647. 2,230,000

Total Revenue Bonds - Business-Type Activities \$ 12,605,000

Notes Payable

Governmental Activities:

In 2017, the City purchased a 2017 Johnston VT651 Street Sweeper with financing provided by Bradford National Bank. The total loan amount was \$221,000 and is being repaid in monthly installments over a 5 year period at 2.24% interest. Total interest due on the remaining balance is \$4,484. \$ 132,038

In 2018, the City purchased a 2017 Ford F-450 Chassis with Braun Chief XL Ambulance with financing provided by First Collinsville Bank in Highland, Illinois. The total loan amount was \$193,723 and is being repaid in annual installments over a 4 year period at 2.55% interest. Total interest due on the remaining balance is \$12,516. 193,723

Total Notes Payable - Governmental Activities \$ 325,761

Business-Type Activities:

In 2018, the City borrowed funds from the State Bank of Bern with financing assistance from Sterns Brothers in order to complete water main improvements in the City of Highland. The total loan amount was \$1,665,000 and is being repaid in various semi-annual installments at an interest rate of 3.670%. The maturity date of this loan is October 1, 2028 and total interest due on the remaining balance is \$307,913. \$ 1,593,000

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Details of maintenance agreements payable at April 30, 2019 were as follows:

Maintenance Agreements Payable

Business-Type Activities:

In 2010, the City contracted a private company to renovate and maintain the 1,000,000 gallon water storage tank at Silver Lake Park. The total amount of the zero-interest contract is \$508,290. The final payment on the contract is due September 2019. \$ 50,835

In 2015, the City contracted a private company to renovate and maintain the elevated downtown storage water tank in downtown Highland. The total amount of the zero-interest contract is \$117,578. The final payment on the contract is due in 2021. 39,706

In 2015, the City contracted a private company to renovate and maintain the standpipe water storage tank at Silver Lake Park. The total amount of the zero-interest contract is \$522,417. The final payment on the contract is due in 2021. 132,617

Total Maintenance Agreements Payable - Business-Type Activities \$ 223,158

The annual debt service requirements for long-term debt on April 30, 2019 were as follows:

YEAR ENDING APRIL 30	REVENUE BONDS PAYABLE	NOTES PAYABLE	MAINTENANCE AGREEMENTS PAYABLE	INTEREST	TOTAL PRINCIPAL & INTEREST
2020	\$ 1,761,787	\$ 233,927	\$ 168,903	\$ 917,273	\$ 3,081,890
2021	1,782,923	242,108	54,255	885,615	2,964,901
2022	1,356,036	245,447		857,710	2,459,193
2023	1,374,478	210,278		826,747	2,411,503
2024	1,391,261	166,000		794,900	2,352,161
2025-2029	7,296,727	821,001		3,392,848	11,510,576
2030-3034	4,711,155			782,108	5,493,263
Total	<u><u>\$ 19,674,367</u></u>	<u><u>\$ 1,918,761</u></u>	<u><u>\$ 223,158</u></u>	<u><u>\$ 8,457,201</u></u>	<u><u>\$ 30,273,487</u></u>

There are a number of limitations and restrictions contained in the various bond indentures.

The City was in compliance with all significant limitations and restrictions.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 7. RETIREMENT FUND COMMITMENTS

(A) ILLINOIS MUNICIPAL RETIREMENT FUND – REGULAR AND SLEP EMPLOYEES

(i) PLAN DESCRIPTION

The City of Highland’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City of Highland’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. This report is available for download at www.imrf.org.

(ii) 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).

All three IMRF benefit plans have two tiers. 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 HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2019

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

(iii) EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2018, the following employees were covered by the benefit terms:

	REGULAR PLAN	SLEP PLAN
Retirees and Beneficiaries currently receiving benefits	84	0
Inactive Plan Members entitled to but not yet receiving benefits	53	1
Active Plan Members	108	0
Total	245	1

(iv) CONTRIBUTIONS

(a) REGULAR PLAN

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. The City’s annual required contribution rate for calendar year 2018 was 10.61%. For the fiscal year ended April 30, 2019, the City contributed \$662,664 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

(b) SLEP PLAN

As set by statute, the City’s Regular plan members are required to contribute 7.50% 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. The City’s annual required contribution rate for calendar year 2018 was 13.28%. For the fiscal year ended April 30, 2019, the City contributed \$0 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

(v) NET PENSION LIABILITY

The City of Highland’s net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

(vi) ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine total pension liability at December 31, 2018.

Actuarial Cost Method	Entry Age Normal	
Asset Valuation Method	Market Value of Assets	
Price Inflation	2.50%	
Salary Increases	3.39% to 14.25%	
Investment Rate of Return:	Regular	7.25%
	SLEP	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.	
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.	

Other Information:

Notes There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2018 Illinois Municipal Retirement Fund annual actuarial valuation report.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

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 as of December 31, 2018:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	7.15%
International Equity	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternative Investments	7%	3.20-8.50%
Cash Equivalents	1%	2.50%
Total	<u>100%</u>	

(vii) SINGLE DISCOUNT RATE

A Single Discount Rate of 7.25% for both the regular plan and the SLEP plan was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

(viii) CHANGES IN THE NET PENSION LIABILITY (ASSET)

(a) REGULAR PLAN

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2017	\$ 33,143,828	\$ 32,568,445	\$ 575,383
Changes for the year:			
Service Cost	621,283		621,283
Interest on the Total Pension Liability	2,447,068		2,447,068
Difference Between Expected and Actual Experience of the Total Pension Liability	938,637		938,637
Changes of Assumptions	1,032,887		1,032,887
Contributions - Employer		701,482	(701,482)
Contributions - Employees		301,376	(301,376)
Net Investment Income		(1,696,987)	1,696,987
Benefit Payments, Including Refunds of Employee Contributions	(1,653,797)	(1,653,797)	0
Other (Net Transfer)		689,364	(689,364)
Net Changes	<u>3,386,078</u>	<u>(1,658,562)</u>	<u>5,044,640</u>
Balance, December 31, 2018	<u>\$ 36,529,906</u>	<u>\$ 30,909,883</u>	<u>\$ 5,620,023</u>

(b) SLEP PLAN

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2017	\$ 110,459	\$ 181,296	\$ (70,837)
Changes for the year:			
Interest on the Total Pension Liability	8,284		8,284
Difference Between Expected and Actual Experience of the Total Pension Liability	(7,608)		(7,608)
Changes of Assumptions	3,568		3,568
Net Investment Income		(65,794)	65,794
Other (Net Transfer)		334	(334)
Net Changes	<u>4,244</u>	<u>(65,460)</u>	<u>69,704</u>
Balance, December 31, 2018	<u>\$ 114,703</u>	<u>\$ 115,836</u>	<u>\$ (1,133)</u>

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

(ix) SENSITIVITY IN THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	<u>REGULAR PLAN</u>		<u>SLEP PLAN</u>	
	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>
1% Decrease	6.25%	\$ 10,332,828	6.25%	\$ 15,039
Current Discount Rate	7.25%	5,620,023	7.25%	(1,133)
1% Increase	8.25%	1,766,048	8.25%	(14,452)

(x) PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended April 30, 2019, the City of Highland recognized pension expense of \$112,119. At April 30, 2019, the City of Highland recognized deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Regular Plan</u>		
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 1,298,994	\$ 386,035	\$ 912,959
Changes of Assumptions	1,608,524	726,524	882,000
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,034,982	1,703,261	2,331,721
Pension Contributions Made Subsequent to the Measurement Date	175,867		175,867
Amortization of Deferred Outflows	(1,181,552)		(1,181,552)
Total Deferred Amounts Related to Pensions	<u>\$ 5,936,815</u>	<u>\$ 2,815,820</u>	<u>\$ 3,120,995</u>
	<u>SLEP Plan</u>		
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 67,740	\$ 20,255	\$ 47,485
Amortization of Deferred Outflows	(1,276)		(1,276)
	<u>\$ 66,464</u>	<u>\$ 20,255</u>	<u>\$ 46,209</u>

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2019

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

Amounts realized as net deferred inflows of resources related to pensions will be realized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows of Resources	
	Regular Plan	SLEP Plan
2019	\$ 1,173,146	\$ 11,457
2020	425,157	9,743
2021	351,074	9,131
2022	1,128,914	15,878
2023	42,704	0
Total	\$ 3,120,995	\$ 46,209

(B) POLICE PENSION

(i) PLAN ADMINISTRATION

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contributions level are governed by Illinois Compiled Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois Legislature. The City accounts for the plan as a pension trust fund.

The plan is governed by a five member Board of Trustees. Two members of the board are appointed by the City, two are active members of the police department elected by the membership, and one is a retired member of the police department elected by the membership.

At April 30, 2018, the Police Pension Plan membership consisted of:

Inactive Plan Members of Beneficiaries Currently Receiving Benefits	13
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	1
Active Plan Members	20
Total	34

(ii) BENEFITS PROVIDED

The Plan provides retirement, disability, death, and termination benefits. The Police Pension Plan has two tiers. Police officers hired prior to January 1, 2011 are eligible for Tier 1. Police officers hired on or after January 1, 2011 are eligible for Tier 2.

Under Tier 1, a police officer age 50 or more with 20 or more years of creditable service shall receive a pension of one-half of the salary attached to the rank held by the officer at the date of retirement. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years of service through 30 years of service, to a maximum of 75% of such salary. The minimum monthly benefit is \$1,000 per month. The monthly benefit 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% of the original pension, and 3% compounded annually thereafter. Those that retire prior to age 55 receive an increase of 1/12 of 3% for each full month from benefit commencement until age 55 is reached.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

Under Tier 2, a police officer age 55 or more with 10 or more years of creditable service shall receive a pension of 2.5% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75% of average salary. An annual cost-of-living adjustment is calculated each January 1st. The increase is equal to 3% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1st, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension state date, whichever is later.

Officers totally and permanently disabled as determined by the Board of Trustees are eligible to receive a disability benefit. Officers disabled in the performance of an act of duty are entitled to 65% of the salary attached to the rank held on the date of service and the monthly retirement pension that the member is entitled to receive if he or she retired immediately. If the disability occurs while the officer is not in performance of an act of duty, the officer is entitled to a disability benefit of 50% of the salary attached to the rank on the last day of service.

If an officer dies in the line of service, the named beneficiary is entitled to a death benefit equal to 100% of the officer's salary attached to the rank held by the officer on the last day of service. For a non-service death, the beneficiary would receive a maximum of 50% of the salary attached to the rank held by the officer on the last day of service, and the monthly retirement pension earned by the deceased officer at the time of death, regardless of whether death occurs before or after age 50. For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

After termination of service, an officer with less than 10 years of service will receive a refund of their contributions. If the officer has 10 or more years of service, the officer will receive either a refund of their contributions, or the termination benefit, payable upon reaching age 60 provided contributions are not withdrawn. The termination benefit is 2.50% of the annual salary held in the year prior to termination times years of creditable service.

(iii) CONTRIBUTIONS

Plan members are required to contribute 9.91% of their base salary to the Police Pension Plan. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary.

(iv) INVESTMENT POLICY

The fund's Board of Trustees is required to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The plan complies with the investment guidelines set forth at 40 ILCS 5/1-113. The investment policy was modified on April 19, 2018.

Fixed-income securities are reported at cost subject to adjustment for market declines judged to be other than temporary (lower of cost or market). Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date. Equity securities are reported at fair value. The plan did not hold investments in any one organization that represent 5% or more of the Pension Plan's Fiduciary Net Position.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

For the year ended April 30, 2019, the annual money-weighted rate of return on plan investments, net of pension plan investment expense, was 4.91%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on 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 expenses 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 by the target asset allocation percentage and by adding expected inflation.

The following was the Board's adopted asset allocation policy and best estimate of arithmetic real rates of return as of April 30, 2018:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Certificates of Deposit	0%	1.20%
Municipal Obligations	15%	2.40%
Mutual Funds	60%	6.60%
U.S. Government Obligations	20%	2.40%
Cash	5%	0.00%
Total	100%	

(v) CHANGES IN THE NET PENSION LIABILITY (ASSET)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, April 30, 2017	\$ 16,857,690	\$ 10,548,681	\$ 6,309,009
Changes for the year:			
Service Cost	393,913		393,913
Interest on the Total Pension Liability	1,098,989		1,098,989
Difference Between Expected and Actual Experience of the Total Pension Liability	58,476		58,476
Changes of Assumptions	879,770		879,770
Contributions - Employer		559,395	(559,395)
Contributions - Employees		145,573	(145,573)
Net Investment Income		518,280	(518,280)
Benefit Payments, Including Refunds of Employee Contributions	(688,165)	(688,165)	0
Administrative Expenses		(9,401)	9,401
Net Changes	1,742,983	525,682	1,217,301
Balance, April 30, 2018	\$ 18,600,673	\$ 11,074,363	\$ 7,526,310

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2019

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

(vi) ACTUARIAL ASSUMPTIONS

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2018 using the following actuarial assumptions.

Inflation	2.50%
Salary Increase	Service-related table with rates grading from 10.5% to 3.0% at 30 years of service
Discount Rate	6.50%
Investment Rate Of Return	6.50%

Mortality rates were based on the RP-2014 Combined Healthy Mortality with a blue collar adjustment, projected generationally using scale MP-2017 from 2013. Disabled mortality rates were based on the RP-2014 Combined Disabled Mortality with a blue collar adjustment, projected generationally using scale MP-2017 from 2013. The date of the most recent experience study for which significant assumptions are based upon is not available.

(vii) DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension Plan'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 periods of projected benefit payments to determine the total pension liability.

For purpose of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.01% (based on the weekly rate closest to but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve); and the resulting single discount rate is 6.50%.

(viii) SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease	Current Discount Rate	1% Increase
	5.50%	6.50%	7.50%
Net Pension Liability	\$ 10,669,176	\$ 7,526,310	\$ 5,029,080

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2019

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

(ix) DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At April 30, 2019, the City of Highland recognized deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 125,689	\$ (616,863)
Changes of Assumptions	1,971,839	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	440,099	(32,474)
Total Deferred Amounts Related to Pensions	\$ 2,537,627	\$ (649,337)

Amounts realized as deferred outflows of resources related to pensions will be realized in pension expense in future periods as follows:

Year Ending April 30,	Net Deferred Outflows of Resources
2019	\$ 457,094
2020	435,949
2021	293,524
2022	296,144
2023	262,620
Thereafter	142,959
Total	\$ 1,888,290

NOTE 8. INTERFUND ACTIVITY

Interfund balances exist on the governmental and proprietary fund financial statements and represents amounts loaned among the funds that are expected to be repaid within the next year. Interfund balances between governmental funds and interfund balances between proprietary funds have been eliminated in the government-wide statement of net position. Interfund balances at April 30, 2019, consisted of the following:

Due To	Due From	Amount
City Property Replacement Fund	General Corporate Fund	70,000
City Property Replacement Fund	Other Governmental Funds	45,000

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 8. INTERFUND ACTIVITY (CONTINUED)

Interfund transfers exist due to the allocation of general administrative expenses among the funds and to provide funding for the economic development fund. The transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Interfund transfers for the year ended April 30, 2019, consisted of the following:

		Transfer From:							
		General Corporate	City Property Replacement	Other Governmental Funds	Light And Power	Water	Sewer	Solid Waste	Total
Transfer To:	General Corporate		\$ 580,000	\$ 184,232	\$ 205,400	\$ 31,200	\$ 23,400	\$ 15,000	\$ 1,039,232
	Ambulance		187,000						187,000
	City Property Replacement	\$ 115,000			150,000				265,000
	Total	<u>\$ 115,000</u>	<u>\$ 767,000</u>	<u>\$ 184,232</u>	<u>\$ 355,400</u>	<u>\$ 31,200</u>	<u>\$ 23,400</u>	<u>\$ 15,000</u>	<u>\$ 1,491,232</u>

NOTE 9. NOTES RECEIVABLE

The following is a summary of long-term receivable transactions of the City for the year ended April 30, 2019:

	COMPONENT UNIT
Balance on April 30, 2018	\$ 34,371
Additions	
Reductions	(34,371)
Balance on April 30, 2019	<u><u>\$ 0</u></u>

McLaughlin's Entertainment, LLC

In August 2012, the component unit entered into a \$65,000, 5% note receivable with McLaughlin's Entertainment, LLC. Monthly principal and interest payments of \$689 are due at the end of each month until maturity in December 2022.

This note was paid off early in the fiscal year ended April 30, 2019. \$ 0

NOTE 10. OTHER POST EMPLOYMENT BENEFITS

The City of Highland's Retiree Health Care Plan (Plan) is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the City. The City allows for retired employees to purchase medical, pharmacy, and dental insurance through the City's single employer, group plans. This constitutes an other post employment benefit (OPEB) provided to the employees. These benefits are governed by the City Council and can be amended through the City's personnel manual and union contracts. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust and does not issue a stand-alone financial report.

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2019

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

(i) Employees Covered by Benefit Terms

At April 30, 2019, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	19
Inactive Plan Members Entitled to but not yet Receiving Benefits	0
Active Plan Members	113
	132
	132

(ii) BENEFITS PROVIDED

Retirees and their spouses or surviving spouses are eligible to purchase medical, pharmacy and dental benefits at the City’s group rates. Although retirees pay 100% of the cost of the group premiums the City in effect subsidizes a portion of their insurance costs by allowing them on the group plan. Eligible employees must be at least 55 years of age with 20 years of service or 60 years of age with 8 years of service for all departments other than the police. Police department retirees must be 50 years of age with 20 years of service or 60 years of age with 8 years of service. Retirees and their spouses may only receive these benefits until reaching the age of 65.

(iii) NET OPEB LIABILITY

The measurement period for the OPEB expense was May 1, 2018 to April 30, 2019. The reporting period is May 1, 2018 through April 30, 2019. The City’s Total OPEB Liability was measured as of April 30, 2019.

The components of the net OPEB liability of the plan at April 30, 2019, calculated in accordance with GASB Statement No. 75 were as follows:

Total OPEB Liability	\$ 1,813,376
Plan Fiduciary Net Position	0
Net OPEB Liability	\$ 1,813,376

Plan fiduciary net position as a percentage of the total OPEB liability is 0%.

See the schedule of changes in total OPEB liability and related ratios in the required supplementary information for additional information related to the funded status of the plan.

For the year ended April 30, 2019, the City will recognize OPEB Expense of \$83,650.

(iv) ACTUARIAL ASSUMPTIONS

The Total OPEB Liability was determined by an actuarial valuation as of April 30, 2019 using the following actuarial assumptions:

Price Inflation	2.75%
Annual Wage Increases	3.50%
Discount Rate	3.21%
Immediate Trend Rate	8.50%
Ultimate Trend Rate	4.50%

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2019

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

For all lives, mortality rates were SOA RPH-2014 Total Dataset Headcount-Weighted Mortality, Adjusted to 2006.

(v) DISCOUNT RATE

Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 3.21%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

(vi) CHANGES IN TOTAL OPEB LIABILITY

	Increases and (Decreases) in Total OPEB Liability
Reporting Period Ending April 30, 2018	\$ 1,666,698
Changes for the Year:	
Service Cost	94,216
Interest	62,463
Changes of Assumptions	70,348
Benefit Payments	(80,349)
Net Changes	146,678
Reporting Period Ending April 30, 2019	\$ 1,813,376

Changes of assumptions reflect a change in the discount rate from 3.63% for the fiscal year ending April 30, 2018 to 3.21% for the fiscal year ending April 30, 2019.

(vii) SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the Total OPEB Liability of the City, as well as what the City's Total OPEB 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 discount rate:

	1% Decrease 2.21%	Current Discount Rate 3.21%	1% Increase 4.21%
Total OPEB Liability	\$ 2,011,850	\$ 1,813,376	\$ 1,634,154

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2019

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

(viii) SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the Total OPEB Liability of the City, as well as what the City's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.50% - 7.50%	Healthcare Cost Trend Rates 4.50% - 8.50%	1% Increase 5.50% - 9.50%
Total OPEB Liability	\$ 1,578,488	\$ 1,813,376	\$ 2,096,898

(ix) DEFERRED OUTFLOWS OF RESOURCES RELATED TO OPEB

At April 30, 2019, the City of Highland recognized deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Changes in Assumptions	\$ 63,028

Amounts realized as deferred outflows of resources related to OPEB will be realized in OPEB expense in future periods as follows:

	Deferred Outflows of Resources
2020	\$ 7,320
2021	7,320
2022	7,320
2023	7,320
2024	7,320
Thereafter	26,428
Total	<u>\$ 63,028</u>

NOTE 11. TAX ABATEMENTS

The City enters into property tax abatement agreements with local businesses under the Illinois Tax Increment Allocation Redevelopment Act. Under this act, localities may grant property tax abatements for the purpose of rehabilitation of blighted or conservation areas. The abatements may be granted to any business located within the TIF District boundaries which incur qualified redevelopment costs. A typical agreement will reimburse a developer's qualified costs up to 100% of the annual property tax increment. For the fiscal year ended April 30, 2019, the City abated property taxes totaling \$12,318 under this program.

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2019

NOTE 11. TAX ABATEMENTS (CONTINUED)

The City entered into sales tax rebate agreements with multiple businesses within the City’s business district as an incentive for the businesses to complete improvements to their businesses. These businesses receive sales tax rebates of up to 100% of the 1% city sales tax increment, to be paid annually. For the fiscal year ended April 30, 2019, the City abated sales taxes totaling \$38,475 under these agreements.

The City entered into property tax abatement agreements with multiple businesses within the City’s business district as an incentive for the businesses to complete improvements to the buildings within the district. These agreements reimburse the businesses up to 100% of the City’s portion of the ad valorem tax increment generated on the increase in equalized assessed value for the improved property. For the fiscal year ended April 30, 2019, the City abated property taxes totaling \$10,678 under these agreements.

The City entered into a property tax abatement agreement to secure two easements. This agreement abates the City’s portion of real estate tax. For the fiscal year ended April 30, 2019, the City abated property taxes totaling \$156 under this agreement.

NOTE 12. LEGAL DEBT MARGIN

The legal debt margin for the City of Highland was \$14,789,869 for general obligation debts. The computation was as follows:

Assessed Valuation as of April 30, 2019	\$ 189,946,306
Statutory Debt Limitation (8.625% of Assessed Valuation)	\$ 16,382,869
Less: General Obligation Debt	(1,593,000)
Legal Debt Margin	\$ 14,789,869

The total general obligation debt for the City of Highland at April 30, 2019 was \$1,593,000.

NOTE 13. DEFICIT FUND BALANCES

The following individual nonmajor funds reported deficit fund balances on April 30, 2019:

Fund	Deficit Fund Balance
Cemetery Land Replacement	\$ 15,858
Library Special Projects	17,075
Library Endowment	56,151
Total Deficit Fund Balance	\$ 89,084

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2019

NOTE 14. SUBSEQUENT EVENTS

In July 2019, the City sold approximately 3 miles of electrical transmission line including all supporting structures, the switching station, and all associated easement rights to Ameren IP for \$1,000,000.

In October 2019, the City refinanced the 2010 and 2012 Electric System Revenue Bonds to obtain lower interest rates. The bond closing was on October 16, 2019 and the redemption dates are set for November 16, 2019 for the Series 2012 bonds and January 1, 2020 for the Series 2010 bonds.

NOTE 15. GOVERNMENTAL FUND BALANCES

As of April 30, 2019, governmental fund balances are classified as follows:

	General Corporate Fund	City Property Replacement Fund	Ambulance Fund	Street Improvement Fund	Other Governmental Funds	Totals
Nonspendable:						
Prepaid Expenses	\$ 67,244		\$ 2,831		\$ 206,192	\$ 276,267
Total Nonspendable	<u>67,244</u>	<u>\$ 0</u>	<u>2,831</u>	<u>\$ 0</u>	<u>206,192</u>	<u>276,267</u>
Restricted for:						
Cemetery Operations and Maintenance					737,364	737,364
Economic Development					716,689	716,689
Fire Protection	16,606					16,606
Tourism and Conventions	7,429					7,429
Highways and Streets					783,466	783,466
IMRF					156,668	156,668
Debt Service					105,658	105,658
Library Insurance					17,762	17,762
Library Capital Improvements					25,112	25,112
Municipal Band	13,857					13,857
School Crossing Guard	17,765					17,765
Total Restricted	<u>55,657</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,542,719</u>	<u>2,598,376</u>
Assigned, Reported in:						
Special Revenue Funds			679,075	589,887	824,688	2,093,650
Capital Projects Funds		5,195,868				5,195,868
Total Assigned	<u>0</u>	<u>5,195,868</u>	<u>679,075</u>	<u>589,887</u>	<u>824,688</u>	<u>7,289,518</u>
Unassigned	<u>3,056,904</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(89,084)</u>	<u>2,967,820</u>
TOTAL FUND BALANCES	<u><u>\$ 3,179,805</u></u>	<u><u>\$ 5,195,868</u></u>	<u><u>\$ 681,906</u></u>	<u><u>\$ 589,887</u></u>	<u><u>\$ 3,484,515</u></u>	<u><u>\$ 13,131,981</u></u>

CITY OF HIGHLAND, ILLINOIS
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
FOR THE YEARS ENDED APRIL 30, 2019 AND 2018

	GENERAL CORPORATE FUND					
	APRIL 30, 2019			APRIL 30, 2018		
	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Actual Amounts GAAP Basis
Revenues:						
General Property Taxes	\$ 1,382,000	\$ 1,382,000	\$ 1,391,295	\$ 0	\$ 1,391,295	\$ 1,360,440
Corporate Personal Property Taxes	99,200	99,200	118,146		118,146	104,152
Intergovernmental	4,604,250	4,204,250	4,400,137		4,400,137	4,408,056
Charges for Current Services	2,225,151	2,225,151	2,442,958		2,442,958	2,412,005
Licenses and Permits	258,700	258,700	282,042		282,042	251,510
Fines and Forfeitures	21,000	21,000	19,613		19,613	18,345
Revenue from Use of Property	92,200	92,200	96,666		96,666	90,883
Miscellaneous, Grants, and Interest	501,700	796,700	761,903		761,903	631,415
Total Revenues	9,184,201	9,079,201	9,512,760	0	9,512,760	9,276,806
Expenditures:						
General Government	1,387,840	1,423,840	1,347,873	(21,491)	1,326,382	1,325,568
Public Safety	3,418,345	3,467,845	3,366,798	34,616	3,401,414	3,280,449
Highways and Streets	1,025,950	1,050,950	941,805	(7,236)	934,569	898,993
Economic Development	222,250	457,250	438,005	(6,705)	431,300	143,661
Culture and Recreation	1,779,730	1,842,730	1,904,025	43,272	1,947,297	1,885,398
Capital Outlay	564,350	1,427,350	1,511,586		1,511,586	897,253
Principal Debt Retirement	415,000	415,000	458,326		458,326	452,372
Interest and Fixed Charges on Debt	19,285	19,285	23,088		23,088	29,253
Total Expenditures	8,832,750	10,104,250	9,991,506	42,456	10,033,962	8,912,947
Excess (Deficiency) of Revenues Over (Under) Expenditures	351,451	(1,025,049)	(478,746)	(42,456)	(521,202)	363,859
Other Financing Sources (Uses):						
Proceeds from Sale of Capital Assets					1,940	1,800
Unrealized Appreciation (Depreciation) of Investments					7,981	(8,972)
Operating Transfers in	762,500	1,555,500	1,039,232		1,039,232	94,808
Operating Transfers out	(1,159,500)	(912,500)	(115,000)		(115,000)	(280,000)
Total Other Financing Sources (Uses)	(397,000)	643,000	924,232	0	934,153	(192,364)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ (45,549)	\$ (382,049)	\$ 445,486	\$ (42,456)	412,951	171,495
Fund Balance, Beginning of Year					2,766,854	2,595,359
Fund Balance, End of Year					\$ 3,179,805	\$ 2,766,854
The City budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis					\$ 13,684	\$ 25,174
The City budgets for expenditures to the extent anticipated to be paid in cash, rather than on the modified accrual basis					13,495	(112,972)
The City budgets for payroll to the extent anticipated to be paid in cash, rather than on the modified accrual basis					15,277	30,833
					\$ 42,456	\$ (56,965)

CITY OF HIGHLAND, ILLINOIS
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
FOR THE YEARS ENDED APRIL 30, 2019 AND 2018

	CITY PROPERTY REPLACEMENT FUND				APRIL 30, 2019		APRIL 30, 2018	
	Original Budget	Budgeted Amounts Final Budget	Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Actual Amounts GAAP Basis	Actual Amounts GAAP Basis	
Revenues:								
Miscellaneous and Interest	\$ 54,835	\$ 54,835	\$ 77,001		\$ 77,001	\$ 65,714		
Total Revenues	54,835	54,835	77,001	\$ 0	77,001	65,714		
Expenditures								
Capital Outlay	0	0	0	0	0	0	0	
Total Expenditures	0	0	0	0	0	0	0	
Excess of Revenues Over Expenditures	54,835	54,835	77,001	0	77,001	65,714		
Other Financing Sources (Uses):								
Unrealized Appreciation (Depreciation) of Investments					14,023	(16,182)		
Operating Transfers In	655,000	438,000	265,000		265,000	430,000		
Operating Transfers Out	(72,000)	(785,000)	(767,000)		(767,000)	(225,000)		
Total Other Financing Sources (Uses)	583,000	(347,000)	(502,000)	0	(487,977)	188,818		
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	\$ 637,835	\$ (292,165)	\$ (424,999)	\$ 0	(410,976)	254,532		
Fund Balance, Beginning of Year					5,606,844	5,352,312		
Fund Balance, End of Year					\$ 5,195,868	\$ 5,606,844		

CITY OF HIGHLAND, ILLINOIS
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
FOR THE YEARS ENDED APRIL 30, 2019 AND 2018

	AMBULANCE FUND					
	APRIL 30, 2019			APRIL 30, 2018		
	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Actual Amounts GAAP Basis
Revenues:						
General Property Taxes	\$ 450,000	\$ 450,000	\$ 454,163		\$ 454,163	\$ 444,672
Replacement Taxes	13,000	13,000	16,345		16,345	13,943
Intergovernmental	318,966	318,966	318,966		318,966	281,672
Charges for Services	1,546,724	1,690,000	1,704,619		1,704,619	1,388,944
Miscellaneous and Interest	3,500	3,500	8,137		8,137	6,691
Total Revenues	<u>2,332,190</u>	<u>2,475,466</u>	<u>2,502,230</u>	<u>\$ 0</u>	<u>2,502,230</u>	<u>2,135,922</u>
Expenditures						
Public Safety	2,199,633	2,769,633	2,653,985	29,560	2,683,545	2,535,537
Capital Outlay	116,981	116,981	262,659		262,659	
Total Expenditures	<u>2,316,614</u>	<u>2,886,614</u>	<u>2,916,644</u>	<u>29,560</u>	<u>2,946,204</u>	<u>2,535,537</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,576</u>	<u>(411,148)</u>	<u>(414,414)</u>	<u>(29,560)</u>	<u>(443,974)</u>	<u>(399,615)</u>
Other Financing Sources (Uses):						
Proceeds from Sale of Capital Assets					12,469	8,179
Note Payable Proceeds					193,723	
Unrealized Appreciation (Depreciation) of Investments					9	(217)
Operating Transfers In	(15,000)	150,000			187,000	150,000
Operating Transfers Out	(15,000)	(15,000)				
Total Other Financing Sources (Uses)	<u>(15,000)</u>	<u>135,000</u>	<u>0</u>	<u>0</u>	<u>393,201</u>	<u>157,962</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ 576</u>	<u>\$ (276,148)</u>	<u>\$ (414,414)</u>	<u>\$ (29,560)</u>	<u>(50,773)</u>	<u>(241,653)</u>
Fund Balance, Beginning of Year					<u>732,679</u>	<u>974,332</u>
Fund Balance, End of Year					<u>\$ 681,906</u>	<u>\$ 732,679</u>
(1) The City budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis					\$ (5,354)	\$ (1,399)
The City budgets for expenditures to the extent anticipated to be paid in cash, rather than on the modified accrual basis					33,867	(9,335)
The City budgets for payroll to the extent anticipated to be paid in cash, rather than on the modified accrual basis					1,047	10,853
					<u>\$ 29,560</u>	<u>\$ 119</u>

CITY OF HIGHLAND, ILLINOIS
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
FOR THE YEARS ENDED APRIL 30, 2019 AND 2018

	STREET IMPROVEMENT FUND				APRIL 30, 2019		APRIL 30, 2018	
	Budgeted Amounts	Final Budget	Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Actual Amounts GAAP Basis	Actual Amounts GAAP Basis	
Revenues:								
Intergovernmental	\$ 1,410,000	\$ 1,410,000	\$ 1,458,085		\$ 1,458,085	\$ 1,402,969		
Miscellaneous, Grants, and Interest	7,500	7,500	7,143		7,143	123,839		
Total Revenues	<u>1,417,500</u>	<u>1,417,500</u>	<u>1,465,228</u>	<u>\$ 0</u>	<u>1,465,228</u>	<u>1,526,808</u>		
Expenditures								
Highways and Streets	125,000	125,000	(12,061)	12,061				
Capital Outlay	120,000	120,000	284,215		284,215	200,865		
Debt Services	747,078	747,078	747,311		747,311	1,201,277		
Total Expenditures	<u>992,078</u>	<u>992,078</u>	<u>1,019,465</u>	<u>12,061</u>	<u>1,031,526</u>	<u>1,402,142</u>		
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>425,422</u>	<u>425,422</u>	<u>445,763</u>	<u>(12,061)</u>	<u>433,702</u>	<u>124,666</u>		
Other Financing Sources (Uses):								
Unrealized Appreciation (Depreciation) of Investments					627	(780)		
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>627</u>	<u>(780)</u>		
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	<u>\$ 425,422</u>	<u>\$ 425,422</u>	<u>\$ 445,763</u>	<u>\$ (12,061)</u>	<u>434,329</u>	<u>123,886</u>		
Fund Balance, Beginning of Year					155,558	31,672		
Fund Balance, End of Year					<u>\$ 589,887</u>	<u>\$ 155,558</u>		
					\$ 12,061	\$ 15,722		
					<u>\$ 12,061</u>	<u>\$ 15,722</u>		

(1) The City budgets for expenditures to the extent anticipated to be paid in cash, rather than on the modified accrual basis

CITY OF HIGHLAND, ILLINOIS
NOTES TO SCHEDULE "1"
APRIL 30, 2019

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. During the first quarter of the calendar year, the City Manager submits to the City Council a proposed budget for the year commencing May 1 of that year. Expenditures, interest, payroll, claims, and compensated absences are budgeted to the extent anticipated to be paid in cash.
2. Public hearings are conducted to obtain taxpayer comments.
3. On April 16, 2018 the budget ordinance was legally enacted. The budget ordinance was legally amended on April 15, 2019.
4. The operating budget for the major governmental and special revenue funds is reflected in the financial statements.
5. The formal budget is adopted and used as a management control device during the year for the general fund, special revenue funds, capital project funds, debt service funds, enterprise funds and pension and nonexpendable trust funds. Budgetary control is at the total individual fund level and is alternatively achieved through bond indenture provisions for the debt service funds. This allows the City Manager and the finance department to transfer budgeted amounts within departments; however, any revisions that alter the total expenditures/expenses of any individual fund, by more than 10% must be approved by the City Council.
6. The City files with the county an annual budget ordinance which is the legally required document that levies a tax on the owners of property located in the City. The City budgets for expenditures to the extent anticipated to be paid in cash. All appropriations lapse at year end. The budget is the legal document that limits the spending capacity by fund of the City for its services and operations.

As of April 30, 2019, the City's expenses exceeded appropriations in the following funds:

Street Improvement Fund	\$ 27,387
Ambulance Fund	30,030
TIF #2 Fund	31,131
Library Endowment Fund	2,727
Economic Development Fund	4,461
Solid Waste Fund	16,445

CITY OF HIGHLAND, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR PLAN
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Calendar year ending December 31,	2018	2017	2016	2015
TOTAL PENSION LIABILITY				
Service Cost	\$ 621,283	\$ 641,150	\$ 673,608	\$ 665,293
Interest on the Total Pension Liability	2,447,068	2,415,253	2,360,617	2,187,028
Difference Between Expected and Actual Experience of the Total Pension Liability	938,637	64,339	(818,131)	778,452
Changes of Assumptions	1,032,887	(1,086,422)	(81,602)	40,606
Benefit Payments, Including Refunds of Employee Contributions	(1,653,797)	(1,546,587)	(1,401,283)	(1,230,296)
Net Change in Total Pension Liability	3,386,078	487,733	733,209	2,441,083
Total Pension Liability - Beginning	33,143,828	32,656,095	31,922,886	29,481,803
Total Pension Liability - Ending (a)	<u>\$ 36,529,906</u>	<u>\$ 33,143,828</u>	<u>\$ 32,656,095</u>	<u>\$ 31,922,886</u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 701,482	\$ 729,699	\$ 699,617	\$ 732,050
Contributions - Employees	301,376	304,900	283,885	290,735
Net Investment Income	(1,696,987)	4,947,037	1,874,891	134,946
Benefit Payments, Including Refunds of Employee Contributions	(1,653,797)	(1,546,587)	(1,401,283)	(1,230,296)
Other (Net Transfer)	689,364	(465,726)	70,952	50,581
Net Change in Plan Fiduciary Net Position	(1,658,562)	3,969,323	1,528,062	(21,984)
Plan Fiduciary Net Position - Beginning	32,568,445	28,599,122	27,071,060	27,093,044
Plan Fiduciary Net Position - Ending (b)	<u>\$ 30,909,883</u>	<u>\$ 32,568,445</u>	<u>\$ 28,599,122</u>	<u>\$ 27,071,060</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 5,620,023</u>	<u>\$ 575,383</u>	<u>\$ 4,056,973</u>	<u>\$ 4,851,826</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.62%	98.26%	87.58%	84.80%
Covered Employee Payroll	\$ 6,611,522	\$ 6,599,116	\$ 6,308,543	\$ 6,460,770
Net Pension Liability as a Percentage of Covered Employee Payroll	85.00%	8.72%	64.31%	75.10%

NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
MULTIYEAR SCHEDULE OF PENSION CONTRIBUTIONS - REGULAR PLAN
Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 721,668	\$ 732,050	\$ (10,382)	\$ 6,460,770	11.33%
2016	699,617	699,617	0	6,308,543	11.09%
2017	724,583	729,699	(5,116)	6,599,116	11.06%
2018	701,482 *	701,482	0	6,611,522	10.61%

* Estimated based on contribution rate of 10.61% and covered valuation payroll of \$6,611,522.

