



MEMORANDUM

Date: November 8, 2019
From: Gary Bradley, City Manager
To: Mayor & Council
RE: Council Meeting of **Tuesday, November 12, 2019**

REGULAR MEETING AT 7:00 P.M.

1. **IEPA/Boiler Shop**— The IEPA rescheduled the meeting to tour the property due to inclement weather. Instead of last week, we met earlier this week and toured the ground for approximately two hours. They believe they have program funding available to remediate some of the more imminent threats to health and safety. Their five staff members who toured the site will be discussing the site over the next few days in an attempt to develop a prioritized list of the tasks to be undertaken and align that list with program funding to provide us with an anticipated scope of work and schedule.
2. **Audit**—It appears that the actuaries and pension fund are in contact with one another and working through the outstanding information required for completing that portion of the audit. The Mayor and I had a conference call with the Auditors and I believe we have developed a realistic and achievable approach that will allow them to complete the balance of their work as soon as possible.
3. **School field trip**— Third Graders from Visitation came to City Hall for a field trip on the morning of October 29th, learning about our City and how it works. The teachers and parents appreciated the opportunity to visit the facilities and interact with our employees.
4. **Recreational Marijuana**— The City Attorney's presentation held on November 4th provided good information and afforded those who were interested with an opportunity to voice their opinions or concerns. While a straw poll was taken at the event, it should be noted that the self-selection of attendees based on interest and the small sample size make the results statistically invalid, that is it would not be safe to presume that 81% of the population supports the idea of Marijuana businesses being located in the community, with 5% against it and the balance undecided.

Staff has conducted additional research to determine the likely amount of revenue that would be derived from the sale of recreational marijuana. There are a number of variables to be considered, the most significant of which is the amount of competition in the market place when a licensed operation would be established in the community. That additional information is included following this memorandum.

Finally, staff attended a session held by OSF Healthcare for businesses on the impact that recreational marijuana will or may have on the business community, including entities like the Hospital and the City.

5. **IEPA/WWTP**— Staff met with employees of Bock, Inc. to discuss planned improvements to the WWTP, as well as our efforts to implement measures to help ensure compliance with regard to chloride limits in our effluent. Contrary to what was stated at the last council meeting, we are in compliance, we have an executed agreement, we didn't miss a deadline for submission of information to the IEPA, and the council was made aware of the current discussions with the agency in June, not August or September.

Staff, Bock, Inc., and Chamlin Engineering have a meeting scheduled for next Tuesday to work through some of the changes in operations and the improvements to the plant. Some of those improvements were made possible by the land application of an additional 300,000 gallons of sludge completed earlier this fall, bringing the plant's annual total to 1.1 million gallons applied.

Our environmental counsel is investigating the impact of the new rule issued by the Trump administration that reverts to earlier standards applicable to the Waters of the United States.

6. **Local Government Training**— The Finance Director attended training at the Blackhawk Campus provided by the State Comptroller's Office.
7. **DAR Presentation**—The Chief of Police provided a presentation to the local chapter of the Daughters of the American Revolution on Monday regarding a variety of police topics.
8. **Insurance Services Office**—ISO completed a review of the Fire Department earlier in the week and it appeared to go well. More water storage in the elevated tanks, the regular testing and replacement as needed of fire hydrants during the past 3 years, and improved and more well-documented training program should all have positive impacts on our public safety, and thus our ISO score. An overall improvement of just 1.8 points will improve our rating from a 4 to a 3. The results should be reported back within the next 2 to 4 months.
9. **Viaduct Project**—All of the stormwater portion of the project has been completed. Next week, the contractor hopes to be able to remove the remainder of the asphalt surface and replace it with a concrete surface.
10. **Blood Draws**—We are participating in a pilot program that will train police officers in how to draw blood, which eases the burden on local hospitals and provides a better chain of custody for evidentiary purposes, in dealing with cases of driving while under the influence of marijuana, illegal drugs, or alcohol. The Training is expected to occur in January and February, and is a products of the Illinois Prosecutors' Offices.
11. **Promotional Testing**— the Fire and Police Commission will provide promotional testing for current employees at their December 17th meeting for the positions of Sergeant and Lieutenant (Police) and Ambulance Attendant (Fire). The results will be used to develop promotion lists that last for two years unless they are exhausted sooner.

12. **Economic Development Partners**— Kathy Albert of KEDC is on this meetings' agenda. Mark Mikenas of the Chamber of Commerce is scheduled for November 25th, while Cheryl Osborne, with the Henry County Tourism Bureau is set December 9, 2019. The presentations provide each organization with an opportunity to discuss the work they do on behalf of the City in their efforts improve the economic climate of the community and the region.
13. **Midland Plaza**—The City and Chamber of Commerce have a meeting next week with the owner of Midland Plaza, as the development company contemplates redevelopment of the shopping center to include retailers Cohen Development and the City have been in contact with through ICSC.
14. **City Engineer**—Today is the cutoff for the first round of applications. Applications received today will be reviewed and interviews will be scheduled. The application information has also been forwarded to local colleges with engineering programs to better spread the word about the opening.
15. **Lucas Device**— an Uninterrupted CPR device was removed from the budget due to the City's lack of resources to pay for such a device. The Hospital Trust recognized the need, and will be providing a contribution to the City to cover the cost of the unit. The presentation of the check will be made on Wednesday at 3:30.
16. **Energy Efficiency**—Facilities and Grounds staff have been making energy efficiency improvements to the building in partnership with Ameren, and are currently in the process of changing out all fluorescent bulbs and their ballasts with LEDs, a technology that ancient astronaut theorists believe was reverse engineered from wreckage found near Roswell, New Mexico.
17. **Community Development Training**— Staff attended a two day International Code Council training event on Braced Wall Panels and general skill development to improve a broad range of enforcement efforts.
18. **Animal Control Building**—Staff is making improvements to the Animal Control building, particularly regarding insulation around the roll up door to prevent the loss of heat as persistent cold weather draws near. That work is expected to start next Tuesday.
19. **Billiard Halls**—Staff was approached today with the idea of making changes to the archaic rules regarding the licensing of billiard halls. We have placed the item on the agenda and will have recommended changes in short order. Pool Halls/billiards no longer carry with them the stigma that was attached at the time the City's ordinances were written.

Trump Administration Publishes Final WOTUS Repeal

- On October 22, the Trump Administration released the [final rule repealing the 2015 “Waters of the United States” rule](#), which will go into effect on December 23, 2019;
- The 2015 rule was implemented by the Obama Administration and had been blocked by courts in 27 states, while being in effect in 22 states;
- The rule released last week will put all 50 states back under regulations that had been in place since 1986, which was interpreted from guidance written by the Bush Administration in 2008;
- The new rule aligns with the views of late Supreme Court Justice Antonin Scalia, who argued that the Clean Water Act (CWA) only applied to waterways with “relatively permanent” surface water connections to navigable waters;
- The two previous administrations based their regulations on an opinion from former Justice Anthony Kennedy, who wrote that CWA regulations apply to waters with a “significant nexus” to navigable waters;
- Such a nexus could include chemical, biological, or hydrological connections;
- The new final rule will eliminate protections for both streams that flow only after rainfall or snowmelt, and wetlands without surface water connections to larger waterways;
- Environmental groups are already challenging the rule in court;

COUNCIL MEETING 19-12
October
28th, 2019

The City Council met in Council Chambers at 7:00 PM with the Mayor calling the meeting to order and the following answering to roll call:

Steve Faber	Council Member
Chris Colomer	Council Member
Michael Yaklich	Council Member
Michael Komnick	Council Member
Gary Moore	Mayor

News media present was as follows:

Mike Helenthal Star Courier
Sean Kernan WKEI

The Pledge of Allegiance was said.

Mayor Moore asked for a moment of silence for our troops still fighting overseas.

Mayor Moore explained that the next items were placed on the consent agenda and were considered to be routine in nature to be passed as a whole with one vote of the Council. Mayor Moore requested that any member of the Council or the audience wishing to have an item removed from the consent agenda for individual consideration to make the request and the item would be removed and considered following the approval of the remaining consent items. The consent agenda included minutes from the October 15th, 2019 Council Meeting, Minutes from Planning and Zoning Board, payroll for the pay period ending October 12th, 2019 in the amount of \$215,291.70, Reports from Police and Community Development, roll call showed 5 ayes, no nays. The motion passed.

Bills submitted for approval totaling \$678,648.08 were approved on a motion made by Council Member Komnick and seconded by Council Member Yaklich. No discussion of bills. Roll call showed 5 ayes, no nays. The motion passed.

CITIZEN PARTICIPATION

Mayor Moore then asked if anyone wished to speak regarding a non-agenda item.

- No citizen participation

NEW BUSINESS

- Reading of Bina Notice by Mayor Moore. No public Council Member Yaklich asked what we were borrowing money for? City Manager Gary Bradley informed the board that these were bonds that were put in place years ago where we issue bonds, make the payments and then abate the levy that is on the taxes now. It's a double security for the purchasers. Bond Hearing was concluded at 7:07 pm.
- Census Presentation by Denis Bulat was very informational. Denise was able to hand out a packet to all the council members to review. She expressed the importance of the accurate counts in Kewanee. The packet included the demographics of Kewanee and their locations. 2020 estimate shows that there are hard to count areas and populations in Kewanee. The lost counts include the small children and transients. The Census will be sending out Post Cards to the residents in Kewanee to fill and send back. We will be getting a copy of the post card to get the citizens hyper aware of what that will look like and not to discard those post cards.
- Consideration of an Ordinance Granting a request for a Variance for Brenda and Patrick Weston in regards to the door fence. Motion made by Council Member Komnick and seconded by Council Member Faber. Council Member Faber started with concern that there were only 4 board members voted at the zoning board meeting. Mayor Moore welcomed Brenda Weston to the mic. Brenda Weston stepped up to explain the reason for her fence. Brenda stated that she takes in rescue dogs and needs a high enough fence to keep the dogs from escaping. She explained that she has tried multiple fences and none were successful. The progress was stopped due to weather but she is not complete yet. Mayor Moore expressed his concern with the dogs going through the glass and doors. Another gentleman stepped up to explain the door is much thicker than a normal wood fence. Council Member Yaklich spoke about the ordinances that we have in place for a reason. He stated that he will back the zoning board and our ordinances. He stated he lives in the neighborhood and he doesn't like the fence. Council Member Komnick stated it is very creative but as people started to discuss this fence with him...the ones that are in favor also back the statement with but I'm glad it's not in my neighborhood. Sealing them and weather proofing is in their plans. Yaklich stated that he is also worried about property values as an owner of homes in that area. Brenda's daughter stepped up to express her thoughts and she feels that Kewanee should be more open minded and allow freedom of expression. Roll call shows 0 ayes, 5 nays. The motion passed ordinance not passed.
- Consideration of Ordinance amending the One-Family Dwelling District. Motion made by Council Member Komnick and seconded by Council Member Colomer. Council Member Yaklich asked if this was in regards to the Dog Grooming. Council Member asked about how many dogs are taken care of in a week time. Owner stated about 15-20 per week. No multiple dogs there at a time unless they are from the same family. No dogs are kept outside and she is a single owner and groomer. Dogs are dropped off and owners do not stay. Parking is not an issue. Yaklich asked Keith since this was not on the books before this request and planning commission instilled some stipulations they are in their minutes. Keith read off just a few. Verified that the owner is aware and the application was in Ellie's name. Roll call shows 5 ayes, and 0 nays. Motion passed.
- Consideration of an Ordinance Granting a special use permit to Ellie Sabella for property on 315 Roosevelt Ave. Motion made by Council Member Faber and seconded by Council Member Colomer. Council Member Komnick verified parking would not be

an issue. Ellie explained she feels parking will not be an issue. Roll call shows 5 ayes, 0 nays. Motion Passed.

- Consideration of a Resolution to award work to Patriot Trailer Manufacturing for the Transfer Station Trash Chute. Motion made by Council Member Komnick and seconded by Council Member Faber. Kevin Newton explained that this would allow them to build this chute with a higher standard steel. The process would be started on a Friday and finished on a Sunday with one day of the transfer station to be closed. Spoke with them that day and they are hoping to have it done before weather turns. Roll call shows 5 ayes, 0 nays. Motion Passed.
- Consideration of a Resolution Authorizing the Fire Chief to execute an Intergovernmental Agreement with the Illinois Department of Healthcare and Family Services. Motion made by Council Member Komnick and seconded by Council Member Colomer. Council Member Yaklich verified that this was the information covered at the last meeting. Yaklich reviewed and is concerned...doesn't want this to be a Trojan horse. Yaklich verified a few numbers in regards to reimbursements. Fire Chief Shook stated the additional funds would go back to the general fund. Colomer verified that there were no adverse actions if this doesn't go through. Roll call shows 5 ayes, 0 nays. Motion Passed.
- Consideration of a Resolution Authorizing the City Manager to Execute Documents for the Renewal of the Self-Funded Insurance plan with BCBS of Illinois. Motion made by Council Member Yaklich and seconded by Council Member Colomer. City Manager Gary Bradley explained it will not increase the employees cost just the rate that the city would pay. It will increase by \$34485.00 for the next year. After talking with the Insurance advisors they stated this was a very reasonable cost and they recommended we stay at where we are at. Roll call shows 5 ayes, 0 nays. Motion Passed.

OTHER BUSINESS

- Council Member Komnick wanted to say thank you for the Bakersville event. Especially to Chief Ainley and Officer Woods for their traffic control. He expressed how neat it was that the 3rd graders were able to visit and enjoy such a great experience. Also a shout out to the 2 new Animal Officer that completed their training. Very much looking forward to new business ventures that may come with information brought back from the Chicago Conference that City Manager Bradley attended. Thank you to the resident that sent a letter in regards to the Cannabis potential coming to Kewanee. We need more information to make an educated decision for the citizens of Kewanee. And finally the yard waste stickers need a new backing and glad to hear Bradley will work on that in the future orders.
- Council Member Yaklich stated he has 4 things on his list to discuss. 1.) Where are we on City Engineer. City Manager Bradley stated that we do have it posted and we paid for 60 days after we see what comes through we will re-evaluate other options. Bradley feels word of mouth will also help and local media. 2). What is the status on the audit report? City Manager Bradley stated we are waiting on information from the fire fighter pension fund and some reconciling issues that he and the mayor will discuss. 3). On Aug 26th council meeting I asked what else don't we know about the water and sludge issue. At that time, we were informed that we were out of compliance. I have looked back and I see no record that this was a huge issue. Now in the packet we a

letter stating that we are out of compliance. He is concerned that the council was not aware. Are we missing deadlines...are we looking at all options? Concerned with emergency situations coming up. City Manager Bradley stated he has been aware and in contact and asked for the extension. The state responded no. That was not going to allow us to meet again with council. We didn't miss the deadline...we got it on the 30th day. With advice from the atty. We did enough to get us by and stop it from going to the Atty. General. The Well idea is innovative...but not sure the reward doesn't out way the issues. Rod Johnson stepped up and stated what Yaklich was suggesting was not an option before...at another location but Rod stated he could check it out again.

4). I would like to see us have a sludge meeting and I still see no reason why we have not had a meeting. We have had a chance to have a meeting with Stan one on one.

Komnick stated he is not for the one on one meeting. Just isn't a good situation.

Yaklich stated he has read the contract and is specially says they do not have to come to the council..be berated by the council and anything. Apparently we get to berate Gary Bradley and he can berate them. Komnick stated at this point he would assume they would want to come. Yaklich stated looking at the contract and it is our responsibility to make the arrangements to get the sludge spread. Let's work on getting ahead of the game to get this arranged.

- Council Member Faber started with there were so many things going on Saturday if you were bored your fault. Trash cleanup was a bit slow but very beneficial. I attended the 50-60's dance and couldn't go to the Bakersville but heard it was a great success. Is the date November 4th the cannabis meeting? Gary Bradley stated we will let them all know when its confirmed.
- Council Member Colomer started with be careful with Halloween coming up quick. Watch for the kids and drive safe. May have the first snow fall.
- Mayor Moore thanked Denise for her presentation and wanted to congratulate both schools for the playoff runs in football. Good Luck.

ANNOUNCEMENTS

- Due to Veterans day on Monday November 11th...the Next Meeting will be at 7pm on Tuesday November 12th.
- November 2nd will not be a burn day due to both Kewanee and Wethersfield Football Games will be going on.

Adjourn: Motion made by Council Member Colomer and seconded by Council Member Faber. Roll call shows 5 ayes, 0 nays. Motion Passed.

From: [Beth Kelley](#)
To: [Debbie Johnson](#); [Rod Johnson](#); [Gary Bradley](#)
Subject: Murphy's report update
Date: Monday, November 04, 2019 9:15:08 AM
Attachments: [image001.png](#)

Good morning,

Here is the updated info for Murphy's current account:

Balance as of 11/1/19 = \$36829.54
Payment received in drop box 11/1/19 = \$21245.54
October bill processed 11/1/19 = \$20727.18
September penalty bill processed 11/4/19 = \$394.78
Total balance as of 11/4/19 + \$36705.96

They also paid \$1800.00 on the old account 11/1/19. The old account balance is now \$8604.67.

If you have any questions or need any other info, please let me know. Thanks!

Beth Kelley
City of Kewanee Public Works Department
Phone: 309.852.2611 Ext 222
Email: bmillman@cityofkewanee.net
Fax: 309.856.6001





Oct. 28, 2019

Mayor Gary Moore
401 E. 3rd St.
Kewanee, IL 61443

Dear Mayor Moore and Council Members,

The YMCA of Kewanee would like to request the use of the City Council Chambers, camera, internet access and channel 13 air time for Saturday, Dec. 7th, 2019 for its annual Christmas Auction. The YMCA Christmas Auction will be broadcast live on channel 13 beginning at 5:00 p.m. The YMCA would also like to request access to the council chambers on Fri., Dec. 6th at 5:00 p.m. to set up for the auction (which would include bringing auction items in). We would like to offer the opportunity to the public to view the auction items prior to the event beginning at 4:00 p.m. on Saturday and in order to do this it would be helpful to start setting up on Friday evening.