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN
THE CALCULATION OF THE 2018 CONTRIBUTION RATE*

VALUATION DATE

Notes: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

METHODS AND ASSUMPTIONS USED TO DETERMINE 2018 CONTRIBUTION RATES:

Actuarial Cost Method: Aggregate Entry Age Normal
Amortization Method: Level Percentage of Payroll, Closed
Remaining Amortization Period: Non-Taxing bodies: 10-year rolling period.
Taxing bodies (Regular, SLEP and ECO groups): 25-year closed period
Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (three employers were financed over 29 years).
Asset Valuation Method: 5-Year smoothed market; 20% corridor
Wage Growth: 3.50%
Price Inflation: 2.75% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases: 3.75% to 14.50% including inflation
Investment Rate of Return: 7.50%
Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

OTHER INFORMATION

Notes: There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND - SLEP
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Calendar year ending December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
TOTAL PENSION LIABILITY				
Interest on the Total Pension Liability	\$ 8,284	\$ 7,921	\$ 7,928	\$ 8,814
Difference between Expected and Actual Experience of the Total Pension Liability	(7,608)	(4,684)	(8,011)	(20,631)
Changes of Assumptions	<u>3,568</u>	<u>1,603</u>		
Net Change in Total Pension Liability	4,244	4,840	(83)	(11,817)
Total Pension Liability - Beginning	110,459	105,619	105,702	117,519
Total Pension Liability - Ending (a)	<u>\$ 114,703</u>	<u>\$ 110,459</u>	<u>\$ 105,619</u>	<u>\$ 105,702</u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer			\$ 2,067	\$ 4,901
Net Investment Income	\$ (65,794)	\$ 44,062	6,414	632
Other (Net Transfer)	<u>334</u>	<u>(297)</u>	<u>7,157</u>	<u>(7,633)</u>
Net Change in Plan Fiduciary Net Position	(65,460)	43,765	15,638	(2,100)
Plan Fiduciary Net Position - Beginning	181,296	137,531	121,893	123,993
Plan Fiduciary Net Position - Ending (b)	<u>\$ 115,836</u>	<u>\$ 181,296</u>	<u>\$ 137,531</u>	<u>\$ 121,893</u>
Net Pension Liability/(Asset) - Ending (a)-(b)	<u>\$ (1,133)</u>	<u>\$ (70,837)</u>	<u>\$ (31,912)</u>	<u>\$ (16,191)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.99%	164.13%	130.21%	115.32%
Covered Employee Payroll	\$ 0	\$ 0	\$ 0	\$ 0
Net Pension Liability as a Percentage of Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%

NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
MULTIYEAR SCHEDULE OF PENSION CONTRIBUTIONS - SLEP
Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 0	\$ 4,901	\$ (4,901)	\$ 0	0.00%
2016	0	2,067	(2,067)	0	0.00%
2017	0	0	0	0	0.00%
2018	0 *	0	0	0	0.00%

* Estimated based on contribution rate of 13.28% and covered valuation payroll of \$0.

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN
THE CALCULATION OF THE 2018 CONTRIBUTION RATE*

VALUATION DATE

Notes: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

METHODS AND ASSUMPTIONS USED TO DETERMINE 2018 CONTRIBUTION RATES:

Actuarial Cost Method: Aggregate Entry Age Normal
 Amortization Method: Level Percentage of Payroll, Closed
 Remaining Amortization Period: Non-Taxing bodies: 10-year rolling period.
 Taxing bodies (Regular, SLEP and ECO groups): 25-year closed period
 Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
 SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (three employers were financed over 29 years).
 Asset Valuation Method: 5-Year smoothed market; 20% corridor
 Wage Growth: 3.50%
 Price Inflation: 2.75% - approximate; No explicit price inflation assumption is used in this valuation.
 Salary Increases: 3.75% to 14.50% including inflation
 Investment Rate of Return: 7.50%
 Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

OTHER INFORMATION

Notes: There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Fiscal Year Ended April 30,	2018	2017	2016	2015
TOTAL PENSION LIABILITY				
Service Cost	\$ 393,913	\$ 387,630	\$ 393,643	\$ 393,643
Interest on the Total Pension Liability	1,098,989	1,044,467	1,045,672	848,335
Difference Between Expected and Actual Experience of the Total Pension Liability	58,476	(112,104)	(824,401)	130,394
Assumption Changes	879,770	153,120		1,942,512
Benefit Payments, Including Refunds of Employee Contributions	(688,165)	(593,024)	(661,861)	(630,741)
Net Change in Total Pension Liability	1,742,983	880,089	(46,947)	2,684,143
Total Pension Liability - Beginning	16,857,690	15,977,601	16,024,548	13,340,405
Total Pension Liability - Ending (a)	<u>\$ 18,600,673</u>	<u>\$ 16,857,690</u>	<u>\$ 15,977,601</u>	<u>\$ 16,024,548</u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 559,395	\$ 425,482	\$ 432,136	\$ 413,798
Contributions - Employees	145,573	150,130	158,168	143,460
Net Investment Income	518,280	695,462	(63,296)	557,433
Benefit Payments, Including Refunds of Employee Contributions	(688,165)	(593,024)	(661,861)	(630,741)
Administrative Expenses	(9,401)	(9,631)	(5,486)	(6,066)
Net Change in Plan Fiduciary Net Position	525,682	668,419	(140,339)	477,884
Plan Fiduciary Net Position - Beginning	10,548,681	9,880,262	10,020,601	9,542,717
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,074,363</u>	<u>\$ 10,548,681</u>	<u>\$ 9,880,262</u>	<u>\$ 10,020,601</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 7,526,310</u>	<u>\$ 6,309,009</u>	<u>\$ 6,097,339</u>	<u>\$ 6,003,947</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.54%	62.57%	61.84%	62.53%
Covered Employee Payroll	\$ 1,582,463	\$ 1,544,154	\$ 1,506,282	\$ 1,372,110
Net Pension Liability as a Percentage of Covered Employee Payroll	475.61%	408.57%	404.79%	437.57%

NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
MULTIYEAR SCHEDULE OF PENSION CONTRIBUTIONS - POLICE PENSION
Last 10 Calendar Years

Calendar Year Ending April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 412,622	\$ 413,798	\$ (1,176)	\$ 1,372,110	30.16%
2016	763,756	432,136	331,620	1,506,282	28.69%
2017	825,186	425,482	399,704	1,544,154	27.55%
2018	633,618	559,395	74,223	1,582,463	35.35%

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN
THE CALCULATION OF THE 2018 CONTRIBUTION RATE*

VALUATION DATE

Notes: Actuarially determined contribution rates are calculated as of May 1 of each year prior to the beginning of the year in which contributions are reported.

METHODS AND ASSUMPTIONS USED TO DETERMINE 2017 CONTRIBUTION RATES

Actuarial Cost Method: Entry Age Normal Cost Method
 Amortization Method: Closed level percentage of payroll amortization of 100% of the Unfunded Actuarial Accrued Liability using a 3.0% payroll growth assumption over the period ending on April 30, 2040 (22-year amortization in 2018)
 Asset Method: 5 year smoothing of asset gains and losses
 Salary Increases: Service-related table with rates grading from 10.5% to 3.0% at 30 years of service.
 Cost-of-living Increases: 3.0% (1.25% for those hired after 1/1/2011)
 Investment Rate of Return: 6.5%, net of investment expenses
 Retirement Rates:

Tier I		Tier II	
Age	Rate of Retirement	Age	Rate of Retirement
50-51	15%	50-51	5%
52-54	20%	52-54	40%
55-64	25%	55-64	25%
65-69	40%	65-69	40%
70+	100%	70+	100%

Mortality: Active Lives
 RP-2014 Mortality Table with blue collar adjustment, projected generationally using scale MP-2017 from 2013.
Disabled Lives
 115% of the healthy mortality table, projected generationally using improvement scale MP-2017 from 2013
 10% of deaths are assumed to be service related.

OTHER INFORMATION

Notes: There were no benefit changes during the year.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
SCHEDULE OF INVESTMENT RETURNS - POLICE PENSION
Last 10 Calendar Years

Fiscal Year Ended April 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return Net of Investment Expense	4.91%	7.05%	1.72%	4.54%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PROGRAM
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Fiscal Year Ending April 30,	2019
TOTAL OPEB LIABILITY	
Service Cost	\$ 94,216
Interest on the Total OPEB Liability	62,463
Assumption Changes	70,348
Benefit Payments	(80,349)
Net Change in Total OPEB Liability	146,678
Total OPEB Liability - Beginning	1,666,698
Total OPEB Liability - Ending	\$ 1,813,376
PLAN FIDUCIARY NET POSITION	
Employer Contributions	\$ 80,352
Total Benefits Paid	(80,352)
Net Change in Plan Fiduciary Net Position	0
Total Plan Fiduciary Net Position - Beginning	0
Total Plan Fiduciary Net Position - Ending	\$ 0
Covered Employee Payroll	\$ 7,157,460
Net OPEB Liability As A Percentage Of Covered Employee Payroll	25.34%

Notes to Schedule:

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending April 30, 2019: 3.21%
Fiscal Year Ending April 30, 2018: 3.63%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PROGRAM
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

Fiscal Year Ended April 30,	Actuarially Determined Contribution (a)	Historical Contribution (b)	Contribution Deficiency (Excess) (a) - (b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b) / (c)
4/30/2019	\$ 80,352	\$ 80,352	-	\$ 7,157,460	1.12%

Notes to Schedule:

Beginning Fiscal Year Ending 2019, the ADC is calculated in accordance with the Employer's funding policy, if one exists. Prior to Fiscal Year Ending 2019, the ADC is equal to the Annual OPEB Expense as calculated under GASB No. 45.

Italicized amounts are yet to be determined

Actual Contributions include implicit subsidy, only.

CITY OF HIGHLAND, ILLINOIS
NOTES TO THE SCHEDULE OF CHANGES IN TOTAL OPEB
LIABILITY AND RELATED RATIOS

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2019 OPEB LIABILITY

Methods and Assumptions Used to Determine Contribution Rates:

Valuation and Measurement Date: May 1, 2018
 Actuarial Cost Method: Individual Entry Age Normal as a level percentage of payroll
 Discount Rate: 3.63% at valuation date.
 3.21% as of measurement period ending April 30, 2019
 Annual Wage Increases: 3.50%.
 Price Inflation: 2.75%.
 Healthcare Reform: The impact of the 40% excise tax on high cost, or 'Cadillac,' plans under the Patient Protection and Affordable Care Act (PPACA) was estimated and reflected in the plan liabilities. Our analysis determined an additional 7% load to be applied to the Total OPEB Liability.

Other legislative changes related to the Affordable Care Act were included in the valuation only to the extent they have already been implemented in the plan.

Annual Per-Capita Claims Costs:

Age	Base		Buy-Up		H.S.A.	
	Retiree	Spouse	Retiree	Spouse	Retiree	Spouse
40	\$ 4,981	\$ 5,479	\$ 5,349	\$ 5,884	\$ 4,616	\$ 5,078
45	5,916	6,508	6,353	6,989	5,483	6,031
50	7,027	7,729	7,546	8,300	6,512	7,163
55	8,346	9,180	8,962	9,858	7,734	8,507
60	9,912	10,903	10,644	11,708	9,186	10,104
64	11,374	12,511	12,214	13,436	10,541	11,594

Annual Healthcare Trend:

Years after Valuation	Medical & Pharmacy
1	8.50%
2	7.50%
3	7.00%
4	6.50%
5	6.00%
6	5.50%
7	5.00%
8+	4.50%

Participation: Future Retirees: 80% of future retirees are assumed to elect coverage at retirement. 50% of participating retirees are assumed to elect the Base plan. 30% the Buy-Up plan, and 20% the H.S.A. plan. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made.

Current Retirees: Based on current coverage election. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made.

Spousal Participation:

Future Retirees: 50% of participating retirees are assumed to be married and cover their spouse.
 Current Retirees: Based on current coverage election.

Spouse Age:

Male spouses are assumed to be 3 years older, and female spouses are assumed to be 3 years younger. Actual age is used for spouses of current retirees, if provided.

Mortality Rate:

SOA RPH-2014 Total Dataset Headcount-Weighted Mortality, adjusted to 2006. Margin for mortality improvements: Scale MP-2018.

CITY OF HIGHLAND, ILLINOIS
NOTES TO THE SCHEDULE OF CHANGES IN TOTAL OPEB
LIABILITY AND RELATED RATIOS

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2019 OPEB LIABILITY

Withdrawal:

Participants are assumed to terminate employment for reasons other than death, disability, or retirement in accordance with annual rates varying by age, service, gender, and group. The following table illustrates a sample of the assumed rate of such terminations per year:

Age	Service	Police	All Others	
			Male	Female
All	0	17.0%	25.0%	29.5%
	1	12.0%	19.0%	21.5%
	2	8.0%	13.5%	16.0%
	3	7.0%	11.0%	12.5%
	4	6.0%	9.0%	10.5%
	5	5.0%	7.5%	8.5%
	6	5.0%	6.2%	7.0%
30	7	N/A	5.8%	6.5%
		3.7%	4.7%	6.5%
		2.2%	3.8%	5.3%
35				
40	8+	1.8%	3.0%	4.2%
45		1.8%	2.5%	3.7%
50		1.8%	2.3%	3.2%

Disability:

Participants are assumed to become disabled in accordance with annual rates varying by age, gender, and group. The following table illustrates a sample of the assumed rate of such disablements per year:

Age	Police		All Others	
	Male	Female	Male	Female
20	0.01%	0.02%	0.01%	0.00%
25	0.02%	0.04%	0.01%	0.00%
30	0.03%	0.06%	0.01%	0.01%
35	0.04%	0.09%	0.02%	0.01%
40	0.07%	0.13%	0.04%	0.02%
45	0.10%	0.19%	0.06%	0.03%
50	0.14%	0.28%	0.09%	0.04%
55	0.19%	0.39%	0.15%	0.07%
60	0.18%	0.36%	0.19%	0.12%
65	0.12%	0.24%	0.20%	0.14%
70	0.07%	0.14%	0.17%	0.12%
75	0.02%	0.04%	0.12%	0.08%
80	0.00%	0.00%	0.10%	0.07%

Retirement:

Participants are assumed to retire in accordance with annual rates varying by age, gender, and group. The following table illustrates the assumed rate of such retirements per year:

Age	Police	All Others	
		Male	Female
50	23%	0%	0%
51	18%	0%	0%
52	13%	0%	0%
53	8%	0%	0%
54	23%	0%	0%
55	23%	35%	30%
56	18%	30%	25%
57	23%	28%	25%
58	33%	28%	25%
59	13%	28%	20%
60	8%	12%	10%
61	8%	12%	10%
62	23%	22%	20%
63	18%	20%	20%
64	18%	20%	20%
65	23%	30%	25%
66	23%	30%	25%
67	23%	25%	20%
68	23%	20%	18%
69	23%	20%	18%
70	100%	20%	18%
71-79	100%	18%	18%
80+	100%	100%	100%

APPENDIX B

BOOK-ENTRY ONLY SYSTEM

General. The Certificates are available in book-entry only form. Purchasers of the Certificates will not receive certificates representing their interests in the Certificates. Ownership interests in the Certificates will be available to purchasers only through a book-entry system (the “Book-Entry System”) maintained by The Depository Trust Company (“DTC”), New York, New York.

The following information concerning DTC and DTC’s book-entry system has been obtained from DTC. The City (defined in this section as the “Issuer”) takes no responsibility for the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

1. DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

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

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

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

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

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

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING
ALLOCATION OF HOTEL / MOTEL TAX FUNDING
(Highland Arts Council for Marketing the 2020 Art in the Park)**

WHEREAS, the City of Highland, Madison County, Illinois (hereinafter “City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, City has determined applicants for hotel / motel tax funding shall fill out an application to determine whether the funding request may be granted according to 65 ILCS 5/8-3-14, which reads, in pertinent part:

The amounts collected by any municipality pursuant to this Section shall be expended by the municipality solely to promote tourism and conventions within that municipality or otherwise to attract nonresident overnight visitors to the municipality

See 65 ILCS 5/8-3-14; and

WHEREAS, City has determined the applicant has submitted a “Hotel / Motel Tax Funding Application” (*See Exhibit A*); and

WHEREAS, City has determined the applicant has requested funds for tourism and/or conventions and/or overnight visitors to City, and the applicant’s request for funds may be permitted pursuant to the spirit of 65 ILCS 5/8-3-14 (*See Exhibit A*); and

WHEREAS, the City Council finds that the City Manager should be authorized and directed, on behalf of the City of Highland, to execute whatever documents are necessary to allocate hotel / motel tax funds to the applicant pursuant to the “Hotel / Motel Tax Funding Application” (*See Exhibit A*).

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Highland, Illinois, as follows:

- Section 1.* The foregoing recitals are incorporated herein as findings of the City Council of the City of Highland, Illinois.
- Section 2.* The “Hotel / Motel Tax Funding Application” (*See Exhibit A*) is approved.
- Section 3.* The City Manager is directed and authorized, on behalf of the City of Highland, to execute whatever documents are necessary to allocate hotel / motel funds to applicant pursuant to applicant’s “Hotel / Motel Tax Funding Application” (*See Exhibit A*).

Section 4. This Resolution shall be known as Resolution No. _____ and shall be effective upon its passage and approval in accordance with law.

Passed by the City Council of the City of Highland, Illinois, and deposited and filed in the Office of the City Clerk, on the ____ day of _____, 2020, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

APPROVED:

Joseph R. Michaelis, Mayor
City of Highland
Madison County, Illinois

ATTEST:

Barbara Bellm, City Clerk
City of Highland
Madison County, Illinois



HOTEL/MOTEL FUND APPLICATION

(For Funding Requests in excess of \$1,500)

Organization Information

1) Name and Address of Applicant (Organization): _____

Highland Arts Council _____

PO Box 33 _____

Highland, IL 62249 _____

2) Website Address: www.HighlandArtsCouncil.org

3) Contact Person:

a) Name: Lynnette Schuepbach

b) Phone: 618-558-0054

c) Fax: 618-654-4054

d) Email: lynnette@HighlandArtsCouncil.org

4) Is this a Non-Profit Organization? Yes No _____

5) Status of Organization (i.e. Foundation, Corporation, etc): Charity 501(c)3

6) Agency Tax ID # _____

Event Information

Please state how your request for hotel/motel tax funds will help promote: 1) tourism; 2) conventions within the City; and/or 3) overnight visitors to the municipality:

Answer in #20 Question

7) Fiscal Year of the Event: 2019-2020

8) Name of the Event: Art in the Park (indoors & outdoors & Plein Air

9) Date(s) of the Event: Art in the Park (Oct 9-11, 2020) Plein Air (Oct 7-9, 2020)

10) Location of the Event: Lindendale Park & Madison County Expo Hall

11) Description of the Event:

New -New-New The 17th Annual Art in the Park offers both indoor and outdoor booths filled with world class art held in the hometown atmosphere of Lindendale Park & Madison Co. Expo Hall in Highland, Illinois, near St. Louis. This two-day juried exhibit, sponsored by Highland Arts Council, shows the works of 65-70 artists in eleven mediums: painting, clay, glass, drawing/pastels, fabric/fiber, wood, sculpture,

photography, jewelry, graphics/printmaking and mixed media. A total of \$9,000 in cash prizes will be awarded. Approximately 9,000 attendees shop on Saturday, October 10, 2020, from 10 am to 5 pm and on Sunday, October 11, 2020, from 11 am to 4 pm. On Friday, October 9, 2020, from 6 pm to 9 pm at a Preview Party and Reception, artists will meet the sponsors and people who have pledged dollars to spend with the artists. Art demonstrations; live music; hands-on Kids Kreation area; Art Gallery Just for Kids where they can purchase donated art for \$5; and fantastic food will keep art buyers entertained. Drive-up set up and tear down. We treat artists like the royalty they are.

12) Funding Request Amount: \$ 10,000.00

13) Projected Attendance for the Event: 9,000

14) Expected Overnight Stays for the Event: 25-30

15) Description / Purpose of Funding Request:

Help to pay for advertising to bring more people into the City.

16) Other Sources of Project Funding:

Individual Donations: \$ \$900.00

Grants: \$ 1990.00

Private Businesses: \$ \$14,000.00

Highland Arts Council's Reserves: We hope not to have to use it up.

17) Do you anticipate the need for "in-kind" services from City resources or staff? If so, please describe the nature of your request along with an estimated number of hours needed.

- Electricity – October 9-11, 2020
- Trash – cans and dumpster
- Wi-Fi (Password protected for vendors and free for attendees) – October 9-11, 2020
- Permission for placement of signage (we will place them) from Wednesday, Oct 7 – Monday, Oct 12, 2020

18) Continuing / New Activity:

a) Is this event... New _____ Continuing X

b) Do you expect it to be an Annual Event? Yes X No _____

c) Do you anticipate requiring regular and continued funding? Yes X No _____

d) Did you receive funding last year? Yes X No _____

e) If "d" = yes i) What amount did you receive? \$ 8,000.00

19) Sponsors

If applicable, please list key sponsors that donate funds or provide “in-kind” services, along with the pledged amount anticipated for the event.

SPONSOR	AMOUNT OF SPONSORSHIP
1 Hearst Publications	\$11,000.00
2 BND/HNL	\$5,000.00
3 Edward Jones	\$3,000.00
4 Highland Rotary	\$1,250.00
5 St. Louis Homes & LifeStyle Magazine	\$1,250.00

20) Benefits to City Tourism: Describe how this activity attracts and/or contributes to tourism and overnight stays in the City of Highland.

- **Increased Use of Tourism Businesses**
 - Forty-nine percent of the artists are not based locally. They may require a 2 or more night stay in one of Highland’s hotels and use other services, such as restaurants, grocery stores, clothing stores or hardware/lighting stores.
 - We have blocked 10 rooms at Baymont Inn in Highland.
 - Increased use of other local businesses.
 - We suggest that the hotels, restaurants, and local wineries create a “destination package” for the weekend of Art in the Park to increase patronage of Highland businesses.
- **Increased Sales Tax Income**
 - We estimated attendance at 9,000 – 10,000 from all areas surrounding Highland and St. Louis.
 - All art items sold are taxed and reported to the State of Illinois. In previous years’ sales reported by the artists completing the evaluation were over \$25,000. The average for each artist reporting is over \$2,000.
 - Artists and attendees use Highland restaurants, shop our stores, and buy gas in Highland.
- **Providing Vendor Opportunities**
 - Restaurants have the opportunity to participate in Art in Park to promote patronage of their businesses as an onsite vendor and in their restaurant in the future.
 - Art in the Park is a marketing/advertising opportunity for businesses to tag onto the advertising of Art in the Park through sponsorships of the event.
 - Sponsorships are highlighted on colorful banners onsite.
 - Visiting artists and patrons will be using local businesses during their stay here.
- **Contributes to Highland’s Image as the 24th Best City to Live in in Illinois**

- The addition of HAC's Art Walk will give visitors an opportunity to see many parts of Highland in a positive aspect.
- Art in the Park showcases Highland as a progressive city with many positive and diverse aspects. Art is one piece of the diverse puzzle that enhances our City, making Highland a great place to live.
- The Paint the Town Plein Air event will create art specific to Highland. And bring people into the City to watch the painting as it progresses.
- Promoted as a City that promotes the arts, gives class to the overall City.
- Proceeds from Art in the Park events will be used for other ways to enhance the City, i.e. Art Gallery/Visitor Center, Art Affairs, Street Art Festival, donations to Hard Road Theater and the Heartland Community Chorus, other commissioned art for the City, and materials for workshops such as Art of Soul.
- **Increased Visibility of Highland Within the Area and Beyond**
 - We intend to continue marketing Highland and Art in the Park through, billboards, banners, Internet, radio, TV, magazines, and newspaper.
 - The publicist did a terrific job of getting "free ink and air-time" and will continue again in 2020, including television features in several programs, Internet and social media coverage, and paid television and radio spots.
 - We will be focusing on areas to the east of Highland as well as St. Louis metropolitan area, bringing people from the surrounding areas to Highland as THE cultural center of the area.
 - Our Web site continues to be updated and improved. We will continue to link to the City of Highland Web site and hope for a continued reciprocal link.
 - We expanded and upgraded the variety of food offered at Art in the Park in 2020 hoping to entice people to stay longer at the event.
 - We intend to have live musical entertainment throughout the show, highlighting SIUE Jazz Combo.
 - We worked cooperatively with Hard Road Theatre by providing an ad for Art in the Park and HAC membership throughout the year.

Sponsorship Benefits (\$10,000 sponsorship or a little more than \$1/attende

- Corporate identification in the souvenir program booklet featuring the City as THE major sponsor of the entire event.
- Mention in all ads in the *Highland News leader, The Intelligencer, The Alton Telegraph, The Edge Magazine, Belleville News Democrat, St. Louis Post Dispatch and Journal* newspapers throughout the area, as well as every promotional piece.
- Company banner displayed on festival grounds.
- Corporate sponsorship banner displayed on festival grounds.
- Corporate sponsorship listing on festival grounds.
- One full-page advertisement in the souvenir program booklet.
- Sponsor listing in souvenir program booklet distributed to attendees and mailed with *The Edge Magazine* prior to the show and given out at the show.
- Sponsor listing in marketing flyer distributed to attendees and mailed with *Highland News Leader, Belleville News Democrat and Advertiser Direct* prior to the show.
- Web link to Highland City site from Highland Arts Council site.

- Invitations for 40 guests to the Art in the Park private reception Friday evening, October 9.

21) Additional Information: Provide any additional information which will assist the City in evaluating your project and its benefit to the City of Highland (attachments are welcomed).

- We continue the desire to have a location to further HAC and the City.
- NEA has valid research on how experiencing the arts helps youth to achieve more in academic classes. What better way to help our youth when the arts is being cut in the school classroom.
- This is the one large event where Highland Arts Council builds its resources to provide other art events throughout the year and to support other art organizations such as Street Art Festival, Hard Road Theatre, and the Heartland Community Chorus.
- Paint the Town Plein Air will provide time for students and tourists to learn more about painting out in the air.
- A display of youth art will create more attention from local schools and parents.
- We will continue to offer the Art Gallery...Just for Kids consisting of donated art for children to purchase for \$5. This will help to build adults who will appreciate and purchase art in the future.
- We will continue to suggest the artists demonstrate during the show.
- AITP has had 16 successful years. This year will be its 17th. The decline of HNL and BND required them to lower their sponsorship of Art in the Park, causing HAC to spend an additional \$4,000 in advertising in 2019. We do not want this additional cost to lower attendance in future years but to build even more attendance to the show.
- Belleville's Art on the Square and Salute to the Masters are supported financially by their respective cities. We appreciate similar support.

22) Event / Project Budget Please list all revenues and expenses, on a separate sheet (similar format) if necessary. Complete project expense information must be provided on this document. Quoted estimates must be provided when possible and when not possible, describe in an attachment how the expense was estimated.

Budget for Art in the Park 2020

Revenue	Amount
Hotel/Motel Tax Grant	\$10,000
Artist Fees (56 booths)	\$18,000
Sponsorships	\$12,000
Raffle Income	\$ 1,000
Grants	\$ 1,990
Vendors	\$ 500
Youth Art	\$ 700
Misc	\$ 300
Total	\$44,490

Expenses	Amount
Advertising	\$16,000
Publicist	\$ 4,000
Awards	\$ 9,000
Signs	\$ 200
Entertainment	\$ 1,700
Grounds/logistics	\$ 800
Hospitality	\$ 800
Judges	\$ 600
Postage	\$ 700
Marketing/design	\$ 1,150
Website Upgrade	\$ 250
Printed Material	\$ 1,000
Preview Party	\$ 3,000
Raffle Prize	\$ 500
Sound System	\$ 990
Misc	\$ 200
Youth Art	\$ 200
Total	\$ 41,090

23) Attach Event Plan and Budget; Timeline for upcoming event; Marketing efforts

- All advertising goes through the Illinois South Tourism which saves us 15% of the cost of the advertising (They also help with graphic design of ads and development of radio and television ads)
- Newspaper Ads (HNL, the Pioneer BND, Intelligencer, Telegraph, St. Louis Post Dispatch, Go Magazine, The Edge Magazine)
- Paid Television Spots
- Paid Radio Spots
- Billboards (St. Louis Poplar Street Bridge & Highland)
- Website – HighlandArtsCouncil.org
- Facebook HAC page and InstaGram and Twitter
- Show Book inserted into The Edge & handed out at the show
- PR Company for \$4,000 to get press releases and free ink, air time on television shows & radio
- Press releases/stories sent to all local newspapers for free insertion in their publications (Greenville, Troy, Edwardsville, Alton, Trenton, Highland, Collinsville, O’Fallon, Belleville, etc.)
- Budget is above
- Press releases to encourage artists happens January-June, but the major advertising happens three months prior to the event.

24) Can event occur without city financial assistance: Yes No (but not at the same level)

25) Has event previously been held in Highland: Yes No

If yes, how many years in existence? 17 years

26) Projected sales tax generation: Event _____ Indirect _____ Not available

27) Number of volunteers associated with event? 50

28) Nonprofit or for profit event? nonprofit but we do hope to put something back in our account for other programs

29) Address security, traffic control for event, and Health Department and Fire Department approval in Event Plan? ____ Yes ____ No (Not sure)

30) Why should event be funded? Attach narrative.

- Art in the Park is one event in Highland that has a large drive to bring people into town. Other events are mostly for the people within Highland and their friends.
- The event highlights the culture of the City, the City's beauty, and world-class art at the show.
- The continuity of the show exhibits the dedication of the Highland Arts Council to the City of Highland.
- HAC is always adding/changing the show to fit the current needs. This year we added indoor space and a Plein Air event to bring a new group to the City and educate the public on another aspect of the Arts.
- Funding from BND in the past has been drastically decreased causing us to spend \$4,000 more in advertising last year than in previous years. We do not want the show's attendance to suffer because of the need to decrease our current advertising efforts.

I certify the information contained in this application is complete, accurate, and fully discloses the scope and intent of my request for funding from the Hotel/Motel Tax Fund. I agree to comply with the City's requests for information regarding the use of awarded funds and to provide access to accounting records related to these funds. By signing this application, I accept and agree to be bound by the terms and conditions of the Hotel/Motel Tax Fund as administered by the City of Highland in compliance with current federal, state and local laws.

Highland Arts Council / Lynnette Schuepbach
Applicant

Lynnette J. Schuepbach
Signature of Representative / Officer

President

Title
12/29/19
Date



CITY OF HIGHLAND

SPECIAL EVENT APPLICATION

Authorized under City Ordinance Sec. 64-3-1

PURPOSE: The City of Highland supports various community activities and festivals throughout the year. Establishing public safety and coordinating needs between the events and the city are the overall goals of this process. It is the responsibility of the specific event Sponsors to obtain, complete, and follow through the application process for city approval.

SPECIAL EVENT: A “Special Event” is defined as: (1) any event, race, gathering, demonstration, or service; (2) that occurs partially or completely within the jurisdiction of the City of Highland; (3) is expected to draw crowds in excess of one hundred fifty (150) attendees; and (4) is expected to or could disrupt normal daily functions within the City of Highland including but not limited to traffic congestion and excess noise; or could create a public health/safety concern without proper precautions or prior planning. Specific examples would include (but are not limited to): The Kirchenfest, Schweizerfest, 5K runs, parades, Art in the Park, Fourth of July Festivities, Madison County Fair, etc. The City Manager will make the final determination as to whether an event qualifies. This will be based upon the totality of the circumstances presented.

PROCEDURE:

1. All Requests will be directed to Highland City Hall, to the attention of the Deputy City Clerk.
2. Applications will be available at Highland City Hall, Monday-Friday, 8:00 am to 5:00 pm or online through the City’s web site.
3. Applications will be completed by the Event Sponsor and submitted at least 60 days prior to the event. The application must be signed by the Event Sponsor Responsible Party. Incomplete applications will not be accepted. If an application is accepted and later determined to be incomplete, the applicant will be notified by the Deputy Clerk. Failure to provide information will result in denial of application.
4. The Deputy City Clerk will forward the application to all city departments that have responsibilities relating to the event. If necessary, a committee meeting involving the event Sponsor and city stakeholders may take place to clarify questions, determine specific needs, and address concerns.
5. The event Sponsor is required to obtain final approval for the special event from the City Manager. The City Council may announce the special event to the public at a scheduled Council meeting.

CITY OF HIGHLAND-SPECIAL EVENT APPLICATION

Name of Event: _____

Type/Purpose of Event: Festival Race Other Fundraiser Service Parade
 Demonstration Other (please specify): _____

Location of Event: _____

Sponsoring Organization/Individual: _____

Event Responsible Party: _____

Address: _____

Phone(s): _____

Email: _____

Secondary Contact: _____

Address: _____

Phone(s): _____

Email: _____

Date(s) of Set-up: _____

Event Date(s) / Times:

Date(s) of Tear-down: _____

Expected Attendance: _____

Alcohol License Required: Yes No

If yes, application received: Yes No

Sound Amplification System utilized: Yes No

If yes, hours of operation: _____

Funding request of the Council: Yes No

Amount requested and purpose: _____

City Services Requested – Please attach additional documents (maps, detailed information), where needed. Write “Not applicable” if no services requested.

(Directors must initial behind requests)

Street Dept: Signage, Barricades, Street Closures (Specify): **Public Works Director:** _____

Electric Dept: Electrical Service, Lighting (Specify): **Electric Dept. Director:** _____

Public Safety: Security, First Aid, Traffic Control (Specify): **Public Safety Director:** _____

HCS Services: Wi-Fi or other technological needs (Specify): **HCS Director:** _____

Other City Services: Restrooms, City Officials (Sign approval), Refuse Dumpsters (Specify):
Department: _____

Application Checklist (Attachments):

**Deputy Clerk Initial
Upon receipt or waiver:**

- Certificate of Insurance: (attached)** _____
 - Must be General liability
 - \$1 Million per occurrence/\$2 million aggregate
 - City named as “additional insured” If Event is on city property.

- Site Plan Rendering** _____

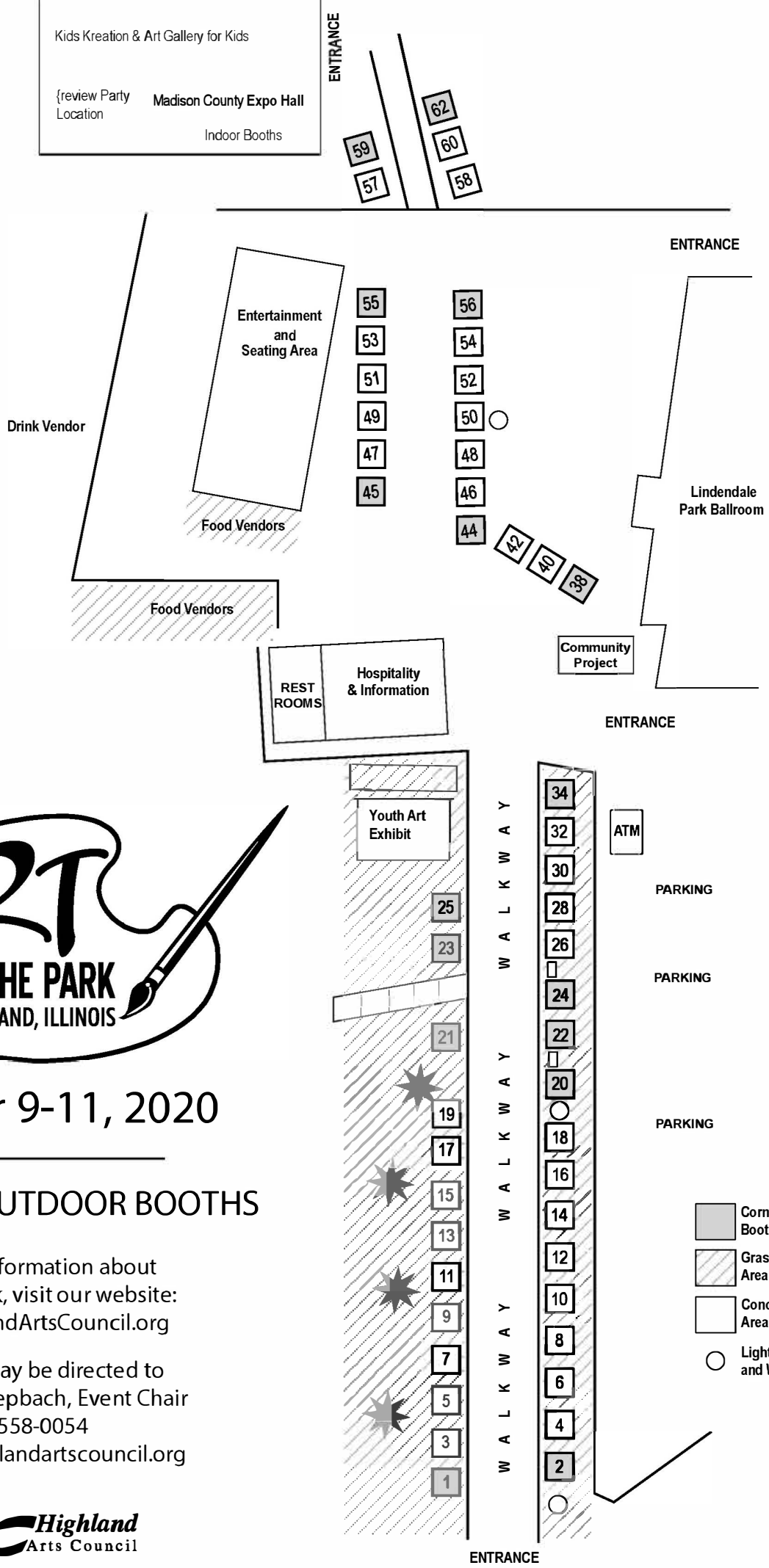
- Evacuation Plan _____
- Fire Plan _____
- Parking Plan _____
- Schedule City Council Meeting for announcement _____
- **Date:** _____
- Application Submittal (60+ days) _____

Event Sponsor Responsible Party **Date**

City Manager **Date**

Kids Kreation & Art Gallery for Kids

{review Party Location} Madison County Expo Hall
Indoor Booths



October 9-11, 2020

MAP OF THE OUTDOOR BOOTHS

For more information about Art in the Park, visit our website:
www.HighlandArtsCouncil.org

Questions may be directed to
Lynnette Schuepbach, Event Chair
618-558-0054
lynnette@highlandartsCouncil.org





Art in the Park Indoor Booths

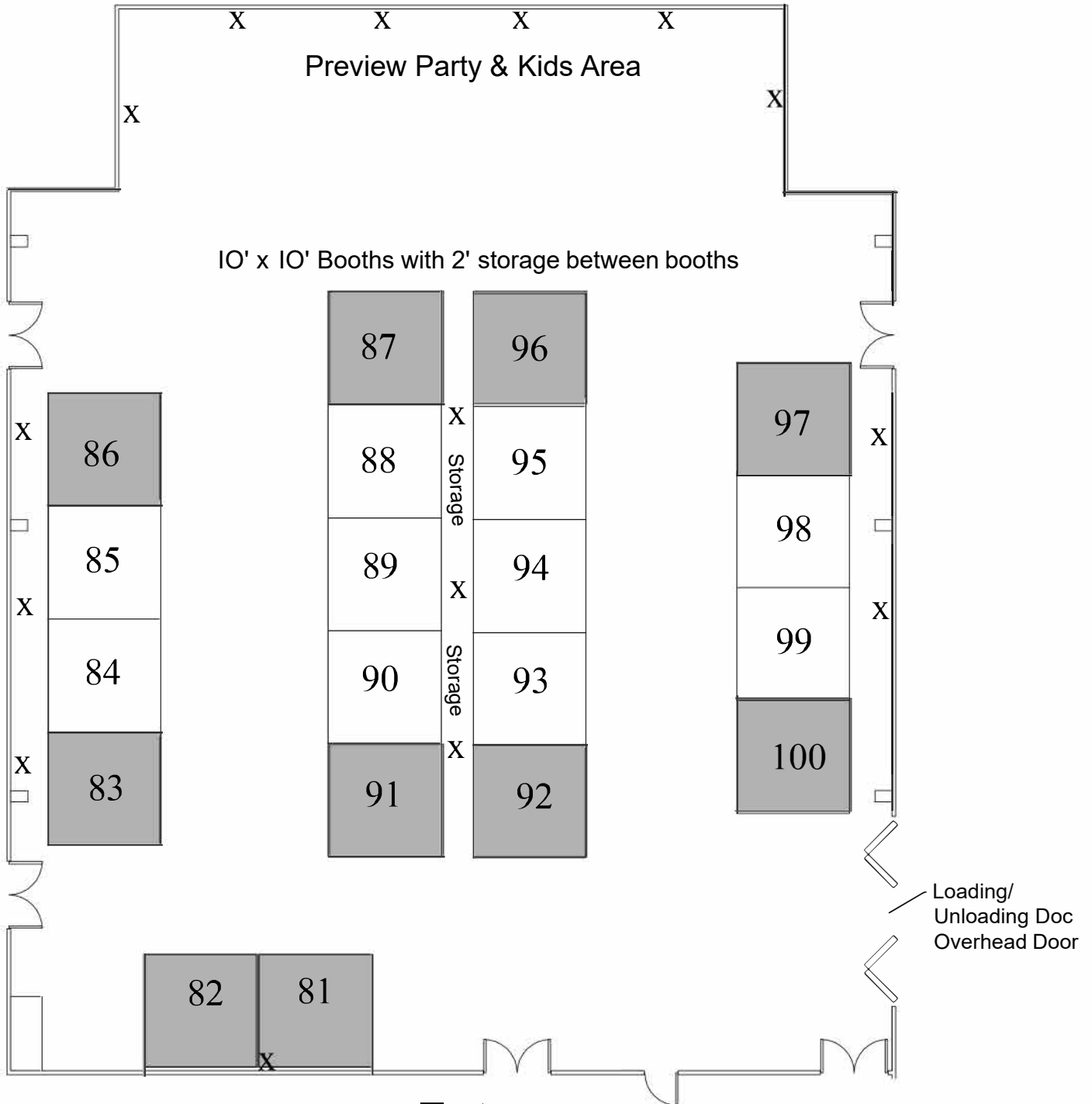
Madison County Expo Hall

Visit our website: www.HighlandArtsCouncil.org

Questions may be directed to

Lynnette Schuepbach, Event Chair

618-558-0054 or lynnette@highlandartscouncil.org



October 9 - 11, 2020

Electric will be set between booths prior to set-up. Electric is provided. Please bring lighting, extension cords and electrical strips to accommodate your needs.

Shaded areas are corners

X Marks Electric outlets



CERTIFICATE OF LIABILITY INSURANCE

HIGHL29

OP ID: MD

DATE (MM/DD/YYYY)

09/05/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER SIJA Inc/Rogier Insurance 1016 Laurel St PO Box 98 Highland, IL 62249-0098 Rogier Insurance Agency, Inc.	CONTACT NAME: Rogier Insurance Agency, Inc.	
	PHONE (A/C. No. Ext): 618-654-2151 FAX (A/C. No.): 618-654-3826 E-MAIL ADDRESS:	
INSURED Highland Arts Council 1216 Main St, PO Box 33 Highland, IL 62249	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : Grinnell Mutual Reinsurance	14117
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

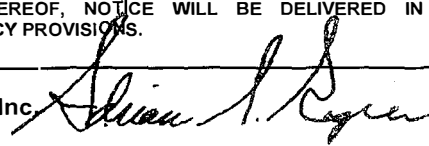
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			0000291245	09/23/2019	09/23/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			N/A			PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

For 'Art in the Park' to be held October 11-13, 2019.

CERTIFICATE HOLDER**CANCELLATION**

CITYH-1 City of Highland 1115 Broadway PO Box 218 Highland, IL 62249	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Rogier Insurance Agency, Inc. 
--	--

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RESOLUTION NO. _____

**A RESOLUTION ACCEPTING THE
ILLINOIS COMMERCE COMMISSION ORDER TO
INTERCONNECT TRAFFIC SIGNAL AT THE INTERSECTION OF
U.S. ROUTE 40/HEMLOCK STREET/FRANK WATSON PARKWAY
IN THE CITY OF HIGHLAND**

WHEREAS, the City of Highland, Madison County, Illinois (hereinafter "City"), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, City has determined the intersection of Hemlock, U.S. Hwy. 40, and Frank Watson Parkway is in need of a traffic signal; and

WHEREAS, City has proposed to construct, or to cause to be constructed, modernization of the traffic signal at the intersection of Hemlock, U.S. Hwy. 40, and Frank Watson Parkway, including pre-emption of the traffic signal by the Hemlock Street (DOT# 914 892C) at-grade crossing warning system in the vicinity of St. Louis Line Subdivision Milepost QS-210.01, as located in Highland, Madison County, Illinois ("Project"); and

WHEREAS, on August 29, 2018, City filed a Petition with the Illinois Commerce Commission ("ICC") naming CSX Transportation, Inc. ("CSXT") and the Illinois Department of Transportation ("IDOT") as respondents concerning construction of the Project; and

WHEREAS, Respondents CSXT and IDOT have no objection to City's Petition and agree that an Order granting the Petition should be approved; and

WHEREAS, the Illinois Commerce Commission has prepared an Order to Interconnect Traffic Signal at the Intersection of U.S. Route 40/Hemlock Street/Frank Watson Parkway, designated as AAR/DOT #914892C, milepost 210.01 (*See* Order attached hereto as **Exhibit A**); and

WHEREAS, the Order estimates the Project costs to be \$806,012.00 (*See* **Exhibit A**); and

WHEREAS, the Order stipulates that ICC shall pay \$401,012.00 for the Project, and City shall pay \$405,000.00 for the Project; and

WHEREAS, City finds that the terms of the Order (**Exhibit A**) are fair and reasonable, and City finds the Order (**Exhibit A**) should be accepted; and

WHEREAS, City has determined it to be in the best interests of public health, safety, general welfare, and economic welfare of City to accept the Order (**Exhibit A**); and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Highland as follows:

Section 1. The foregoing recitals are incorporated herein as findings of the City Council of the City of Highland, Illinois.

Section 2. The Order (**Exhibit A**) for the Project is accepted.

Section 3. This Resolution shall be known as Resolution No. _____ and shall be effective upon its passage and approval in accordance with law.

Passed by the City Council of the City of Highland, Illinois, and deposited and filed in the Office of the City Clerk, on the ____ day of _____, 2020, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

APPROVED:

Joseph R. Michaelis, Mayor
City of Highland
Madison County, Illinois

ATTEST:

Barbara Bellm, City Clerk
City of Highland
Madison County, Illinois



ILLINOIS COMMERCE COMMISSION

January 21, 2020

City of Highland,
Petitioner,

v.

CSX Transportation, Inc. and the State of
Illinois, Department of Transportation,
Respondent.

Petition for and Order to Interconnect Traffic
Signal at the Intersection of U.S. Route
40/Hemlock Street/Frank Watson Parkway,
designated as AAR/DOT #914892C, milepost
210.01 in the City of Highland, Madison
County, Illinois.

T18-0086

**SERVED ELECTRONICALLY OR BY
MAIL**

TO ALL PARTIES OF RECORD:

Enclosed please find a copy of the Order entered by the Commission in the above-entitled matter on January 21, 2020.

Please read this Order carefully as it may contain provisions for penalties for failure to complete the work by the ordered completion date. Requests for extensions of time must be filed with the Director of Processing and Information of the Illinois Commerce Commission at the address shown below, no later than 14 days prior to the ordered completion date.

Service List

Mark Von Nida
Circuit Clerk
Madison County
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Docket No.: T18-0086
Bench Date: January 21, 2020
Deadline: April 13, 2020

MEMORANDUM

TO: The Commission
FROM: Timothy Duggan, Administrative Law Judge
DATE: January 14, 2020
SUBJECT: City of Highland, Petitioner,
v.
CSX Transportation, Inc. and the State of Illinois,
Department of Transportation, Respondents.

Petition for and Order to Interconnect Traffic Signal at the Intersection of U.S. Route 40/Hemlock Street/Frank Watson Parkway, designated as AAR/DOT #914892C, milepost 210.01 in the City of Highland, Madison County, Illinois.

RECOMMENDATION: Enter Order authorizing traffic signal interconnection and GCPF assistance.

On August 29, 2018, the City of Highland filed a Petition for approval to interconnect CSX's existing automatic warning devices with new traffic signals. Hearing was held January 14, 2010.

Hemlock Street in Highland, Illinois crosses two CSX tracks and then crosses U.S. 40 at a point 250 feet northwest of the at-grade crossing. There is a stop sign on Hemlock Street which stops motorists at U.S. Route 40. There is no stop sign for U.S. Route 40 traffic. Thus, traffic on Hemlock Street can back up to and over the CSX's tracks while waiting to cross or turn onto US Route 40.

Accordingly, the City proposes to install traffic signals at the intersection of U.S. Route 40 and Hemlock Street. The City has prepared a Traffic/Railroad Signal Report which indicates interconnection of the railroad warning devices and traffic signals is necessary. Staff has reviewed and approves of the report.

The City will contribute \$405,000 to the project. This amount will be used to pay for the traffic signals and then to reimburse CSX for its costs. Staff recommends GCPF assistance up to \$401,012 to pay costs over \$405,000.

I recommend that the Commission enter the attached Order authorizing the interconnection and GCPF assistance.

Accordingly, the City proposes to install traffic signals at the intersection of U.S. Route 40 and Hemlock Street. The City has prepared plans and received permission from IDOT to install and maintain the traffic signals. However, because of the proximity of the intersection to the railroad crossing and the heavy traffic on Hemlock Street it is also proposed that the traffic signals be interconnected with automatic flashing lights and gates protecting the CSX crossing.

The City has prepared a Traffic/Railroad Signal Report which indicates interconnection of the railroad warning devices and traffic signals is necessary and that 39 seconds of minimum warning time is necessary for simultaneous preemption. Staff has reviewed and approves of the City's Traffic/Railroad Signal Report and minimum simultaneous preemption time calculations for interconnection with the existing CSX crossing warning devices on Hemlock Street/Frank Watson Parkway.

Road and Track Configuration, Jurisdiction and Volumes

Hemlock Street becomes Frank Watson Parkway as it crosses north of U.S. 40. It is a public street under the jurisdiction of the City of Highland. Hemlock Street/Frank Watson Parkway is a minor arterial route for the City's transportation network and is important for emergency services, as well as residential and business development in Highland. IDOT has jurisdiction of US Route 40 at its intersection with Hemlock Street/Frank Watson Parkway.

Hemlock Street runs southeast to northwest where it crosses the CSX tracks in the City. The CSX tracks run southwest to northeast. Hemlock Street continues to run in a northwest direction to its intersection with U.S. Route 40.

The northern track is a main track with 11 through train movements per day at a maximum authorized speed of 60 miles per hour. The southern track is a siding track with less than 1 switching train movement per day at a maximum authorized speed of 15 miles per hour.

The Average Annual Daily Traffic (AADT) on Hemlock Street/Frank Watson Parkway at the CSX crossing is approximately 3,750 vehicles per day, with approximately 8 percent being heavy commercial trucks. The posted speed limit on Hemlock Street/Frank Watson Parkway is 30 miles per hour at the CSX crossing. The AADT on US Route 40 at its intersection with Hemlock Street/Frank Watson Parkway is approximately 5,500 vehicles per day, with approximately 9 percent being heavy commercial trucks. The posted speed limit on US Route 40 at the intersection of Hemlock Street/Frank Watson Parkway is 45 miles per hour.

Allocation of Responsibilities and Costs of Maintenance

Initial Costs

The City has agreed that it will contribute \$405,000 to the project. The City contribution will be used first to pay the costs associated with design and installation of the traffic signals. Any remainder from the \$405,000 will be paid next to reimburse CSX its costs associated with modifications to accommodate the interconnection of its railroad warning devices with the traffic signals. Such costs include all associated engineering, materials, labor, and railroad flagging costs. Staff believes the safety concerns addressed by the project warrants authorization of funds from the Grade Crossing Protection Fund in an amount not to exceed \$401,012 to pay any remaining CSX warning device modification costs.

The City and CSX have executed an agreement to effectuate the interconnection which provides the City will reimburse CSX for its costs to modify the existing crossing warning devices. CSX has prepared signal plans and estimated the cost of the necessary railroad warning device modifications to be \$545,672. The City's cost estimate for the traffic signal installation is \$260,340.

Installation

The City has agreed to be responsible for installation of the traffic signals, traffic signal control equipment and traffic signal electrical wiring at Hemlock Street and U.S. Route 40, and for the installation of interconnection cable and conduit from the traffic signal control cabinet to the junction box mounted on the outside of CSX's railroad warning device control cabin.

CSX has agreed to be responsible for the work to modify its railroad warning device control circuitry, including adding the interconnect circuit inside CSX's railroad warning device control cabin, a junction box mounted on the outside of CSX's railroad warning device control cabin, and for installing the interconnection cable from the interconnect circuit inside the railroad warning device control cabin to the junction box mounted on the outside of CSX's railroad warning device control cabin.

Maintenance and the Costs Thereof

The City has agreed to be responsible for all maintenance costs associated with the new traffic signals and associated traffic signal control equipment and traffic signal electrical wiring. The City has also agreed to be responsible for all maintenance costs for the interconnect cabling and conduit from the traffic signal control cabinet to the junction box mounted on CSX's railroad warning device control cabin.

CSX has agreed to be responsible for all future maintenance and associated costs for the crossing automatic warning devices and associated crossing warning device control circuitry and electrical wiring, the crossing control cabin, the interconnect circuit

and interconnect cable inside the crossing control cabin, and the junction box mounted to the outside of the crossing control cabin.

CSX and the City anticipate completion by December 21, 2020.

IDOT POSITION

Respondent IDOT has no objection to the City's Petition and agrees that an Order granting the Petition should be approved by the Commission to construct the requested improvements consistent with Exhibits admitted into evidence.

CSX POSITION

Respondent CSX has no objection to the City's Petition and agrees that an Order granting the Petition should be approved by the Commission to construct the requested improvements consistent with Exhibits admitted into evidence. CSX and the City have executed a written Construction Agreement providing for the subject work, detailing the plans, costs, conditions precedent and obligations of the parties.

STAFF POSITION

Staff concurs with the City's Petition and agrees that an Order granting the Petition should be approved by the Commission to construct the requested improvements consistent with Exhibits admitted into evidence.

Staff recommends that the City should pay 100% of the traffic signal costs, and any remainder from the City's \$405,000 total of local funds should be paid for CSX's railroad warning device modifications. Staff recommends that once the City's \$405,000 is fully expended, the GCPF should pay 100% of the remaining CSX warning device modification costs, in an amount not to exceed \$401,012.

Staff further recommends that under no circumstance shall the new traffic signals for the intersection at US Route 40 and Hemlock Street/Frank Watson Parkway be placed in service before the railroad warning device modifications and interconnect cabling to the traffic signal controller are complete and in service.

COMMISSION ANALYSIS

The Commission agrees that traffic signals at U.S. 40 and Hemlock Street and the interconnection of such with the automatic flashing lights and gates at the CSX at-grade crossing with Hemlock Street are reasonably necessary and in the interests of public safety and convenience and should be authorized. The Commission agrees that the proposed allocation of design and installation responsibilities and the proposed allocation of the costs thereof, as well as the allocation of maintenance and the costs thereof, are all reasonable and should be approved and ordered accordingly, including authorization of the GCPF funds for the purposes stated above in an amount not to exceed \$401,012.

FINDINGS AND ORDERING PARAGRAPHS

The Commission, having given due consideration to the entire record herein, finds that:

- (1) Petitioner, City of Highland is a body politic and corporate, organized and existing under and by virtue of the laws of the State of Illinois;
- (2) Respondent, Illinois Department of Transportation is a Department of the State of Illinois which exists by virtue of the laws of the State of Illinois;
- (3) Respondent, CSX Transportation, Inc. is a rail carrier engaged in the transportation of either or both property and passengers for hire in the State of Illinois, as defined by the ICTL, 625 ILCS 5/18/c-1104(30);
- (4) The Commission has jurisdiction over the parties and the subject matter of this proceeding;
- (5) The facts as set forth in the prefatory portion of this Order are true and correct and are hereby adopted as findings of fact;
- (6) In the interest of public safety and convenience, the City of Highland should be authorized to interconnect new traffic signals at the US Route 40 intersection with Hemlock Street/Frank Watson Parkway with the existing railroad warning devices at the Hemlock Street grade crossing of the CSX Transportation, Inc. tracks, designated as AAR/DOT #914892C; CSX milepost QS-210.01;
- (7) CSX Transportation, Inc. should modify its existing automatic flashing light signals and gates controlled by constant warning time circuitry to provide a minimum of 39 seconds of simultaneous preemption warning time;
- (8) Prior to construction, CSX Transportation, Inc. should file a Form 3 Petition of 92 Ill. Adm. Code 1535 and should receive approval by X-Resolution of the Commission before modifying the existing crossing warning devices;
- (9) The City of Highland should be responsible for all construction and maintenance costs associated with the new traffic signals and associated traffic signal control equipment and electrical wiring, as well as the interconnect cabling and conduit from the traffic signal control cabinet to the junction box mounted on CSX's railroad warning device control cabin;
- (10) The City of Highland should be responsible for refunding CSX Transportation, Inc. all of its engineering, materials, labor, and railroad flagging costs associated with modifying the existing automatic flashing light signals and gates controlled by constant warning time circuitry to provide a minimum of 39 seconds of simultaneous preemption warning time and supervising the

City's construction activity on CSX's right-of-way;

- (11) It is fair and reasonable that once the City of Highland's local funding in the amount of \$405,000 is fully expended, the Secretary of the Illinois Department of Transportation through the Grade Crossing Protection Fund of the Motor Fuel Tax Law should be authorized to refund the City for 100% of the remaining actual costs that the City pays CSX Transportation, Inc. for engineering, materials, labor, and railroad flagging costs associated with modifying the existing automatic warning devices, in an amount not to exceed \$401,012;
- (12) CSX Transportation, Inc. should be responsible for all future maintenance and associated costs for the crossing automatic warning devices and associated crossing warning device control circuitry and electrical wiring, the crossing control cabin, the interconnect circuit and interconnect cable inside the crossing control cabin; and the junction box mounted to the outside of the crossing control cabin, all in accordance with the following parts of Title 49 - Code of Federal Regulations (CFR): 49 CFR 214 - Railroad Worker Safety; 49 CFR 228 - Hours of Service of Railroad Employees; 49 CFR 233 - Signal Systems Recording Requirements; and, 49 CFR 234 - Grade Crossing Signal System Safety;
- (13) After the warning system work has been completed, CSX Transportation, Inc. shall not take any action which would result in a reduction of the minimum simultaneous preemption time without approval of the Commission;
- (14) CSX Transportation, Inc. shall post a readily visible notice inside their crossing warning device control cabin at the aforesaid at-grade crossing notifying their personnel not to take any action which would result in a reduction of the minimum railroad preemption time herein required without the approval of the Commission. An actual size copy of the notice shall be submitted to the Commission's Railroad Safety Program Administrator for approval;
- (15) The railroad preemption sequence for the highway intersection traffic signals at the intersection of US Route 40 with Hemlock Street shall not be altered in a manner which would reduce the amount of time vehicles encroaching the track zone would have to clear the CSX tracks without the approval of the Commission;
- (16) The City of Highland shall post a readily visible notice inside their traffic signal control cabinet at the aforesaid intersection notifying personnel not to alter the railroad preemption sequence for the highway traffic signals interconnected with the railroad warning devices at the aforesaid at-grade crossing in a manner which would reduce the amount of time vehicles encroaching the track zone would have to clear the CSX tracks without the approval of the Commission. An actual size copy of the notice shall be submitted to the Commission's Railroad Safety Program Administrator for approval;

- (17) The City of Highland shall submit final pavement marking plans and receive an approval letter from the Commission's Railroad Safety Program Administrator for the pavement marking plans prior to placing the pavement markings for the aforesaid highway intersection and highway-rail grade crossing;
- (18) All work authorized herein should be completed on or before December 31, 2020;
- (19) The City of Highland and CSX Transportation, Inc. shall each, at six (6) month intervals from the date of this Commission Order, submit to the Director of Processing and Information, Transportation Bureau of the Commission, a Project Status Report regarding the progress each has made toward completion of the work required herein. Each Project Status Report shall include this Commission Order's docket number, the Order date, the project completion date as noted in finding (18) above, crossing information (inventory number and railroad milepost), type of improvement, and the name, title, mailing address, phone number, facsimile number, and electronic mailing address of the City's or the CSX's Project Manager;
- (20) The City of Highland and CSX Transportation, Inc. shall each submit a Project Completion Report to the Director of Processing and Information, Transportation Bureau of the Commission, stating that the work herein required of each has been completed. Said Reports shall be submitted within five (5) days after the project completion date;
- (21) CSX Transportation, Inc. shall, within three (3) months of the completion of its work herein required and in accordance with 49 CFR 234.403, submit a completely updated United States Department of Transportation Crossing Inventory Form (Form FRA F 6180.71) for the crossing, or its electronic equivalent, to the Illinois Department of Transportation, and to the Director of Processing and Information, Transportation Division of the Commission;
- (22) All bills for work specified in this Commission Order authorized for reimbursement from the GCPF shall be submitted to the Fiscal Control Unit, Bureau of Local Roads and Streets, Illinois Department of Transportation, 2300 S. Dirksen Parkway, Room 205, Springfield, IL 62764. All bills shall meet the minimum documentation requirements set forth in Finding 23 of this Order. All bills will be paid in accordance with the State Prompt Payment Act as currently enacted (Illinois Compiled Statutes, 30 ILCS 540/). The Department shall send a copy of all invoices to the Director of Processing and Information, Transportation Bureau of the Commission. All bills shall be submitted no later than twelve (12) months from the completion date specified in this Commission Order, or any Supplemental Order(s) issued for the project. The final invoice for expenditures from each party shall be clearly marked "Final Invoice". The Commission shall, at the end of the 12th month from the completion date specified in this Commission Order,

or any Supplemental Order(s) issued for this project, conduct a review to determine if any unused assistance from the GCPF should be de-obligated. Upon completion of the review, the Commission shall notify the Department to de-obligate all residual funds accountable for installation costs for this project. Notification may be by regular mail, electronic mail, fax, or phone;

- (23) For all bills for work specified in this Commission Order authorized for reimbursement from the GCPF, the City of Highland and CSX Transportation, Inc. shall assure that sufficient documentation is made available to the Department. The minimum documentation that must be made available is outlined below:
- a. Labor Charges (including additives) - Copies of employee work hours charged to the project.
 - b. Equipment Rental - Copies of rental agreements for the equipment used, including the rental rate; and the number of hours the equipment was used on the project.
 - c. Material - An itemized list of all materials purchased and installed at the crossing location. If materials purchased are installed at multiple crossing locations, a notation must be made to identify the crossing location.
 - d. Engineering - Copies of employee work hours charged to the project.
 - e. Supervision - Copies of employee work hours charged to the project.
 - f. Incidental Charges - An itemized list of all incidental charges along with a written explanation of those charges.
 - g. Service Dates - Invoice shall include the beginning and ending date of the work accomplished for the invoice.
 - h. Final or Progressive - Each invoice shall be marked as a Progressive or a Final Invoice, as applicable.
 - i. Reference Numbers - Each invoice shall include the AAR/DOT number, the ICC Order number and the state job number when federal funds are involved.
 - j. Locations - Each invoice shall show the location, with the street name and AAR/DOT crossing inventory number.
 - k. Travel – Each invoice shall include copies of all costs incurred, such as lodging, meals, per diem, rates and totals. Rail carriers shall provide an electronic copy of its current Rail Carrier Travel Policy. Reimbursement of travel costs shall be in accordance with State of Illinois travel

regulations under 9 Illinois Administrative Code part 3000 and appendices. Any proposal or attempt to use an alternative travel reimbursement method must be reviewed and approved by the Department prior to travel.

Reimbursement of labor additives will be limited to only the most current direct labor additives, small tools additives, equipment additive rate, if so developed, and public liability/property damage liability insurance rates as audited and approved by a cognizant State agency and the Federal Highway Administration. Indirect overhead or general and administrative expenses, or those expenses which may be classified as such under generally accepted accounting principles, are not eligible for reimbursement on this project. Surcharges will be subject to review and approval by the Department;

- (24) Since the City's construction work will occur at least partly on CSX's right of way, railroad flagging and contractor liability insurance and other related railroad force account work are required;
- (25) All improvements encompassed by this Order should be made in accordance with all applicable State and Federal laws, rules, standards, regulations and orders and procedures in general;
- (26) 625 ILCS 5/18c-1701 and 1704 require each "person", as defined by Section 18c-1104, to comply with every regulation or order of the Commission. These sections further provide that any person who fails to comply with a Commission regulation or order shall forfeit to the state not more than \$1,000 for each such failure, with each day's continuance of the violation being considered a separate offense. While the Commission expects all parties to comply with this order in all matters addressed herein and in a timely manner, the Commission advises that any failure to comply may result in the assessment of such sanctions;
- (27) Any person making a Request for an Extension of Time up to 30 days to complete a project ordered by the Commission must file a request with the Director of Processing and Information no later than 14 days in advance of the scheduled deadline. An Administrative Law Judge will consider and decide the request;
- (28) Any person making a Request for an Extension of Time that exceeds 30 days must file a Petition for Supplemental Order with the Director of Processing and Information no later than 21 days in advance of the scheduled deadline. The Commission will decide Petitions for Supplemental Orders;
- (29) Requests for Extension of Time and Petitions for Supplemental Orders must include the reason(s) the additional time is needed to complete the work and the time within which the project will be completed. Prior to submitting a Request for Extension of Time or a Petition for Supplemental Order, the

person must notify the Commission's Rail Safety Program Administrator that he/she is unable to complete the project within the ordered timeframe; and

- (30) The Commission or its Administrative Law Judge reserves the right to deny Petitions for Supplemental Orders and Requests for Extension of Time, if the reason(s) supporting the request is (are) insufficient or where it appears the person has not made a good faith effort to complete the project within the allotted time. Failure of the Commission or Administrative Law Judge to act on a pleading prior to the deadline means the originally ordered completion date remains in effect.

IT IS THEREFORE ORDERED that, in the interest of public safety and convenience, the City of Highland is hereby authorized to interconnect new traffic signals at the US Route 40 intersection with Hemlock Street/Frank Watson Parkway with the existing railroad warning devices at the Hemlock Street/Frank Watson Parkway grade crossing of the CSX Transportation, Inc. tracks, designated as AAR/DOT #914892C; CSX milepost QS-210.01, located in Highland, Madison County, Illinois.

IT IS FURTHER ORDERED that CSX Transportation, Inc. shall modify its existing automatic flashing light signals and gates controlled by constant warning time circuitry to provide a minimum of 39 seconds of simultaneous preemption warning time at the aforesaid highway rail grade crossing.

IT IS FURTHER ORDERED that the City of Highland and CSX Transportation, Inc. shall each complete their respective work for the traffic signal interconnect with the existing crossing automatic warning devices in accordance with Findings (8) through (30) herein, inclusively.

IT IS FURTHER ORDERED that responsibility for design and installation, and the costs thereof, and responsibility for maintenance and the costs therefore, shall be as set out in the Findings of this Order.

IT IS FURTHER ORDERED that the Commission shall retain jurisdiction for the purpose of issuing any Supplemental Order or Orders as it may deem necessary.

IT IS FURTHER ORDERED that this is a final Order subject to 83 Ill. Adm. Code 200.880(d) which provides that no appeal shall be allowed unless an application for rehearing shall first have been filed and disposed of by the Commission; Administrative Review is governed by Sections 2201 through 2206 of the Illinois Commercial Transportation Law (625 ILCS 5/18c) and is subject to the Administrative Review Law to the extent made applicable in those sections.

By Order of the Commission this 21st day of January 2020.

(signed) CARRIE ZALEWSKI
CHAIRMAN

ORDINANCE NO. _____

**AN ORDINANCE APPROVING AND AUTHORIZING THE CITY MANAGER TO
EXECUTE AN ECONOMIC DEVELOPMENT AGREEMENT
PURSUANT TO 65 ILCS 5/8-1-2.5, WITH CENTRAL RUBBER EXTRUSIONS,
AND OTHER ACTIONS RELATED THERETO**

WHEREAS, the City of Highland, Madison County, Illinois (“City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, City has authority to reimburse expenses for economic development pursuant to 65 ILCS 5/8-1-2.5, which states, in pertinent part:

Sec. 8-1-2.5. Expenses for economic development. The corporate authorities may appropriate and expend funds for economic development purposes, including, without limitation, the making of grants to any other governmental entity or commercial enterprise that are deemed necessary or desirable for the promotion of economic development within the municipality.

and

WHEREAS, City has determined Central Rubber Extrusions (“Developer”), has presented to City a proposal for redevelopment of 136 Poplar Drive, Highland, Illinois 62249 (“Property”) (*see* Economic Development Agreement attached hereto as **Exhibit A**); and

WHEREAS, Developer has proposed to remodel and develop the Property, with estimated costs as follows:

- | | |
|--|-------------|
| 1. Site Improvements - | \$20,000.00 |
| 2. Inspections, Legal Costs, Permits, etc. - | \$15,000.00 |

Total Project Costs: \$35,000.00

("Project"); and

WHEREAS, the Property totals approximately 4000 square feet within the corporate boundaries of City; and

WHEREAS, Developer proposes several site improvements as part of the Project, including improvements to electrical capabilities and installation of three (3) phase power; and

WHEREAS, Developer’s Project will enable Developer to retain existing staff and create opportunities for additional employment; and

WHEREAS, Developer's Project will require Developer to incur certain costs that will be eligible for reimbursement from City according to 65 ILCS 5/8-1-2.5; and

WHEREAS, Developer has informed City, and City hereby specifically finds, that without the financial support that may be provided to reimburse some of the Project costs, the Project is not financially feasible and the Project will not move forward; and

WHEREAS, Developer has agreed to complete the Project, including construction, renovations and improvements, in accordance with the Economic Development Agreement, and all terms and conditions stated therein (*See Exhibit A*); and

WHEREAS, City agrees to reimburse Developer for certain costs incurred in implementing the Developer's Project, including:

- a. Installation of Three (3) Phase Power - \$8,064.68

(*See Exhibit A*); and

WHEREAS, City desires to authorize the execution of an Economic Development Agreement by and between City and Developer in substantially the form attached hereto as **Exhibit A**, to carry out the Project, including the remodeling and development of the Property; and

WHEREAS, City has determined it is in the best interests of public health, safety, general welfare, and economic welfare to authorize the Mayor and/or City Manager to execute the Economic Development Agreement between City and Developer (*see Exhibit A*).

NOW THEREFORE BE IT ORDAINED, by the City Council of the City of Highland, as follows:

Section 1. The foregoing recitals are incorporated herein as findings of the City Council of the City of Highland.

Section 2. The City of Highland hereby makes the following findings:

- a. Developer's Project is expected to create job opportunities within City.
- b. Developer's Project will serve to further the development of adjacent areas.
- c. Developer's Project will strengthen the retail commercial sector of City.
- d. Developer's Project will enhance the tax base of City.
- e. The Economic Development Agreement is made in the best interests of public health, safety, general welfare and economic welfare of City.

Section 3. The Economic Development Agreement by and between the City of Highland and Central Rubber Extrusions, attached hereto as **Exhibit A**, is approved.

Section 4. The Mayor and/or City Manager is authorized and directed to execute the Economic Development Agreement with Central Rubber Extrusions (**Exhibit A**).

Section 5. This ordinance shall be effective upon its passage, approval, and publication in pamphlet form in accordance with Illinois law.

Passed by the City Council of the City of Highland, Illinois, approved by the Mayor, and deposited and filed in the Office of the City Clerk, on the _____ day of _____, 2020, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

APPROVED:

Joseph R. Michaelis
Mayor
City of Highland
Madison County, Illinois

ATTEST:

Barbara Bellm
City Clerk
City of Highland
Madison County, Illinois

**ECONOMIC DEVELOPMENT AGREEMENT
65 ILCS 5/8-1-2.5**

This Development Agreement (“Agreement”) is entered into on the date and by execution shown hereafter, by and between the City of Highland, an Illinois Municipal Corporation ("City") and Central Rubber Extrusions (“Developer”). City and Developer are hereinafter together referred to as the “Parties.”

PREAMBLES

WHEREAS, City is an Illinois municipal corporation pursuant to the laws and constitution of the State of Illinois with general powers as a unit of local government within its corporate limits; and

WHEREAS, Developer is the owner of 136 Poplar Drive, in Highland, Illinois, and seeks to use the old Fastenal Building for additional fabrication and business expansion; and

WHEREAS, Developer has submitted a “City of Highland – Business Assistance Application” (See **Exhibit A**); and

WHEREAS, Developer proposes to remodel and develop the following described real estate located in City: 136 Poplar Street, Highland, IL 62249 ("Property"); and

WHEREAS, City wishes to encourage Developer to remodel and develop the Property, and assist Developer with costs, including:

- | | |
|---------------------------------|-------------|
| 1. Site Improvements - | \$20,000.00 |
| 2. Rehab of Existing Building - | \$15,000.00 |

Total Project Costs: \$35,000.00

("Project"); and

WHEREAS, the Property totals approximately 4000 square feet and is located within the corporate boundaries of City; and

WHEREAS, because the Property is located in City, the Project is eligible for reimbursement of certain expenditures related to the improvement and utilization of the Property pursuant to 65 ILCS 5/8-1-2.5; and

WHEREAS, Developer proposes several site improvements as part of the Project, including improvements to electrical capabilities and installation of three (3) phase power; and

WHEREAS, in order to ensure that the rehabilitation and improvements associated with the Project are constructed in a manner consistent with City's applicable ordinances and regulations, City and Developer deem it in their mutual interest to enter into an agreement with regard to any conditions or other factors affecting the health, safety, general welfare, and economic welfare of City residents and users of the Property; and

WHEREAS, the Project at the Property will enhance property values, improve exterior aesthetics, improve the interior safety of the existing building, and otherwise benefit and protect the health, safety, general welfare, and economic welfare of City residents; and

WHEREAS, Developer has informed City, and City hereby specifically finds, that without the financial support that may be provided to reimburse some of the Project costs, the Project is not financially feasible and the Project will not move forward; and

WHEREAS, City has determined the Project is consistent with the objectives of the City's Comprehensive Plan, and it is in the best interest of City to promote renovation, rehabilitation and expansion of the Property through the use of City funds pursuant to 65 ILCS 8-1-2.5.

NOW, THEREFORE, in consideration of the premises and agreements set forth below, the Parties, for and in consideration of the representations relative to the proposed improvements to the Property by the Developer, hereby agree as follows:

Section 1. Incorporation of Recitals. The Parties agree that all of the recitals contained in the Preambles to this Agreement are true and correct, and said recitals are hereby incorporated into the Agreement as though they were fully set forth in this Section 1.

Section 2. Obligations of the Developer. Upon the approval by City of the Agreement, Developer shall proceed with the Project as described above. The Project shall be substantially complete within twenty-four (24) months of the date of approval by City of this Agreement. Any extension of time permitted for Developer to substantially

complete the Project pursuant to the Agreement shall be agreed to in writing by both parties. Specifically, Developer agrees as follows:

1. Developer will complete the Project, including construction, renovations and improvements, in accordance with this Agreement, and the drawings and site plans shall be submitted to City for review. This includes any renovations which may be needed for both the interior and exterior construction and improvements.
2. Developer will obtain any and all building and zoning permits in association with the Project, including permits for construction, repair, demolition, and/or renovation on the Property, consistent with the City's most recently adopted Building Code requirements. City building code officials will be available to respond promptly to whether proposed changes will require a permit so that Developer can move forward with said work in a timely manner.
3. City shall be entitled to a comprehensive inspection of the Property for the purpose of identifying potential fire safety, electric, plumbing and general building safety concerns to ensure the health, safety and welfare of the general public. City Fire and Building Inspection staff can assist Developer in prioritizing any list of concerns.
4. Developer is fully responsible for identifying and mitigating any building-related concerns with regard to asbestos, lead paint, and/ or mold in the building.
5. Developer understands and agrees all City Zoning Ordinances, Land Development Codes, Landscape and Screening Codes, Building Code requirements and other City ordinances not specifically waived by this agreement shall remain in full force and effect.

Section 3. Obligations of the City. The City agrees to provide financial assistance to Developer according to 65 ILCS 8-1-2.5. Funding assistance is broken down as follows:

- a. Total Estimated Project Costs: \$35,000.00
- b. Developer is eligible for reimbursement for costs for installation of three (3) phase electric for a period of two (2) years from the approval date of this Development Agreement through the City's Economic Development Department as follows:
 - a. Installation of Three (3) Phase Electric - \$8,064.68
- c. City reserves the right to request any information from Developer deemed necessary by City to verify any information associated with this Agreement.

- d. City's obligations to Developer pursuant to the Agreement shall terminate upon the occurrence of any of the following:
- 1) Voluntary or involuntary bankruptcy of Developer;
 - 2) Voluntary or involuntary closure of the business owned by Developer.
 - 3) Substantial change in the nature of Developer's business without the City's written approval;
 - 4) Sale of Developer's business (or a change of ownership of more than 50% of the shares of stock in the corporation, or a change in the membership of more than 50% of the LLC) without the City's written approval.

Section 4. Indemnification. Developer shall indemnify and hold harmless City, its agents, officers, lawyers, and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and attorneys' fees) which may arise directly or indirectly from: (i) the failure of Developer or any contractor, subcontractor or agent or employee thereof to timely pay any contractor, subcontractor, laborer or material man; (ii) any default or breach of the terms of this Agreement by Developer; (iii) any negligence, or reckless or willful misconduct of Developer or any contractor, subcontractor or agent or employee thereof working on the Project; (iv) any claim brought against City arising in any way from this Agreement or the Project. Developer shall, at its own cost and expense, appear, defend and pay all charges of attorneys, costs and other expenses arising therefrom or incurred in connection therewith. If any judgment shall be rendered against City, its agents, officers, officials, lawyers, or employees in any such action, Developer shall, at its expense, satisfy and discharge the same. This paragraph shall not apply, and Developer shall have no obligation whatsoever, with respect to any acts willful misconduct on the part of City or any of its officers, agents, employees or contractors.