Thank you for your consideration.

Sincerely,

Jodi Wall
Finance Director

YMCA of Kewanee
315 W. 1st St., Kewanee, IL 61443
(309) 853-4431 www.kewaneeymca.org



**AGENDA FOR
Community Forum on Legalized Marijuana**

Petersen Auditorium
Kewanee High School
Kewanee, Illinois 61443

**Open Meeting starting at 7:00 to go no later the 10:00 pm
Monday, November 4, 2019**

Posted by 6:00 p.m., October 31, 2019

1. Call to Order
2. Presentation by the City Attorney
3. Comments from the Public
4. Adjournment

****Public Comments are welcomed. We ask that speakers remain respectful of each other and of differing opinions. Out of respect to everyone's time, we request that comments be limited to 2 minutes, and that testimony not be repetitive in nature. ****

Meeting was started with Justin and a small introduction of the events material. Started right into the Power point presentation. At beginning of meeting there was about 50 residents in the auditorium but at count after the PP presentation there were 72. Residents had a chance to walk up to the microphone to speak with a 2 min time limit. A straw poll was taken at the end. 35 in favor...2 against...6 undecided. Presentation concluded at 8:35



CITY COUNCIL MEETING
Council Chambers
401 E Third Street
Kewanee, Illinois 61443
Open Meeting starting at 7:00 p.m.
Tuesday, November 12th, 2019

Posted by 6:00 p.m., November 8th, 2019

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Consent Agenda
 - a. Approval of Minutes
 - b. Payroll
 - c. Staff Reports
 - d. YMCA request to use the City Hall Chambers, cameras, internet and Channel 13 on Saturday December 7th, 2019 for its Annual Christmas Auction.
 - e. Summary of the Public Meeting on November 4th in regards to Cannabis in Kewanee.
5. Presentation of Bills and Claims
6. Citizen Participation
7. Business:
 - a) **Discussion about Outdoor Wood Burners with Central Boilers**
 - b) **Presentation by Kathy Albert with the KEDC**
 - c) **Ordinance Amending Title XI Business Regulations, Chapter 112, Section 112.02-112.03 & 112.04 Billiards, Poolrooms and Bowling Alleys**
 - d) **Consideration of an Ordinance providing for the issuance of \$299,245 General Obligation Refunding Bonds, Series 2019 of the City of Kewanee, Henry County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.**
8. Council Communications:
9. Announcements:
10. Adjournment

SYS DATE:11/08/19

CITY OF KEWANEE
A / P W A R R A N T L I S T
REGISTER # 227

SYS TIME:13:28

[NW1]

DATE: 11/05/19

Tuesday November 05,2019

PAGE 1

PAYABLE TO INV NO	G/L NUMBER	DESCRIPTION	AMOUNT	DISTR
01 LEXISNEXIS RISK SOLUTIONS 1381734-2019103	01-21-549	CONTRACT FEE	86.50	86.50
01 ADKISON, ROB D10042019	01-41-473	CLOTHING ALLOWANCE	23.94	23.94
01 ADVANCED PLUMBING & MECHANICAL 15233	52-43-830.6	LIFT STATION REPAIR	2470.00	2470.00
01 AEP ENERGY D10232019PPP	01-52-571	BERRIEN PARK	67.76	1.55
D10242019AP	01-21-539	ANIMAL POUND		66.21
01 AIRGAS MID AMERICA 9093437085	51-93-512	LP LEASE	175.60	90.00
9094251010	01-22-612	OXYGEN		85.60
01 ALEXIS FIRE EQUIP CO 0066133-in	01-22-830	TURNOUT GEAR	6249.00	6249.00
01 ALTORFER INC 02C811036	62-45-612	WATER DEPT BACKHOE	62.74	62.74
01 AMEREN ILLINOIS D10252019	01-52-571	BERRIEN PARK	129.15	36.42
D10282019	01-21-539	POUND ELECTRICITY		92.73
01 AUCA CHICAGO MC LOCKBOX 1592000767	62-45-471	UNIFORM RENTAL	246.63	49.46
1592008690	62-45-471	UNIFORM RENTAL		49.46
1592016723	62-45-471	UNIFORM RENTAL		49.46
1592024669	62-45-471	UNIFORM RENTAL		49.46
1592032638	62-45-471	UNIFORM RENTAL		48.79
01 AUTOMOTIVE ELECTRIC OF KEWANEE 38389	62-45-613	ALTERNATOR	245.00	245.00
01 AUTO ZONE 2644424721	62-45-613	08 CHEVY IMPALA	99.10	76.14
2644426882	62-45-613	POLIC DETECTIVE CAR		5.99
2644428607	62-45-613	BOCK 23		7.79
2644437203	62-45-613	STOCK		9.18
01 B & B LAWN EQUIPMENT & CYCLERY 233929	58-36-512	CEMETERY TORO	627.00	627.00
01 BEA OF ILLINOIS 2198190	51-93-512	TOUBLE SHOOT WELL 4	1523.43	440.10
2198203	51-93-512	TOUBLE SHOOT WEEL AT S PLANT		1083.33
01 JOHN BOCHNAK D10212019	01-41-617	SIDEWALK REIMBURSEMENT	644.50	644.50
01 BREEDLOVE'S SPORTING GOODS 38925	01-22-471	MONOGRAMS	4.00	4.00
01 CAMBRIDGE TELCOM SERVICES INC D11062019	01-21-552	FIBER INTERNET POLICE	760.00	275.00
D11062019 CH	01-11-537	CITY HALL FIBER INTERNET		485.00
01 CITY OF KEWANEE - HEALTH CARE 11-19/01-20	01-11-451	F&A HEALTH	346516.26	8967.45

DATE: 11/05/19

Tuesday November 05,2019

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PAYABLE TO INV NO	G/L NUMBER	DESCRIPTION	AMOUNT	DISTR
11-19/01-20	01-21-451	HEALTH INS PD		131357.28
11-19/01-20	01-22-451	HEALTH INS FD		90097.20
11-19/01-20	01-41-451	HEALTH INS PW		25463.67
11-19/01-20	01-52-451	HEALTH INS PARKS		1647.99
11-19/01-20	01-65-451	HEALTH INS CD		5179.62
11-19/01-20	51-42-451	HEALTH INS WATER		35465.22
11-19/01-20	52-43-451	HEALTH INS SEWER		10350.75
11-19/01-20	57-44-451	HEALTH INS SAN		22906.98
11-19/01-20	58-36-451	HEALTH INS CEM		8958.96
11-19/01-20	62-45-451	HEALTH INS FLEET		6121.14
01 COLWELL, BRENT			325.00	
63051	01-65-549	ELECTRICAL INSPECTION		25.00
63053	01-65-549	ELECTRICAL INSPECTION		25.00
63054	01-65-549	ELECTRICAL INSPECTION		50.00
63055	01-65-549	ELECTRICAL INSPECTION		50.00
872797	01-65-549	ELECTRICAL INSPECTION		50.00
872798	01-65-549	ELECTRICAL INSPECTION		50.00
872799	01-65-549	ELECTRICAL INSPECTION		50.00
872800	01-65-549	ELECTRICAL INSPECTION		25.00
01 COLOMER, CHRIS			200.00	
D11122019	01-11-472	ANNUAL CAR ALLOWANCE		200.00
01 IDOIT - COMMUNICATIONS REVOLVI			316.70	
T2006237	01-21-552	LEADS LINE		316.70
01 COMCAST CABLE			280.65	
D101519	51-93-552	VPN SWTP INTERNET		86.90
D10152019	51-93-552	VPN NWTP INTERNET		106.85
D10262019PW	51-42-537	PW BLDG INTERNET		43.45
D10262019PW	62-45-537	PW BLDG INTERNET		43.45
01 CORE & MAIN LP			1001.68	
L166629	52-43-615	POPLAR AND MILL SEWER PIPE		1001.68
01 CULLIGAN OF KEWANEE			131.36	
D11122019	52-93-652	WWTP LAB		131.36
01 DOOLEY BROS PLUMBING			1401.08	
602	52-93-512	REPLACE 3 FAULTY CONTROLS		1188.58
603	52-93-512	LABOR		212.50
01 ROD DORMAN TRUCKING			8077.51	
524	52-93-586	HAULING SLUDGE		8077.51
01 EAGLE ENTERPRISES RECYCLING IN			2354.50	
D10312019	57-44-583	OCT 2019 RECYCLING		2354.50
01 EASTERN IOWA TIRE, INC			5274.86	
100078077	62-45-613	A13/A14		75.00
100078142	62-45-613	CITY TRANSIT		319.95
100078951	62-45-613	MEGATREK		267.95
100079069	39-73-840	LOADER		4611.96
01 ELECTRICAL ENGINEERING & EQUIP			808.00	
6596987-00	01-22-511	STATION2 GENERATOR REPAIR		808.00
01 EVERETT CONTROL SYSTEMS INC			3248.50	

DATE: 11/05/19

Tuesday November 05,2019

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PAYABLE TO INV NO	G/L NUMBER	DESCRIPTION	AMOUNT	DISTR
2019-210	52-93-512	REPLACE JUNCTION BOX FOR STORM PUMP		3248.50
01 FABER, STEVE 11122019	01-11-472	ANNUAL CAR ALLOWANCE	200.00	200.00
01 FRIENDS OF THE ANIMALS 628685	01-21-539	SEMI MONTHLY PAYMENT	1333.33	1333.33
01 FRONTIER COMMUNICATIONS CORPOR D10192019KPD	01-21-552	POLICE PHONE	1571.74	372.43
D11222019	01-41-552	PW PHONE		229.87
D11222019	54-54-552	PARKS LOCAL PHONE		38.58
D11222019	01-11-552	F&A LOCAL PHONE		301.22
D11222019	01-22-552	FIRE		194.66
D11222019	52-93-552	WWTP PHONE		126.33
D11222019	57-44-552	SANITATION		45.05
D11222019	51-93-552	WTP		52.86
D11222019	01-21-552	POLICE LOCAL		62.83
D11222019	58-36-552	CEMETERY		90.24
D11222019	62-45-552	FLEET		57.67
01 GARY MOORE D11122019	01-11-472	ANNUAL CAR ALLOWANCE	200.00	200.00
01 GUSTAFSON FORD 6931	62-45-613	CORRECTED ROTORS	398.66	401.42
6933	62-45-613	CREDIT FROM CORRECTED ROTORS		137.62-
6934	62-45-613	REAR ROTORS		134.86
01 THOMPSON TRUCK & TRAILER, INC X103096013:01	62-45-613	CORE RETURNS	81.32	79.42-
X203028080:01	62-45-613	FIRE ENG 1		87.00
X203028134:01	62-45-613	A14		73.74
01 HENRY CO CLERK/RECORDER 201905155	51-42-533	LIENS FILED	174.00	58.00
201905156	51-42-533	LIENS FILED		58.00
201905515	51-42-533	LIEN RELEASES		58.00
01 HODGE'S 66 INC 53766	62-45-613	2018 FORD	137.70	45.90
53773	62-45-613	2002 WORKHORSE		45.90
53800	62-45-613	2002 INTERNATIONAL		45.90
01 HUBER TECHNOLOGY, INC II 10003474	52-93-512	BAGGER MAGAZINES	1060.00	1060.00
01 ILL DEPT OF PUBLIC AID 2020 DUES	01-11-561	ANNUAL MEMBERSHIP DUES	1250.00	1250.00
01 TREASURER, STATE OF ILLINOIS 123158	31-71-813	EAST ST/SOUTH ST	104981.70	104981.70
01 ILLINOIS DEPT OF AGRICULTURE 7J000194	57-44-511	SCALE INSPECTION	200.00	200.00
01 IMEG CORPORATION 19000716.01-4	31-71-532	EAST ST RAILROAD VIADUCT	4816.50	4816.50
01 INTERSTATE BATTERY SYSTEMS OF 10129088	62-45-652	24 AAA BATTERIES	417.45	9.60

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PAYABLE TO INV NO	G/L NUMBER	DESCRIPTION	AMOUNT	DISTR
10129088	62-45-613	W32 MTP 65 HD		127.95
10129088	62-45-612	BOCK LOADER		279.90
01 KEWANEE POOL & SPA			14.72	
21154	52-93-656	LIQUID CHLORINE		14.72
01 KIWANIS CLUB OF KEWANEE			240.00	
570	01-11-561	DUES		16.00
702	01-11-561	QTRLY DUES		224.00
01 MIKE KOMNICK			200.00	
11122019	01-11-472	ANNUAL CAR ALLOWANCE		200.00
01 MARTIN EQUIPMENT OF ILLINOIS I			862.50	
438724	62-45-612	SANI BACK HOE		107.21
441870	62-45-612	SANI BACKHOE		110.55
443794	62-45-612	LOADER		193.49
443795	62-45-612	SANI BACKHOE		506.97
443796	62-45-612	LOADER		475.58
D11122019	62-45-612	CREDIT RETURNS		531.30-
01 MARTIN SULLIVAN INC			84.79	
1055578	58-36-612	CEMETERY TRIMMER		49.90
1070253	58-36-612	820 I GATOR PARTS		33.43
1070662	58-36-612	820 I GATOR PARTS		1.46
01 MCKESSON MEDICAL SURGICAL			577.26	
66734721	01-22-612	MEDICAL SUPPLIES		577.26
01 MENARD'S			2032.04	
29924	38-71-611	LADDER CHAINS AND WOOD FILLER		50.49
30041	54-54-652	FRANCIS PARK		33.93
30082	01-52-618	BELL REPAIR		87.53
30338	52-93-652	OPERATING SUPPLIES		96.87
30474	01-21-539	DOG POUND		99.46
30474	01-52-830	PARKS TOOLS		30.83
30713	01-21-539	DOG POUND LUMBER/DOOR		131.20
30716	52-93-652	OPERATING SUPPLIES		13.53
30815	01-21-539	DOG POUND		4.76
31071	52-93-652	OPERATING SUPPLIES		53.97
31108	01-21-539	DOG POUND		41.52
31108	58-36-830	CEMETERY TOOLS		34.47
31267	57-44-652	TRANSFER STATION		38.24
31267	01-21-539	DOG POUND		33.94
31267	38-71-611	CITY HALL PLUMBING		20.75
31384	62-45-613	FIRE ENG 2		5.98
31478	51-93-654	JANITORIAL SUPPLIES		15.16
31556	62-45-613	STOCK SUPPLIES		8.03
31747	01-21-539	DOG POUND BASE BOARD HEATER		21.99
31747	58-36-511	CEMETERY TOOLS		62.42
31965	52-93-512	1/3 HP SUMP PUMP		100.68
32108	62-45-612	ST TILLER		4.77
32126	62-45-612	FIRE GENERATOR & AERIAL		30.10
32137	51-42-615	HOSE ADAPTERS		20.75

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PAYABLE TO INV NO	G/L NUMBER	DESCRIPTION	AMOUNT	DISTR
32242.1	52-93-652	EXTENSION CORDS		89.82
32352	52-93-512	SUMP AND SEAGE PUMPS		518.00
32801	38-71-611	CITY HALL SNOW REMOVAL SUPPLIES		91.86
32807	52-93-619	SNOW REMOVAL ITEMS		153.72
32816	58-36-652	TRUCK WIPERS		86.40
32816	54-54-618	RV ANTIFREEZE		47.88
32898	38-71-611	BRASS FITTINGS FOR FIRE ST. 2		2.99
01 MICHIG ENERGY LTD			11074.77	
D093019	01-41-655	PW		587.52
D093019	51-42-655	WATER		1066.59
D093019	52-43-655	SEWER		401.11
D093019	52-93-655	WWTP		59.49
D093019	01-22-655	FIRE		373.52
D093019	01-21-655	POLICE		3388.00
D093019	52-43-655	ENGINEERING		67.47
D093019	01-65-655	COMM DEVELOPEMENT		189.52
D093019	01-41-655	PW		1261.66
D093019	51-42-655	WATER		245.10
D093019	57-44-655	SANITATION		2642.67
D093019	01-22-655	FIRE		792.12
01 MIDWEST WHEEL COMPANIES INC			17.70	
1774107-00	62-45-613	ST & WATER HEAVY TRUCKS		17.70
01 MISKINIS, JOHN			190.00	
D10282019	38-71-549	TRAIN STATION NEON SIGN		190.00
01 MISSISSIPPI VALLEY PUMP INC			5950.00	
12984	52-43-830.6	UNION ST LIFT STATION		5700.00
12985	52-43-830.6	WALKING BEAM FRO CAMBRIDGE LIFT STA		250.00
01 MOORE TIRES KEWANEE			101.70	
6245613	62-45-613	TIRE DISPOSAL		33.00
K27925	62-45-513	W362		22.07
K28126	62-45-513	K-9 UTILITY		25.07
k28231	62-45-513	ST 52		21.56
01 MUNICIPAL CLERKS OF ILLINOIS			65.00	
2020-DC	01-11-561	2020 MEMBERSHIP DUES		65.00
01 MUTUAL WHEEL CO INC			311.97	
494184	62-45-613	BRACKET KIT		311.97
01 NAPA KEWANEE			375.25	
4962260	62-45-613	FIRE AERIAL		7.07
4962334	62-45-830	SIPPUMP		3.86
4962455	62-45-613	CAR444		115.14
4962510	62-45-613	CAR444		1.67
4962703	62-45-612	BOCL 304 J LOADER		6.94
4962796	62-45-613	CAR4		3.58
4962871	62-45-613	CORE RETURN		18.00-
4962918	62-45-613	W44 WAR WAGON		84.93
4962923	62-45-613	W44 WAR WAGON		2.02
4963002	62-45-613	ST 33		9.92