In no way limiting the foregoing, Developer shall also indemnify and hold harmless City, its agents, officers and employees against all damages, claims, suits, liabilities, judgments, fines, penalties, costs and expenses (including attorneys' fees) which may arise directly or indirectly from any violation of the Illinois Prevailing wage Act, 820 ILCS 130/0.01 *et. seq.*, in connection with the Project.

Section 5. Default and Remedies. Except as otherwise provided in this Agreement, in the event of any default in or breach of any term or conditions of this Agreement by either party or any successor or assign, the defaulting or breaching party (or successor or assign) shall, upon written notice from the other party, proceed immediately to cure or remedy such default or breach as follows: (a) in the event of a nonmonetary default, within thirty (30) days after receipt of notice, commence to cure

or remedy such default, and (b) in the event of a monetary default, within ten (10) days after receipt of notice, commence to cure or remedy such default. In case such cure or remedy is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including without limitation proceedings to compel specific performance by the defaulting or breaching party. If either party shall prevail in any court proceeding to enforce any term, covenant or condition hereof, the non-prevailing party shall reimburse the prevailing party its costs and reasonable attorneys' fees on account of such proceeding.

Section 6. Assignment. This Agreement may not be assigned by Developer without prior written approval of City.

Section 7. Partial Invalidity. If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section subsection, term or provision of this Agreement or the application of the same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

Section 8. Termination of Agreement. Developer may opt out of this Agreement following written notice of at least sixty (60) days. If Developer opts out of this Agreement, Developer shall return all monies paid by City to Developer pursuant to this Agreement within sixty (60) days from the opt out date. City reserves the right to opt out of this Agreement, with sixty (60) days' notice to developer, should Developer not perform pursuant to this Agreement. In the event City opts out of this Agreement, Developer shall return any monies paid by City to Developer pursuant to this agreement within sixty (60) days of the opt out day. Developer's failure to return all monies paid by City within sixty (60) days shall be deemed a breach of this Agreement by Developer, and City reserves all rights at law and equity to recover monies paid by City to Developer, including costs of collection (Court Costs, Attorneys' Fees, Interest at 9% per annum, any other costs associated with collection).

Section 9. Entire Agreement. This Agreement constitutes the entire agreement between the Parties. No representation or covenant made by either party shall be binding unless contained in this agreement or subsequent written amendments hereto agreed upon by both Parties.

Section 10. Notices. All notices, demands, requests, consents, approvals or other instruments required or permitted by this Agreement shall be in writing and shall be executed by the party or an officer, agent or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally, if emailed, or as of the third (3rd) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

To the Developer:

Central Rubber Extrusion
Attn: David Ammann
193 Woodcrest Drive
Highland, Illinois 62249

To the City:

City of Highland
Attn: City Clerk
1115 Broadway, PO Box 218
Highland, IL 62249

CENTRAL RUBBER EXTRUSIONS:

David Ammann

Date: _____

CITY OF HIGHLAND, ILLINOIS:

Mark Latham, City Manager

Date: _____

CITY OF HIGHLAND - BUSINESS ASSISTANCE APPLICATION

Project Name CENTRAL RUBBER EXTRUSIONS 3 PHASE POWER - FASTENOL BUILDING
 Address of Proposed Project 136 POPPAH ST. HIGHLAND, IL 62249

APPLICANT INFORMATION

Company Name CENTRAL RUBBER EXTRUSIONS Office Phone 618-654-1171
 Company Address 193 WOODCREST DR. Alt. Phone _____
 City State Zip HIGHLAND, IL 62249 Fax _____
 Contact Person / Title DAVID ANTMANN
 Email david@centralrubberextrusions.com
 Type of Business: Corporation Years in Business 20+
 Partnership
 Sole Proprietor
 Trust

PROJECT COSTS

Projected Costs

Architectural & Engineering Fees	_____
Legal & Other Professional Fees	_____
Cost of marketing the sites	_____
Purchase Land	_____
Purchase of Existing Facility	_____
Demolition Cost	_____
Site Improvements	\$20,000
Rehab, remodel of existing building	<u>\$15,000</u>
Construction of New Building(s)	_____
Contingency	_____
Working Capital (Equity)	_____
Other (Please Specify)	_____

TOTAL PROJECT COSTS

\$ 35,000

\$ Assistance Requested

\$ 8,064.68

CURRENT INFORMATION

SALES Current Annual Gross Sales \$1,600,000

SALES TAX Current Annual Taxable Sales for Sales Tax \$30,000

JOBS Current number of full time jobs (proof from IDES) 29

X PROPERTY TAX Attach a copy of the most current property tax bill
Real Estate Taxes for the year _____

Parcel ID Number for each property within your development area _____

Parcel ID Number for each property within your development area _____

Parcel ID Number for each property within your development area _____

Township (Helvetia Saline Marine) _____

Fair Market Value (or Current Appraisal Value) _____

Taxable Value _____

Combination Tax Rate _____

Total Tax _____

ESTIMATES AFTER REDEVELOPMENT

Acreage or total square footage of the project area _____

Square Footage of Building / Structures 4,000 sq. ft.

Estimated Market Value after redevelopment _____

EAV after redevelopment (approx 1/3 of Market Value) _____

Estimated Annual Gross Sales (Includes Labor) SAME - SEE CURRENT

Estimated Annual Taxable Sales for Sales Tax SAME - SEE CURRENT

Estimated Number of Newly Created Full Time Jobs 1

Type of Jobs (Clerical Production Sales and Service) Production

Estimated Annual Salary for each newly created job \$30,000

Estimated Number of Jobs Retained - Full Time 29

Please include a narrative that will address the following:

1. Description of Business / Company
2. Project Description
 - a) Construction information that may include the number of square feet to be demolished and constructed, the number and square footage of units, parking, and the number of construction phases;
 - b) Evaluation of site or other constraints;
 - c) Benefit or Service to the Community;
3. A request for the City's assistance with the project that specifies the type(s) of assistance needed and why it is needed.
4. Construction start date and timeline for Project Completion.
5. Applicant may need to also submit any additional information such as site plans, environmental studies, marketing studies, business plans, engineering or architectural drawings to be included for review and consideration.

Certification of Applicant

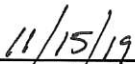
The applicant certifies that it will comply with all the rules, regulations, and ordinances of the City of Highland. Applicant hereby certifies that will information contained above and in exhibits attached hereto is true to his/ her best knowledge and belief and are submitted for the purpose of obtaining financial assistance from the City of Highland, Illinois. Additional cost, above the amount of deposit, incurred by the City for outside professional review or expertise will be the responsibility of the applicant.



Signature of Applicant



Print Name and Title



Date



Print Company Name

Return application to:

City of Highland
Attn: Mallord Hubbard
1115 Broadway, PO Box 218
Highland IL 62249
618-654-9891

11/15/19

Central Rubber Extrusions is a manufacturer of rubber products in Highland, IL. We manufacture parts for numerous industries throughout the United State but our core industry is producing window seals/gaskets for the architectural industry. We ship product throughout the United States as well as Canada and Mexico. We are asking for assistance form the City of Highland to help offset costs of adding 3 phase power to a building we are moving into, the old Fastenol building. We are moving the secondary fabrication side of our business into this building as well as some of our machinery we use when making parts for the manufacturing process. The 3-phase power is needed to help operate the machinery in this building as well as provide power for future growth with purchases of new machines to help venture out into new industries and keep expanding. This will be a value-added part of our business that will help us grow and add more jobs to the Highland area. We plan to keep pushing and growing as much as we can and our very thankful for the support that we receive from the City of Highland.



CITY OF HIGHLAND

To: Mark Latham, City Manager
From: Mallord Hubbard, Economic & Business Recruitment Coordinator
CC: Mayor and City Council
Date: January 30, 2020
Re: Development Agreement with Central Rubber Extrusions

RECOMMENDATION: It is the Staff and Industrial Development Commission recommendation that Council approve the attached Development Agreement with terms detailed below.

DISCUSSION: Central Rubber Extrusions is proposing to expand its operations to the building at 136 Poplar St. The company manufactures parts for a number of industries throughout the U.S., Canada & Mexico. Through the Economic Development fund, this agreement would offset the cost incurred by our Light & Power department in converting the building to 3-phase power that is needed to operate the additional machinery required for the expansion. This will allow the company to expand its existing operations with the opportunity for future growth and job creation.

Through the Economic Development Fund, the city will assist and reimburse for the cost of converting 136 Poplar St. to 3-Phase electric. The estimated cost for the project is \$8,065.

Staff views this development agreement as a tool to retain and assist in the growth of a vital, homegrown business. The city will benefit from the additional electric revenue that will be generated as a result of the conversion. This agreement would also allow for an occupant of a currently vacant building. Additionally, the opportunity for future expansion will spur the creation of additional jobs.

ORDINANCE NO. _____

**AN ORDINANCE AMENDING CHAPTER 78, ARTICLE VII, SECTION 78-732,
OF THE CODE OF ORDINANCES, CITY OF HIGHLAND, ILLINOIS,
ENTITLED SCHEDULE OF FTTP RATES AND CHARGES,
CREATING NEW RATE SCHEDULE
FOR SALE OF INTERNET PROTOCOL ADDRESSES (“IP ADDRESSES”)**

WHEREAS, the City of Highland, Madison County, Illinois (hereinafter “City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, City Council has previously adopted multiple ordinances regarding the provision of internet, video, and telephone services and rates for said services by City of Highland d/b/a Highland Communication Services (hereinafter “HCS”); and

WHEREAS, City Council has, from time to time, determined the services to be provided and the rates to be charged by HCS need to be adjusted for shifting market trends and increasing demand for new products and services; and

WHEREAS, the Director of HCS and Technology and Innovation has informed the City Council there is a need for Internet Protocol Addresses (“IP Addresses”) to be offered for sale through HCS to commercial HCS customers; and

WHEREAS, the Director of HCS and Technology and Innovation has informed the City Council that it is normal business procedure for internet service providers, like HCS, to provide IP Addresses for sale; and

WHEREAS, the Director of HCS and Technology and Innovation has recommended selling bulk units of ten (10) IP Addresses to commercial HCS customers for twelve (12) dollars per year; and

WHEREAS, the Director of HCS and Technology and Innovation has informed the City Council that HCS procures IP addresses at an average price of \$1.00 per IP Address per year, and projected revenue would cover HCS administrative costs; and

WHEREAS, City Council believes it is necessary and in the best interest of the City to provide a new service for commercial HCS customers and sell bulk units of ten (10) IP Addresses to commercial HCS customers for twelve (12) dollars per year; and

WHEREAS, City Council has determined the City Manager and/or Mayor should be authorized and directed to execute whatever documents and contracts are required to sell bulk units of ten (10) IP Addresses to commercial HCS customers for twelve (12) dollars per year.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Highland as follows:

Section 1. The foregoing recitals are incorporated herein as findings of the City Council of the City of Highland, Illinois.

Section 2. City has determined Chapter 78, Article VII, Section 78-732, Schedule of FTTP Rates and Charges, shall be amended to include the following:

(f) Services by Internet Service Provider Component of FTTP system (Highland Communication Services), including Sale of Bulk Units of Ten (10) IP Addresses to Commercial HCS Customers for twelve (12) dollars per year.

(1) HCS shall make available for sale Bulk Units of Ten (10) IP Addresses to Commercial HCS Customers for twelve (12) dollars per year.

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 by the City Council of the City of Highland, Illinois, approved by the Mayor, and deposited and filed in the Office of the City Clerk, on the _____ day of _____, 2020, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

APPROVED:

Joseph R. Michaelis, Mayor, City of Highland
Madison County, Illinois

ATTEST:

Barbara Bellm, City Clerk, City of Highland
Madison County, Illinois



To: Mark Latham, City Manager
From: Angela Imming, Director, Technology and Innovation
Date: Jan. 22, 2020
Subject: Bulk IP address

Recommendation:

I recommend HCS provide bulk IP address sales on yearly contract to commercial customers.

Discussion:

It is normal business procedure for Internet Service Providers to provide (Internet Protocol Address) IPs for sale.

Financial Impact:

HCS procures IP addresses at an average price of \$1.00 per IP per year. Revenue from this product would cover administrative costs.

RESOLUTION NO. _____

**A RESOLUTION APPROVING VIVICAST SYSTEM PARTICIPATION AGREEMENT
WITH FOX CABLE NETWORK SERVICES, LLC, AND
FOX NEWS NETWORK, LLC,
FOR CITY OF HIGHLAND D/B/A HIGHLAND COMMUNICATIONS SERVICES**

WHEREAS, the City of Highland, Madison County, Illinois (hereinafter “City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, the City of Highland d/b/a Highland Communication Services (hereinafter “HCS”) is a Member of the National Telco Television Consortium LLC (hereinafter “NTTC”) by way of the City Council’s resolution adopted and approved on February 6, 2012, approving the *National Telco Television Consortium Membership Agreement*; and

WHEREAS, the NTTC is now known as Vivicast Media, LLC as successor-in-interest to National Telco Television Consortium, LLC (hereinafter “Vivicast”); and

WHEREAS, City Council desires to obtain for HCS, as a member of Vivicast, the right to participate in the Agreement between Vivicast, Fox Cable Network Services LLC, and Fox News Network LLC (“Fox”) for the purpose of obtaining a non-exclusive license and right to distribute certain program services; and

WHEREAS, the Telecommunications Advisory Board, in the exercise of the plenary authority concerning editorial control, conferred on it by Ordinance No. 2399, adopted on January 18, 2010, and by Section 613(e)(2) of the Cable Franchise Policy Act of 1984 (47 U.S.C. §533(a)(2), has determined that the HCS’ acquisition and distribution of the programming would be appropriate; and

WHEREAS, Fox has provided to HCS:

1. Member Binding Letter of Acknowledgement Regarding the 3rd Amendment;
2. Vivicast Media & Fox Cable Network Services Third amendment as of Jan 1, 2020;

(Exhibit A); and

WHEREAS, City Council finds that the terms of the:

1. Member Binding Letter of Acknowledgement Regarding the 3rd Amendment;
2. Vivicast Media & Fox Cable Network Services Third amendment as of Jan 1, 2020;

(Exhibit A) should be approved; and

WHEREAS, the City Manager and/or Mayor should be authorized and directed to execute any documents required to participate in the Agreement between Vivicast and Fox.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Highland as follows:

Section 1. The foregoing recitals are incorporated herein as findings of the City Council of the City of Highland, Illinois.

Section 2. City Council has determined, for purposes of participating in the Agreement between Vivicast and Fox, the following documents:

1. Member Binding Letter of Acknowledgement Regarding the 3rd Amendment;
2. Vivicast Media & Fox Cable Network Services Third amendment as of Jan 1, 2020;

(Exhibit A) are approved.

Section 3. The City Manager and/or Mayor is authorized and directed, on behalf of City, to execute all documents required to participate in the Agreement between Vivicast and Fox.

Section 4. This Resolution shall be known as Resolution No. _____ and shall be effective upon its passage and approval in accordance with law.

Passed by the City Council of the City of Highland, Illinois, approved by the Mayor, and deposited and filed in the Office of the City Clerk, on the _____ day of _____, 2020, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

APPROVED:

Joseph R. Michaelis, Mayor, City of Highland
Madison County, Illinois

ATTEST:

Barbara Bellm, City Clerk, City of Highland
Madison County, Illinois

**MEMBER BINDING LETTER OF ACKNOWLEDGEMENT REGARDING THE
3rd AMENDMENT TO FOX CABLE NETWORK SERVICES LLC, AND FOX
NEWS NETWORK LLC, (collectively, “Network”) and VIVICAST MEDIA, LLC,
AGREEMENT FOR DISTRIBUTION OF FOX CABLE NETWORKS AND FOX
NEWS NETWORKS**

Notwithstanding anything to the contrary to the Second Amendment or the First Amendment to the Affiliation Agreement (the “Amendments”) and to the AGREEMENT FOR DISTRIBUTION OF FOX CABLE NETWORKS AND FOX NEWS NETWORKS (“Agreement”) dated January 1, 2017 between VIVICAST MEDIA LLC and FOX CABLE NETWORK SERVICES, LLC AND FOX NEWS NETWORK, LLC, (collectively, “Network) current participating Member Affiliate (“Affiliate”) as defined in the Agreement who currently are providers of the FOX CABLE NETWORKS, THE FOX NEWS NETWORKS shall confirm their continued elections regarding continuing carriage of the Networks services by way of this binding Letter (“Letter”). Capitalized terms in this Letter shall have the same meaning as the Agreement and Amendment.

Affiliate agrees by this Letter that it has been provided a full and complete copy of the Amendment and accepts the terms and conditions of the Amendment and will continue to distribute the Networks services for the remainder of the amended Term and in the tier or package as currently distributed and as indicated below:

<u>Network</u>	<u>Basic</u>	<u>Expanded</u>	<u>HD Basic</u>	<u>HD Expanded</u>
FOX NEWS (SD).....	<input checked="" type="checkbox"/>			
FOX NEWS (HD).....			<input checked="" type="checkbox"/>	
FOX BUSINESS (SD).....	<input checked="" type="checkbox"/>			
FOX BUSINESS (HD).....			<input type="checkbox"/>	
FS1 (SD).....	<input checked="" type="checkbox"/>			
FS1 (HD).....			<input checked="" type="checkbox"/>	
FS2 (SD).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
FS2 (HD).....			<input checked="" type="checkbox"/>	<input type="checkbox"/>
BIG 10 (SD) (in Core Territory).	<input checked="" type="checkbox"/>			
BIG 10 (HD) (In Core Territory).....			<input checked="" type="checkbox"/>	
BIG 10 (SD) (Outer Territory)...	<input type="checkbox"/>	<input type="checkbox"/>		
BIG 10 (HD) (Outer Territory).....			<input type="checkbox"/>	<input type="checkbox"/>
FOX DEPORTES (SD).....	<input type="checkbox"/>	<input type="checkbox"/>	/ HISPANIC TIER <input type="checkbox"/>	
FOX DEPORTES (HD).....	<input type="checkbox"/>	<input type="checkbox"/>	/HISPANIC TIER <input type="checkbox"/>	
FOX SOCCER PLUS (SD).....	<input type="checkbox"/>	<input type="checkbox"/>	/SPORTS TIER <input checked="" type="checkbox"/>	
FOX SOCCER PLUS (HD).....			<input type="checkbox"/>	<input type="checkbox"/>
			HD SPORTS TIER <input checked="" type="checkbox"/>	

VIVICAST is required to notify FOX CABLE NETWORK SERVICES LLC AND FOX NEWS NETWORK LLC (collectively, "Network") of the intentions of all current Affiliates. If Affiliate does not respond to or return this Letter to VIVICAST by facsimile, email scan, certified U.S. postal mail or other traceable delivery methods, such as Federal Express, and if it is not received in time to process with Network prior to 5:00pm Central Standard Time, December 20, 2019, Affiliate will be deemed by default to have accepted the Amendment and will continue to abide by all of its current and existing carriage requirements and terms of the Agreement as amended. If Affiliate elects to cease its licensing under the Vivicast Media and FOX CABLE NETWORK SERVICES LLC AND FOX NEWS NETWORK LLC (collectively, "Network") Agreement it must do so in writing delivered to VIVICAST by one of the same methods prescribed above by 5:00pm Central Standard Time DECEMBER 20, 2019, so that VIVICAST will have sufficient time to notify the Network and any authorized transport service provider regarding the Affiliates change in election.

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Letter as of the date indicated below.

City of Highland, an Illinois Municipal Corporation d/b

(Affiliate Company Name Printed)

(Authorized Signature)

Mark Latham

(Name Printed)

Operations Manager

(Signatory Title)

(Date)

for VIVICAST MEDIA LLC

(Authorized Signature)

Julie Schofield

(Name Printed)

Dir. of Account Services

(Signatory Title)

12/19/19

(Date)

VIVICAST MEDIA & FOX CABLE NETWORK SERVICES
Third Amendment as of Jan 1, 2020, (to 2017 Agreement)
Carriages & Rates

(Term 2020-2022)

Carriage Requirements:	Fee per sub/per month		
	2020	2021	2022

Fox Licensing Must Carry Requirements^:

<input type="radio"/> Big 10* (Core Territory) 1st tier only	2.15	2.20	2.25
<input type="radio"/> Big 10* (if system is outer Territory) 1st tier	.14	.15	.16
<input type="radio"/> Big 10* (Outer Territory) 2nd tier	.23	.24	.25
<input type="radio"/> Fox News* 1 st tier only	2.70	2.95	3.15
<input type="radio"/> Fox Business* 1st tier only	.27	.28	.29
<input type="radio"/> FS1* 1st tier only	1.75	1.86	1.96
<input type="radio"/> FS2* 1st tier	.35	.37	.38
<input type="radio"/> FS2* 2nd tier	.51	.52	.53

Licensing Right, but not the obligation to carriage (unless currently carried by operator):

• **Fox Deportes:**

- Top 25 Hispanic Markets- 1st or 2nd tier; Any other market-1st, 2nd or 1st Spanish Tier
- If not already carried by Operator, licensing right but not the obligation

	Rates 2020	2021	2022
<input type="checkbox"/> Penetration greater than or equal to 80%	.40	.41	.42
<input type="checkbox"/> Greater than 20%, less than 80%	.44	.46	.48
<input type="checkbox"/> Less than 20%	.52	.54	.56

• **Fox Soccer Plus*:**

- 1st, 2nd or Sports tier:
- If not already carried by Operator, licensing right but not the obligation

	Rates 2020	2021	2022
<input type="checkbox"/> Penetration greater than or equal to 50%	.15	.16	.17
<input type="checkbox"/> Greater than 20% less than 50%	.22	.23	.24
<input type="checkbox"/> Greater than 10% less than 20%	.38	.40	.42
<input type="checkbox"/> Less than 10%	.58	.60	.62

**THIS DOCUMENT IS CONFIDENTIAL AND IS FOR GENERAL INFORMATIONAL PURPOSES TO VIVICAST MEMBERS ONLY AND THE FINAL INFORMATION IS PROVIDED IN THE MASTER AGREEMENT BETWEEN VIVICAST AND NETWORK A COPY OF WHICH WILL BE PROVIDED TO YOU PRIOR TO SIGNING THE NETWORKS PARTICIPATING OPERATOR GUARANTEE OR BINDING LETTER. ANY DISTRIBUTION OF THIS DOCUMENT WITHOUT APPROVAL BY VIVICAST, IS STRICTLY PROHIBITED, EXCEPT INTERNALLY FOR PURPOSES OF RENEWING OR SIGNING THE AGREEMENTS*

Additional Carriage/Pricing Information:

- * Network available in both SD and HD
 - HD shall launch and carry on all HD systems in corresponding HD tier as SD required/ permissible tier
- Fox News & Fox Business both networks Must Carry:
 - If FNN/FBN are not currently carried, contact your NTTC/Vivicast Account Representative
- Big 10 Territory Information:
 - “Core Territory”: The states of Illinois, Indiana, Iowa, Maryland, Michigan, Minnesota, Nebraska, New Jersey, Ohio, Pennsylvania and Wisconsin, and the DMAs of St. Louis, Louisville, and Washington D.C. (Hagerstown) and the portion of the New York DMA within the state of New York.
 - “Outer Territory”: The United States of America, its territories and possessions, *excluding* the Core Territory.
- Fox Cable Networks: Bulk rate available (conditions apply): EBU/50%
- Fox Must Carry Requirements[^]: Affiliates/Operators, Under Capacity (330-750 MHz) System Size, contact your NTTC/Vivicast Acct Representative for further information regarding 330-750 Mhz System carriage requirements.

Additional Rights Available:

- VOD: Big 10, Fox Deportes, FS1, Fox News, Fox Business
- TVE: Big 10, Fox Deportes, FS1, FS2, Fox News, Fox Business
 - VOD/TVE: certain conditions required, contact your NTTC/Vivicast Acct Rep for details
- SO, IHS, Remote DVR

Retention Tier: (For further info, contact your NTTC/Vivicast Acct Representative)

- “Retention Tier”: For each System, the video programming service tier designed and offered as a low cost “retention” tier(s) (i.e., is not designed, marketed or intended to be an alternative or replacement tier to the First Tier or marketed to new subscribers) and/or designed and offered as a “family friendly” tier, which is solely comprised of high quality, nationally delivered, family-friendly video programming services (i.e., solely contains content suitable for children and families). In order for any such video programming services tier to qualify as a “Retention Tier” hereunder, such Retention Tier may not (i) include any linear video programming service (other than any broadcast television stations) consisting of (A) primarily sports programming (including sports news and sports information programming) and/or (B) a material amount of professional sporting events (e.g., TNT, TBS); and (ii) in the aggregate be received by more than three and a half percent (3.5%) of such System’s total number of subscribers across all of its Systems.

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To: Mark Latham, City Manager
From: Angela Imming, Director, Technology and Innovation
Date: Jan. 9, 2020
Subject: Fox National Programming renewal through Vivicast

Recommendation:

I recommend HCS renew the contract allowing HCS to carry the Fox network.

Discussion:

Council is considering a renewal of Fox national network programming, not to be confused with Fox Sports Midwest or local programming. Fox national programming is wildly popular and is programming that customers expect to receive with any cable television programming. This contract includes but is not limited to the following programs: Fox Big 10, Fox News, Fox Business, Fox Soccer, etc.

Financial Impact:

The new contract with Fox increases the per-subscriber rate marginally. It is consistent with typical yearly increases and will not be passed on to the customer at this time.

ORDINANCE NO. _____

**AN ORDINANCE REPEALING AND REPLACING
THE CITY CODE OF ORDINANCES,
CHAPTER 18 – BUILDINGS, BUILDING REGULATIONS, AND MUNICIPAL CODES,
ARTICLE XIII. – BUILDING PERMIT FEES AND FINES**

WHEREAS, the City of Highland, Madison County, Illinois (hereinafter “City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, Chapter 18 – Buildings, Building Regulations, and Municipal Codes, Article XIII. – Building Permit Fees and Fines, currently states:

Sec. 18-13-1. - Fees and fines.

(1) Building Permit Fee Schedule.

(a) Permit fee.

1. **New construction.** This fee formula is used for all construction unless otherwise noted. You must know the group and the "square-foot construction cost by type of construction" (hereinafter referred to as Ft²CCost by type).

The formula to be used, for calculating the fee for that part of the structure other than an unfinished basement, finished basement, or garage is as follows:
namely,

GROSS AREA (SQ. FT.) × GROSS AREA MODIFIER (71) × Ft²CCost by Type ** × PERMIT FEE MULTIPLIER (.003) = Construction Fee for Structure (not including basement or garage).

The Ft²CCost by type, for that part of the structure other than an unfinished basement, finished basement, or garage shall be taken from the construction factor table set forth below.

The same formula shall be used, for calculating the fee for an unfinished basement, finished basement, or attached garage, but the Ft²CCost by type for each of those kinds of areas shall be known as the basement/attached-garage Ft²CCost and shall be taken from the following basement/attached-garage construction factor table namely:

Basement/Attached-Garage Construction Factor Table		
Kind of Area	Residential Basement/Attached-Garage Ft ² CCost	Commercial/Industrial Basement/Attached-Garage Ft ² CCost
Unfinished basement	\$.25/ft. ²	\$.50/ft. ²

Basement/Attached-Garage Construction Factor Table		
Kind of Area	Residential Basement/Attached-Garage Ft ² CCost	Commercial/Industrial Basement/Attached-Garage Ft ² CCost
Finished basement	\$.50/ft. ²	\$.70/ft. ²
Attached Garage	\$.25/ft. ²	\$.50/ft. ²

A "Private garage" is a detached garage, rather than an attached garage.

The basement/garage construction factor table does not apply to a "private garage" (that is, a detached garage). See also "private garage" in the notes on interpreting construction factor table, after the construction factor table below.

The fees for all the relevant areas involved in the construction must then be added to arrive at the total construction fee, as indicated in the example below: that is,

Calculating Construction Fee for Entire Structure	
STRUCTURE = _____ sq. ft. × 71 × Ft ² CCost by Type × .003	\$
GARAGE = _____ sq. ft. × 71 × Basement/Attached-Garage Ft ² CCost × .003	\$
BASEMENT = _____ sq. ft. × 71 × Basement/Attached-Garage Ft ² CCost × .003	\$
Total Construction Fee for Entire Structure	

The total construction fee for the entire structure does not include the plumbing inspection fee or the electrical inspection fees.

Construction Factor Table										
Group	INTERNATIONAL BUILDING CODE	SQUARE-FOOT CONSTRUCTION COSTS BY TYPE OF CONSTRUCTION (Ft ² CCost by Type)								
		IA	IB	IIA	IIB	IIIA	IIIB	IV	VA	VB
A - 1	Assembly — theaters, with stage	2.13	2.06	2.00	1.91	1.80	1.75	1.85	1.64	1.57
A - 1	Assembly — theaters, without stage	1.95	1.87	1.82	1.73	1.61	1.56	1.66	1.46	1.39
A - 2	Assembly — nightclubs	1.64	1.60	1.55	1.49	1.40	1.36	1.43	1.27	1.22
A - 2	Assembly — restaurants, bars, banquet halls	1.63	1.59	1.53	1.48	1.38	1.35	1.42	1.25	1.21
A - 3	Assembly — churches	1.97	1.89	1.84	1.75	1.63	1.58	1.68	1.48	1.41
A - 3	Assembly — general, community halls, libraries, museums	1.65	1.58	1.51	1.44	1.31	1.27	1.37	1.15	1.09

Construction Factor Table										
Group	INTERNATIONAL BUILDING CODE	SQUARE-FOOT CONSTRUCTION COSTS BY TYPE OF CONSTRUCTION (Ft ² CCost by Type)								
		IA	IB	IIA	IIB	IIIA	IIIB	IV	VA	VB
A - 4	Assembly — arenas	1.94	1.86	1.80	1.72	1.59	1.55	1.65	1.44	1.38
B	Business	1.66	1.60	1.54	1.47	1.33	1.28	1.41	1.17	1.12
E	Educational	1.76	1.70	1.65	1.57	1.46	1.39	1.52	1.27	1.23
F - 1	Factory and Industrial — moderate hazard	0.98	0.94	0.88	0.85	0.76	0.72	0.81	0.62	0.59
F - 2	Factory and Industrial — low hazard	0.97	0.93	0.88	0.84	0.76	0.71	0.80	0.62	0.58
H - 1	High Hazard — explosives	0.92	0.88	0.83	0.79	0.71	0.66	0.75	0.57	N.P.
H - 2 Thru H - 4	High Hazard	0.92	0.88	0.83	0.79	0.71	0.66	0.75	0.57	0.53
H - 5	HPM	1.66	1.60	1.54	1.47	1.33	1.28	1.41	1.17	1.12
I - 1	Institutional — supervised environment	1.66	1.60	1.56	1.49	1.37	1.33	1.45	1.23	1.18
I - 2	Institutional — Hospitals	2.79	2.73	2.68	2.60	2.46	N.P.	2.54	2.30	N.P.
I - 2	Institutional — Nursing Homes	1.94	1.88	1.83	1.75	1.62	N.P.	1.69	1.46	N.P.
I - 3	Institutional — restrained	1.89	1.83	1.78	1.70	1.58	1.52	1.64	1.41	1.34
I - 4	Institutional — day care facilities	1.66	1.60	1.56	1.49	1.37	1.33	1.45	1.23	1.18
M	Mercantile	1.22	1.18	1.12	1.07	0.97	0.95	1.01	0.84	0.81
R - 1	Residential — hotels	1.67	1.62	1.57	1.50	1.38	1.35	1.47	1.24	1.20
R - 2	Residential — multiple family	1.40	1.34	1.30	1.23	1.12	1.08	1.20	0.98	0.93
R - 3	Residential — single family, two family	1.32	1.28	1.25	1.22	1.17	1.14	1.18	1.09	1.02
R - 4	Residential — care/assisted living facilities	1.66	1.60	1.56	1.49	1.37	1.33	1.45	1.23	1.18
S - 1	Storage — moderate hazard	0.91	0.87	0.81	0.78	0.69	.065	0.74	0.55	0.52
S - 2	Storage — low hazard	0.90	0.86	0.81	0.77	0.69	.064	0.73	0.55	0.51
U	Utility, Miscellaneous	0.69	0.65	0.61	0.58	0.52	.048	0.55	0.40	0.38

Notes on interpreting construction factor table:

- (1) N.P. = Not permitted.
- (2) For private garages, use the Ft² CCost by type set forth in the relevant column on the line marked "U" and "utility, miscellaneous."
- (3) For shell buildings, deduct 20 percent.

2. Building permit renewal one-half the initial fees minus connection fees.

3. Plan review.

One- and two-family \$25.00

One- and two-family addition \$12.50

One- and two-family remodel \$6.25

Commercial/industrial 0.005
[percent] of job value

4. Out of house comm/ind consultant charge plus \$100.00

5. Certificate of occupancy \$250.00

6. Limited permits.

(i) Shed, deck, patio, carport, gazebo.

Residential \$50.00

Plus \$25.00 plan review fee

Commercial/industrial \$50.00

Plus \$50.00 plan review fee

(ii) Roofs.

One- and two-family \$50.00

Commercial/industrial \$200.00

(iii) Demolition \$500.00

\$100.00 discount for submittal of written copies of each (all) utility service provider disconnect verification at the time of permit application (must be on provider letterhead).

\$100.00 discount if asbestos report submitted at the same time of permit application (not charged for residential, if not required by law).

\$100.00 refund with submittal of all landfill receipts at the completion of the job (final inspection) or alternate receipt if recycling.

One- and two-family residential accessory structure \$50.00 flat fee

(iv) Additions/alteration/repairs (does not include plumbing or electrical permits or certificate of occupancy fee).

One- and two-family addition \$50.00

One- and two-family remodel \$25.00

Commercial/Industrial (a \$50.00 discount is given if a copy of asbestos report on the project is submitted at the same time of permit application.) \$350.00

(v) Swimming pool/spa/hot tub (as defined in the city-adopted building code). Fee includes occupancy fee. Electrical and/or plumbing permit may be required.

Residential:

Above ground, includes plan review \$80.00

In-ground, includes plan review \$400.00

Spa/hot tub, includes plan review \$400.00

Commercial, includes plan review, stand-alone project only \$500.00

(b) Electrical permits.

One- and two-family residential (new house) \$180.00

One- and two-family addition \$90.00

One- and two-family remodel \$45.00

Administrative fee \$25.00

Commercial/Industrial/Multi-Family	
Inspection Fee	
Service panel/Meter base	Proposed Amperage \times 0.25 + administrative fee
Wiring/circuits	Square feet \times 0.10 + administrative fee
(If both are required for the project, then only one administrative fee is charged.)	
Administrative Fee	\$50.00
Upgrade/Addition	
Service panel/meter base	Proposed amperage \times 0.25 + administrative fee
Wire/circuits	Square feet \times 0.10 + administrative fee
(If both are required for the project, then only one administrative fee is charged.)	
Swimming pool, hot tub/spa	
Residential	\$75.00 includes administrative fee
Commercial	\$200.00 Stand-alone project, includes administrative fee

(c) Plumbing Permits.

One- and two-family residential (new house) \$225.00

One- and two-family addition \$112.50

One- and two-family remodel \$62.50

Administrative fee \$25.00

One- and two-family—performed by State of Illinois No charge

Commercial/industrial/multi-family:

Inspection fee (per unit), includes 60 fixtures \$285.00

For each additional fixture over 60 \$3.00

Upgrade/addition (per unit), includes 60 fixtures \$285.00

For each additional fixture over 60 \$3.00

Administrative fee (per building) \$50.00

Swimming pool/hot tub/spa (only applies if there is a potable water hook-up device or an automatic fill device).

Residential:

Inspection fee \$225.00

Administrative fee \$25.00

Commercial:

Inspection fee \$285.00

Administrative fee \$50.00

(d) Solar energy system permits:

Plan review residential \$50.00

Plan review commercial/industrial \$150.00 per 100 panels installed

Plan review solar farms \$10.00 per \$1,000.00 of construction cost

Permit Fee:

0—4 kilowatts (kW-dc)	\$75.00
5—10 kilowatts (kW-dc)	\$150.00
11—50 kilowatts (kW-dc)	\$300.00
51—100 kilowatts (kW-dc)	\$500.00
101—500 kilowatts (kW-dc)	\$1,000.00
501—1,000 kilowatts (kW-dc)	\$3,000.00
1001—2,000 kilowatts (kW-dc)	\$5,000.00

(2) Building permit fine schedule.

(a) These fees are applicable to the general contractor, subcontractor and the owner/property owner. In addition to a ticket being issued, a stop-work order will be issued to remain in effect until the ticket has been paid and the violation has been corrected.

OFFENSE	FINE*
1. Working without a permit when one is required.	\$500.00
2. Covering up work without an inspection. (Must pass inspection prior to being covered up.)	\$500.00
3. Calling/scheduling an inspection and not being ready when the inspector arrives to perform it.***	\$50.00** Fee doubles each time (after the second time) that the inspector has to return to the site for the same inspection. For example: First time at site and not ready—no charge, second time \$50.00, third time \$100.00, fourth time \$200.00 and so forth.
4. Mud on the pavement brings a written warning the first time. The general contractor is advised in the warning to remove it from the pavement within two hours (general contractor is responsible for notifying all subcontractors). Notice also states that this will be the only warning, throughout the construction project. If the city observes or receives another complaint, a stop work order will be issued along with a ticket.	First time—written warning notice, second time \$50.00, third time \$100.00, fourth time \$150.00 and so forth.
5. Failure to call for a final inspection.	\$500.00

OFFENSE	FINE*
6. Occupying the structure before the issuance of a certificate of occupancy.	\$500.00
7. A certificate of occupancy fee of \$250.00 is paid when the building permit is issued, with \$200.00 to be used as a bond. This bond is reimbursed if all of the work is completed and a permanent certificate of occupancy is issued at the time of final inspection. If issued a temporary certificate of occupancy and the work is not completed within the time allotted on the temporary certificate of occupancy, then \$125.00 of the bond is forfeited as a fine. Failure to obtain the permanent certificate of occupancy within four months of issuance of the temporary certificate of occupancy, the remaining bond is forfeited, the City of Highland may disconnect utilities, and/or the owner and general contractor are issued a city ordinance violation and a notice to appear in court	

Notes on building permit fine schedule:

*If an offender refuses the ticket or refuses to pay the fine, then the offender will be issued a city ordinance violation and a notice to appear in court. The stop-work order shall remain in effect until disposition has been rendered by the court. The fine shall continue to accrue for each day that that the violation continues to exist. The offender is responsible for paying all court costs.

** Does not apply to reinspections of corrected work.

*** Applies to all inspections.

(b) Notification is made to the permit holder of the applicable penalties, when he or she applies for a permit. The permit holder must read the information sheets provided and sign that he or she has read, and understands, it. A copy will be returned to the permit holder and may also be sent to the homeowner, if applicable.