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PAYABLE TO INV NO	G/L NUMBER	DESCRIPTION	AMOUNT	DISTR
4963110	62-45-613	ALL VEHICLES STOCK		13.18
4963196	62-45-613	ST 33		60.72
4963199	62-45-613	POLICE CARS		74.23
4963245	62-45-613	ST DUMP TRUCK		9.99
01 LARRY NEELS D08192019	01-41-617	SIDEWALK REIMBURSEMENT	348.00	348.00
01 NORTHWEST PLUMBING HEATING AC 28086	38-71-549	MAINT CONTRACT	535.00	535.00
01 O'REILLY AUTOMOTIVE STORES, IN			116.40	
1143-360412	62-45-613	CREDIT		27.03-
1143-361195	51-42-652	TERRY AVE PROJECT		34.56
1143-361209	62-45-613	CAR 5 AND STOCK		13.99
1143-361370	62-45-613	SCU 590		6.94
1143-363387	52-93-619	MAINT SUPPLIES		18.24
1143-363636	62-45-613	WAR WAGON		11.89
1143-363997	62-45-613	SANI 45		53.23
1143-364602	62-45-830	SHOP TOOLS		4.58
01 OFFICE SPECIALISTS INC			109.00	
1058374-0.0	01-11-651	CREDIT		45.08-
1058374-0.0	51-42-651	CREDIT		45.07-
1058374-1	01-11-651	INK JOY PENS		2.46
1058374-1	51-42-651	INK JOY PENS		2.46
1058374-2	01-11-651	SELF INK STAMP		11.90
1058374-2	51-42-651	SELF INK STAMP		11.89
1058755-0	01-11-651	3 1/8 50 PK ROLLS		54.89
1058755-0	51-42-651	3 1/8 50 PK ROLLS		54.88
1064997-0	38-71-611	CITY HALL CLEANING SUPPLIES		60.67
01 M.E.R.C. CONSTRUCTION D11052019	31-71-813	EST #2 SIDEWALK PROJECT	30118.41	30118.41
01 PDC LABORATORIES INC			432.60	
I9388968	52-93-542	CHLORIDE/PHOSPHATE		189.00
I9389379	52-93-542	TESTING		134.10
I9390966	52-93-542	CHLORIDE BY LACHAT		49.50
I9391155	51-93-542	COLIFORM/ECOLI		60.00
01 PEART PROPERTIES D10312019	38-71-549	OCTOBER SERVICES	1495.83	1495.83
01 PETTY CASH FUND			508.14	
D110519	51-42-929	NSF CHECK AT BANK		229.19
D110519	57-44-929	NSF CHECK AT BANK		250.95
D110519	01-22-652	FIRE CLASSS B LICENSE		5.00
D110519	01-11-929	DRAWER SHORTGAES		23.00
01 POLICE PETTY CASH			263.92	
10152019	01-21-562	MINX HOMICIDE		73.44
10162019	01-21-562	PEED HUMAN TRAFFIC TRAINING		26.18
10282019	01-21-562	PAULSON TRAINING LUNCH		8.76
10292019	01-21-562	BRYNER HOMICIDE TRAINING		87.95
10292019.1	01-21-562	KUFFEL SEX ASSAULT CLASSES		10.06

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PAYABLE TO INV NO	G/L NUMBER	DESCRIPTION	AMOUNT	DISTR
10302019	01-21-562	DANIELS TRAINING MEALS		28.60
10302019.1	01-21-562	KINGDON BAO CLASS MEALS		28.93
01 RATLIFF BROS & CO 15570	52-43-515	REPAIR MILL CRK @POPLAR	690.00	690.00
01 RAY O'HERRON COMPANY INC 1961172-IN	01-21-652	SLIM JIM/LOCK OUT KIT	125.05	125.05
01 REHRIG PACIFIC COMPANY 50057992	57-44-537	RVISION SERVICE	625.00	625.00
01 RIBER, BENNETT D10232019	01-22-562	TRAVEL AND TRAINING	1271.22	1113.30
D10292019	01-22-562	BLENDED OFFICER TRAINING		157.92
01 S&S INDUSTRIAL SUPPLY 4968247RI	62-45-652	STOCK SUPPLIES	47.93	47.93
01 SOUTHWESTERN ILLINOIS COLLEGE 26075720-101819	01-21-562	TUITION	1190.00	1190.00
01 SPETS BROTHERS INC 68132	52-93-512	PAINT	397.21	397.21
01 STAR-COURIER 41118	01-65-595	DEMO BIDS	194.50	115.70
41145	01-11-541	ZONING BOARD NOTICE		78.80
01 STOUT, JEREMY M D10162019	01-22-471	CLOTHING ALLOWANCE	242.46	164.61
D10252019	01-22-562	TRAINING		77.85
01 TERMINAL SUPPLY INC 73341-00	62-45-652	FLEET SHOP SUPPLIES	47.40	47.40
01 THYSSENKRUPP ELEVATOR CORP 3004902711	38-71-549	ELEVATOR MAINTENANCE	976.51	976.51
01 TRIANGLE CONCRETE INC 9817	51-42-615	ELLIOT AND MCKINLEY	281.25	281.25
01 USA BLUEBOOK 29016	52-43-652	STAINLESS CLEANER	220.43	68.82
39874	51-42-652	CHLORINE SWIFTTEST		6.72
50189	52-93-652	LAB OPERATING SUPPLIES		144.89
01 U.S. CELLULAR 336863498	01-41-552	PW	415.70	148.95
336863498	01-11-552	CITY MANAGER		60.34
336863498	58-36-552	CEMETERY		47.09
336863498	01-65-552	COMMUNITY DEVELOPEMENT		91.05
336863498	58-36-552	FP WIFI		22.99
336863498	54-54-552	CEMETERY WIFI		22.99
336863498	57-44-552	SANITATION TABLET		22.29
01 DONALD N WIRTH D10182019	01-41-617	SIDEWALK REIMBURSEMENT	555.50	555.50
01 YAKLICH, MIKE 11122019	01-11-472	ANNUAL CAR ALLOWANCE	200.00	200.00
** TOTAL CHECKS TO BE ISSUED			563678.01	

SYS DATE:11/08/19

CITY OF KEWANEE
A / P W A R R A N T L I S T
REGISTER # 227

SYS TIME:13:28
[NW1]

DATE: 11/05/19

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FUND INV NO	G/L NUMBER	DESCRIPTION	AMOUNT	DISTR
GENERAL FUND			289426.69	
NHR SALES TAX INFRASTRUCTURE IMP			139916.61	
CAPITAL MAINTENANCE/MUN. BLDG.			3424.10	
ACQUISITION FUND			4611.96	
WATER FUND			39526.19	
SEWER FUND			37078.35	
FRANCIS PARK			143.38	
SANITATION			29085.68	
CEMETERY FUND			10014.36	
CENTRAL MAINTENANCE			10450.69	
*** GRAND TOTAL ***			563678.01	
TOTAL FOR REGULAR CHECKS:			562,344.68	
TOTAL FOR DIRECT PAY VENDORS:			1,333.33	

A/P MANUAL CHECK POSTING LIST

POSTINGS FROM ALL CHECK REGISTRATION RUNS(NR) SINCE LAST CHECK VOUCHER RUN(NCR)

PAYABLE TO REG# INV NO	CHECK DATE G/L NUMBER	CHECK NO DESCRIPTION	AMOUNT	DISTR
01 BREEDLOVE'S SPORTING 426 37696	11/05/19 01-22-471	56822 COTHING ALLOWANCE	751.50	751.50
01 PATRIOT TRAILER MANUFACTURING 426 1115-B	11/07/19 39-73-840	56823 REPAIRS TO DUMP TRUCK# 9	8034.92	8034.92
15 ADVANCED ASPHALT COMPANY 426 3F-2019 ROAD	11/06/19 15-41-514	1059 PAY #3 2019 MFT ROAD	34751.55	34751.55
31 UMB BANK, NA 426 D102819-2012 426 D102819-2012	10/02/19 31-71-710 31-71-720	BC 11081 2012 BOND PRINCIPAL 2012 BOND INTEREST	304450.00	260000.00 44450.00
47 M.E.R.C. CONSTRUCTION 426 D110519	10/02/19 47-84-890	BC110519 EAST ST /VIADUCT PROJECT	29193.66	29193.66
74 BLUE CROSS BLUE SHIELD OF IL 426 SD 10/19 426 SD 10/19	11/06/19 74-14-451 74-14-452	1372.1 HEALTH INS CLAIMS STOP LOSS SPECIFIC	98156.46	101712.86 3556.40-
74 MUTUAL OF OMAHA 426 001021544574	10/02/19 74-14-452	1368.1 LIFE/AD&D INS-11-19	327.60	327.60
74 SISCO 426 D102519	10/02/19 74-14-451	1367.1 DENTAL/HEALTH CLAIMS	1841.41	1841.41
74 SISCO 426 S110119	10/02/19 74-14-451	1371.1 DENTAL/ VISION CLAIMS	1550.70	1550.70
74 SISCO 426 198899	10/02/19 74-14-451	432.43 DENTAL VISION ADMIN	432.43	432.43
74 YMCA 426 OCT 2019	10/02/19 74-14-451	78.50 FITMESS MEMBERSHIP% OCTOBER	78.50	78.50
** TOTAL MANUAL CHECKS REGISTERED			479568.73	

A/P MANUAL CHECK POSTING LIST

POSTINGS FROM ALL CHECK REGISTRATION RUNS(NR) SINCE LAST CHECK VOUCHER RUN(NCR)

PAYABLE TO REG#	INV NO	CHECK DATE G/L NUMBER	CHECK NO DESCRIPTION	AMOUNT	DISTR
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REPORT SUMMARY

CASH FUND	CHECKS TO BE ISSUED	REGISTERED MANUAL	TOTAL
01	563678.01	8786.42	572464.43
15	.00	34751.55	34751.55
31	.00	304450.00	304450.00
47	.00	29193.66	29193.66
74	.00	102387.10	102387.10
TOTAL CASH	563678.01	479568.73	1043246.74

DISTR FUND	CHECKS TO BE ISSUED	REGISTERED MANUAL	TOTAL
01	289426.69	751.50	290178.19
15	.00	34751.55	34751.55
31	139916.61	304450.00	444366.61
38	3424.10	.00	3424.10
39	4611.96	8034.92	12646.88
47	.00	29193.66	29193.66
51	39526.19	.00	39526.19
52	37078.35	.00	37078.35
54	143.38	.00	143.38
57	29085.68	.00	29085.68
58	10014.36	.00	10014.36
62	10450.69	.00	10450.69
74	.00	102387.10	102387.10
TOTAL DISTR	563678.01	479568.73	1043246.74

**CITY OF KEWANEE
CITY COUNCIL AGENDA ITEM**

MEETING DATE	September 23, 2019	
RESOLUTION OR ORDINANCE NUMBER		
AGENDA TITLE	Discussion concerning outdoor wood boilers and whether or not to allow installation within City Limits.	
REQUESTING DEPARTMENT	Community Development	
PRESENTER	Keith Edwards, Director of Community Development	
FISCAL INFORMATION	Cost as recommended:	N/A, including recurring charges
	Budget Line Item:	N/A
	Balance Available	N/A
	New Appropriation Required:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PURPOSE	To give guidance to staff with concern to outdoor wood boilers and if they should be allowed within city limits.	
BACKGROUND	I had a contractor inquire about a resident that is thinking about building a large garage and heating it with an outdoor boiler. The contractor wanted to know if outdoor boilers are allowed inside the city limits of Kewanee.	

SPECIAL NOTES

Concerns to the residents of the City that have sensitivity to smoke on normal burn days. Granted the wood burned in an outdoor boiler should only be clean dry firewood material which should burn rather clean; nevertheless, smoke will still be produced. If these devices are installed throughout the City, significant smoke could possibly be produced throughout the year, not just during burn seasons.

Another concern would be the storage/stock piling of firewood. This could potentially cause additional nuisance complaints with concerns to rodents nesting within poorly stacked firewood storage.

The plus to allowing outdoor wood boilers would be, of course, the energy saving factor for those residents that install these devices.

I know of one outdoor wood boiler that was installed prior to my placement in this office in 2010. There was a permit applied for and granted with no inspections documented. The installation of this particular unit was brought to my attention via a complaint received during my tenure doing Code Enforcement on the Police Department side of the building. I am not aware of any other complaints concerning this particular unit.

<p>ANALYSIS</p>	<p><i>What is an outdoor wood boiler? (From Wikipedia).</i></p> <p><i>The outdoor wood boiler is a variant on the indoor wood, oil or gas boiler. An outdoor wood boiler or outdoor wood stove is a unit about 4-6 feet wide and around 10 feet long. It is made up of four main parts- the firebox, which can be either round or square, the water jacket, the heat exchanger, and the weather proof housing. The fire box ranges from 2 to 5 feet long and can be as tall as 4 feet. The firebox and heat exchanger are surrounded by water or a glycol-water solution, which absorb heat from the burning wood. The heated water is generally circulated through insulated underground lines to a heating load, where the heat can be transferred from the water to various heat emitters.</i></p> <p>Chimney's and Smoke Stacks:</p> <p>The International Residential Code (IRC) Concerning chimney height states:</p> <p><i>R1003.9 Termination. Chimneys shall extend at least 2 feet higher than any portion of a building within 10 feet, but shall not be less than 3 feet above the highest point where the chimney passes through the roof.</i></p> <p>This termination requirement, if on the primary structure, will keep the peak of the chimney high enough in the air and provide enough updraft, in most situations, to keep smoke from a typical fireplace or wood burning stove from becoming a nuisance. This is something to keep in mind when considering outdoor wood boilers. Though these devices would be installed more than 10 feet from the primary structures (in most cases), to extend the chimney to a height that may help keep the smoke from becoming a nuisance would require guy wiring for support. The guy wiring itself may be considered an eyesore by some?</p> <p>Other Municipalities:</p> <p>Performing a quick Google search for ordinances of other municipalities results in a mix of opinions.</p>
<p>PUBLIC INFORMATION PROCESS</p>	

BOARD OR COMMISSION RECOMMENDATION	N/A
STAFF RECOMMENDATION	Staff requests guidance from Council and Mayor.
PROCUREMENT POLICY VERIFICATION	N/A
REFERENCE DOCUMENTS ATTACHED	Photos from google search





MINUTES of a regular public meeting of the City Council of the City of Kewanee, Henry County, Illinois, held at the Kewanee Council Chambers, 401 East Third Street, Kewanee, Illinois, at 7:00 P.M., on the 12th day of November, 2019.

* * *

The Mayor called the meeting to order and directed the City Clerk to call the roll.

Upon roll call, Gary Moore, the Mayor, and the following Council Members at said location answered present: Chris Colomer, Mike Komnick, Steve Faber and Mike Yaklich.

The following Council Members were allowed by a majority of the members of the City Council in accordance with and to the extent allowed by rules adopted by the City Council to attend the meeting by video or audio conference: N/A

No Council Member was not permitted to attend the meeting by video or audio conference.

The following Council Members were absent and did not participate in the meeting in any manner or to any extent whatsoever: N/A

The Mayor announced that a proposal had been received from State Bank of Toulon, Toulon, Illinois, for the purchase of the District's General Obligation Refunding Bonds, Series 2019 of the City, and for the levy of a direct annual tax sufficient to pay the principal of and interest on said Bonds.

Whereupon the City Clerk presented and read by title an ordinance as follows, a copy of which was provided to each member of the City Council prior to said meeting and to everyone in attendance at said meeting who requested a copy:

ORDINANCE NO. 3982_____

AN ORDINANCE providing for the issuance of \$299,245 General Obligation Refunding Bonds, Series 2019 of the City of Kewanee, Henry County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

* * *

WHEREAS, the City of Kewanee, Henry County, Illinois (the “*City*”), is a duly organized and existing municipality and unit of local government of the State of Illinois, and is now operating under and pursuant to the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto (the “*Code*”), including the Local Government Debt Reform Act of the State of Illinois, as amended (the “*Debt Reform Act*”); and

WHEREAS, the City has issued, and now has outstanding and unpaid, its General Obligation Refunding Bonds (Alternate Revenue Source), Series 2015 (the “*Prior Bonds*”); and

WHEREAS, it is necessary and desirable to refund the principal and interest due on December 1, 2019 (the “*Refunded Bonds*”), with respect to the Prior Bonds (the “*Refunding*”); and

WHEREAS, the Prior Bonds are presently outstanding and unpaid and are binding and subsisting legal obligations of the City; and

WHEREAS, the City Council of the City (the “*Corporate Authorities*”) finds that it does not have sufficient funds on hand for the refunding purposes aforesaid, and that the cost thereof, including legal, financial and other expenses, will be not less than \$299,245, and that it is necessary and for the best interests of the City that it borrow the sum of \$299,245 and issue bonds of the City to evidence the borrowing; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, as amended, the Mayor of the Corporate Authorities, on

the 28th day of October, 2019, held a public hearing (the "*Hearing*"), concerning the intent of the Corporate Authorities to sell said bonds; and

WHEREAS, notice of the Hearing was given (i) by publication at least once not less than seven (7) nor more than thirty (30) days before the date of the Hearing in the *Star Courier*, the same being a newspaper of general circulation in the City, and (ii) by posting at least 48 hours before the Hearing a copy of said notice at the principal office of the Corporate Authorities; and

WHEREAS, the Hearing was held on the 28th day of October, 2019, and at the Hearing, the Corporate Authorities explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on the 28th day of October, 2019; and

WHEREAS, the Corporate Authorities does hereby find and determine that (a) said bonds shall be issued as limited bonds under the provisions of the Debt Reform Act, and (b) upon the issuance of the \$299,245 General Obligation Refunding Bonds, Series 2019 (the "*Bonds*"), now proposed to be issued, the aggregate outstanding unpaid bonded indebtedness of the City, including said bonds, is not more than one-half of one percent of the total assessed valuation of all taxable property in the City as last equalized and determined, and pursuant to the provisions of the Debt Reform Act and Section 8-5-16 of the Code, it is not necessary to submit the proposition of issuing said bonds to the voters of the City for approval:

Now, THEREFORE, Be It Ordained by the Corporate Authorities of the City of Kewanee, Henry County, Illinois, as follows:

Section 1. Incorporation of Preambles. The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are full, true and correct and do incorporate them into this Ordinance by this reference.