(c) For working without a permit, both the owner and the general contractor receive a ticket. For covering up work without an inspection, the general contractor and subcontractor both receive a ticket. For scheduling an inspection and not being ready, the general contractor and subcontractor both receive a ticket. For mud on the pavement, both the general contractor and all subcontractors on-site at the time of the city's arrival to check the complaint will be issued tickets. For failure to call for a final inspection, and for occupying the structure without a certificate of occupancy, both the owner and the general contractor receive tickets.

(3) Permit fee advertising signs.

Advertising signs (includes plan review fee) \$100.00

WHEREAS, the Planning & Zoning Administrator has informed City Council that City Building & Zoning staff has been working to simplify the building permit fee structure and eliminate inconsistencies in preparation for Building & Zoning's EnerGov software launch in 2020; and

WHEREAS, the Planning & Zoning Administrator has informed City Council that City Building & Zoning staff has been working diligently to provide City residents with straightforward, fair rates for building permits; and

WHEREAS, the Planning & Zoning Administrator has informed City Council that there are many building permits that Building & Zoning is currently charging too little for to account for the staff time and resources the permit entails which results in Building & Zoning struggling to have enough revenue to support the necessary workload; and

WHEREAS, the Planning & Zoning Administrator has informed City Council that there are also many building permit fees Building & Zoning believes are too high based on the staff time and resources the permit entails, and Building & Zoning does not want to charge City Residents any more than is necessary to cover the cost of the permit in question; and

WHEREAS, the Planning & Zoning Administrator has informed City Council the proposed changes to the City building permit fees and fines are the result of months of research to determine what are fair and justifiable rates for building permits within the City, including factors such as the latest International Code Council rates, regional cost modifiers, and past practices; and

WHEREAS, City has determined, Chapter 18 – Buildings, Building Regulations, and Municipal Codes, Article XIII. – Building Permit Fees and Fines, shall now state:

ARTICLE XIII. - BUILDING PERMIT FEES AND FINES

Sec. 18-13-1. - Fees and fines.

(1) *Building Permit Fee Schedule.*

(a) *Permit fee.*

1. **New construction.** This fee formula is used for all construction unless otherwise noted. You must know the group and the Square Foot Construction Costs.

The formula to be used is as follows:

$$\text{Gross Area (sq. ft.)} \times \text{Square Foot Construction Costs} \times \text{Permit Fee Multiplier (.003)} = \text{Construction Fee for Structure}$$

The total construction fee for the entire structure does not include the certificate of occupancy, plumbing inspection fees, or electrical inspection fees.

Square Foot Construction Costs ^{a,b,c}										
Group	International Building Code	Square Foot Construction Costs by Type of Construction								
		IA	IB	IIA	IIB	IIIA	IIIB	IV	VA	VB
A - 1	Assembly — theaters, with stage	246.61	238.50	232.82	223.18	209.86	203.80	216.12	191.69	184.50
A - 1	Assembly — theaters, without stage	225.65	217.54	211.85	202.22	189.15	183.09	195.16	170.98	163.79
A - 2	Assembly — nightclubs	191.96	186.56	182.12	174.70	164.94	160.39	168.64	149.29	144.33
A - 2	Assembly — restaurants, bars, banquet halls	190.96	185.56	180.12	173.70	162.94	159.39	167.64	147.29	143.33
A - 3	Assembly — churches	226.69	218.58	212.89	203.26	191.60	185.54	196.20	173.43	166.24

A - 3	Assembly — general, community halls, libraries, museums	190.63	182.52	175.84	167.20	153.09	148.07	160.14	134.97	128.78
A - 4	Assembly — arenas	224.65	216.54	209.85	201.22	187.15	182.09	194.16	168.98	162.79
B	Business	197.81	190.62	184.70	175.70	160.65	154.63	168.95	141.15	134.99
E	Educational	207.77	200.59	194.83	186.43	173.71	164.91	180.01	151.89	147.25
F - 1	Factory and Industrial — moderate hazard	117.60	112.19	105.97	101.84	91.54	87.26	97.61	75.29	70.95
F - 2	Factory and Industrial — low hazard	116.60	111.19	105.97	100.84	91.54	86.26	96.61	75.29	69.95
H - 1	High Hazard — explosives	109.99	104.58	99.35	94.22	85.14	79.87	89.99	68.89	N.P.
H - 2 Thru H - 4	High Hazard	109.99	104.58	99.35	94.22	85.14	79.87	89.99	68.89	63.56
H - 5	HPM	197.81	190.62	184.70	175.70	160.65	154.63	168.95	141.15	134.99
I - 1	Institutional — supervised environment	197.83	191.05	185.12	177.91	163.28	158.81	178.06	146.98	142.33
I - 2	Institutional — Hospitals	330.92	323.73	317.81	308.81	292.72	N.P.	302.06	273.22	N.P.
I - 2	Institutional — Nursing Homes	229.68	222.49	216.58	207.57	193.53	N.P.	200.83	174.02	N.P.
I - 3	Institutional — restrained	224.86	217.67	211.75	202.75	188.96	181.94	196.00	169.45	161.29

I - 4	Institutional — day care facilities	197.83	191.05	185.12	177.91	163.28	158.81	178.06	146.98	142.33
M	Mercantile	142.95	137.54	132.11	125.68	115.38	111.83	119.62	99.73	95.77
R - 1	Residential — hotels	199.70	192.92	186.99	179.78	164.90	160.43	179.93	148.60	143.96
R - 2	Residential — multiple family	167.27	160.49	154.56	147.35	133.71	129.23	147.50	117.40	112.76
R - 3	Residential — single family, two family ^d	154.28	150.09	146.35	142.65	137.55	133.92	140.30	128.74	121.24
R - 4	Residential — care/assisted living facilities	197.83	191.05	185.12	177.91	163.28	158.81	178.06	146.98	142.33
S - 1	Storage — moderate hazard	108.99	103.58	97.35	93.22	83.14	78.87	88.99	66.89	62.56
S - 2	Storage — low hazard	107.99	102.58	97.35	92.22	83.14	77.87	87.99	66.89	61.56
U	Utility, Miscellaneous	84.66	79.81	74.65	71.30	64.01	59.80	68.04	50.69	48.30

- a. Private garages use utility, miscellaneous.
 - b. For shell buildings, deduct 20 percent.
 - c. N.P. = Not permitted.
 - d. Unfinished basements (Group R-3) = \$22.45 per sq. ft.
2. **Building permit renewal fee (<1 Year).** To reactivate a permit after the permit's date of expiration, the renewal fee shall be one-half that required for a new permit, provided the request to reactivate is made within one year of the date of expiration, that no changes have been made, or will be made in the original plans and specification for such work, and all other requirements of the City are satisfied.
 3. **Plan review.**
 - Single and two-family \$50.00

Single and two-family addition \$25.00

Single and two-family remodel \$25.00

Commercial/Industrial/Multi-Family 0.5% (0.005) of job value

*Expedited Review Residential (if available) \$400.00

*Expedited Review Commercial/Industrial/Multi-Family (if available) \$1,000.00

*Fee is in addition to base plan review fee

4. **Out of house Commercial/Industrial/Multi-Family consultant charge plus \$300.00.**

5. **Certificate of occupancy.** \$250.00

6. **Limited permits.**

(i) Shed, deck, patio, carport, gazebo.

Residential \$50.00

Plus plan review fee \$25.00

Commercial/Industrial \$50.00

Plus plan review fee \$50.00

(ii) Roofs.

Single and two-family \$50.00

Commercial/Industrial/Multi-Family \$200.00

(iii) Demolition.

Residential primary structure \$250.00

Residential accessory structure No Fee

Commercial/Industrial/Multi-Family primary structure \$500.00

Commercial/Industrial/Multi-Family accessory structure \$100.00

(iv) Additions/remodels/alterations/repairs (does not include plumbing or electrical permits or certificate of occupancy fee; these fees may be applicable to certain projects).

Single and two-family addition (square foot construction costs x permit fee multiplier (0.003)) plus plan review

Single and two-family remodel \$25.00 per room plus plan review

Commercial/Industrial/Multi-Family addition (square foot construction costs x permit fee multiplier (0.003)) plus plan review

Commercial/Industrial/Multi-Family remodel \$300.00

- (v) Swimming pool/spa/hot tub (as defined in the city-adopted building code). Plumbing permit may be required if an auto-fill system is to be installed.

Residential:

Above ground, includes plan review and electric \$150.00

In-ground, includes plan review and electric \$275.00

Spa/hot tub, includes plan review and electric \$150.00

Commercial/Industrial/Multi-Family includes plan review and electric, stand-alone project only \$450.00

(b) *Electrical permits.*

Single and two-family residential (new house) \$180.00

Plus administrative fee \$25.00

Single and two-family addition and remodel

Refer to table below

Commercial/Industrial/Multi-Family new, addition, remodel, and service upgrade

Refer to table below

Commercial/Industrial/Multi-Family/Residential	
Inspection Fee	
Service panel/Meter base	Proposed Amperage × 0.25 + administrative fee
Wiring/Circuits	Square feet × 0.10 + administrative fee
(If both are required for the project, then only one administrative fee is charged.)	
Administrative Fee	Residential \$25.00 Commercial/Industrial/Multi-Family \$50.00

(c) *Plumbing Permits.*

Single and two-family residential (new house) No fee. Performed by State of Illinois.

Single and two-family addition \$150.00

Plus administrative fee \$25.00

Single and two-family remodel \$150.00

Plus administrative fee \$25.00

Commercial/Industrial/Multi-Family* new, addition, and remodel:

Inspection fee \$285.00 *per unit

Plus administrative fee (per building) \$50.00

Swimming pool/hot tub/spa (as defined in the city-adopted building code) only applies if there is a potable water hook-up device or an automatic fill device.

Residential:

Inspection fee \$125.00

Plus administrative fee \$25.00

Commercial/Industrial/Multi-family:

Inspection fee (per unit) \$250.00

Plus administrative fee \$50.00

(d) Solar energy system permits:

Plan review residential \$50.00

Plan review commercial/industrial/multi-family \$150.00 per 100 panels installed

Plan review solar farms \$10.00 per \$1,000.00 of construction cost

Permit Fee:

0—4 kilowatts (kW-dc)	\$75.00
5—10 kilowatts (kW-dc)	\$150.00
11—50 kilowatts (kW-dc)	\$300.00
51—100 kilowatts (kW-dc)	\$500.00

101—500 kilowatts (kW-dc)	\$1,000.00
501—1,000 kilowatts (kW-dc)	\$3,000.00
1001—2,000 kilowatts (kW-dc)	\$5,000.00

(2) *Building permit fine schedule.*

- (a) These fees are applicable to the general contractor, subcontractor and the owner/property owner. In addition to a ticket being issued, a stop-work order will be issued to remain in effect until the ticket has been paid and the violation has been corrected.

OFFENSE	FINE*
1. Working without a permit when one is required.	\$500.00
2. Covering up work without an inspection. (Must pass inspection prior to being covered up.)	\$500.00
3. Calling/scheduling an inspection and not being ready when the inspector arrives to perform it.***	\$50.00** Fee doubles each time (after the initially scheduled inspection) that the inspector has to return to the site for the same inspection. For example: First time at site and not ready—no charge, second time \$50.00, third time \$100.00, fourth time \$200.00 and so forth.
4. Mud on the pavement brings a verbal warning the first time. The general contractor is advised in the warning to remove it from the pavement within two hours (general contractor is responsible for notifying all subcontractors).	First time—verbal warning notice, second time \$50.00, third time \$100.00, fourth time \$150.00 and so forth.
5. Failure to call for a final inspection.	\$500.00
6. Occupying the structure before the issuance of a certificate of occupancy.	\$500.00

Notes on building permit fine schedule:

*If an offender refuses the ticket or refuses to pay the fine, then the offender will be issued a city ordinance violation and a notice to appear in court. The stop-work order shall remain in effect until disposition has been rendered by the court. The fine shall continue to accrue for each day that the violation continues to exist. The offender is responsible for paying all court costs.

** Does not apply to re-inspections of corrected work.

*** Applies to all inspections.

- (b) Notification is made to the permit holder of the applicable penalties, when he or she applies for a permit. The permit holder must read the information sheets provided and sign that he or she has read, and understands, it. A copy will be returned to the permit holder and may also be sent to the homeowner, if applicable.
- (c) For working without a permit, both the owner and the general contractor receive a ticket. For covering up work without an inspection, the general contractor and subcontractor both receive a ticket. For scheduling an inspection and not being ready, the general contractor and subcontractor both receive a ticket. For mud on the pavement, both the general contractor and all subcontractors on-site at the time of the city's arrival to check the complaint will be issued tickets. For failure to call for a final inspection, and for occupying the structure without a certificate of occupancy, both the owner and the general contractor receive tickets.

and

WHEREAS, the City Council finds it should approve the text for Chapter 18 – Buildings, Building Regulations, and Municipal Codes, Article XIII. – Building Permit Fees and Fines, as stated herein; and

WHEREAS, the City Manager and/or Mayor should be authorized and directed to execute any documents necessary to repeal and replace the text for Chapter 18 – Buildings, Building Regulations, and Municipal Codes, Article XIII. – Building Permit Fees and Fines, as stated herein.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND AS FOLLOWS:

Section 1. The foregoing recitals are incorporated herein as findings of the City Council of the City of Highland, Illinois.

Section 2. City Council approves the text for Chapter 18 – Buildings, Building Regulations, and Municipal Codes, Article XIII. – Building Permit Fees and Fines, as stated herein.

Section 3. Chapter 18 – Buildings, Building Regulations, and Municipal Codes, Article XIII. – Building Permit Fees and Fines, shall now state:

ARTICLE XIII. - BUILDING PERMIT FEES AND FINES

Sec. 18-13-1. - Fees and fines.

(1) *Building Permit Fee Schedule.*

(a) *Permit fee.*

1. **New construction.** This fee formula is used for all construction unless otherwise noted. You must know the group and the Square Foot Construction Costs.

The formula to be used is as follows:

$$\text{Gross Area (sq. ft.)} \times \text{Square Foot Construction Costs} \times \text{Permit Fee Multiplier (.003)} = \text{Construction Fee for Structure}$$

The total construction fee for the entire structure does not include the certificate of occupancy, plumbing inspection fees, or electrical inspection fees.

Square Foot Construction Costs ^{a,b,c}										
Group	International Building Code	Square Foot Construction Costs by Type of Construction								
		IA	IB	IIA	IIB	IIIA	IIIB	IV	VA	VB
A - 1	Assembly — theaters, with stage	246.61	238.50	232.82	223.18	209.86	203.80	216.12	191.69	184.50
A - 1	Assembly — theaters, without stage	225.65	217.54	211.85	202.22	189.15	183.09	195.16	170.98	163.79
A - 2	Assembly — nightclubs	191.96	186.56	182.12	174.70	164.94	160.39	168.64	149.29	144.33
A - 2	Assembly — restaurants, bars, banquet halls	190.96	185.56	180.12	173.70	162.94	159.39	167.64	147.29	143.33
A - 3	Assembly — churches	226.69	218.58	212.89	203.26	191.60	185.54	196.20	173.43	166.24

A - 3	Assembly — general, community halls, libraries, museums	190.63	182.52	175.84	167.20	153.09	148.07	160.14	134.97	128.78
A - 4	Assembly — arenas	224.65	216.54	209.85	201.22	187.15	182.09	194.16	168.98	162.79
B	Business	197.81	190.62	184.70	175.70	160.65	154.63	168.95	141.15	134.99
E	Educational	207.77	200.59	194.83	186.43	173.71	164.91	180.01	151.89	147.25
F - 1	Factory and Industrial — moderate hazard	117.60	112.19	105.97	101.84	91.54	87.26	97.61	75.29	70.95
F - 2	Factory and Industrial — low hazard	116.60	111.19	105.97	100.84	91.54	86.26	96.61	75.29	69.95
H - 1	High Hazard — explosives	109.99	104.58	99.35	94.22	85.14	79.87	89.99	68.89	N.P.
H - 2 Thru H - 4	High Hazard	109.99	104.58	99.35	94.22	85.14	79.87	89.99	68.89	63.56
H - 5	HPM	197.81	190.62	184.70	175.70	160.65	154.63	168.95	141.15	134.99
I - 1	Institutional — supervised environment	197.83	191.05	185.12	177.91	163.28	158.81	178.06	146.98	142.33
I - 2	Institutional — Hospitals	330.92	323.73	317.81	308.81	292.72	N.P.	302.06	273.22	N.P.
I - 2	Institutional — Nursing Homes	229.68	222.49	216.58	207.57	193.53	N.P.	200.83	174.02	N.P.
I - 3	Institutional — restrained	224.86	217.67	211.75	202.75	188.96	181.94	196.00	169.45	161.29

I - 4	Institutional — day care facilities	197.83	191.05	185.12	177.91	163.28	158.81	178.06	146.98	142.33
M	Mercantile	142.95	137.54	132.11	125.68	115.38	111.83	119.62	99.73	95.77
R - 1	Residential — hotels	199.70	192.92	186.99	179.78	164.90	160.43	179.93	148.60	143.96
R - 2	Residential — multiple family	167.27	160.49	154.56	147.35	133.71	129.23	147.50	117.40	112.76
R - 3	Residential — single family, two family ^d	154.28	150.09	146.35	142.65	137.55	133.92	140.30	128.74	121.24
R - 4	Residential — care/assisted living facilities	197.83	191.05	185.12	177.91	163.28	158.81	178.06	146.98	142.33
S - 1	Storage — moderate hazard	108.99	103.58	97.35	93.22	83.14	78.87	88.99	66.89	62.56
S - 2	Storage — low hazard	107.99	102.58	97.35	92.22	83.14	77.87	87.99	66.89	61.56
U	Utility, Miscellaneous	84.66	79.81	74.65	71.30	64.01	59.80	68.04	50.69	48.30

- a. Private garages use utility, miscellaneous.
 - b. For shell buildings, deduct 20 percent.
 - c. N.P. = Not permitted.
 - d. Unfinished basements (Group R-3) = \$22.45 per sq. ft.
2. **Building permit renewal fee (<1 Year).** To reactivate a permit after the permit's date of expiration, the renewal fee shall be one-half that required for a new permit, provided the request to reactivate is made within one year of the date of expiration, that no changes have been made, or will be made in the original plans and specification for such work, and all other requirements of the City are satisfied.
 3. **Plan review.**
 - Single and two-family \$50.00

Single and two-family addition \$25.00

Single and two-family remodel \$25.00

Commercial/Industrial/Multi-Family 0.5% (0.005) of job value

*Expedited Review Residential (if available) \$400.00

*Expedited Review Commercial/Industrial/Multi-Family (if available) \$1,000.00

*Fee is in addition to base plan review fee

4. **Out of house Commercial/Industrial/Multi-Family consultant charge plus \$300.00.**

5. **Certificate of occupancy.** \$250.00

6. **Limited permits.**

(i) Shed, deck, patio, carport, gazebo.

Residential \$50.00

Plus plan review fee \$25.00

Commercial/Industrial \$50.00

Plus plan review fee \$50.00

(ii) Roofs.

Single and two-family \$50.00

Commercial/Industrial/Multi-Family \$200.00

(iii) Demolition.

Residential primary structure \$250.00

Residential accessory structure No Fee

Commercial/Industrial/Multi-Family primary structure \$500.00

Commercial/Industrial/Multi-Family accessory structure \$100.00

(iv) Additions/remodels/alterations/repairs (does not include plumbing or electrical permits or certificate of occupancy fee; these fees may be applicable to certain projects).

Single and two-family addition (square foot construction costs x permit fee multiplier (0.003)) plus plan review

Single and two-family remodel \$25.00 per room plus plan review

Commercial/Industrial/Multi-Family addition (square foot construction costs x permit fee multiplier (0.003)) plus plan review

Commercial/Industrial/Multi-Family remodel \$300.00

- (v) Swimming pool/spa/hot tub (as defined in the city-adopted building code). Plumbing permit may be required if an auto-fill system is to be installed.

Residential:

Above ground, includes plan review and electric \$150.00

In-ground, includes plan review and electric \$275.00

Spa/hot tub, includes plan review and electric \$150.00

Commercial/Industrial/Multi-Family includes plan review and electric, stand-alone project only \$450.00

(b) *Electrical permits.*

Single and two-family residential (new house) \$180.00

Plus administrative fee \$25.00

Single and two-family addition and remodel

Refer to table below

Commercial/Industrial/Multi-Family new, addition, remodel, and service upgrade

Refer to table below

Commercial/Industrial/Multi-Family/Residential	
Inspection Fee	
Service panel/Meter base	Proposed Amperage × 0.25 + administrative fee
Wiring/Circuits	Square feet × 0.10 + administrative fee
(If both are required for the project, then only one administrative fee is charged.)	
Administrative Fee	Residential \$25.00 Commercial/Industrial/Multi-Family \$50.00

(c) *Plumbing Permits.*

Single and two-family residential (new house) No fee. Performed by State of Illinois.

Single and two-family addition \$150.00

Plus administrative fee \$25.00

Single and two-family remodel \$150.00

Plus administrative fee \$25.00

Commercial/Industrial/Multi-Family* new, addition, and remodel:

Inspection fee \$285.00 *per unit

Plus administrative fee (per building) \$50.00

Swimming pool/hot tub/spa (as defined in the city-adopted building code) only applies if there is a potable water hook-up device or an automatic fill device.

Residential:

Inspection fee \$125.00

Plus administrative fee \$25.00

Commercial/Industrial/Multi-family:

Inspection fee (per unit) \$250.00

Plus administrative fee \$50.00

(d) Solar energy system permits:

Plan review residential \$50.00

Plan review commercial/industrial/multi-family \$150.00 per 100 panels installed

Plan review solar farms \$10.00 per \$1,000.00 of construction cost

Permit Fee:

0—4 kilowatts (kW-dc)	\$75.00
5—10 kilowatts (kW-dc)	\$150.00
11—50 kilowatts (kW-dc)	\$300.00
51—100 kilowatts (kW-dc)	\$500.00

101—500 kilowatts (kW-dc)	\$1,000.00
501—1,000 kilowatts (kW-dc)	\$3,000.00
1001—2,000 kilowatts (kW-dc)	\$5,000.00

(2) *Building permit fine schedule.*

- (a) These fees are applicable to the general contractor, subcontractor and the owner/property owner. In addition to a ticket being issued, a stop-work order will be issued to remain in effect until the ticket has been paid and the violation has been corrected.

OFFENSE	FINE*
1. Working without a permit when one is required.	\$500.00
2. Covering up work without an inspection. (Must pass inspection prior to being covered up.)	\$500.00
3. Calling/scheduling an inspection and not being ready when the inspector arrives to perform it.***	\$50.00** Fee doubles each time (after the initially scheduled inspection) that the inspector has to return to the site for the same inspection. For example: First time at site and not ready—no charge, second time \$50.00, third time \$100.00, fourth time \$200.00 and so forth.
4. Mud on the pavement brings a verbal warning the first time. The general contractor is advised in the warning to remove it from the pavement within two hours (general contractor is responsible for notifying all subcontractors).	First time—verbal warning notice, second time \$50.00, third time \$100.00, fourth time \$150.00 and so forth.
5. Failure to call for a final inspection.	\$500.00
6. Occupying the structure before the issuance of a certificate of occupancy.	\$500.00

Notes on building permit fine schedule:

*If an offender refuses the ticket or refuses to pay the fine, then the offender will be issued a city ordinance violation and a notice to appear in court. The stop-work order shall remain in effect until disposition has been rendered by the court. The fine shall continue to accrue for each day that the violation continues to exist. The offender is responsible for paying all court costs.

** Does not apply to re-inspections of corrected work.

*** Applies to all inspections.

- (b) Notification is made to the permit holder of the applicable penalties, when he or she applies for a permit. The permit holder must read the information sheets provided and sign that he or she has read, and understands, it. A copy will be returned to the permit holder and may also be sent to the homeowner, if applicable.
- (c) For working without a permit, both the owner and the general contractor receive a ticket. For covering up work without an inspection, the general contractor and subcontractor both receive a ticket. For scheduling an inspection and not being ready, the general contractor and subcontractor both receive a ticket. For mud on the pavement, both the general contractor and all subcontractors on-site at the time of the city's arrival to check the complaint will be issued tickets. For failure to call for a final inspection, and for occupying the structure without a certificate of occupancy, both the owner and the general contractor receive tickets.

Section 4. 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 by the City Council and approved by the Mayor of the City of Highland, Illinois and deposited and filed in the office of the City Clerk on the _____ day of _____, 2020, the vote being taken by ayes and noes and entered upon the legislative record as follows:

AYES:

NOES:

APPROVED:

Joseph R. Michaelis, Mayor, City of Highland
Madison County, Illinois

ATTEST:

Barbara Bellm, City Clerk, City of Highland
Madison County, Illinois



City of Highland Building and Zoning

January 23, 2020

To: Mark Latham, City Manager

From: Breann Speraneo, Planning & Zoning Administrator

RE: Building Fee Schedule Amendment

It is my recommendation to seek City Council's approval to amend *Sec. 18-13-1. - Fees and fines* of the Municipal Code as discussed at City Council on January 6, 2020.

January 6, 2020 Memo:

In preparing for Building & Zoning's EnerGov software launch in 2020, Building & Zoning staff has been working to simplify the building permit fee structure and eliminate inconsistencies. It is our goal to provide citizens with straightforward, fair rates for building permits.

There are many building permits that Building & Zoning is currently not charging enough for to account for the staff time and resources the permit entails. This results in the department struggling to have enough revenue to support the necessary workload. Example figures are below to demonstrate that the proposed rates are not a significant increase. The increase is capped by a regional cost modifier introduced by staff to make our building permit fees suitable for this area.



City of Highland Building and Zoning

Single Family	Old Fees	New Fees	Cost Differential
5 Fox Run Ct	\$ 5,440.00	\$ 6,178.00	\$ 737.00
255 Carter Ridge Dr	\$ 5,295.00	\$ 5,681.00	\$ 386.00
219 Carter Ridge Dr	\$ 5,214.00	\$ 5,495.00	\$ 281.00
50 Arbor Crest Dr	\$ 5,117.00	\$ 5,333.00	\$ 216.00
Two Family	Old Fees	New Fees	Cost Differential
100 A/B Field Crossing Dr	\$ 5,545.00	\$ 6,216.00	\$ 671.00
5 A/B Jasons Pointe	\$ 5,820.00	\$ 6,678.00	\$ 858.00
35 A/B Bridgewater Ln	\$ 5,252.00	\$ 5,614.00	\$ 363.00
Commercial	Old Fees	New Fees	Cost Differential
209 Flax – Dental Office	\$ 14,624.00	\$ 15,496.00	\$ 872.00
208 Flax – Oncology Office	\$ 8,957.00	\$ 10,078.00	\$ 1,121.00
12556 St Rt 143 – Burger King	\$ 13,173.00	\$ 13,708.00	\$ 535.00
206 Walnut – Chiropractic Office	\$ 2,856.00	\$ 3,355.00	\$ 499.00

There are also many building permits that have rates that staff believes are too high. As our department's goal is to serve the community, staff does not want to charge citizens any more than is necessary to cover the cost of their permit. We have created formulas that will be sufficient to cover the associated expenses without overcharging citizens.

The attached proposal is the result of months of research to find what staff believes are fair, justifiable rates for building permits within the City of Highland. Factors such as the latest International Code Council rates, regional cost modifiers, and past practices have been considered in our analysis.

Proposed Permit Fee Schedule

Difference; Red = Increase; Green

<u>Fee Type</u>	<u>Current Fee</u>	<u>Proposed Fee; NC = No Change</u>	<u>= Decrease</u>
Permit Fee Multiplier All New Construction	Variable x ICC Table	Variable x ICC table	NC - updated table and variable
New 1-2 Family Plan Review	\$25	\$50	\$25
New 1-2 Family Electric	\$180 + \$25 admin	\$180 + \$25 admin	NC
New 1-2 Family Plumbing	\$225 + \$25 admin	Eliminate	\$250
Addition 1-2 Family Plan Review	\$12.50	\$25.00	\$12.50
Addition 1-2 Family Building	\$50	Variable x ICC table	Varies project to project
Addition 1-2 Family Electric	90 + \$25 admin	Utilizing current variable table to simplify electric across the board	Varies project to project
Addition 1-2 Plumbing	112.5 + \$25 admin	\$150 + \$25 admin	\$37.50
Remodel 1-2 Family Plan Review	\$6.25	\$25.00	\$18.75
Remodel 1-2 Family Building	\$25	\$25 per room	Charging \$25 per room to account for size of remodel
Remodel 1-2 Family Electric	\$45 + \$25 admin	Utilizing current variable table to simplify electric across the board	Varies project to project
Remodel 1-2 Family Plumbing	\$62.50 + \$25 admin	\$150 + \$25 admin	\$87.50
New Multifamily/Commercial/Industrial Plan Review	.005 x job value	NC	NC - cleaning up current language
New Multifamily/Commercial/Industrial Electric	Variable table	Variable table	NC
New Multifamily/Commercial/Industrial Plumbing	\$285 + \$50 admin + variable	\$285 (Eliminate 60+ fixtures variable) per unit +\$50 admin fee	Cost of variable
Addition Multifamily/Commercial/Industrial	Not defined.	Same as new construction	Varies project to project
Addition Multifamily/Commercial/Industrial Electric	Variable table	Variable table	NC
Addition Multifamily/Commercial/Industrial Plumbing	\$285 + \$50 admin + variable	\$285 (Eliminate 60+ fixtures variable) per unit +\$50 admin fee	Cost of variable
Remodel Multifamily/Commercial/Industrial	\$350 w/ \$50 discount	\$300	NC

Proposed Permit Fee Schedule

Remodel Multifamily/Commercial/Industrial Electric	Variable table	Variable table	NC
Remodel Multifamily/Commercial/Industrial Plumbing	\$285 + \$50 admin + variable	\$285 (Eliminate 60+ fixtures variable) per unit +\$50 admin fee	Cost of variable \$200 to cover city expense for shipping
Out of House Plan Review	Their Fee +\$100	FSCI review fee + \$300	
Expedited Plan Review Fee Residential	N/A	\$400	Not previously defined
Expedited Plan Review Fee Commercial	N/A	\$1,000	Not previously defined
Certificate of Occupancy	\$250 w/ \$200 refund	\$250 and leave out refunds	\$200
Shed/Deck/Patio/Carport/Gazebo Res	\$50 + \$25 review	\$50 + \$25 review	NC
Shed/Deck/Patio/Carport/Gazebo Com	\$50 + \$50 review	\$50 + \$50 review	NC
Re-Roof Residential	\$50	\$50	NC
Re-Roof Multifamily/Commercial/Industrial	\$200	\$200	NC
Demolition Residential Primary Structure	\$500 unless discounts	\$250 and leave out refunds	NC - Discounts are usually \$250
Demolition Residential Accessory Structure	\$50.00	No charge	\$50
Demolition Multifamily/Commercial/Industrial Primary Structure	\$500 unless discounts	\$500 and leave out refunds	\$300 (eliminating refunds)
Demolition Multifamily/Commercial/Industrial Accessory Structure	N/A	\$100	Not previously defined
Residential Above-Ground Pool Only	\$80 + Variables	\$75	\$5 + cost of variables
Residential Above-Ground Pool Electric	\$75 admin included	\$75	NC
Residential Above-Ground Pool Plumbing	\$250 + \$25 admin	\$125+\$25 admin	\$125
Residential In-Ground Pool Only	\$400 + Variables	\$200	\$200
Residential In-Ground Pool Electric	\$75 admin included	\$75	NC
Residential In-Ground Pool Plumbing	\$250 + \$25 admin	\$125 + \$25 admin	\$125
Residential Spa/Hot Tub Only	\$400 + Variables	\$75	\$325
Residential Spa/Hot Tub Electric	\$75 admin included	\$75	NC

Proposed Permit Fee Schedule

Residential Spa/Hot Tub Plumbing	\$250 + \$25 admin	\$125 + \$25 admin	\$125
Commercial Pool/Spa/Hot Tub Only	\$500 + Variables	\$300	\$200
Commercial Pool/Spa/Hot Tub Electric	\$200 admin included	\$150	\$50
Commercial Pool/Spa/Hot Tub Plumbing	\$285 + \$50 admin	\$250 + \$50 admin	\$35
Residential Electric Upgrade	Not defined. We use \$70	\$70	Not previously defined
		Service Panel/Meterbase (Proposed Amperage x .25) Minimum \$50 and/or Wiring/Circuits (Square feet x .10)	
Commercial Electric Upgrade	Variable table	Minimum \$45 + \$50 Admin Fee	NC
Solar Fees	Insert current table as is.	Insert recent addition	NC
Sign	\$100	This does not belong in building code.	Removing from building code (part of zoning code)
Fines	Vary	Keep amount; adjust language	NC

ORDINANCE NO. _____

**AN ORDINANCE AMENDING THE CITY CODE OF ORDINANCES,
CHAPTER 90 – ZONING, ARTICLE II – ADMINISTRATION AND ENFORCEMENT,
DIVISION 3 – APPLICATIONS, PERMITS AND FEES, SEC. – 90-67 – FEE SCHEDULE**

WHEREAS, the City of Highland, Madison County, Illinois (hereinafter “City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, Chapter 90 – Zoning, Article II – Administration and Enforcement, Division 3 – Applications, Permits and Fees, Sec – 90-67. – Fee Schedule, currently states:

Sec. 90-67. - Fee schedule.

For this chapter, the following schedule of nonrefundable fees is adopted. The applicant is to pay the fees when the applicant submits or files the application; provided, however, that no fee shall be required for an application by the administrative official, the combined planning and zoning board, or the city council.

- (1) Zoning Verification Letter \$100.00
- (2) Appeal to Combined Planning and Zoning Board \$150.00
- (3) Appeal to the City Manager or his/her designee \$50.00
- (4) Variance \$200.00
- (5) Zoning District Map Amendment \$200.00
- (6) Zoning Text Amendment \$200.00
- (7) Special Use Permit \$200.00
- (8) Site Plan Review \$300.00
- (9) Corner/Through Lot Fence Review \$50.00
- (10) Home Occupation Permit \$50.00
- (11) Preliminary Plans — Planned Unit Developments
 - a. Less than two acres \$200.00
 - b. Two acres to 15 acres \$300.00
 - c. 16 acres to 25 acres \$400.00
 - d. More than 25 acres \$500.00

and

WHEREAS, the Planning and Zoning Administrator has recommended to City Council removal of the \$100 fee for a sign permit from the building fee schedule, and adding the \$100 fee for a sign permit to the zoning fee schedule; and

WHEREAS, the Planning and Zoning Administrator has informed the City Council that a sign permit is a zoning activity rather than a building activity, and this amendment to the zoning fee schedule is for clarification purposes; and

WHEREAS, the Planning and Zoning Administrator has informed the City Council that the fee for a sign permit remains the same at \$100; and

WHEREAS, City has determined Chapter 90 – Zoning, Article II – Administration and Enforcement, Division 3 – Applications, Permits and Fees, Sec – 90-67. – Fee Schedule, shall now state:

Sec. 90-67. - Fee schedule.

For this chapter, the following schedule of nonrefundable fees is adopted. The applicant is to pay the fees when the applicant submits or files the application; provided, however, that no fee shall be required for an application by the administrative official, the combined planning and zoning board, or the city council.

- (1) Zoning Verification Letter \$100.00
- (2) Appeal to Combined Planning and Zoning Board \$150.00
- (3) Appeal to the City Manager or his/her designee \$50.00
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- (5) Zoning District Map Amendment \$200.00
- (6) Zoning Text Amendment \$200.00
- (7) Special Use Permit \$200.00
- (8) Site Plan Review \$300.00
- (9) Corner/Through Lot Fence Review \$50.00
- (10) Home Occupation Permit \$50.00
- (11) Preliminary Plans — Planned Unit Developments
 - a. Less than two acres \$200.00
 - b. Two acres to 15 acres \$300.00
 - c. 16 acres to 25 acres \$400.00

d. More than 25 acres \$500.00

(12) Sign Permit \$100.00

and

WHEREAS, the City Council finds it should approve the amended text for Chapter 90 – Zoning, Article II – Administration and Enforcement, Division 3 – Applications, Permits and Fees, Sec – 90-67. – Fee Schedule, as stated herein; and

WHEREAS, the City Manager and/or Mayor should be authorized and directed to execute any documents necessary to amend the text for Chapter 90 – Zoning, Article II – Administration and Enforcement, Division 3 – Applications, Permits and Fees, Sec – 90-67. – Fee Schedule, as stated herein.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND AS FOLLOWS:

Section 1. The foregoing recitals are incorporated herein as findings of the City Council of the City of Highland, Illinois.

Section 2. City Council approves the text amendment for Chapter 90 – Zoning, Article II – Administration and Enforcement, Division 3 – Applications, Permits and Fees, Sec – 90-67. – Fee Schedule, as stated herein.

Section 3. Chapter 90 – Zoning, Article II – Administration and Enforcement, Division 3 – Applications, Permits and Fees, Sec – 90-67. – Fee Schedule, shall now state:

Sec. 90-67. - Fee schedule.

For this chapter, the following schedule of nonrefundable fees is adopted. The applicant is to pay the fees when the applicant submits or files the application; provided, however, that no fee shall be required for an application by the administrative official, the combined planning and zoning board, or the city council.

(1) Zoning Verification Letter \$100.00

(2) Appeal to Combined Planning and Zoning Board \$150.00

(3) Appeal to the City Manager or his/her designee \$50.00

(4) Variance \$200.00

(5) Zoning District Map Amendment \$200.00

(6) Zoning Text Amendment \$200.00

(7) Special Use Permit \$200.00

- (8) Site Plan Review \$300.00
- (9) Corner/Through Lot Fence Review \$50.00
- (10) Home Occupation Permit \$50.00
- (11) Preliminary Plans — Planned Unit Developments
 - a. Less than two acres \$200.00
 - b. Two acres to 15 acres \$300.00
 - c. 16 acres to 25 acres \$400.00
 - d. More than 25 acres \$500.00
- (12) Sign Permit \$100.00

Section 4. 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 by the City Council and approved by the Mayor of the City of Highland, Illinois and deposited and filed in the office of the City Clerk on the ____ day of _____, 2020, the vote being taken by ayes and noes and entered upon the legislative record as follows:

AYES:

NOES:

APPROVED:

Joseph R. Michaelis, Mayor, City of Highland
Madison County, Illinois

ATTEST:

Barbara Bellm, City Clerk, City of Highland
Madison County, Illinois



City of Highland
Building and Zoning

January 21, 2020

To: Mark Latham, City Manager

From: Breann Speraneo, Planning & Zoning Administrator

RE: Zoning Fee Schedule Amendment

It is my recommendation to seek City Council's approval to amend *Sec. 90-67. - Fee schedule* of the Municipal Code as discussed at City Council on January 6, 2020.

January 6, 2020 Memo:

It is my recommendation to remove the \$100 fee for a sign permit from the building fee schedule and to add it to the zoning fee schedule.

A sign permit is a zoning activity rather than a building activity, so this amendment to the zoning fee schedule is for clarification purposes. The fee for a sign permit is not changing.