Section 2. Authorization. It is hereby found and determined that the City has been authorized by law to borrow the sum of \$299,245 upon the credit of the City and as evidence of such indebtedness to issue bonds of the City in said amount, the proceeds of said bonds to be used for the refunding purposes aforesaid, and it is necessary and for the best interests of the City that there be issued at this time \$299,245 of the bonds so authorized.

Section 3. Bond Details. There be borrowed on the credit of and for and on behalf of the City the sum of \$299,245 for the purpose aforesaid; and that the bonds of the City shall be designated "General Obligation Refunding Bonds, Series 2019" (the "Bonds"). The Bonds shall be dated November 26, 2019, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5 each and authorized integral multiples thereof, shall be numbered 1, shall become due and payable (without option of prior redemption) on October 15, 2020, and bear interest at the rate of 1.40% per annum.

The Bonds shall bear interest from their date until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable at maturity. Interest on each Bond shall be paid by check or draft of State Bank of Toulon, Toulon, Illinois, the bond registrar and paying agent (the "*Bond Registrar*"), payable upon presentation in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on October 1, 2020. The principal of the Bonds shall be payable in lawful money of the United States of America at the office of the Bond Registrar.

The Bonds shall be signed by the manual or facsimile signature of the Mayor and be attested by the manual or facsimile signature of the City Clerk of the Corporate Authorities and the seal of the City shall be affixed thereto or printed thereon, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

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

Section 4. Registration of Bonds; Persons Treated as Owners. The City shall cause books for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the office of the Bond Registrar, which is hereby constituted and appointed the registrar of the City. The City is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form

satisfactory to the Bond Registrar and duly executed by, the registered owner or his attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on October 1, 2020 ending at the opening of business on October 15, 2020.

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

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

Section 5. Form of Bond. The Bonds shall be in substantially the following form:

REGISTERED
No. R-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF HENRY

CITY OF KEWANEE

GENERAL OBLIGATION REFUNDING BOND, SERIES 2019

Interest
Rate
1.40%

Maturity
Date
October 15, 2020

Dated
Date
November 26, 2019

Registered Owner:

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the City of Kewanee, Henry County, Illinois (the "*City*"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on October 15, 2020, until said Principal Amount is paid. Principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender hereof at the office of the State Bank of Toulon, Toulon, Illinois, as bond registrar and paying agent (the "*Bond Registrar*"). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Bond Registrar at the close of business on October 1, 2020 and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on

such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar.

[2] This Bond is issued by the City for refunding certain outstanding obligations of the City and for the payment of the expenses incident thereto, pursuant to and in all respects in full compliance with the provisions of the Section 8-5-16 of the Illinois Municipal Code, the Bond Issue Notification Act of the State of Illinois, the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and is authorized by the Corporate Authorities of the City by an ordinance duly and properly adopted for that purpose, in all respects as provided by law.

[3] This Bond is not subject to optional redemption prior to maturity.

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

[5] The City hereby designates this Bond as qualified tax-exempt obligations to qualify this Bond for the \$10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.

[6] The Bonds are issued in fully registered form in the denomination of \$5 each or authorized integral multiples thereof. This Bond may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized

denominations, upon the terms set forth in the authorizing ordinance. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on October 1, 2020 and ending at the opening of business on October 15, 2020.

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

[8] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the City, including the issue of bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

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

IN WITNESS WHEREOF, said City of Kewanee, Henry County, Illinois, by its City Council, has caused its corporate seal to be hereunto affixed or printed hereon, and this Bond to be signed by the manual or duly authorized facsimile signature of the Mayor and be attested by the manual or duly authorized facsimile signature of the City Clerk, all as of the Dated Date identified above.

**CITY OF KEWANEE, HENRY COUNTY,
ILLINOIS**

By: _____
Its: Mayor

(SEAL)

ATTEST:

By: _____
Its: City Clerk

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within mentioned Ordinance.

STATE BANK OF TOULON, Registrar and Paying
Agent

By: _____
Its: _____

Date of Authentication: November 26, 2019

(ASSIGNMENT)

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____

Signature guaranteed: _____

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

Section 6. Sale of Bonds. The Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the passage hereof as may be, and thereupon be deposited with the Treasurer of the Corporate Authorities, and be by said Treasurer delivered to State Bank of Toulon, Toulon, Illinois, the purchaser thereof (the "*Purchaser*") or other entity as set forth in the Bond Order, upon receipt of the purchase price therefor, the same being par; the contract for the sale of the Bonds heretofore entered into (the "*Purchase Contract*") is in all respects ratified, approved and confirmed, it being hereby found and determined that the Bonds have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received upon such sale exceed the maximum rate otherwise authorized by Illinois law and that the Purchase Contract 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 Purchase Contract.

If applicable, the use by the Purchaser of any Preliminary Term Sheet and any final Term Sheet relating to the Bonds (the "*Term Sheet*") is hereby ratified, approved and authorized; the execution and delivery of the Term Sheet is hereby authorized; and the officers of the Corporate Authorities are hereby authorized to take any action as may be required on the part of the City to consummate the transactions contemplated by the Purchase Contract, this Ordinance, said Preliminary Term Sheet, the Term Sheet and the Bonds.

Section 7. Tax Levy. In order to provide for the collection of a direct annual tax sufficient to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there be and there is hereby levied upon all the taxable property within the City a direct annual tax for each of the years while the Bonds or any of them are

outstanding, in amounts sufficient for that purpose, and that there be and there is hereby levied upon all of the taxable property in the City, the following direct annual tax, to-wit:

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:
2019	\$302,957.30 for interest and principal up to and including October 15, 2020

Principal or interest maturing at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the City, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall be collected.

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

Section 8. Filing of Ordinance. Forthwith upon the passage and effective date of this Ordinance, the City Clerk is hereby directed to file a certified copy of this Ordinance with the County Clerk of the County of Henry, Illinois (the "*County Clerk*"), and it shall be the duty of the County Clerk to, annually in and for the levy year above, ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the City in connection with other taxes levied in said year for City purposes, in order to raise the amount aforesaid and in said year such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general purposes of the City, and when

collected, the taxes hereby levied shall be placed to the credit of a special fund to be designated “Corporate Purpose Bond and Interest Fund of 2019” (the “*Bond Fund*”), which taxes are hereby irrevocably, pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds.

Section 9. [Reserved].

Section 10. Use of Bond Proceeds. Any accrued interest received on the delivery of the Bonds is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund. Principal proceeds (including premium) of the Bonds are hereby appropriated for the purpose of paying the principal of and interest on the Prior Bonds on December 1, 2019, and the costs of issuance of the Bonds.

Section 11. Non-Arbitrage and Tax-Exemption. One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the Corporate Authorities and the City as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein and at the time of the Closing are made on behalf of the City for the benefit of the owners from time to time of the Bonds. In addition to providing the certifications, covenants and representations contained herein, the City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the hereinafter defined Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service of the

exemption from federal income taxation for interest paid on the Bonds, under present rules, the City may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination. The Corporate Authorities and the City certify, covenant and represent as follows:

11.1. *Definitions.* In addition to such other words and terms used and defined in this Ordinance, the following words and terms used in this Section shall have the following meanings unless, in either case, the context or use clearly indicates another or different meaning is intended:

“*Affiliated Person*” means any Person that (a) at any time during the six months prior to the execution and delivery of the Bonds, (i) has more than five percent of the voting power of the governing body of the City in the aggregate vested in its directors, officers, owners, and employees or, (ii) has more than five percent of the voting power of its governing body in the aggregate vested in directors, officers, board members or employees of the City or (b) during the one-year period beginning six months prior to the execution and delivery of the Bonds, (i) the composition of the governing body of which is modified or established to reflect (directly or indirectly) representation of the interests of the City (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period) or (ii) the composition of the governing body of the City is modified or established to reflect (directly or indirectly) representation of the interests of such Person (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period).

“*Bond Counsel*” means Ice Miller LLP or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

“*Capital Expenditures*” means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under federal income tax principles if the City were treated as a corporation subject to federal income taxation, taking into account the definition of Placed-in-Service set forth herein.

“*Closing*” means the first date on which the City is receiving the purchase price for the Bonds.

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

“*Commingled Fund*” means any fund or account containing both Gross Proceeds and an amount in excess of \$25,000 that are not Gross Proceeds if the amounts in the

fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

“*Control*” means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

(a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or

(b) to require the use of funds or assets of a Controlled Entity for any purpose.