Note: "Appeal to City Council" is proposed to be eliminated from the zoning fee schedule and "Appeal to City Manager or his/her designee" is proposed to be added to the zoning fee schedule in the amended version of Bill #19-77, tabled at the last City Council meeting.



City of Highland
Building and Zoning

January 21, 2020

To: Mark Latham, City Manager

From: Breann Speraneo, Planning & Zoning Administrator

RE: NOML for demolition of structures at 1213 13th Street

This notice of municipal letting calls for a wet demolition of the residential structure located at 1213 13th Street. An asbestos inspection was not performed due to the interior condition of the property.

The former property owner signed a quit claim deed to transfer the property to the City of Highland. The quit claim deed has been recorded at the Madison County Recorder's Office.

City of Highland, Illinois

Notice of Municipal Letting

DEMOLITION OF STRUCTURES

1213 13th Street

BZ-01-20

The City of Highland, Illinois invites sealed bids for demolition of structures until 10:00 a.m., Monday, February 24, 2020. Bids are publicly opened and read at that time.

This project includes the demolition of the structures and restoration of the grounds at 1213 13th Street in Highland, IL.

Contractor shall not pay less than the prevailing rates of wages to all laborers, workmen, and mechanics performing work under this contract, and shall comply with the requirements of the Illinois Wages of Employees on Public Works Act (820 ILCS 130/1-12).

Copies of the bidding documents are available at the:

City of Highland
Building and Zoning Department
2610 Plaza Drive
Highland, Illinois 62249

There will be a non-refundable \$10.00 fee for any set picked up. Electronic versions are available upon request at no charge by calling 618-654-7115.

By the order of the Mayor and City Council

Mark Latham, City Manager

-
- Publish in The Pioneer, February 12, 2020, and February 19, 2020 editions.
 - Publish in the Troy Times-Tribune, February 13, 2020, and February 20, 2020 editions.

City of Highland, Illinois

Department of Community Development
Building and Zoning Division



**DEMOLITION OF STRUCTURES
1213 13th STREET, HIGHLAND, IL.
BZ-01-20**

**Bid Opening: 10:00 a.m., Monday, February 24, 2020
City Hall
1115 Broadway
Highland, Illinois**

Approved by: _____ **Date:** _____
City Manager

Proposal Submitted by: _____

Building demolition is a “Public Works Construction” Project as defined in the Illinois Prevailing Wage Act 820 ILCS 130. As such, all bidders shall account for in their bids and will be subject to the general prevailing wage rates for Madison County, Illinois, currently published and as amended from time to time by the Department of Labor. Prevailing rate of wages are revised by the Department of Labor and are available on the Department’s official website.

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BID FORM

Bid of _____
Company Name

Address City State Zip Code

To: City of Highland, Illinois Date: _____

We hereby certify that we are the only party interested in this Bid as principals and that we have examined all the Contract documents and the Specifications.

In addition to this Bid, the undersigned herewith submits complete information including descriptive literature and product specifications to fully define the fencing material being offered.

AUTHORIZED
SIGNATURE: _____ TITLE: _____

Print Name: _____

1213 13th Street \$ _____

Total Bid Price \$ _____

Building demolition is a "Public Works Construction" Project as defined in the Illinois Prevailing Wage Act 820 ILCS 130. As such, all bidders shall account for in their bids and will be subject to the general prevailing wage rates for Madison County, Illinois, currently published and as amended from time to time by the Department of Labor. Prevailing rate of wages are revised by the Department of Labor and are available on the Department's official website.

RETURN WITH BID

(If an individual)

Signature of Bidder _____

Business Address _____

(If a partnership)

Firm Name _____

Signed By _____

Business Address _____

Insert
Names and
Addresses of
All Partners

} _____

(If a corporation)

Corporate Name _____

Signed By _____

President

Business Address _____

Insert
Names of
Officers

} President _____
Secretary _____
Treasurer _____

Attest: _____

Secretary

CONTRACT ADMINISTRATION

INVITATION

The City of Highland, Illinois, will receive sealed bids until 10:00 a.m., Monday, February 24, 2020 at City Hall, at which time they will be publicly opened and read. After tabulation and review, bids will be presented to the City Council at its regular meeting scheduled for March 2, 2020 for consideration. If there are any questions concerning this solicitation, please contact Ms. Kim Kilcauski, Administrative Assistant at (618) 654-7115.

This contract is governed by Prevailing Wage regulations in the state of Illinois.

REQUIRED DOCUMENTS

The Certificate of Non-Delinquency of Taxes and Certificate of Compliance must be returned with the bid. The City Council is prohibited from awarding the contract without these documents.

The successful bidder must agree to, and sign, the "Hold Harmless Agreement" form included in this bid package. The form must be completed before execution of the Contract.

The bidder shall include with his/her bid a listing of all Subcontractors. Subcontractors that are deemed unacceptable by the City will not be allowed to work on this contract. Only Subcontractors detailed on the Bid form will be considered.

The successful bidder shall submit executed copies of Performance and Payment Bonds (separate), each in an amount equal to the Contract Price, and Certificate of Insurance as security for the faithful performance and payment of all Contractors' obligations under the Contract.

Bidders need not return the entire contract proposal when bids are submitted unless otherwise required. Portions of the proposal that must be returned include the following:

- a. Contract Cover
- b. Bid Form
- c. Signatures
- d. Proposal Bid Security
- e. Certificate of Non-Delinquency of Tax
- f. Certificate of Compliance
- g. Certificate of Compliance Substance Abuse

BID SECURITY

Each bid shall be accompanied by a cash deposit, certified check, bid bond or irrevocable letter of credit made payable to the city of Highland, Illinois in the amount of five percent (5%) of the bid as guarantee that the Bidder will enter into the proposed contract within the time specified.

Personal or business checks will not be accepted. The City will consider no bid unless accompanied by the required security.

Should any bidder whose bid has been accepted by the City refuse, fail, or neglect to execute the attached contract, or if any provision of said contract is not met, Bidder agrees that the five percent (5%) bid security shall be the amount of the liquidated damages occasioned by the failure, refusal, neglect, or non-compliance, and that thereupon the City shall realize on said bid security and use the proceeds in payment of said damages.

INSURANCE

The successful bidder will be required to carry a minimum amount of insurance. A Certificate of Insurance shall be submitted with the City of Highland and Madison County Community Development a Division of Madison County Government listed as an Additional Insured. All Subcontractors shall provide a Certificate of Insurance.

The successful bidder shall obtain, and maintain, in force throughout the Contract period, insurance coverage in the amounts set out below.

COVERAGES LIMITS

Comprehensive General Liability

- ❖ Bodily Injury \$1,000,000 per claim
\$1,000,000 aggregate all claims
- ❖ Property Damage \$1,000,000 per claim
\$1,000,000 aggregate all claims
- ❖ Worker’s Compensation \$500,000 per claim
\$500,000 aggregate all claims
- ❖ Professional Liability Insurance \$500,000 per claim
\$500,000 aggregate all claims

BASIS FOR BID

The bid shall include all labor, plant, material, transportation, and other costs.

The bid price will include all discounts, preparation costs and all other charges or credits.

DO NOT include taxes in the bid price. The city of Highland is exempt from Federal Excise, Transportation, and State Sales Taxes.

BASIS FOR CONTRACT AWARD

Bid sheets will be evaluated. The lowest responsible and responsive bid shall be deemed the successful bidder and the contract will be awarded to that bidder (subject to the City Council approval).

BASIS OF PAYMENT

The contractor will be paid in monthly payments upon receipt of the contractor's invoice. The invoice shall be for actual progress as approved by the City's representative and documented on the schedule of prices. The invoices are due at the Department of Community Development seven (7) days prior to the scheduled council meeting. The city will withhold 10% from each invoice. After 50% or more of the work is completed, the City shall retain 5% of the total adjusted contract price from each invoice. Final payment and retainage shall not be released until all lien waivers are received from the Contractor, subcontractors and suppliers.

Payment will be made only after all materials are received and accepted, as specified, and within 30 days of receipt of invoice for the same.

Building demolition is a "Public Works Construction" Project as defined in the Illinois Prevailing Wage Act 820 ILCS 130. As such, all bidders shall account for in their bids and will be subject to the general prevailing wage rates for Madison County, Illinois, currently published and as amended from time to time by the Department of Labor. Prevailing rate of wages are revised by the Department of Labor and are available on the Department's official website.

SPECIFICATIONS

DESCRIPTION

The project consists of a wet demolition of the structures at 1213 13th Street in Highland.

EXAMINATION OF THE SITE

It is recommended that the Bidder visit the project site to determine such details, which may require other incidental items affecting the cost of the work to be performed. Due to unsafe structural conditions, tours of the interior will not be permitted.

The cost of meeting existing topography features or any incidental work necessary for the successful completion of the project shall be considered incidental to the contract and no additional compensation will be allowed.

If the City determines that a change in the Contract Documents is required because of the action taken in response to an emergency, a Work Directive Change or Change Order will be issued to document the consequences of the changes or variations.

SAFETY AND HEALTH

The Contractor shall be responsible for enforcing all O.S.H.A. Safety and Health Standards (29 CFR 1926/1910), pertaining to the construction industry, as established by the United States Department of Labor, Occupational Safety and Health Administration 2207.

SAFETY AND PROTECTION

- A. CONTRACTOR shall be responsible for initiating, maintaining and supervising all safety and precautions and programs in connection with the Work. CONTRACTOR shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury or loss to:
1. All employees on the Work and other persons and organizations who may be affected thereby;
 2. All the Work and materials and equipment to be incorporated therein, whether in storage on or off the site; and
 3. Other property at the site adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, utilities and underground facilities not designated for removal, relocation or replacement in the course of construction.
- B. CONTRACTOR shall comply with all applicable laws and regulations of any public body having jurisdiction for the safety of persons and property or to protect them from damage, injury or loss; and shall erect and maintain all necessary safeguards for such safety and protection. CONTRACTOR shall notify owners of adjacent property and of underground facilities and utility owners when prosecution of the Work may affect them and shall

cooperate with them in the protection, removal, relocation and replacement of their property. All damage, injury or loss to any property referred to in paragraph 2 or 3 caused, directly or indirectly, in whole or in part, by CONTRACTOR, any Subcontractor, Supplier or any other person or organization directly or indirectly employed by any of them to perform or furnish any of the Work or anyone for whose acts either of them may be liable, shall be remedied by CONTRACTOR (except damage or loss attributable to the fault of Drawings or Specifications or to the acts or omissions of OWNER or ENGINEER or anyone employed by either of them or anyone for acts either of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of CONTRACTOR. CONTRACTOR's duties and responsibilities for the safety and protection of the Work shall continue until such time as all the Work is completed and ENGINEER has issued a notice to OWNER and CONTRACTOR that the Work is acceptable (except as otherwise expressly provided in connection with Substantial Completion).

- C. CONTRACTOR shall designate a responsible representative at the site whose duty shall be the prevention of accidents. This person shall be CONTRACTOR's superintendent, unless otherwise designated in writing by CONTRACTOR to OWNER.
- D. In EMERGENCIES affecting the safety or protection of persons or the Work or property at the site or adjacent thereto, CONTRACTOR, without special instructions or authorization from ENGINEER or OWNER, is obligated to act to prevent threatened damage, injury or loss.
- E. CONTRACTOR shall give ENGINEER prompt, written notice if CONTRACTOR believes that any significant changes in the Work or variations from the Contract Documents have been caused thereby.

DUST CONTROL

CONTRACTOR shall take dust suppression measures during all phases of demolition to ensure there are no visible emissions. This is generally considered as a "wet demolition." This requirement is independent of presence of non-friable asbestos containing material. Fire hydrants are not to be used as water source without expressed permission from the City of Highland.

REMOVAL OF STRUCTURES

The CONTRACTOR shall completely demolish and remove the main structure including all foundation, footing, and basement floors. In addition; the CONTRACTOR shall also remove all private sidewalks, driveways, basketball poles, fences, detached accessory structures, wells, retaining walls and similar appurtenances located in and upon the premises.

Note: In addition to a residential structure, a well, concrete pad and retaining wall have all been observed on the property. Each structure on the property must be removed. Well mitigation must adhere with Madison County's requirements.

BACKFILLING OF LOT

After the demolition and removal work described in the preceding paragraph, the CONTRACTOR shall backfill the lot up to the level grade of the existing surrounding area.

The CONTRACTOR shall backfill only with masonry rubble, sand, or clean dirt up to the level 12” below the grade of the existing surrounding area. Fill shall be compacted to 95% standard proctor. The top layer of fill is to be a minimum of 12” of soil capable of sustaining vegetative cover. Any open wells shall be filled in accordance with the State of Illinois regulations. Any cisterns or similar obstacles found on the site, shall be filled with masonry rubble, sand or clean dirt up to the grade level of the existing surrounding area.

The CONTRACTOR shall not backfill with lumber, lath, or other organic materials. The CONTRACTOR shall not backfill with slag.

The CONTRACTOR shall, after complete removal of the structures and backfilling of the excavated area, top dress, reseed and mulch the entire disturbed area to the satisfaction of the city of Highland.

PROTECTION OF PROPERTY

The CONTRACTOR shall be responsible for repairing any and all city of Highland improvements that may be damaged during the demolition project, including – but not limited to – streets, curbs, street signs, public sidewalks, sanitary sewer lines, storm sewer lines, and electric and fiber lines (regardless of whether those electric or fiber lines are aerial or buried).

The CONTRACTOR shall be responsible for repairing or restoring and all adjoining private properties to pre-construction condition, or better, that may become damaged during the demolition project, including – but not limited to- structures, open lands, private sidewalks, sewers, or other underground services lines that may not be visible otherwise.

UTILITIES

The CONTRACTOR shall notify all utility companies of the demolition prior to beginning the project. All rules and regulations of the utility companies and city or county codes must be complied with before, during and after the demolition project. Sanitary service sewers shall be plugged to prevent ground infiltration.

EROSION CONTROL

The CONTRACTOR shall, at all times, control any and all erosion and dust from the site resulting from the demolition and fill material of the project. Erosion control protection (silt fences) shall be placed on any downhill sides of the disturbed area as necessary. The CONTRACTOR shall remove the silt fences after sufficient vegetative cover is in place to check erosion.

OFF-SITE DISPOSAL

Material from the demolition which is not suitable for use as backfill material, shall not be used as backfill but, instead, shall be removed from the site of the work and disposed of at the CONTRACTOR's expense.

The CONTRACTOR must dispose of all such materials at a landfill permitted by the Illinois Environmental Protection Agency. The CONTRACTOR shall retain its receipts for disposal transactions, and shall present those receipts of all disposal transactions to the City before final payment to the CONTRACTOR.

The City will delay final acceptance and payment until all unauthorized material, remaining on the premises at the completion of the demolition work, has been removed from the site. The CONTRACTOR shall leave the premises in an orderly and clean condition, free of debris and building materials.

There is no guarantee of salvageable materials in the building(s) involved in this CONTRACT, and no responsibility shall be assumed by any party for loss of salvageable material.

The CONTRACTOR shall not burn any materials on site. The CONTRACTOR shall not bury any materials on site, except to the extent that the materials resulting from the demolition work are suitable for use as backfill, as set forth above.

PERMITS

The CONTRACTOR shall obtain the necessary demolition permits and perform all work in strict conformity therewith. The City shall waive all associated fees for its permits.

PROJECT ACCESS

The CONTRACTOR can access this project site with ingress and egress from 13th Street

PHOTOS







EMPLOYMENT REQUIREMENTS AND WAGE RATES

1. The City of Highland is a “public body” and the subject of this Contract is a “public work” within the meaning of Section 2 of the Prevailing Wage Act (820 ILCS 130/2). Consequently, the project specifications require – and the Contract, when awarded, will require – that “not less than the prevailing rate of wages as found by the public body or Department of Labor or determined by the court on review shall be paid to all laborers, workers and mechanics performing work under the Contract.” See 820 ILCS 130/4(a-1). It shall be mandatory upon the contractor, to whom the contract is awarded, to insert into each subcontract and the project specifications for each subcontract a written stipulation to the effect that not less than the prevailing rate of wages shall be paid to all laborers, workers, and mechanics performing work under the contract. It shall also be mandatory upon each subcontractor to cause to be inserted into each lower tiered subcontract and into the project specifications for each lower tiered subcontract a stipulation to the effect that not less than the prevailing rate of wages shall be paid to all laborers, workers, and mechanics performing work under the contract. See 820 ILCS 130/4(b). The City of Highland requires in all contractor’s and subcontractor’s bonds that the contractor or subcontractor include such provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract or other written instrument. See 820 ILCS 130/4(c). The City of Highland’s Prevailing Wage Ordinance, in effect at the time the Contract is awarded, adopts the specification of prevailing wage rates made by the Illinois Department of Labor, applicable to all laborers, workers and mechanics in Madison County, Illinois, for each craft or type of worker or mechanic needed to execute the contract. See 820 ILCS 130/4(c). The Illinois Department of Labor’s specification of prevailing wage rates in Madison County, Illinois, is set forth on the following pages:
2. The contractor, to whom the Contract is awarded, shall comply with the Employment of Illinois Workers on Public Works Act (30 ILCS 570/), which requires – during any period of excessive unemployment in Illinois – that the contractor “employ at least 90% Illinois laborers on [the] project.” See 30 ILCS 570/3.

Building demolition is a “Public Works Construction” Project as defined in the Illinois Prevailing Wage Act 820 ILCS 130. As such, all bidders shall account for in their bids and will be subject to the general prevailing wage rates for Madison County, Illinois, currently published and as amended from time to time by the Department of Labor. Prevailing rate of wages are revised by the Department of Labor and are available on the Department’s official website.

Madison County Prevailing Wage Rates posted on 7/15/2019

Trade Title	Rg	Type	C	Base	Foreman	Overtime				H/W	Pension	Vac	Trng	Other Ins
						M-F	Sa	Su	Hol					
ASBESTOS ABT-GEN	NW	ALL		31.09	31.59	1.5	1.5	2.0	2.0	6.30	16.85	0.00	0.80	
ASBESTOS ABT-GEN	SE	ALL		31.94	32.44	1.5	1.5	2.0	2.0	8.25	14.05	0.00	0.80	
ASBESTOS ABT-MEC	All	BLD		31.75	32.75	1.5	1.5	2.0	2.0	8.00	6.25	2.00	0.55	
BOILERMAKER	All	BLD		36.54	39.04	1.5	1.5	2.0	2.0	7.07	24.08	1.50	1.05	
BRICK MASON	All	BLD		33.38	35.38	1.5	1.5	2.0	2.0	9.10	12.82	0.00	0.87	
CARPENTER	All	ALL		39.58	41.08	1.5	1.5	2.0	2.0	7.42	9.25	0.00	0.50	0.50
CEMENT MASON	All	ALL		34.50	35.50	1.5	1.5	2.0	2.0	9.95	14.50	0.00	0.30	
CERAMIC TILE FINISHER	All	BLD		28.29	28.29	1.5	1.5	2.0	2.0	7.45	6.86	0.00	0.81	
ELECTRIC PWR EQMT OP	NW	ALL		44.38		1.5	1.5	2.0	2.0	8.75	12.43	0.00	0.44	
ELECTRIC PWR EQMT OP	SE	ALL		45.57	54.94	1.5	1.5	2.0	2.0	6.95	12.76	0.00	0.46	
ELECTRIC PWR GRNDMAN	NW	ALL		28.54		1.5	1.5	2.0	2.0	8.75	8.00	0.00	0.29	
ELECTRIC PWR GRNDMAN	SE	ALL		34.02	54.94	1.5	1.5	2.0	2.0	5.19	9.54	0.00	0.34	
ELECTRIC PWR LINEMAN	NW	ALL		51.79	54.71	1.5	1.5	2.0	2.0	8.75	14.50	0.00	0.52	
ELECTRIC PWR LINEMAN	SE	ALL		52.41	54.94	1.5	1.5	2.0	2.0	7.99	14.69	0.00	0.52	
ELECTRIC PWR TRK DRV	NW	ALL		33.17		1.5	1.5	2.0	2.0	8.75	9.29	0.00	0.33	
ELECTRIC PWR TRK DRV	SE	ALL		37.20	54.94	1.5	1.5	2.0	2.0	5.68	10.42	0.00	0.37	
ELECTRICIAN	NW	ALL		43.41	45.66	1.5	1.5	2.0	2.0	9.50	12.96	0.00	0.22	
ELECTRICIAN	SE	ALL		40.70	43.14	1.5	1.5	2.0	2.0	7.99	11.87	0.00	1.02	2.44
ELECTRONIC SYSTEM TECH	NW	BLD		32.09	34.09	1.5	1.5	2.0	2.0	9.50	7.11	0.00	0.40	
ELECTRONIC SYSTEM TECH	SE	BLD		34.57	36.57	1.5	1.5	2.0	2.0	3.65	9.79	0.00	0.40	
ELEVATOR CONSTRUCTOR	All	BLD		50.09	56.35	2.0	2.0	2.0	2.0	15.57	17.51	4.50	0.62	
FLOOR LAYER	All	BLD		34.21	34.96	1.5	1.5	2.0	2.0	7.42	9.25	0.00	0.50	0.50
GLAZIER	All	BLD		35.91	37.91	1.5	1.5	2.0	2.0	6.25	11.23	0.00	0.68	
HEAT/FROST INSULATOR	All	BLD		38.86	39.96	1.5	1.5	2.0	2.0	10.50	12.86	0.00	0.75	0.05
IRON WORKER	All	ALL		32.25	34.25	1.5	1.5	2.0	2.0	9.71	16.25	0.00	0.42	
LABORER	NW	ALL		30.59	31.09	1.5	1.5	2.0	2.0	6.30	16.85	0.00	0.80	
LABORER	SE	ALL		31.44	31.94	1.5	1.5	2.0	2.0	8.25	14.05	0.00	0.80	
MACHINIST	All	BLD		48.93	51.43	1.5	1.5	2.0	2.0	7.68	8.95	1.85	1.32	
MARBLE FINISHER	All	BLD		27.48	0.00	1.5	1.5	2.0	2.0	6.45	5.70	0.00	0.58	
MARBLE MASON	All	BLD		33.38	35.38	1.5	1.5	2.0	2.0	9.10	12.82	0.00	0.87	
MILLWRIGHT	All	ALL		39.58	41.08	1.5	1.5	2.0	2.0	7.42	9.25	0.00	0.50	0.50

OPERATING ENGINEER	All	BLD	1	38.30	41.30	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	BLD	2	37.17	41.30	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	BLD	3	32.69	41.30	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	BLD	4	32.75	41.30	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	BLD	5	32.42	41.30	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	BLD	6	40.85	41.30	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	BLD	7	41.15	41.30	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	BLD	8	41.43	41.30	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	BLD	9	39.30	41.30	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	HWY	1	36.80	39.80	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	HWY	2	35.67	39.80	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	HWY	3	31.19	39.80	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	HWY	4	31.25	39.80	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	HWY	5	30.92	39.80	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	HWY	6	39.35	39.80	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	HWY	7	39.65	39.80	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	HWY	8	39.93	39.80	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
OPERATING ENGINEER	All	HWY	9	37.80	39.80	1.5	1.5	2.0	2.0	12.85	18.25	0.00	1.05	
PAINTER	All	BLD		31.25	32.75	1.5	1.5	2.0	2.0	6.05	11.42	0.00	0.70	
PAINTER	All	HWY		32.45	33.95	1.5	1.5	2.0	2.0	6.05	11.42	0.00	0.70	
PAINTER OVER 30 FT.	All	BLD		32.25	33.75	1.5	1.5	2.0	2.0	6.05	11.42	0.00	0.70	
PAINTER PWR EQMT	All	BLD		32.25	33.75	1.5	1.5	2.0	2.0	6.05	11.42	0.00	0.70	
PAINTER PWR EQMT	All	HWY		33.45	34.95	1.5	1.5	2.0	2.0	6.05	11.42	0.00	0.70	
PILEDRIVER	All	ALL		39.58	41.08	1.5	1.5	2.0	2.0	7.42	9.25	0.00	0.50	0.50
PIPEFITTER	N	BLD		42.66	44.79	1.5	1.5	2.0	2.0	5.00	8.75	0.00	0.35	
PIPEFITTER	S	BLD		40.25	44.25	1.5	1.5	2.0	2.0	8.04	9.80	0.00	1.55	
PLASTERER	All	BLD		33.00	34.50	1.5	1.5	2.0	2.0	9.95	9.75	0.00	0.45	
PLUMBER	N	BLD		42.66	44.79	1.5	1.5	2.0	2.0	5.00	8.75	0.00	0.35	
PLUMBER	S	BLD		39.35	41.85	1.5	1.5	2.0	2.0	7.70	8.00	0.00	1.25	
ROOFER	All	BLD		33.30	35.30	1.5	1.5	2.0	2.0	9.10	8.90	0.00	0.41	
SHEETMETAL WORKER	All	ALL		34.94	36.44	1.5	1.5	2.0	2.0	9.65	8.94	2.10	0.54	0.35
SPRINKLER FITTER	All	BLD		42.31	45.31	1.5	2.0	2.0	2.0	8.72	12.95	0.00	1.10	
TERRAZZO FINISHER	All	BLD		31.83	31.83	1.5	1.5	2.0	2.0	7.00	6.80	0.00	0.82	
TERRAZZO MASON	All	BLD		32.53	32.83	1.5	1.5	2.0	2.0	6.45	5.87	0.00	0.45	
TRUCK DRIVER	All	ALL	1	38.17	42.29	1.5	1.5	2.0	2.0	13.00	6.60	0.00	0.25	
TRUCK DRIVER	All	ALL	2	38.71	42.29	1.5	1.5	2.0	2.0	13.00	6.60	0.00	0.25	

TRUCK DRIVER	All	ALL	3	39.01	42.29	1.5	1.5	2.0	2.0	13.00	6.60	0.00	0.25	
TRUCK DRIVER	All	ALL	4	39.34	42.29	1.5	1.5	2.0	2.0	13.00	6.60	0.00	0.25	
TRUCK DRIVER	All	ALL	5	40.39	42.29	1.5	1.5	2.0	2.0	13.00	6.60	0.00	0.25	
TRUCK DRIVER	All	O&C	1	30.54	33.83	1.5	1.5	2.0	2.0	13.00	6.60	0.00	0.25	
TRUCK DRIVER	All	O&C	2	30.97	33.83	1.5	1.5	2.0	2.0	13.00	6.60	0.00	0.25	
TRUCK DRIVER	All	O&C	3	31.21	33.83	1.5	1.5	2.0	2.0	13.00	6.60	0.00	0.25	
TRUCK DRIVER	All	O&C	4	31.47	33.83	1.5	1.5	2.0	2.0	13.00	6.60	0.00	0.25	
TRUCK DRIVER	All	O&C	5	32.31	33.83	1.5	1.5	2.0	2.0	13.00	6.60	0.00	0.25	

Legend

Rg Region

Type Trade Type - All,Highway,Building,Floating,Oil & Chip,Rivers

C Class

Base Base Wage Rate

OT M-F Unless otherwise noted, OT pay is required for any hour greater than 8 worked each day, Mon through Fri. The number listed is the multiple of the base wage.

OT Sa Overtime pay required for every hour worked on Saturdays

OT Su Overtime pay required for every hour worked on Sundays

OT Hol Overtime pay required for every hour worked on Holidays

H/W Health/Welfare benefit

Vac Vacation

Trng Training

Other Ins Employer hourly cost for any other type(s) of insurance provided for benefit of worker.

Explanations MADISON COUNTY

ELECTRICIANS AND ELECTRIC SYSTEMS TECHNICIAN (NORTHWEST) - Townships of Godfrey, Foster and Wood River, and the western one mile of Moro, Ft. Russell and Edwardsville, south to the north side of Hwy. 66 and west to the Mississippi River. This includes SIU-Edwardsville Dental Facility and Alton Mental Health Hospital.

ELECTRICIANS AND ELECTRIC SYSTEMS TECHNICIAN (SOUTHEAST) - Remainder of county not covered by ELECTRICIANS AND ELECTRIC SYSTEMS TECHNICIAN (NW) including SIU-Edwardsville Main Campus.

LABORERS (NORTHWEST) - That area northwest of a diagonal line running from the Mississippi River at the intersection of the waterway known as Wood River at Maple Island, northeast through the highway intersection of Illinois Routes 3 and 143 and following the boundary of Alton/East Alton, then preceding northeast to the county line at a point approximately one mile west of Illinois Route 159.

PLUMBERS AND PIPEFITTERS (SOUTH) - That part of the county South of a line between Mitchell and Highland including the town of Glen Carbon.

The following list is considered as those days for which holiday rates of wages for work performed apply: New Years Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day and Veterans Day in some classifications/counties. Generally, any of these holidays which fall on a Sunday is celebrated on the following Monday. This then makes work performed on that Monday payable at the appropriate overtime rate for holiday pay. Common practice in a given local may alter certain

days of celebration. If in doubt, please check with IDOL.

Oil and chip resealing (O&C) means the application of road oils and liquid asphalt to coat an existing road surface, followed by application of aggregate chips or gravel to coated surface, and subsequent rolling of material to seal the surface.

EXPLANATION OF CLASSES

ASBESTOS - GENERAL - removal of asbestos material/mold and hazardous materials from any place in a building, including mechanical systems where those mechanical systems are to be removed. This includes the removal of asbestos materials/mold and hazardous materials from ductwork or pipes in a building when the building is to be demolished at the time or at some close future date.

ASBESTOS - MECHANICAL - removal of asbestos material from mechanical systems, such as pipes, ducts, and boilers, where the mechanical systems are to remain.

CERAMIC TILE FINISHER AND MARBLE FINISHER

The handling, at the building site, of all sand, cement, tile, marble or stone and all other materials that may be used and installed by [a] tile layer or marble mason. In addition, the grouting, cleaning, sealing, and mixing on the job site, and all other work as required in assisting the setter. The term "Ceramic" is used for naming the classification only and is in no way a limitation of the product handled. Ceramic takes into consideration most hard tiles.

ELECTRONIC SYSTEMS TECHNICIAN

Installation, service and maintenance of low-voltage systems which utilizes the transmission and/or transference of voice, sound, vision, or digital for commercial, education, security and entertainment purposes for the following: TV monitoring and surveillance, background/foreground music, intercom and telephone interconnect, field programming, inventory control systems, microwave transmission, multi-media, multiplex, radio page, school, intercom and sound burglar alarms and low voltage master clock systems.

Excluded from this classification are energy management systems, life safety systems, supervisory controls and data acquisition systems not intrinsic with the above listed systems, fire alarm systems, nurse call systems and raceways exceeding fifteen feet in length.

OPERATING ENGINEER - BUILDING

GROUP I. Cranes, Dragline, Shovels, Skimmer Scoops, Clamshells or Derrick Boats, Pile Drivers, Crane-Type Backhoes, Asphalt Plant Operators, Concrete Plant Operators, Dredges, Asphalt Spreading Machines, All Locomotives, Cable Ways or Tower Machines, Hoists, Hydraulic Backhoes, Ditching Machines or Backfiller, Cherrypickers, Overhead Cranes, Roller - Steam or Gas, Concrete Pavers, Excavators, Concrete Breakers, Concrete Pumps, Bulk Cement Plants, Cement Pumps, Derrick-Type Drills, Boat Operators, Motor Graders or Pushcats, Scoops or Tournapulls, Bulldozers, Endloaders or Fork Lifts, Power Blade or Elevating Graders, Winch Cats, Boom or Winch Trucks or Boom Tractors, Pipe Wrapping or Painting Machines, Asphalt Plant Engineer, Journeyman Lubricating Engineer, Drills (other than Derrick Type), Mud Jacks, or Well Drilling Machines, Boring Machines or Track Jacks, Mixers, Conveyors (Two), Air Compressors (Two), Water Pumps regardless of size (Two), Welding Machines (Two), Siphons or Jets (Two), Winch Heads or Apparatuses (Two), Light Plants (Two), All Tractors regardless of size (straight tractor only), Fireman on Stationary Boilers, Automatic Elevators, Form Grading Machines, Finishing Machines, Power Sub-Grader or Ribbon Machines, Longitudinal Floats, Distributor Operators on Trucks, Winch Heads or Apparatuses (One), Mobil Track air and heaters (two to five), Heavy Equipment Greaser, Relief Operator, Assistant Master Mechanic and Heavy Duty Mechanic, self-propelled concrete saws of all types and sizes with their attachments, gob-hoppers, excavators all sizes, the repair and greasing of all diesel hammers, the operation and set-up of bidwells, water blasters of all sizes and their clutches, hydraulic jacks where used for hoisting, operation of log skidders, iceolators used on and off of pipeline, condor cranes, bow boats, survey boats, bobcats and all their attachments,

skid steer loaders and all their attachments, creter cranes, batch plants, operator (all sizes), self propelled roto mills, operation of conveyor systems of any size and any configuration, operation, repair and service of all vibratory hammers, all power pacs and their controls regardless of location, curtains or brush burning machines, stump cutter machines, Nail launchers when mounted on a machine or self-propelled, operation of con-cover machines, and all Operators except those listed below).

GROUP II. Assistant Operators.

GROUP III. Air Compressors (One), Water Pumps, regardless of Size (One), Waterblasters (one), Welding Machine (One), Mixers (One Bag), Conveyor (One), Siphon or Jet (One), Light Plant (One), Heater (One), Immobile Track Air (One), and Self Propelled Walk-Behind Rollers.

GROUP IV. Asphalt Spreader Oilers, Fireman on Whirlies and Heavy Equipment Oilers, Truck Cranes, Dredges, Monigans, Large Cranes - (Over 65-ton rated capacity) Concrete Plant Oiler, Blacktop Plant Oiler, and Creter Crane Oiler (when required).

GROUP V. Oiler.

GROUP VI. Operators on equipment with Booms, including jibs, 100 feet and over, and less than 150 feet long.

GROUP VII. Operators on equipment with Booms, including jibs, 150 feet and over, and less than 200 feet long.

GROUP VIII. Operators on Equipment with Booms, including jibs, 200 feet and over; Tower Cranes; and Whirlie Cranes.

GROUP IX. Master Mechanic

OPERATING ENGINEERS - Highway

GROUP I. Cranes, Dragline, Shovels, Skimmer Scoops, Clamshells or Derrick Boats, Pile Drivers, Crane-Type Backhoes, Asphalt Plant Operators, Concrete Plant Operators, Dredges, Asphalt Spreading Machines, All Locomotives, Cable Ways or Tower Machines, Hoists, Hydraulic Backhoes, Ditching Machines or Backfiller, Cherrypickers, Overhead Cranes, Roller - Steam or Gas, Concrete Pavers, Excavators, Concrete Breakers, Concrete Pumps, Bulk Cement Plants, Cement Pumps, Derrick-Type Drills, Boat Operators, Motor Graders or Pushcats, Scoops or Tournapulls, Bulldozers, Endloaders or Fork Lifts, Power Blade or Elevating Graders, Winch Cats, Boom or Winch Trucks or Boom Tractors, Pipe Wrapping or Painting Machines, Asphalt Plant Engineer, Journeyman Lubricating Engineer, Drills (other than Derrick Type), Mud Jacks, Well Drilling Machines, Boring Machines, Track Jacks, Mixers, Conveyors (Two), Air Compressors (Two), Water Pumps regardless of size (Two), Welding Machines (Two), Siphons or Jets (Two), Winch Heads or Apparatuses (Two), Light Plants (Two), All Tractors regardless of size (straight tractor only), Fireman on Stationary Boilers, Automatic Elevators, Form Grading Machines, Finishing Machines, Power Sub-Grader or Ribbon Machines, Longitudinal Floats, Distributor Operators on Trucks, Winch Heads or Apparatuses (One), Mobil Track air and heaters (two to five), Heavy Equipment Greaser, Relief Operator, Assistant Master Mechanic and Heavy Duty Mechanic, self-propelled concrete saws of all types and sizes with their attachments, gob-hoppers, excavators all sizes, the repair and greasing of all diesel hammers, the operation and set-up of bidwells, water blasters of all sizes and their clutches, hydraulic jacks where used for hoisting, operation of log skidders, iceolators used on and off of pipeline, condor cranes, bow boats, survey boats, bobcats and all their attachments, skid steer loaders and all their attachments, creter cranes, batch plants, operator (all sizes), self propelled roto mills, operation of conveyor systems of any size and any configuration, operation, repair and service of all vibratory hammers, all power pacs and their controls regardless of location, curtains or brush burning machines, stump cutter machines, Nail launchers when mounted on a machine or self-propelled, operation of con-cover machines, and all Operators (except those listed below).

GROUP II. Assistant Operators.

GROUP III. Air Compressors (One), Water Pumps, regardless of Size (One), Waterblasters (one), Welding Machine (One), Mixers (One Bag), Conveyor (One), Siphon or Jet (One), Light Plant (One), Heater (One), Immobile Track Air (One), and Self Propelled Walk-Behind Rollers.

GROUP IV. Asphalt Spreader Oilers, Fireman on Whirlies and Heavy Equipment Oilers, Truck Cranes, Dredges, Monigans, Large Cranes - (Over 65-ton rated capacity) Concrete Plant Oiler, Blacktop Plant Oiler, and Creter Crane Oiler (when required).

GROUP V. Oiler.

GROUP VI. Operators on equipment with Booms, including jibs, 100 feet and over, and less than 150 feet long.

GROUP VII. Operators on equipment with Booms, including jibs, 150 feet and over, and less than 200 feet long.

GROUP VIII. Operators on Equipment with Booms, including jibs, 200 feet and over; Tower Cranes; and Whirlie Cranes.

GROUP IX. Mechanic

TRUCK DRIVER - BUILDING, HEAVY AND HIGHWAY CONSTRUCTION Class 1. Drivers on 2 axle trucks hauling less than 9 ton. Air compressor and welding machines and brooms, including those pulled by separate units, truck driver helpers, warehouse employees, mechanic helpers, greasers and tiremen, pickup trucks when hauling materials, tools, or workers to and from and on-the-job site, and fork lifts up to 6,000 lb. capacity.

Class 2. Two or three axle trucks hauling more than 9 ton but hauling less than 16 ton. A-frame winch trucks, hydrolift trucks, vactor trucks or similar equipment when used for transportation purposes. Fork lifts over 6,000 lb. capacity, winch trucks, four axle combination units, and ticket writers.

Class 3. Two, three or four axle trucks hauling 16 ton or more. Drivers on water pulls, articulated dump trucks, mechanics and working forepersons, and dispatchers. Five axle or more combination units.

Class 4. Low Boy and Oil Distributors.

Class 5. Drivers who require special protective clothing while employed on hazardous waste work.

TRUCK DRIVER - OIL AND CHIP RESEALING ONLY.

This shall encompass laborers, workers and mechanics who drive contractor or subcontractor owned, leased, or hired pickup, dump, service, or oil distributor trucks. The work includes transporting materials and equipment (including but not limited to, oils, aggregate supplies, parts, machinery and tools) to or from the job site; distributing oil or liquid asphalt and aggregate; stock piling material when in connection with the actual oil and chip contract. The Truck Driver (Oil & Chip Resealing) wage classification does not include supplier delivered materials.

TERRAZZO FINISHER

The handling of all materials used for Mosaic and Terrazzo work including preparing, mixing by hand, by mixing machine or transporting of pre-mixed materials and distributing with shovel, rake, hoe, or pail, all kinds of concrete foundations necessary for Mosaic and Terrazzo work, all cement terrazzo, magnesite terrazzo, Do-O-TEX terrazzo, epoxy matrix ter-razzo, exposed aggregate, rustic or rough washed for exterior or interior of buildings placed either by machine or by hand, and any other kind of mixture of plastics composed of chips or granules when mixed with cement, rubber, neoprene, vinyl, magnesium chloride or any other resinous or chemical substances used for seamless flooring systems, and all other building materials, all similar materials and all precast terrazzo work on jobs, all scratch coat used for Mosaic and Terrazzo work and sub-bed, tar paper and wire mesh (2x2 etc.) or lath. The rubbing, grinding, cleaning and finishing of same either by hand or by machine or by terrazzo resurfacing equipment on new or existing floors. When necessary finishers shall be allowed to assist the mechanics to spread sand bed, lay tarpaper and wire mesh (2x2 etc.) or lath. The finishing of cement floors where additional aggregate of stone is added by spreading or sprinkling on top of the finished base, and troweled or rolled into the finish and then the surface is ground by grinding machines.

Other Classifications of Work:

For definitions of classifications not otherwise set out, the Department generally has on file such definitions which are available. If a task to be performed is not subject to one of the classifications of pay set out, the Department will upon being contacted state which neighboring county has such a classification and provide such rate, such rate being deemed to exist by reference in this document. If no neighboring county rate applies to the task, the Department shall undertake a special determination, such special determination being then deemed to have existed under this determination. If a project requires these, or any classification not listed, please contact IDOL at 217-782-1710 for wage rates or clarifications.

LANDSCAPING

Landscaping work falls under the existing classifications for laborer, operating engineer and truck driver. The work performed by landscape plantsman and landscape laborer is covered by the existing classification of laborer. The work performed by landscape operators (regardless of equipment used or its size) is covered by the classifications of operating engineer. The work performed by landscape truck drivers (regardless of size of truck driven) is covered by the classifications of truck driver.

- On August 7, 2018, IDOL published changes to the HT/Frost Insulator classification in Alexander County, the Sheetmetal Worker classification in Alexander, Bond, Clay, Clinton, Crawford, Edwards, Effingham, Fayette, Franklin, Gallatin, Greene, Hamilton, Hardin, Jackson, Jasper, Jefferson, Jersey, Johnson, Lawrence, Macoupin, Madison, Marion, Massac, Monroe, Montgomery, Perry, Pope, Pulaski, Randolph, Saline, St. Clair, Union, Wabash, Washington, Wayne, White, and Williamson Counties, and the Iron Worker trade in Richland County.

**HOLD HARMLESS AND INDEMNITY AGREEMENT
CITY OF HIGHLAND, ILLINOIS**

The Contractor _____, by affixing his signature hereto agrees to the following conditions:

1. To save and keep the City (including its agents and employees) free and harmless from all liability, public or private penalties contractual or otherwise, losses, damages, costs, attorney's fees, expenses, causes of actions, claims, or judgments, resulting from claimed injury, damages, or judgments resulting from claimed injury, damage, loss or loss of use to or of any person, including natural persons and any other legal entity, or property of any kind (including but not limited to causes in action) arising out of or in any way connected with the performance of work or work to be performed under this permit, excepting, however, the negligence of the City and shall indemnify the City for any costs, expenses, judgments, and attorneys' fees paid or incurred, by or on behalf of the City and its agents and employees, or paid for on behalf of the City and its agents and employees by insurance provided by the City.
2. To hold harmless the City (including its agents and employees) from liability or claims for any injuries to or death of Contractor's or any Subcontractor's employees, resulting from any cause whatsoever, excluding negligence of the City, including protection against any claim of the Contractor or any Subcontractor for any expenses of or payments made by any workman's compensation insurance payments under any workman's compensation law or any carrier on behalf of said Contractor or Subcontractor and shall indemnify the City for any costs, expenses, judgments, and attorneys' fees paid or incurred with respect to such liability or claims by it or on its behalf or on behalf of its agents and employees, whether or not by or through insurance provided by the City.
3. In the event the City's machinery or equipment is used by the Contractor, or Subcontractor, in the performance of the work called for by this permit, such machinery or equipment shall be considered as being under the custody and control for the Contractor during the period of such use by the Contractor or any Subcontractor, and if any person or persons in the employ of the City should be used to operate said machinery or equipment during the period of such use, such person or persons shall be deemed during such period of operation to be an employee or employees of the Contractor.

Signature

Date

Print Name

Title



City of Highland

To: All Vendors and Contractors

From: City of Highland

RE: Certificate of Non-Delinquency of Tax

As a result of a recent amendment to the Illinois Municipal Code (Adding Section 11-42.1-1), the City of Highland is prohibited from entering into a contract with any individual or anyone else that is delinquent in the payment of any tax administered by the Illinois Department of Revenue, unless that party is contesting the tax in accordance with procedure established by the particular taxing act.

Further, before awarding a contract, the City of Highland is required to obtain a statement under oath from the party with whom it's contracting that no such taxes are delinquent. If a false statement is made, it voids the contract and allows the City to recover all amounts paid to the individual in a civil action.

CERTIFICATE OF NON-DELINQUENCY OF TAX

As required by Section 11-42.1-1 of the
Illinois Municipal Code

The undersigned hereby and herewith certifies under oath that he/she/it is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, or if delinquent, is currently contesting the liability or the amount of such tax in accordance with the procedures established by the appropriate Taxing Act.

A person is not considered delinquent in the payment of a tax for the purposes of this certification if such person has entered into an Agreement with the Illinois Department of Revenue for the payment of all taxes claimed delinquent, and is in compliance with that Agreement. If such is the case with the undersigned, the undersigned certifies that he/she/it has made such an Agreement and is in compliance therewith.

Date

Company Name

Federal I.D. Number

Address

City / State / Postal Code

Signature / Title

Signed and sworn to before me this _____ day of _____, 20____.

Notary Public

CERTIFICATE THAT CONTRACTOR
IS NOT BARRED FROM CONTRACTING
WITH UNIT OF LOCAL GOVERNMENT
BECAUSE OF CONVICTION OF AN OFFENSE
RELATED TO BIDDING

The undersigned Bidder / Proposer on a Contract submitted for bids / proposals by the City of Highland, Illinois known as: _____, hereby certifies that he/she/it is not barred from bidding on the Contract as a result of violation of either Section 33E-3 (Bid Rigging) or Section 33E-4 (Bid Rotating) of Chapter 38 of the Illinois Revised Statutes.

Dated: _____, 20____

Company Name

Address

City / State / Zip Code

Signature

Print Name

Title



City of Highland

To: All Vendors

From: City of Highland

RE: Certificate of Compliance with the Substance Abuse Prevention on Public Works Projects Act

“The Substance Abuse Prevention on Public Works Projects Act” (Pub. L. 95-0635, codified as 820 ILCS 265/1 *et seq.*) became effective in the State of Illinois on January 1, 2008.

Due to the above-stated law, all bids from contractors and subcontractors for work on a public works project of the City of Highland shall be accompanied by a Certification of Compliance indicating, *first*, whether the bidder has signed collective bargaining agreements that are in effect for all of its employees and that deal with the subject matter of the above-stated Act; and, if not, *second*, that the bidder’s written substance abuse program is attached to the Certification of Compliance and that the bidder’s written substance abuse program meets or exceeds the requirements of “The Substance Abuse Prevention on Public Works Projects Act” (Pub. L. 95-0635, codified as 820 ILCS 265/1 *et seq.*).

Certification of Compliance

**Substance Abuse Prevention
Program Certification**

CITY OF HIGHLAND

Letting Date: _____ Item No.: _____
Contract No.: _____
Route: _____
Section: _____
Job No. _____
County: _____

The Substance Abuse Prevention on Public Works Projects Act, Public Act 95-0635, prohibits the use of drugs and alcohol, as defined in the Act by employees of the Contractor and by employees of all approved Subcontractors while performing work on a public works project. The Contractor/Subcontractor herewith certifies that it has a superseding collective bargaining agreement or makes the public filing of its written substance abuse prevention program for the prevention of substance abuse among its employees who are not covered by a collective bargaining agreement dealing with the subject as mandated by the Act.

- A. The undersigned representative of the Contractor/Subcontractor certifies that the contracting entity has signed collective bargaining agreements that are in effect for all of its employees, and that deal with the subject matter of Public Act 95-0635.

Contractor/Subcontractor

Name of Authorized Representative (type or print)

Title of Authorized Representative (type or print)

Signature of Authorized Representative Date

- B. The undersigned representative of the Contractor/Subcontractor certifies that the contracting entity has in place for all of its employees not covered by a collective bargaining agreement that deals with the subject of the Act, the attached substance abuse prevention program that meets or exceeds the requirements of Public Act 95-0635.

Contractor/Subcontractor

Name of Authorized Representative (type or print)

Title of Authorized Representative (type or print)

Signature of Authorized Representative Date



City of Highland

Department of Parks & Recreation

P.O. Box 218

Highland, IL 62249

Phone: 618.651.1386 - Fax: 618.651.1387

To: Mark Latham, City Manager
From: Mark Rosen, Director of Parks & Recreation
Date: February 3, 2020
Subject: NOML #PR-23-19 Silver Lake Shoreline & Point Restoration

RECOMMENDATION

I am recommending that the City Council approve the bid from Endrizzi Contracting, Inc. for above referenced project.

DISCUSSION

This project is part of the 319 Grant the City received through Heartlands Conservancy. These structures will play an important role in reducing silt/sediment from entering Silver Lake while increasing the fish population for anglers.

Bidders:

Endrizzi Contracting	\$129,900.00
Superior Seawalls	\$195,400.00
Mettler Development, LLC	\$226,800.00
Ron Hunsche Excavating	\$236,900.00
Lejas Corp.	\$332,085.04

FISCAL IMPACT

The engineers estimate for this project was \$120,000 and funds from the 319 Grant will be used for this project.

Recommended by: Mark Rosen, Dir. of Parks & Recreation

Approved by: Mark Latham, City Manager

**City of Highland
BID TABULATION SHEET**

BID OPENING: DATE: January 24, 2020

BID #PR-23-19

TIME: 9:00AM

Item/Project Description: Silver Lake Shoreline & Point Restoration

PLACE: City Hall

Bidder Name/Address	Hanshce	Mettler	MATT FendRizzi	Superior Sewalls	LETAS Corp.
Bid	Excavating, Highland	Development Highland	Anna, IL. 130 Lick Creek Rd.	26904 124th Ave. Illinois City IL	6614 N. Route 140 Ave St. Louis MO 63139
Item / Proposal Description					
Cover Page	✓	✓	✓	✓	✓
Bid Form	✓	✓	✓	✓	✓
Bid Security	✓	✓	✓	✓	✓
Cert. Of Non-Delinquency	✓	✓	✓	✓	✓
Certificate of Compliance	✓	✓	✓	✓	✓
Hold Harmless	✓	✓	✓	✓	
Abuse Prevention on Public Works Projects	✓	✓	✓	✓	✓
Bid Sheet - Amount	\$236,900. ⁰⁰	\$226,800. ⁰⁰	\$129,900. ⁰⁰	\$195,400. ⁰⁰	\$332,085. ⁰⁴

Bid Opener: Maely Rose
Mick Rose

Bid Recorder: Ray Hunt
J.P. Hunt

NOTICE OF AWARD

To: **Endrizzi Contracting, Inc.**
C/O Amanda Endrizzi, President
610 Old Route 146
Vienna, IL 62995

Project Description: **NOML #PR-23-19 – Silver Lake Shoreline & Point Restoration**

The City of Highland has considered the Proposal (Bid) submitted by you for the above described **PURCHASE** in response to its Notice to Bidders.

You are hereby notified that your Proposal (Bid) has been accepted for the item in the amount of **\$129,900.00**.

You are required by the Notice to Bidders to execute the **CONTRACT** within fifteen (15) calendar days from the date of this Notice.

If you fail to execute said **CONTRACT** within fifteen (15) days from the date of this Notice, the City of Highland will be entitled to consider all your rights arising out of the City of Highland's acceptance of your proposal (Bid) as abandoned. The City of Highland will be entitled to such rights as may be granted by law.

You are required to return an acknowledged copy of the Notice of Award to the City of Highland.

Dated this 3rd day of February, 2020.

City of Highland, Illinois

By: _____

Title: City Manager, City of Highland

ACCEPTANCE OF NOTICE

Receipt of the above Notice of Award is hereby acknowledged by

Dated this _____ day of _____, 20____. (Contractor)

By: _____

Title: _____

CITY OF HIGHLAND

WARRANT # 1155

February 3, 2020

001	General Fund	\$	173,052.05
053	2010 Street Bond and Interest	\$	-
007	Community Development	\$	18,071.20
008	Motor Fuel Tax Fund	\$	31,018.35
009	Parks & Recreation Fund	\$	169,527.39
050	Street Bond	\$	16,557.50
101	Electric Fund	\$	62,816.14
006	TIF#1	\$	-
111	Fiber To The Premise Fund	\$	101,227.09
010	TIF#2 Northside	\$	-
201	Water Fund	\$	47,488.24
301	Sewer Fund	\$	953,234.78
401	Ambulance Fund	\$	6,460.47
713	Solid Waste Fund	\$	127,683.47
706	Liability Insurance	\$	81,262.50
309	2013 Sewer Bond Construction	\$	-
802	Payroll Account	\$	-
	TOTAL WARRANT	\$	1,788,399.18

CITY CLERK
February 3, 2020

MAYOR

Accounts Payable

Computer Check Proof List by Vendor

User: rdixon
 Printed: 01/31/2020 - 10:59AM
 Batch: 00013.01.2020

Invoice No	Description	Amount	Payment Date	Acct Number
Vendor: 1569 114341	4COM Inc JANUARY 2020 PROGRAMMING	10,607.72	02/04/2020	Check Sequence: 1 111-111-5-390-52
	Check Total:	10,607.72		
Vendor: 3938 4219	Ace Hardware ACE HARDWARE SUPPLIES	104.97	02/04/2020	Check Sequence: 2 101-104-5-430-00
4219	ACE HARDWARE SUPPLIES	19.28	02/04/2020	009-016-5-450-00
4219	ACE HARDWARE SUPPLIES	29.96	02/04/2020	009-009-5-470-00
4219	ACE HARDWARE SUPPLIES	17.94	02/04/2020	101-101-5-380-00
4219	ACE HARDWARE SUPPLIES	243.91	02/04/2020	001-017-5-380-00
4219	ACE HARDWARE SUPPLIES	7.50	02/04/2020	201-203-5-430-00
4219	ACE HARDWARE SUPPLIES	7.49	02/04/2020	301-303-5-430-00
4219	ACE HARDWARE SUPPLIES	13.97	02/04/2020	101-102-5-430-00
4219	ACE HARDWARE SUPPLIES	47.80	02/04/2020	009-016-5-390-00
4219	ACE HARDWARE SUPPLIES	40.26	02/04/2020	009-009-5-450-00
4219	ACE HARDWARE SUPPLIES	30.45	02/04/2020	001-014-5-450-00
4219	ACE HARDWARE SUPPLIES	90.36	02/04/2020	001-014-5-460-00
4219	ACE HARDWARE SUPPLIES	60.46	02/04/2020	401-401-5-430-00
	Check Total:	714.35		
Vendor: 3055 2019-40862	ADAMS CABLE EQUIPMENT, INC. 6' HDMI CABLE	217.50	02/04/2020	Check Sequence: 3 111-111-5-530-00
2020-42203	ADB 3721 WN Digital receiver - refurbishe	3,747.50	02/04/2020	111-111-5-530-00
2020-42203	ADB 5721 WNX DVR receiver - refurbished	3,998.75	02/04/2020	111-111-5-530-00
2020-42203.1	ADB 3721 WN Digital receiver - refurbishe	119.00	02/04/2020	111-111-5-530-00
	Check Total:	8,082.75		
Vendor: 2632 9096941923	Airgas USA,LLC OXYGEN	207.00	02/04/2020	Check Sequence: 4 401-401-5-430-00
9097152592	OXYGEN	138.18	02/04/2020	401-401-5-430-00
	Check Total:	345.18		
Vendor: 60 11327514	Altec Industries Inc 970090223 Handline Kit 80' Braided Rope	524.13	02/04/2020	Check Sequence: 5 101-104-5-430-00
	Check Total:	524.13		
Vendor: 5194 433375584553	AMAZON CAPITAL SERVICES USB FLASH DRIVE, MEMORY STICKS	32.97	02/04/2020	Check Sequence: 6 111-111-5-410-00
434797447738	Credit for C.P.- 12/18 INV - Order 3pk. Rubberbands incomplete.	-2.00	02/04/2020	001-000-0-157-00
434987693448	Order 1/2" View Binders for C. P.	13.34	02/04/2020	001-000-0-157-00
438659545784	MEDICAL TOURNIQUET PACKS AND CHARGER	119.68	02/04/2020	401-401-5-430-00
445847678787	MAGNETS FOR BOARD IN SHOP	15.98	02/04/2020	101-101-5-430-00
447395679775	Order of Foray Pens for B&Z.	15.24	02/04/2020	001-000-0-157-00
448839457488	Order Swingline Desktop Hole Punch. for Elec.	19.82	02/04/2020	001-000-0-157-00
449443663369	LIGHTNING CABLE FOR IPADS	71.96	02/04/2020	101-104-5-391-00
449537448437	INK FOR POWER PLANTS PRINTER	99.43	02/04/2020	101-102-5-410-00
464465448497	Credit for C.P.- 12/18 INV - Order 3pk. Rubberbands incomplete.	-4.00	02/04/2020	001-000-0-157-00
466455394349	Order of Sharpie Twin Tip Markers - C.P.	38.91	02/04/2020	001-000-0-157-00
469455984966	CORDLESS SCREWDRIVER AND DEWALT MAX HAMMER DRILL KIT	252.95	02/04/2020	111-111-5-470-00
474866888476	FIRE TV STICK STREAMING MEDIA PLAYER W/ ALEXA BUILT IN	25.98	02/04/2020	111-111-5-470-00
488678374769	TP LINK 5 PORT GIGABIT SWITCH	49.99	02/04/2020	001-014-5-391-00
488678374769	TP LINK 5 PORT GIGABIT SWITCH	49.99	02/04/2020	101-101-5-391-00
495765378467	HDMI TO VGA CABLES FOR PD COMUTERS 2 PKS	29.98	02/04/2020	001-012-5-391-00
534639464938	SPLITTER CABLE AND CASE FOR IPADS	78.36	02/04/2020	101-104-5-391-00
535898766946	Order of Badge Holders - City Hall	10.99	02/04/2020	001-000-0-157-00
537344685747	Order HP Ink Cartridge for W & S	107.78	02/04/2020	001-000-0-157-00
537964653385	Order XShield L & XL Safety Work Gloves for S & A.	39.56	02/04/2020	001-000-0-157-00
543599834499	Order of Dust Off Compressed Gas Duster for Central Purchasing	16.99	02/04/2020	001-000-0-157-00
546477754985	Supplies for Central Purchasing	50.75	02/04/2020	001-000-0-157-00
585397638863	Order Clipboards for Central Purch.	8.96	02/04/2020	001-000-0-157-00
636875344589	Order of 96 Duracell Procell AAA Batteries- C.P.	65.96	02/04/2020	001-000-0-157-00
655483934654	CASES FOR IPADS	119.96	02/04/2020	101-104-5-391-00
737987348397	Order of Adding Machine Paper Rolls- C.P.	23.52	02/04/2020	001-000-0-157-00
756876569956	Order of Lanyardsw/ Badge Holder - City Hall	9.78	02/04/2020	001-000-0-157-00
788447563884	UPBRIGHT ADAPTER REPLACEMENT- HCS DVR'S CAMERA'S	77.06	02/04/2020	111-111-5-430-00
788586336686	Order Safco Footrests for City Hall	127.74	02/04/2020	001-000-0-157-00
839998987689	supplies for roller skating at wcc/party splys	39.98	02/04/2020	009-016-5-430-00
847998434987	Order Rubberbands 3 pk -C.P.- only got 2 pk will credit \$6 total	9.89	02/04/2020	001-000-0-157-00
877896744677	OUTDOOR FLOOD LIGHT	247.34	02/04/2020	101-104-5-430-00
877978933844	Order HP MultiPurpose Printer Paper Acid Free for City Hall	17.98	02/04/2020	001-000-0-157-00
888888634344	supplies for roller skating at wcc/party splys	39.98	02/04/2020	009-016-5-430-00
894363546494	Order Brother Laser Printer for WTP	124.99	02/04/2020	201-202-5-470-00
894836685856	Order HP ink toner for B & Z	299.03	02/04/2020	001-000-0-157-00
898464486398	Order NPP NP6-4Ah Rechargeable 6V Battery for S&A.	31.98	02/04/2020	001-000-0-157-00

899369539986	Order Laminating Pouches for Central Purch.	86.32	02/04/2020	001-000-0-157-00
978945497338	CASE FOR INSPECTORS PHONE	53.96	02/04/2020	001-013-5-391-00
994855459789	Order of Plastibands for Central Purchasing	14.02	02/04/2020	001-000-0-157-00
	Check Total:	2,533.10		
Vendor: 4674	Ameren Illinois			Check Sequence: 7
0797748017	Utilities	216.29	02/04/2020	001-017-5-330-00
1033144016	GAS CHARGES	96.45	02/04/2020	111-111-5-330-00
2634386099	GAS SERVICES	159.69	02/04/2020	001-014-5-330-00
5736662735 WTP	Utilities	129.80	02/04/2020	201-202-5-330-00
5983358251	GAS SERVICES	148.37	02/04/2020	001-014-5-330-00
7059173000	Utilities	191.29	02/04/2020	301-301-5-330-00
7516714005	GAS CHARGES	690.82	02/04/2020	101-101-5-330-00
7516714005	GAS CHARGES	345.41	02/04/2020	201-203-5-330-00
7516714005	GAS CHARGES	345.39	02/04/2020	301-303-5-330-00
7516714005	GAS CHARGES	345.41	02/04/2020	001-013-5-330-00
7952834891	GAS CHARGES	58.16	02/04/2020	101-102-5-330-00
9305822894	POLICE DEPT GAS UTILITIES	88.74	02/04/2020	001-012-5-330-00
	Check Total:	2,815.82		
Vendor: 3076	ANIXTER, INC.			Check Sequence: 8
4368124-01	J822007	2,000.00	02/04/2020	101-104-5-530-60
4420870-00	J822007	1,500.00	02/04/2020	101-104-5-530-60
4481925-00	IDB096G12252	1,506.00	02/04/2020	101-104-5-430-00
4481926-00	Crossarms 3- 3/4X 4- 3/4 8FT	2,132.50	02/04/2020	101-104-5-430-00
4482917-00	6M-1201-02	195.00	02/04/2020	101-104-5-430-00
4482917-00	J9412	240.08	02/04/2020	101-104-5-430-00
4485828-00	0411P1 Bare Solid Soft Draw Copper #4	561.00	02/04/2020	101-104-5-540-30
4493458-00	NWA-6-2.5X Conduit Riser Bracket	472.50	02/04/2020	101-104-5-430-00
	Check Total:	8,607.08		
Vendor: 5636	JOSEPH ARCHIBALD			Check Sequence: 9
2019-08-07 0009	AMBULANCE REFUND	612.25	02/04/2020	401-401-5-390-25
	Check Total:	612.25		
Vendor: 1336	Arin			Check Sequence: 10
SI350717	ANNUAL FEE FOR REGISTRATION SERVICES PLAN- X-SMALL	1,000.00	02/04/2020	111-111-5-390-00
	Check Total:	1,000.00		
Vendor: 195	Aviston Lumber Company			Check Sequence: 11
221890	CLAMP ENTRANCE HEAD	6.99	02/04/2020	101-104-5-430-00
239420	40BBQ- FUEL FOR FORKLIFT	32.00	02/04/2020	101-104-5-420-00
46951	BRUSH SET, BLACK PAINT FOR KNOX BOX	8.38	02/04/2020	101-102-5-430-00
	Check Total:	47.37		
Vendor: 237	Banner Fire Equipment Inc			Check Sequence: 12
01P14077	KNUCKLEHEAD SPOT- ALKALINE OR	269.97	02/04/2020	401-401-5-430-00
01P14078	SUPER 20 AUTO EJECT	323.90	02/04/2020	401-401-5-460-00
	Check Total:	593.87		
Vendor: 3652	Basler Electric Company			Check Sequence: 13
INV2020	LEASE PAYMENT: ATTN BILL BASLER	150.00	02/04/2020	001-017-5-390-00
	Check Total:	150.00		
Vendor: 1260	Belleville News-Democrat			Check Sequence: 14
BLV-8253433	BND SUBSCRIPTION RENEWAL 1/9/20-7/9/20 26WEEKS- CITY HALL	195.00	02/04/2020	001-011-5-390-00
	Check Total:	195.00		
Vendor: 5397	BETTER NEWSPAPERS, INC.			Check Sequence: 15
85334	COMBINED PLANNING & ZONING PUBLIC NOTICE	13.60	02/04/2020	001-013-5-390-00
	Check Total:	13.60		
Vendor: 1291	Bound Tree Medical, LLC			Check Sequence: 16
83462453	EMS SUPPLIES	17.29	02/04/2020	401-401-5-430-00
83472184	EMS SUPPLIES	4.91	02/04/2020	401-401-5-430-00
	Check Total:	22.20		
Vendor: 356	Breathing Air Systems Div			Check Sequence: 17
1113302-IN	MTN- HIGH PRESSURE AIR TEST, OIL, HAZMATFEE, ANNUAL MTN	543.55	02/04/2020	001-014-5-360-00
	Check Total:	543.55		
Vendor: 5006	Brenntag Mid South Inc			Check Sequence: 18
2755725-00	Chlorine	480.00	02/04/2020	201-202-5-490-00
BMS488819	Carbon	6,971.25	02/04/2020	201-202-5-490-00
	Check Total:	7,451.25		

Vendor: 360 G128817	Broadway Battery & Tire Truck 42 - Labor, Oil, Filter, Lube, Sensor & Replacement	130.37	02/04/2020	Check Sequence: 19 001-017-5-360-10
	Check Total:	130.37		
Vendor: 712 206639 206639.1	Calix Networks Inc ONT SFU Enclosure ONTCMN-SFU ENCL-ST ONT SFU Enclosure ONTCMN-SFU ENCL-ST- freight	580.00 60.98	02/04/2020 02/04/2020	Check Sequence: 20 111-111-5-530-00 111-111-5-530-00
	Check Total:	640.98		
Vendor: 20620 1839	Capri Pools & Aquatics time and materials for leas at controller in filter room	367.50	02/04/2020	Check Sequence: 21 009-009-5-390-00
	Check Total:	367.50		
Vendor: 3080 WFJ7838	CDW G Inc CARTRIDGES FOR RECEIPT PRINTER @ FRONT COUNTER CITY HALL	77.36	02/04/2020	Check Sequence: 22 001-011-5-410-00
	Check Total:	77.36		
Vendor: 1661 A0M48622	Home Box Office Cinemax JANUARY VIDEO CONTENT FEE	50.00	02/04/2020	Check Sequence: 23 111-111-5-390-52
	Check Total:	50.00		
Vendor: 456 009697-000 009697-000 009697-001 009697-004 009697-008 009697-009 009697-010 009697-027 009697-028 015010-000 015010-001	City Of Highland UTILITY CHARGES UTILITY CHARGES UTILITY CHARGES UTILITY CHARGES UTILITY CHARGES UTILITY CHARGES UTILITY CHARGES UTILITY CHARGES UTILITY CHARGES UTILITY CHARGES UTILITY CHARGES UTILITY CHARGES	249.29 581.68 53.93 1,660.69 9.55 81.00 2,927.68 9.55 15.00 1,857.72 346.32	02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020	Check Sequence: 24 001-013-5-330-00 101-101-5-330-00 101-102-5-330-00 101-102-5-330-00 101-102-5-330-00 101-102-5-330-00 101-102-5-330-00 101-102-5-330-00 101-101-5-330-00 111-111-5-330-00 111-111-5-330-00
	Check Total:	7,792.41		
Vendor: 451 010097-001120 010097-009120 010097-014120 010097-022120 010097-030120 010101-000 010101-001	City Of Highland Electric utilities - KRC utilities - OUTDOOR POOL utilities - WCC utilities - CEMETERY utilities - PARKS utilities - QBACK CLUB utilities - QBACK CLUB	8,797.75 51.70 2,049.04 59.63 2,656.04 689.49 34.59	02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020	Check Sequence: 25 009-009-5-330-00 009-503-5-330-00 009-016-5-330-00 009-715-5-330-00 009-016-5-330-00 009-016-5-330-00 009-016-5-330-00
	Check Total:	14,338.24		
Vendor: 464 005784-000 005784-002 005784-003 006518-000 006518-002 006518-003 006518-005 006518-005 006518-006 006518-006 006518-007 006518-007 006518-022 006518-023 006518-024 006518-025 006518-026 006518-027 006518-028 006518-031 006518-032 006518-033 006518-035 006518-036 006519-000 006736-000 006736-001 006736-002 006736-003	City Utilities POLICE DEPT. UTILITIES RADIO TOWER UTILITIES RADIO SHED UTILITIES Utilities CITY UTILITIES UTILITIES- 1122 BROADWAY UTILITIES- STATION #2 UTILITIES- HELIPRT UTILITIES- SILVER LAKE RD	832.76 141.06 18.73 171.93 64.71 656.28 183.18 183.18 109.81 109.81 101.08 101.09 12,839.88 78.38 87.51 35.53 48.03 38.05 58.95 866.86 8,558.02 31.65 485.86 236.92 1,435.32 835.74 240.06 23.25 11.97	02/04/2020 02/04/2020	Check Sequence: 26 001-012-5-330-00 001-012-5-330-00 001-012-5-330-00 301-301-5-330-00 001-017-5-330-00 001-017-5-330-00 201-203-5-330-00 301-303-5-330-00 201-203-5-330-00 301-303-5-330-00 301-303-5-330-00 201-203-5-330-00 301-304-5-330-00 301-304-5-330-22 301-304-5-330-22 301-305-5-330-00 301-304-5-330-22 301-304-5-330-22 201-202-5-330-00 201-202-5-330-00 201-202-5-330-00 301-304-5-330-00 001-017-5-330-00 001-011-5-330-00 001-014-5-330-00 001-014-5-330-00 401-401-5-330-00 001-014-5-330-00
	Check Total:	28,585.60		
Vendor: 5628 INV01182020-2	CLUB VIP DJ SERVICES FOR ADDITIONAL HOUR AT CITY BANQUET	100.00	02/04/2020	Check Sequence: 27 001-011-5-390-00
	Check Total:	100.00		

Vendor: 5491 1147	KIMBERLY A. COLE CONSULTING SERVICES FOR PRETREATMENT/INSPECTIONS	2,775.00	02/04/2020	Check Sequence: 28 301-305-5-220-00
	Check Total:	2,775.00		
Vendor: 475 561550 562129 562860 568506 571906 574143	Compass Minerals SALT - 130.82 Ton. SALT - 80.89 Ton SALT Salt - 53.67 Ton Salt - 106.22 Ton Salt - 26.35 Ton	9,543.32 5,900.93 1,987.89 3,915.23 7,748.75 1,922.23	02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020	Check Sequence: 29 008-008-5-430-00 008-008-5-430-00 008-008-5-430-00 008-008-5-430-00 008-008-5-430-00 008-008-5-430-00
	Check Total:	31,018.35		
Vendor: 2822 1 17233 17238	Compustitch Embroidery EMBROIDER SHIRTS FOR BROK WORK SHIRTS EMBROIDERED UNIFORM SHIRTS FOR VONHATTEN Logos for uniform shirts	114.00 12.00 76.00	02/04/2020 02/04/2020 02/04/2020	Check Sequence: 30 101-104-5-440-00 401-401-5-440-00 001-013-5-440-00
	Check Total:	202.00		
Vendor: 2189 0010235 0010245	CONTINENTAL RESEARCH CORPORATION O.J.D action cleaner plus shipping	248.94 252.73	02/04/2020 02/04/2020	Check Sequence: 31 401-401-5-430-00 009-009-5-450-00
	Check Total:	501.67		
Vendor: 2345 0207387 0207407 0207585	Crawford, Murphy & Tilly Inc DESIGN ENGINEERING ASSOCIATED W/ CITY WRF ON CALL SERVICES FOR SCOTT HANSON TRUNK SEWER REHAB DESIGN, BIDDING, & CONSTRUCTION PHASE	39,058.04 1,380.00 6,750.00	02/04/2020 02/04/2020 02/04/2020	Check Sequence: 32 301-304-5-505-00 001-013-5-390-00 301-303-5-505-00
	Check Total:	47,188.04		
Vendor: 5632 120820	CUSTOM CAR & TRUCK MTN/REPAIRS TO UNIT 1591	3,551.00	02/04/2020	Check Sequence: 33 001-014-5-360-10
	Check Total:	3,551.00		
Vendor: 8516 16325	D & N Enterprises LLC Inc bus for YAH trip to FOX 1/30/2020	600.00	02/04/2020	Check Sequence: 34 009-016-5-390-66
	Check Total:	600.00		
Vendor: 2518 6825	DALECHEK TECHNOLOGY GROUP SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST. SR SOLUTIONS ENG EMERG AFTER HRS & NORMAL HRS FOR EXCHANGE ASST.	58.00 405.00 116.00 58.00 405.00 116.00 806.50 58.00 231.00 116.00 173.00 231.00 58.00 58.00 752.00 58.00 58.00 145.00 202.00 58.00	02/04/2020 02/04/2020	Check Sequence: 35 007-007-5-391-00 401-401-5-391-00 001-017-5-391-00 301-303-5-391-00 009-009-5-391-00 201-202-5-391-00 001-011-5-391-00 301-301-5-391-00 009-016-5-391-00 009-503-5-391-00 301-304-5-391-00 101-101-5-391-00 101-102-5-391-00 101-104-5-391-00 001-012-5-391-00 001-014-5-391-00 201-201-5-391-00 001-013-5-391-00 111-111-5-391-00 201-203-5-391-00
	Check Total:	4,162.50		
Vendor: 5050 610044012515 610044012515 610044012515 610044012515	DexYP MONTHLY PHONE LISTING MONTHLY PHONE LISTING MONTHLY PHONE LISTING MONTHLY PHONE LISTING	52.50 48.80 36.30 87.40	02/04/2020 02/04/2020 02/04/2020 02/04/2020	Check Sequence: 36 111-111-5-390-00 101-101-5-390-00 001-012-5-390-00 001-011-5-390-00
	Check Total:	225.00		
Vendor: 4153 C20-36	DJ Howards & Assoc. Inc. Appraisal 516 9th St	400.00	02/04/2020	Check Sequence: 37 001-013-5-390-00
	Check Total:	400.00		
Vendor: 20045 01-28-2020 PW	Dr. Wood Trees & Landscape 32 hrs. Tree work on sector 1 -	3,200.00	02/04/2020	Check Sequence: 38 001-017-5-390-22
	Check Total:	3,200.00		
Vendor: 10058	Drive Social Media			Check Sequence: 39

23102	SOCIAL MEDIA MONTHLY SERVICE	1,166.67	02/04/2020	111-111-5-390-33
	Check Total:	1,166.67		
Vendor: 679 30092	Essenpreis Plumbing & Htg NEW WATER HEATER FOR HCS BLDG	2,539.51	02/04/2020	Check Sequence: 40 111-111-5-380-00
	Check Total:	2,539.51		
Vendor: 8548 7731	Everlasting Etch GREG STOFF RETIREMENT PLAQUET	41.00	02/04/2020	Check Sequence: 41 001-012-5-390-00
	Check Total:	41.00		
Vendor: 20722 BY0486	Extreme Pyrotechnics LLC DEPOSIT FOR 2020 FIREWORKS DISPLAY	10,000.00	02/04/2020	Check Sequence: 42 001-011-5-390-31
	Check Total:	10,000.00		
Vendor: 4818 PIFE1806217 PITR0050164	Fabick Power Systems Inc SENSOR AND ADAPTER 75W-140	946.32 155.62	02/04/2020 02/04/2020	Check Sequence: 43 101-102-5-450-00 101-102-5-450-00
	Check Total:	1,101.94		
Vendor: 2786 ILHIG76892	Fastenal Caution Blue	61.85	02/04/2020	Check Sequence: 44 201-203-5-430-00
	Check Total:	61.85		
Vendor: 4089 B-19-190037 B-19-190110 B-19-190192 B-19-190273 B-19-190302 B-19-190334 E-19-190356	Leslie E Fear 220 Flax Dr - Electrical Rough-in and Meter Base Inspections 100 A and B Field Crossing - Final Electrical Inspection 215 Carter Ridge Dr - Final Electrical Inspection 239 Carter Ridge Dr - Electrical Rough-In & Meter Base Insps. 90 Crescent View Ln - Meter Base Inspection 1301 9th St & 805 Cypress St - Meter Base Inspections 1201 Cypress St - Rough-in Inspection	480.00 120.00 60.00 120.00 60.00 120.00 22.50	02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020	Check Sequence: 45 001-013-5-390-81 001-013-5-390-81 001-013-5-390-81 001-013-5-390-81 001-013-5-390-81 001-013-5-390-81 001-013-5-390-81
	Check Total:	982.50		
Vendor: 20345 thru 1/27/2020	Fens Fitness, LLC fitness personal trainer fees	175.36	02/04/2020	Check Sequence: 46 009-009-5-390-09
	Check Total:	175.36		
Vendor: 2191 1110031512 1110031525	Ferrellgas GAS FOR FURANCE PROPANE- SEWER PLANT	60.59 194.57	02/04/2020 02/04/2020	Check Sequence: 47 101-102-5-330-00 301-304-5-330-00
	Check Total:	255.16		
Vendor: 745 S1211909.002 S1212671.001 S1212679.001 S1213675.001 S1213675.001 S1213757.001 S1213757.001 S1213757.001 S1213948.001 S1213948.001	Fletcher Reinhardt Company 64005R1 488R SuperSqueeze Hnadline Kit 80' Braided Rope w/ snap & BC-2/0 MDE-46-N 06-185 HV-208 shipping for invoice S1213757.001 PO 7499 GA-9000-B3 Cover for GA9842 GA-9000-B2 Cover for GA9020	19.32 631.67 204.19 1,195.50 243.90 484.60 598.00 62.68 41.25 122.00	02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020	Check Sequence: 48 101-104-5-430-00 101-104-5-430-00 101-104-5-430-00 101-104-5-430-00 101-104-5-430-00 101-104-5-470-00 101-104-5-470-00 101-104-5-470-00 101-104-5-430-00 101-104-5-430-00
	Check Total:	3,603.11		
Vendor: 1847 INV01282020	Frey Properties of Highland LLC SENIOR CENTER 187 WOODCREST DR- REPAIRS/MTN/MATERIALS	138,000.00	02/04/2020	Check Sequence: 49 009-016-5-550-00
	Check Total:	138,000.00		
Vendor: 1185 4501	Gelly Excavating & Construction Inc MTN/REPAIRS TO UNIT 1541	465.10	02/04/2020	Check Sequence: 50 401-401-5-360-10
	Check Total:	465.10		
Vendor: 8154 115385307	Global Equipment Company wire shelving/brush and cleaner/new matts for KRC	278.90	02/04/2020	Check Sequence: 51 009-009-5-430-00
	Check Total:	278.90		
Vendor: 2226 141000511-1	GLOBAL TECHNICAL SYSTEMS, INC KENWOOD VHF ANT HELICAL	30.00	02/04/2020	Check Sequence: 52 401-401-5-430-00
	Check Total:	30.00		
Vendor: 851 9401942033	Grainger EYE WASH PRESERVATIVE	77.49	02/04/2020	Check Sequence: 53 101-102-5-440-00

	Check Total:		77.49		
Vendor: 858 9314117070	Graybar CSG15-100A-110-CX-10KA		1,083.60	02/04/2020	Check Sequence: 54 101-104-5-430-00
	Check Total:		1,083.60		
Vendor: 3333 0120205-IN 0120318-IN	GREAT LAKES DATA SYSTEMS SMS OUTBOUND MESSAGING FEES SOFTWARE SUPPORT SERVICES		150.00 800.00	02/04/2020 02/04/2020	Check Sequence: 55 111-111-5-390-00 111-111-5-390-00
	Check Total:		950.00		
Vendor: 870 11787190 11793261	Hach Company PhosphorusTNT+HR, Phosphorus TNT+UHR, HR Nitrite TNT NitrateTNT+LR, Ammonia TNT+ULR, Ammonia TNT+HR		211.08 291.69	02/04/2020 02/04/2020	Check Sequence: 56 301-304-5-430-00 301-304-5-430-00
	Check Total:		502.77		
Vendor: 1662 A0H57160	Home Box Office HBO JANUARY 2020 VIDEO CONTENT FEE		495.00	02/04/2020	Check Sequence: 57 111-111-5-390-52
	Check Total:		495.00		
Vendor: 10041 000417	Hediger's Backhoe Inc. 2hrs. down time to fix tap on sewer at 1204 14th St.		200.00	02/04/2020	Check Sequence: 58 301-303-5-390-00
	Check Total:		200.00		
Vendor: 1261 INV01202020	Helvetia Sharpshooters Society HALL RENTAL AND DRINKS FOR CITY AWARD BANQUET		1,692.00	02/04/2020	Check Sequence: 59 001-011-5-390-00
	Check Total:		1,692.00		
Vendor: 936 2591 INVRSPV	Highland Chamber Of Commerce GIFT CERTIFICATES \$250 STOFF RETIREMENT TICKETS FOR CHAMBER COMMUNITY AWARDS (QTY11)		250.00 440.00	02/04/2020 02/04/2020	Check Sequence: 60 001-012-5-390-00 001-011-5-390-00
	Check Total:		690.00		
Vendor: 1423 200-304045	Highland Communication Services HCS SERVICES- HACSM		51.95	02/04/2020	Check Sequence: 61 001-011-5-390-50
	Check Total:		51.95		
Vendor: 8069 700411787	Hillyard St Louis Inc maint/repairs on floor scrubber at WCC		342.50	02/04/2020	Check Sequence: 62 009-016-5-390-00
	Check Total:		342.50		
Vendor: 1014 18645	Houseman Supply Inc Laobr, Sewer Rod - 523 Pike Dr. West		400.00	02/04/2020	Check Sequence: 63 301-303-5-390-00
	Check Total:		400.00		
Vendor: 5400 L-10144425 L-10148470	iconectiv, LLC NOVEMBER VOICE CONTENT FEE DECEMBER VOICE CONTENT FEE		25.70 29.99	02/04/2020 02/04/2020	Check Sequence: 64 111-111-5-390-51 111-111-5-390-51
	Check Total:		55.69		
Vendor: 5364 INV02182020 INV02182020 INV02182020 INV02182020 INV02182020 INV02182020 INV02182020 INV02182020 INV02182020 INV02182020 INV02182020 INV02182020 INV02182020 INV02182020 INV02182020 INV02182020 INV02182020 INV02182020 INV02182020	ILLINOIS MUNICIPAL LEAGUE RMA 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT- LIBRARY 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT 2020 ANNUAL CONTRIBUTION- 3RD INSTALLMENT PAYMENT		1,234.75 1,147.75 2,600.41 2,960.25 53.75 1,881.70 81,262.50 1,153.75 638.75 9,808.25 10,722.00 10,544.04 26,488.96 58.50 528.98 1,994.32	02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020	Check Sequence: 65 001-012-5-350-00 001-017-5-350-00 001-011-5-350-00 001-014-5-350-00 001-013-5-350-00 009-009-5-350-00 706-706-5-350-00 001-011-5-350-00 401-401-5-350-00 301-301-5-350-00 201-201-5-350-00 111-111-5-350-00 101-101-5-350-00 009-715-5-350-00 009-503-5-350-00 009-016-5-350-00
	Check Total:		153,078.66		
Vendor: 5514 6038	IllinoisSouth Tourism 2020 VG 1/2 PG HORIZONTAL ADVERTISING		1,905.00	02/04/2020	Check Sequence: 66 007-007-5-390-33
	Check Total:		1,905.00		
Vendor: 5253 83201460009 83201470008	INTERSTATE TRS FUND VOICE CONTENT FEE- JAN2020 VOICE CONTENT FEE (NOV AND DEC)		117.69 270.98	02/04/2020 02/04/2020	Check Sequence: 67 111-111-5-390-51 111-111-5-390-51

	Check Total:		388.67		
Vendor: 4484	Itron Inc				Check Sequence: 68
543844	HARDWARE/SOFTWARE MTN FOR HANDHELDS 2/1/20-4/30/2020	539.93		02/04/2020	201-201-5-360-00
543844	HARDWARE/SOFTWARE MTN FOR HANDHELDS 2/1/20-4/30/2020	809.90		02/04/2020	101-101-5-360-00
	Check Total:		1,349.83		
Vendor: 1669	J F Electric Inc				Check Sequence: 69
216811	INSTALL FIBER FOR LCP04, BORING, INNER DUCT, FIBER RESIDENTIAL	10,149.00		02/04/2020	111-114-5-540-00
217488	INSTALL FIBER FOR LCP04, BORING, INNER DUCT, RESIDENTIAL AREA	9,552.00		02/04/2020	111-114-5-540-00
	Check Total:		19,701.00		
Vendor: 1138	JULIE Inc				Check Sequence: 70
2020-0746	2020 ANNUAL CHARGES FOR JULIE	420.32		02/04/2020	301-303-5-390-00
2020-0746	2020 ANNUAL CHARGES FOR JULIE	840.70		02/04/2020	111-111-5-390-00
2020-0746	2020 ANNUAL CHARGES FOR JULIE	840.70		02/04/2020	101-101-5-390-00
2020-0746	2020 ANNUAL CHARGES FOR JULIE	420.35		02/04/2020	201-203-5-390-00
2020-0746	2020 ANNUAL CHARGES FOR JULIE	840.70		02/04/2020	001-017-5-390-00
	Check Total:		3,362.77		
Vendor: 175	Keller Construction Inc				Check Sequence: 71
1	WALNUT & MAIN PARKING LOT	68,310.00		02/04/2020	001-017-5-550-00
	Check Total:		68,310.00		
Vendor: 5394	KIDD'S PROPERTIES LLC				Check Sequence: 72
2019	2019 TAX INCENTIVE	5,487.06		02/04/2020	007-007-5-820-05
	Check Total:		5,487.06		
Vendor: 1236	Langhauser Sheet Metal Co				Check Sequence: 73
109268	ELECTRIC SHOP HEATER- LABOR AND PARTS	197.23		02/04/2020	101-104-5-380-00
	Check Total:		197.23		
Vendor: 4298	Mark Latham				Check Sequence: 74
ILCMA CONF	PER DIEM FOR ILCMA CONF IN NORMAL, IL 2/5/2020-2/7/2020	88.25		02/04/2020	001-011-5-240-00
	Check Total:		88.25		
Vendor: 2750	Legacy Screen Printing				Check Sequence: 75
2812	PRINTING ON UNIFORMS	115.50		02/04/2020	401-401-5-440-00
	Check Total:		115.50		
Vendor: 1258	Leon Uniform Company Inc				Check Sequence: 76
493574	FEENY-NEW PATROL GRIP GLOVES	26.99		02/04/2020	001-012-5-440-00
	Check Total:		26.99		
Vendor: 24	Craig Loyet				Check Sequence: 77
B-19-190110	100 A and B Field Crossing - Final Plumbing Inspection	75.00		02/04/2020	001-013-5-390-82
B-19-190192	215 Carter Ridge Dr - Final Plumbing Inspection	37.50		02/04/2020	001-013-5-390-82
	Check Total:		112.50		
Vendor: 5181	LOYET-ARCHITECTS				Check Sequence: 78
1820-R7	PUBLIC SAFETY REDESIGN 40%	17,875.00		02/04/2020	001-012-5-550-00
	Check Total:		17,875.00		
Vendor: 4041	Luby Equipment Services				Check Sequence: 79
PSO026621-1	Tube - Hydraulic & freight	85.53		02/04/2020	301-303-5-460-00
PSO026621-1	Tube - Hydraulic & freight	85.53		02/04/2020	201-203-5-460-00
PSO026749-1	Kit, Seals. W&S share with Elec.	17.19		02/04/2020	301-303-5-460-00
PSO026749-1	Kit, Seals. W&S share with Elec.	17.19		02/04/2020	201-203-5-460-00
PSO026749-1	Kit, Seals. W&S share with Elec.	34.37		02/04/2020	101-104-5-460-00
	Check Total:		239.81		
Vendor: 1300	Madison County LEPC				Check Sequence: 80
1-2020	HAZARDOUS MATERIALS RESPONSE TEAM ANNUAL DUES	300.00		02/04/2020	001-014-5-390-00
	Check Total:		300.00		
Vendor: 1078	Madison County Treasurer				Check Sequence: 81
012240506101012	516 9th St - RE Taxes	2,464.31		02/04/2020	001-013-5-390-84
	Check Total:		2,464.31		
Vendor: 1304	Major Case Squad of Greater St Louis				Check Sequence: 82
ADDTL MEMBER	ADD'L MEMBER FOR HIGHLAND PD-MCCLENAHAN	75.00		02/04/2020	001-012-5-390-00
	Check Total:		75.00		

Vendor: 4699	Mastercard			Check Sequence: 83
0507 LATHAM	CELL PHONE SERVICE	143.45	02/04/2020	001-011-5-310-00
0507 LATHAM	IDC LUNCHEON/MEETING- RAILSHAKE	33.21	02/04/2020	007-007-5-390-00
0507 LATHAM	ILCMA 2020 WINTER CONFERENCE REGISTRATION- MLATHAM	225.00	02/04/2020	001-011-5-390-00
1257	ELECTRICAL REFERENCE BOOKS FOR DAN, GEORGE, BILL, B&Z, SHOP	113.65	02/04/2020	101-101-5-430-00
1257	JIMMIE WILDHABOR RETIREMENT LUNCHEON- BROADWAY	209.00	02/04/2020	101-101-5-390-00
1646 HEDIGER	NATIONAL ASSOCIATION OF PARLIMENTARIANS- LHEDIGER	104.00	02/04/2020	001-011-5-390-00
1646 HEDIGER	NATIONAL ASSOCIATION OF PARLIMENTARIANS- LHEDIGER	106.00	02/04/2020	001-011-5-390-00
1893	OVERALLS FOR BROK AND PAUL	236.33	02/04/2020	101-104-5-440-00
1893	BOWLS FOR POT LUCKFREEZER BAGS FOR POT LUCK	4.06	02/04/2020	101-101-5-430-00
1893	TABLE COVERING	35.74	02/04/2020	101-101-5-430-00
1893	PARTS FOR SNOW PLOW	148.07	02/04/2020	001-017-5-360-10
1893	BATTERY FOR GEORGE	109.00	02/04/2020	101-101-5-430-00
1893	INSPECTOR EXAMS FOR MIKE HANNA (3 EXAMS)--CREDIT VOUCHER	-627.00	02/04/2020	001-013-5-240-00
1893	INSPECTOR EXAMS FOR MIKE HANNA (3 EXAMS)	627.00	02/04/2020	001-013-5-240-00
1893	INSPECTOR EXAMS FOR MIKE HANNA (3 EXAMS)	627.00	02/04/2020	001-013-5-240-00
1893	OIL SAMPLE BOTTLES	186.50	02/04/2020	101-104-5-360-00
1893	PAPER TOWEL HOLDER FOR GUYS BATHROOM	21.58	02/04/2020	101-104-5-380-00
1893	KNOX BOX 3200, SURFACE MOUNT, HINGED DOOR, BLACK	412.00	02/04/2020	101-101-5-380-00
1893	BOWLS FOR POT LUCK	9.75	02/04/2020	101-101-5-430-00
1935 SLOVER	SGR LEADERSHIP CONFERENCE REGISTRATION FOR MLATHAM	349.00	02/04/2020	001-011-5-240-00
2040mark1219	Mark Rosen IPRA membership fees	259.00	02/04/2020	009-016-5-390-00
2040mark1219	fee for online food handler training for Lucas P.	47.00	02/04/2020	009-016-5-240-00
2040mark1219	Goggles for KRC to sell	152.32	02/04/2020	009-009-5-430-00
2040mark1219	KRC party splys for party bags	174.66	02/04/2020	009-009-5-430-00
419087042-001	INK FOR DETECTIVE PRINTER	63.89	02/04/2020	001-012-5-410-00
5979 W&S	SIUE-ERTC Basic Water Supply Course - IEPA #4 Ben B, Dusty G.	1,150.00	02/04/2020	201-203-5-240-00
7356 PUBLICSAFE	MABAS DECALS- US SAFETY PRO	289.00	02/04/2020	001-014-5-360-00
7918nancy1219	rental for floor maintainer to redo WCC gym floor	150.00	02/04/2020	009-016-5-340-00
7918nancy1219	YAH trip FOX to see jersey boys plus dinner for 30 people Jan tr	2,029.50	02/04/2020	009-016-5-390-66
7918nancy1219	YAH trip to brewery in STL. tickets	330.00	02/04/2020	009-016-5-390-66
7918nancy1219	credit on return of floor maintainer for WCC floor maintenance	-86.75	02/04/2020	009-016-5-340-00
849091	FLAKE-MULTI TOOL, QUIKLITTER, CHEST SEAL	77.94	02/04/2020	001-012-5-440-00
W126093	ALCO SENSOR 3 MOUTPIECES	69.85	02/04/2020	001-012-5-430-00
	Check Total:	7,779.75		
Vendor: 754	McGinley Inc			Check Sequence: 84
144297	Mudflap Kit, Mat Kit - Truck #902	249.89	02/04/2020	301-304-5-460-00
	Check Total:	249.89		
Vendor: 4985	Mettler Development LLC			Check Sequence: 85
B-19-190194	255 Carter Ridge Dr-Certificate of Occupancy Deposit Refund	200.00	02/04/2020	001-013-5-390-83
B-19-190194	255 Carter Ridge Dr-Single-Family Home Incentive Payment-new sub	4,000.00	02/04/2020	007-007-5-390-00
	Check Total:	4,200.00		
Vendor: 5257	MID-STATE CONSULTANTS			Check Sequence: 86
1912-3121	FIELD VERIFICATION- LCC#4 TIMBER RIDGE	1,829.00	02/04/2020	111-114-5-505-00
	Check Total:	1,829.00		
Vendor: 20785	Midwest Mulch & Compost			Check Sequence: 87
2630	mulch for trees on the Frank Watson Parkway	125.00	02/04/2020	009-016-5-430-00
	Check Total:	125.00		
Vendor: 1386	Midwest Municipal Supply Inc			Check Sequence: 88
2012699	8x4" SDR-26x40 Tee -Wye GxG	130.74	02/04/2020	301-303-5-430-00
2012997	1" Curb Stop P/J-CTS	627.60	02/04/2020	201-203-5-430-00
	Check Total:	758.34		
Vendor: 5635	LOUISE MIHALIC			Check Sequence: 89
2019-10-24 0005	AMBULANCE REFUND	198.45	02/04/2020	401-401-5-390-25
	Check Total:	198.45		
Vendor: 2392	Missouri Network Alliance LLC			Check Sequence: 90
30340	DATA CONTENT FEE	11,500.00	02/04/2020	111-111-5-390-53
30340	VIDEO CONTENT FEE	2,259.03	02/04/2020	111-111-5-390-52
30340	VOICE CONTENT FEE	826.60	02/04/2020	111-111-5-390-51
	Check Total:	14,585.63		
Vendor: 3761	MOMENTUM TELECOM, INC.			Check Sequence: 91
134959	VOICE CONTENT FEE ACCOUNT # 325794	11,820.98	02/04/2020	111-111-5-390-51
	Check Total:	11,820.98		
Vendor: 2929	MUNICIPAL EMERGENCY SERVICES, INC.			Check Sequence: 92
IN1418373	EMPLOYEE UNIFORM SUPPLIES	549.00	02/04/2020	401-401-5-440-00
	Check Total:	549.00		
Vendor: 1434	Munie Outdoor Service Inc			Check Sequence: 93
2616	irrigation sercie calls	111.42	02/04/2020	009-016-5-390-00

	Check Total:		111.42		
Vendor: 20057 1868	National Erectors & Builders, Inc. light repair, lift rental and labor fees to fix lights in KRC g		405.00	02/04/2020	Check Sequence: 94 009-009-5-390-00
	Check Total:		405.00		
Vendor: 1512 7608-193807 7608-193807	Northtown Auto & Tractor AW46 HYD OIL - 5 Gal AW46 HYD OIL - 5 Gal		26.50 26.49	02/04/2020 02/04/2020	Check Sequence: 95 201-203-5-460-00 301-303-5-460-00
	Check Total:		52.99		
Vendor: 1518 1641148	Nu Way Concrete Forms Troy LLC DuoPatch, Muriatic Acid, Acrylic Bonder Glue		77.75	02/04/2020	Check Sequence: 96 001-017-5-380-00
	Check Total:		77.75		
Vendor: 3903 0985-145669	O'Reilly Automotive Inc. wiper fluid		7.98	02/04/2020	Check Sequence: 97 009-715-5-460-00
	Check Total:		7.98		
Vendor: 2139 32178 32180 32181 32182 32184 32185	Oates Associates Inc CSXT RAILROAD CULVERT MODIFICATION CONSTRUCTION SERVICES IL RTE 160 SHARED USE PATH CONNECTOR HEMLOCK TRAFFIC SIGNAL PLANS- RR PREEMPTION BROADWAY STREETScape PHASE I WALNUT AND MAIN STREET PARKING LOT 6TH STREET RECONSTRUCTION PHASE 2 STP APPLICATION		1,012.50 97.50 1,170.00 14,802.50 2,675.00 3,190.00	02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020	Check Sequence: 98 007-007-5-505-00 009-016-5-230-00 050-050-5-505-00 050-050-5-505-00 001-017-5-505-00 001-017-5-230-00
	Check Total:		22,947.50		
Vendor: 4146 19401112 19401185 19401632 19402245	PDC Laboratories Inc Fluoride by Probe TOC & Field Alkalinity Pkg, Total Organic Carbon Semivolatiles by GCMS, Volatile Org. Chem. pkg., Volatiles Reg. Disinfectant/Disinfection byproducts pkg.		18.00 80.00 220.00 400.00	02/04/2020 02/04/2020 02/04/2020 02/04/2020	Check Sequence: 99 201-202-5-390-23 201-202-5-390-23 201-202-5-390-23 201-202-5-390-23
	Check Total:		718.00		
Vendor: 1574 20535008	Pepsi soda/water/gatorade for KRC		594.75	02/04/2020	Check Sequence: 100 009-009-5-430-50
	Check Total:		594.75		
Vendor: 5634 7111	PLANET UNDERGROUND INTERACTIVE LLC 2 DAY MANTENO LCS CLASS FOR BEN PRICE- UTILITY LOCATOR TRAINING		745.00	02/04/2020	Check Sequence: 101 101-104-5-240-00
	Check Total:		745.00		
Vendor: 2474 6	Plocher Construction Company, Inc. HIGHLAND WRF IMROVEMENTS		874,789.51	02/04/2020	Check Sequence: 102 301-304-5-550-00
	Check Total:		874,789.51		
Vendor: 1773 56408130 56436019 56436319 56438290	Power Line Supply NG216YB/10 Glove C12 16in Straight Yel/B OVX 40SWW3E4 10-094 Fuse Cup 41010150215 Deadend Insulator CLevis Typ		555.00 1,194.90 227.28 1,143.60	02/04/2020 02/04/2020 02/04/2020 02/04/2020	Check Sequence: 103 101-104-5-440-00 101-104-5-430-00 101-104-5-430-00 101-104-5-430-00
	Check Total:		3,120.78		
Vendor: 5633 INV01302020	POWERS ADVISORY GROUP LLC PERMIT REIMBURSEMENTS		4,392.90	02/04/2020	Check Sequence: 104 007-007-5-820-05
	Check Total:		4,392.90		
Vendor: 5008 774	QUADE TIRE, INC. TIRE FOR TRENCHER		619.00	02/04/2020	Check Sequence: 105 101-104-5-450-00
	Check Total:		619.00		
Vendor: 20789 02241969	Quench USA, Inc water machine at krc		55.00	02/04/2020	Check Sequence: 106 009-009-5-390-00
	Check Total:		55.00		
Vendor: 969 833247 833248 833249 833250 833251 833437 833606 833640	Red E Mix LLC 88PCCEV12 SI/PV No Ash, Winter Serv., 1/2% NCA, Fee, Tic #60123419 CA6 - Grade 8 for the cemetery rock for the cemetery rock for the cemetery washed sand for the cemetery concrete for new pour sidewalk at the outdoor pool 88PCCEV12 SI/PV No Ash, Winter Serv., 1/2% C.C. Fee, Tic #60331655 washed sand for the cemetery		523.00 390.00 140.00 140.00 110.00 291.88 585.00 220.00	02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020	Check Sequence: 107 001-017-5-550-50 009-715-5-430-00 009-715-5-450-00 009-715-5-450-00 009-715-5-430-00 009-503-5-450-00 050-050-5-540-10 009-715-5-430-00

	Check Total:		2,399.88		
Vendor: 1238	Reding Tire & Battery Inc				Check Sequence: 108
2116772	CAR 4 TIRE REPAIR	20.00		02/04/2020	001-012-5-360-10
2116776	FRONT END ALIGNMENT- HCS VEHICLE M221361	69.95		02/04/2020	111-111-5-360-10
2116884	CAR 1 NEW TIRE	107.23		02/04/2020	001-012-5-360-10
2116918	4 Tires - P265/70R17 113 S Firestone	544.48		02/04/2020	301-304-5-360-10
2116944	CAR 3, TIRE REPAIR	20.00		02/04/2020	001-012-5-360-10
	Check Total:		761.66		
Vendor: 5453	REVIZE LLC				Check Sequence: 109
9408	1/3RD OF BUILDOUT COSTS (2ND YR ANNUAL SUPPROT & MTN INCLUDED)	1,170.00		02/04/2020	001-017-5-390-50
9408	1/3RD OF BUILDOUT COSTS (2ND YR ANNUAL SUPPROT & MTN INCLUDED)	1,170.00		02/04/2020	401-401-5-390-50
9408	1/3RD OF BUILDOUT COSTS (2ND YR ANNUAL SUPPROT & MTN INCLUDED)	1,170.00		02/04/2020	111-111-5-390-50
9408	1/3RD OF BUILDOUT COSTS (2ND YR ANNUAL SUPPROT & MTN INCLUDED)	1,170.00		02/04/2020	101-101-5-390-50
9408	1/3RD OF BUILDOUT COSTS (2ND YR ANNUAL SUPPROT & MTN INCLUDED)	1,170.00		02/04/2020	201-201-5-390-50
9408	1/3RD OF BUILDOUT COSTS (2ND YR ANNUAL SUPPROT & MTN INCLUDED)	1,170.00		02/04/2020	001-014-5-390-50
9408	1/3RD OF BUILDOUT COSTS (2ND YR ANNUAL SUPPROT & MTN INCLUDED)	1,170.00		02/04/2020	001-012-5-390-50
9408	1/3RD OF BUILDOUT COSTS (2ND YR ANNUAL SUPPROT & MTN INCLUDED)	1,170.00		02/04/2020	001-013-5-390-50
9408	1/3RD OF BUILDOUT COSTS (2ND YR ANNUAL SUPPROT & MTN INCLUDED)	1,170.00		02/04/2020	001-011-5-390-50
9408	1/3RD OF BUILDOUT COSTS (2ND YR ANNUAL SUPPROT & MTN INCLUDED)	1,170.00		02/04/2020	301-301-5-390-50
	Check Total:		11,700.00		
Vendor: 2224	ROBERT (BOB) SANDERS WASTE SYSTEMS, INC.				Check Sequence: 110
238466	2610 PLAZA DR RECYCLING SERVICES	15.00		02/04/2020	101-101-5-390-00
238466	PW RECYCLING SERVICES	7.50		02/04/2020	301-301-5-390-00
238466	CITY HALL RECYCLING SERVICES	7.50		02/04/2020	001-011-5-390-00
238466	PD RECYCLING SERVICES	15.00		02/04/2020	001-012-5-390-00
238466	COMMERCIAL/RESIDENTIAL TRASH SERVICES	118,676.20		02/04/2020	713-713-5-390-00
238466	KRC RECYCLING SERVICES	15.00		02/04/2020	009-009-5-390-00
238997	TEMP DUMPSTER SERVICES	8,724.24		02/04/2020	713-713-5-390-00
	Check Total:		127,460.44		
Vendor: 973	Rotary Club of Highland				Check Sequence: 111
1068	MEMBERSHIP DUES - OCTOBER- DECEMBER	107.00		02/04/2020	101-101-5-390-00
1069	MEMBERSHIP DUES/MEALS FOR MLATHAM	142.00		02/04/2020	001-011-5-390-00
1091	MEMBERSHIP DUES/MEALS FOR DSLOVER	142.00		02/04/2020	001-011-5-390-00
	Check Total:		391.00		
Vendor: 1819	Rotolite Of St Louis Inc				Check Sequence: 112
INV0267301	PLOTTER BOND, INK JET COLOER BOND	145.85		02/04/2020	101-101-5-410-00
	Check Total:		145.85		
Vendor: 3514	SANDBERG PHOENIX & VON GONTARD P.C.				Check Sequence: 113
DECEMBER 2019	DECEMBER LEGAL FEES	6,478.49		02/04/2020	001-011-5-220-00
DECEMBER 2019	DECEMBER LEGAL FEES	179.17		02/04/2020	111-111-5-220-00
DECEMBER 2019	DECEMBER LEGAL FEES	179.17		02/04/2020	401-401-5-220-00
DECEMBER 2019	DECEMBER LEGAL FEES	1,182.53		02/04/2020	007-007-5-220-00
DECEMBER 2019	DECEMBER LEGAL FEES	197.09		02/04/2020	001-017-5-220-00
DECEMBER 2019	DECEMBER LEGAL FEES	1,021.28		02/04/2020	001-012-5-220-00
DECEMBER 2019	DECEMBER LEGAL FEES	465.85		02/04/2020	201-201-5-220-00
DECEMBER 2019	DECEMBER LEGAL FEES	179.17		02/04/2020	001-014-5-220-00
DECEMBER 2019	DECEMBER LEGAL FEES	6,217.25		02/04/2020	001-013-5-220-00
	Check Total:		16,100.00		
Vendor: 1884	Schulte Supply Inc				Check Sequence: 114
S1156163.002	Water Taps - Highland Villas	3,498.07		02/04/2020	201-203-5-430-00
S1156163.003	Water Taps - Highland Villas	868.00		02/04/2020	201-203-5-430-00
S1156163.006	Water Taps - Highland Villas	4,404.88		02/04/2020	201-203-5-430-00
S1156163.007	Water Taps - Highland Villas	159.80		02/04/2020	201-203-5-430-00
S1156985.001	6"x1" Brass Saddle for C900 Pipe, 1" CC Tap	376.32		02/04/2020	201-203-5-430-00
S1156986.001	1" x CTSPJ Corp. Stop	742.20		02/04/2020	201-203-5-430-00
S1156987.001	1" x CTSPJ x 1" CTSPJ Ball Valve Curb Stop	533.64		02/04/2020	201-203-5-430-00
	Check Total:		10,582.91		
Vendor: 1736	Showtime Networks Inc				Check Sequence: 115
16982	DECEMBER VIDEO CONTENT FEE	206.55		02/04/2020	111-111-5-390-52
	Check Total:		206.55		
Vendor: 1587	Timothy Singler				Check Sequence: 116
B-19-190110	100 A and B Field Crossing Dr - Final Plumbing Inspection	75.00		02/04/2020	001-013-5-390-82
B-19-190192	215 Carter Ridge Dr - Final Plumbing Inspection	37.50		02/04/2020	001-013-5-390-82
	Check Total:		112.50		
Vendor: 1677	SNI / SI Networks LLC Inc				Check Sequence: 117
16981	DECEMBER VIDEO CONTENT FEE	132.30		02/04/2020	111-111-5-390-52
	Check Total:		132.30		
Vendor: 2435	Southern Illinois University Edwardsville				Check Sequence: 118

012220	Internship - Graduate Assistant - 1/1/2020 to 5/15/2020	5,786.73	02/04/2020	001-013-5-390-00
	Check Total:	5,786.73		
Vendor: 3075 FEESTEINBECK	Aric J Steinbeck PARKING FEE FOR MEETING IN SPRINGFIELD	5.00	02/04/2020	Check Sequence: 119 001-012-5-390-00
	Check Total:	5.00		
Vendor: 1865 135067CVR 135116CVR 135116CVR	Steve Schmitt Inc #24 TONY'S TRUCK TAILGATE CAM, SENDER - Truck #22 Chev. Dump Truck CAM, SENDER - Truck #22 Chev. Dump Truck	6.20 141.33 141.32	02/04/2020 02/04/2020 02/04/2020	Check Sequence: 120 101-102-5-460-00 201-203-5-460-00 301-303-5-460-00
	Check Total:	288.85		
Vendor: 5151 2421664 2421664	SUMNER ONE, INC. COLOR OVERAGES COLOR OVERAGES	45.04 11.26	02/04/2020 02/04/2020	Check Sequence: 121 001-013-5-340-00 101-101-5-340-00
	Check Total:	56.30		
Vendor: 2038 18757 18757 18758 18758	TANTALUS SYSTEMS INC. NSE-201 PP-1316 PP-1316 NSE-201	28.00 1,600.00 1,200.00 21.00	02/04/2020 02/04/2020 02/04/2020 02/04/2020	Check Sequence: 122 101-104-5-530-60 101-104-5-530-60 101-104-5-530-60 101-104-5-530-60
	Check Total:	2,849.00		
Vendor: 47 N000003876	Tech Electronics Inc central monitoring for KRC	81.00	02/04/2020	Check Sequence: 123 009-009-5-390-00
	Check Total:	81.00		
Vendor: 2028 229418 234725	Teklab Inc Inv. from 5-30-2019- Lagoons/Blowdown. Inv. from 10-1-2019- Lagoons/Blowdown.	42.00 42.00	02/04/2020 02/04/2020	Check Sequence: 124 201-202-5-390-23 201-202-5-390-23
	Check Total:	84.00		
Vendor: 2030 G96104 G96521	Terryberry Company LLC CITY AWARDS FOR BANQUET CITY AWARDS FOR BANQUET	574.06 365.04	02/04/2020 02/04/2020	Check Sequence: 125 001-011-5-430-00 001-011-5-430-00
	Check Total:	939.10		
Vendor: 1007 40727	The Cornerstone Insurance Group DECEMBER FSA PLAN ADMIN/DEBIT CARD FEE	260.00	02/04/2020	Check Sequence: 126 001-011-5-390-00
	Check Total:	260.00		
Vendor: 111111 43454	The Kwik Konnection Printing Inc MERRY CHRISTMAS AD- HCS	350.00	02/04/2020	Check Sequence: 127 111-111-5-390-33
	Check Total:	350.00		
Vendor: 20368 115338	The Mail Box Store SHIPPING CHARGES	14.09	02/04/2020	Check Sequence: 128 001-012-5-320-00
	Check Total:	14.09		
Vendor: 74 24335 24335 24335 24335 24335	Third Millennium Assoc Inc UTILITY BILL RENDERING UTILITY BILL RENDERING UTILITY BILL RENDERING UTILITY BILL RENDERING UTILITY BILL RENDERING	849.10 188.69 283.03 283.03 283.03	02/04/2020 02/04/2020 02/04/2020 02/04/2020 02/04/2020	Check Sequence: 129 101-101-5-390-00 001-011-5-390-00 713-713-5-390-00 301-301-5-390-00 201-201-5-390-00
	Check Total:	1,886.88		
Vendor: 1579 817990 817991 817992	Tower Distribution Company DECEMBER VIDEO CONTENT FEE- CW11 DECEMBER VIDEO CONTENT FEE- FOX2 KTVI DECEMBER VIDEO CONTENT FEE- WGN	1,190.20 3,787.00 367.88	02/04/2020 02/04/2020 02/04/2020	Check Sequence: 130 111-111-5-390-52 111-111-5-390-52 111-111-5-390-52
	Check Total:	5,345.08		
Vendor: 2089 6194248/1 6194302/2	Tri Ford Inc MTN/REPAIRS TO VIN # 80645 Truck #606- - Oil change, Filter, Element & Gasket, Inspect.	249.95 87.98	02/04/2020 02/04/2020	Check Sequence: 131 401-401-5-360-10 001-017-5-360-10
	Check Total:	337.93		
Vendor: 2773 Y78672030	UPS SHIPPING OIL SAMPLES	8.29	02/04/2020	Check Sequence: 132 101-101-5-320-00
	Check Total:	8.29		

Vendor: 4486 20925	Farmers Restaurant & Bakery Urban Farmhouse Eatery & Pie Co. GREG STOFF RETIREMENT LUNCHEON- CATERING SERVICE	899.00	02/04/2020	Check Sequence: 133 001-012-5-390-00
	Check Total:	899.00		
Vendor: 502 109564	USA Blue Book Parts for Feed Pump & Lab Chemicals	448.60	02/04/2020	Check Sequence: 134 201-202-5-430-00
	Check Total:	448.60		
Vendor: 2417 847801	V F W Post 5694 VFW COMEDY NIGHT SPONSORSHIP- HCS	150.00	02/04/2020	Check Sequence: 135 111-111-5-390-33
	Check Total:	150.00		
Vendor: 5442 OSV000001994113	VERIZON CONNECT NWF, INC. DECEMBER HCS TRANSIT, PICKUP, BUCKET	56.85	02/04/2020	Check Sequence: 136 111-111-5-390-00
	Check Total:	56.85		
Vendor: 1964 244691 244917	VUBIQUITY INC. SEPTEMBER 2019 VIDEO CONTENT FEE DECEMBER 2019 VIDEO CONTENT FEE	2,500.00 2,500.00	02/04/2020 02/04/2020	Check Sequence: 137 111-111-5-390-52 111-111-5-390-52
	Check Total:	5,000.00		
Vendor: 3369 808829299 8088759353	VWR International Filters Sterile 47 MM Buffer REF STD: PH4 Red, PH7 Yellow, PH10 Blue	137.16 177.18	02/04/2020 02/04/2020	Check Sequence: 138 301-304-5-430-00 301-304-5-430-00
	Check Total:	314.34		
Vendor: 2145 0444530	Wal Mart Community/GEMB WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES- CITY HALL CHRISTMAS TREE WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES- SANTA HOUSE CANDY CANES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES WAL-MART OPERATING SUPPLIES	31.94 102.00 73.31 80.50 13.04 24.92 157.61 40.98 -20.81 22.74 41.70 34.97 5.91 41.32 10.44 35.36 44.96	02/04/2020 02/04/2020	Check Sequence: 139 401-401-5-430-00 009-009-5-430-50 009-016-5-450-00 401-401-5-460-00 009-016-5-430-50 001-013-5-430-00 001-011-5-430-00 009-009-5-430-00 001-012-5-430-00 101-101-5-410-00 009-009-5-430-00 001-011-5-390-31 009-016-5-430-00 301-304-5-430-00 101-101-5-390-00 009-016-5-390-66 101-101-5-430-00
	Check Total:	740.89		
Vendor: 5093 34203	Water Solutions Unlimited Phosphate	1,520.00	02/04/2020	Check Sequence: 140 201-202-5-490-00
	Check Total:	1,520.00		
Vendor: 4979 958802 958802	Watts Copy Systems Inc. COPIER LEASE/USAGE FOR LANA'S COPIER COPIER LEASE/USAGE FOR LANA'S COPIER	52.76 52.76	02/04/2020 02/04/2020	Check Sequence: 141 111-111-5-340-00 001-011-5-340-00
	Check Total:	105.52		
Vendor: 1963 63081216	WEX BANK DECEMBER FUEL	77.98 200.44 991.14 149.23 157.57 162.14 179.08 2,960.80 510.01 300.67 35.79 187.27 187.26 124.82	02/04/2020 02/04/2020	Check Sequence: 142 001-011-5-420-00 101-101-5-420-00 009-016-5-420-00 101-104-5-420-00 001-013-5-420-00 111-111-5-420-00 401-401-5-420-00 001-012-5-420-00 101-102-5-420-00 001-017-5-420-00 201-202-5-420-00 201-203-5-420-00 301-303-5-420-00 301-304-5-420-00
	Check Total:	6,224.20		
Vendor: 20790 2/9/2020	Curtis Wolf Band for February Ballroom dance at lindentale park	475.00	02/04/2020	Check Sequence: 143 009-016-5-390-66
	Check Total:	475.00		
Vendor: 20836 ODPproject	Woods Basement System 30% deposit for work to be completed at ODP	2,120.70	02/04/2020	Check Sequence: 144 009-503-5-390-00

Check Total: 2,120.70

Vendor: 2311
972162

ZirMed INC.
MONTHLY PROFESSIONAL CLAIMS/REMITTANCE ADVICE FEES 130.20

02/04/2020

Check Sequence: 145
401-401-5-390-00

Check Total: 130.20

Vendor: 172
JANUARY2020

Duane E. Zobrist
JANUARY SIGN RENTAL- RT 40 BY MCGINLEY MOTORS 110.00

02/04/2020

Check Sequence: 146
111-111-5-390-33

Check Total: 110.00

GRAND TOTAL: 1,788,399.18

Total of Number of Checks: 146