“*Controlled Entity*” means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

“*Controlled Group*” means a group of entities directly or indirectly subject to Control by the same entity or group of entities, including the entity that has Control of the other entities.

“*Controlling Entity*” means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

“*Costs of Issuance*” means the costs of issuing the Bonds, including underwriters’ discount and legal fees.

“*De minimis Amount of Original Issue Discount or Premium*” means with respect to an obligation (a) any original issue discount or premium that does not exceed two percent of the stated redemption price at maturity of the Bonds plus (b) any original issue premium that is attributable exclusively to reasonable underwriter’s compensation.

“*External Commingled Fund*” means a Commingled Fund in which the City and all members of the same Controlled Group as the City own, in the aggregate, not more than ten percent of the beneficial interests.

“*GIC*” means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (e.g., a forward supply contract).

“*Gross Proceeds*” means amounts in the Bond Fund and amounts used to pay the Prior Bonds.

“*Net Sale Proceeds*” means amounts actually or constructively received from the sale of the Bonds reduced by any such amounts that are deposited in a reasonably required reserve or replacement fund for the Bonds.

“*Person*” means any entity with standing to be sued or to sue, including any natural person, corporation, body politic, governmental unit, agency, authority, partnership, trust, estate, association, company, or group of any of the above.

“*Placed-in-Service*” means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

“*Prior Bond Fund*” means the fund or funds established in connection with the issuance of the Prior Bonds to pay the debt service on the Prior Bonds.

“*Prior Bond Proceeds*” means amounts actually or constructively received from the sale of the Refunded Bonds, including (a) amounts used to pay underwriters’ discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before the Refunded Bonds were issued but only if it is to be paid within one year after the Refunded Bonds were issued and (b) amounts derived from the sale of any right that is part of the terms of a Refunded Bond or is otherwise associated with a Refunded Bond (e.g., a redemption right).

“*Prior Bonds*” means the City’s outstanding issues being refunded by the Bonds, as more particularly described in the preambles hereof.

“*Prior Project*” means the facilities financed, directly or indirectly with the proceeds of the Prior Bonds.

“*Private Business Use*” means any use of the Prior Project by any Person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Prior Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Prior Project that is available for use by the general public or that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Prior Project that is not available for use by the general public.

“*Qualified Administrative Costs of Investments*” means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions but not legal and accounting fees, recordkeeping, custody and similar costs; or (b) all reasonable administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund.

“*Qualified Tax Exempt Obligations*” means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an

interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest which is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. pt. 344.

"Rebate Fund" means the fund, if any, identified and defined in paragraph 4.2 herein.

"Rebate Provisions" means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

"Refunded Bonds" means those certain Prior Bonds being refunded by the Bonds.

"Regulations" means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

"Reimbursed Expenditures" means expenditures of the City paid prior to Closing to which Sale Proceeds or investment earnings thereon are or will be allocated.

"Sale Proceeds" means amounts actually or constructively received from the sale of the Bonds, including (a) amounts used to pay underwriters' discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (e.g., a redemption right).

"Transferred Proceeds" means amounts actually or constructively received from the sale of the Prior Bonds, plus investment earnings thereon, which have not been spent prior to the date principal on the Refunded Bonds is discharged by the Bonds.

"Yield" means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation's purchase price (or in the case of the Bonds, the issue price as established in paragraph 5.1 hereof), including accrued interest.

"Yield Reduction Payment" means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

11.2. *Purpose of the Bonds.* The Bonds are being issued solely and exclusively to refund in advance of maturity the Refunded Bonds in a prudent manner consistent with the revenue needs of the City. A breakdown of the sources and uses of funds is set forth in the preceding Section of this Ordinance. Except for any accrued interest on the Bonds

used to pay first interest due on the Bonds, no proceeds of the Bonds will be used more than 90 days after the date of issue of the Bonds for the purpose of paying any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the City or for the purpose of replacing any funds of the City used for such purpose.

11.3. *Bond Fund investment.* The investment earnings on the Bond Fund will be spent to pay interest on the Bonds, or to the extent permitted by law, investment earnings on amounts in the Bond Fund will be commingled with substantial revenues from the governmental operations of the City, and the earnings are reasonably expected to be spent for governmental purposes within six months of the date earned. Interest earnings on the Bond Fund have not been earmarked or restricted by the Corporate Authorities for a designated purpose.

11.4. *Reimbursement.* None of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

11.5. *Working Capital.* All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to pay principal of, interest on and redemption premium (if any) on the Refunded Bonds, other than the following:

- (a) payments of interest on the Bonds for the period commencing at Closing and ending on the date one year after the date on which the Prior Project is Placed-in-Service;
- (b) Costs of Issuance and Qualified Administrative Cost of Investments;
- (c) payments of rebate or Yield Reduction Payments made to the United States under the Regulations;
- (d) principal of or interest on the Bonds paid from unexpected excess Sale Proceeds and investment earnings thereon; and
- (e) investment earnings that are commingled with substantial other revenues and are expected to be allocated to expenditures within six months.

11.6. *Consequences of Contrary Expenditure.* The City acknowledges that if Sale Proceeds and investment earnings thereon are spent other than as permitted by paragraph 2.4 hereof, a like amount of then available funds of the City will be treated as unspent Sale Proceeds.

11.7. *Investment of Bond Proceeds.* No portion of the Bonds is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

11.8. *No Grants.* None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

11.9. *Hedges.* Neither the City nor any member of the same Controlled Group as the City has entered into or expects to enter into any hedge (e.g., an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Bonds or the Prior Bonds. The City acknowledges that any such hedge could affect, among other things, the calculation of Bond Yield under the Regulations. The Internal Revenue Service could recalculate Bond Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction.

The City also acknowledges that if it acquires a hedging contract with an investment element (including e.g., an off-market swap agreement, or any cap agreement for which all or a portion of the premium is paid at, or before the effective date of the cap agreement), then a portion of such hedging contract may be treated as an investment of Gross Proceeds of the Bonds, and be subject to the fair market purchase price rules, rebate and yield restriction. The City agrees not to use proceeds of the Bonds to pay for any such hedging contract in whole or in part. The City also agrees that it will not give any assurances to any Bond holder or any credit or liquidity enhancer with respect to the Bonds that any such hedging contract will be entered into or maintained. The City recognizes that if a portion of a hedging contract is determined to be an investment of gross proceeds such portion may not be fairly priced even if the hedging contract as a whole is fairly priced.

11.10. *Internal Revenue Service Audits.* The City represents that the Internal Revenue Service has not contacted the City regarding the Prior Bonds or any other obligations issued by or on behalf of the City. To the best, of the knowledge of the City, no such obligations of the City are currently under examination by the Internal Revenue Service.

11.11. *Abusive Transactions.* Neither the City nor any member of the same Controlled Group as the City will receive a rebate or credit resulting from any payments having been made in connection with the issuance of the Bonds or the current refunding of the Refunded Bonds.

11.12. *Use of Proceeds.* (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under this Ordinance at the time of Closing are described in the preceding Section of this Ordinance. No Sale Proceeds will be used to pre-pay for goods or services to be received over a period of years prior to the date such goods or services are to be received. No Sale Proceeds or any investment earnings thereon will be used to pay for or otherwise acquire goods or services from an Affiliated Person.

(b) Only the funds and accounts described in said Section will be funded at Closing. There are no other funds or accounts created under this Ordinance, other than the Rebate Fund if it is created as provided in paragraph 4.2 hereof.

(c) Principal of and interest on the Bonds will be paid from the Bond Fund.

(d) Any Costs of Issuance incurred in connection with the issuance of the Bonds to be paid by the City will be paid at the time of Closing.

11.13. *Purpose of Bond Fund.* The Bond Fund will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Bonds in each bond year. It is expected that the Bond Fund will be depleted at least once a year, except for a reasonable carry over amount the greater of (a) the earnings on the investment of moneys in the Bond Fund for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Bonds for the immediately preceding bond year.

11.14. *The Prior Bonds.* (a) As of the earlier of (i) the time of the Closing or (ii) the date three years after the Prior Bonds were issued, all Prior Bond Proceeds, including investment earnings thereon, were completely spent to pay the costs of Capital Expenditures.

(b) As of the date hereof, no Prior Bond Proceeds or money or property of any kind (including cash) is on deposit in any fund or account, regardless of where held or the source thereof, with respect to the Prior Bonds or any credit enhancement or liquidity device relating to the foregoing, or is otherwise restricted to pay the City's obligations.

(c) The Prior Bond Fund was used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Prior Bonds in each bond year. The Prior Bond Fund was depleted at least once a year, except for a reasonable carry over amount the greater of (i) the earnings on the investment of moneys in such account for the immediately preceding bond year or (ii) one-twelfth (1/12th) of the principal and interest payments on the Prior Bonds.

(d) At the time the Prior Bonds were issued, the City reasonably expected to spend at least 85% of the proceeds (including investment earnings) of the Prior Bonds to be used for non-refunding purposes for such purposes within three years of the date the Prior Bonds were issued and such proceeds were so spent. Not more than 50% of the proceeds of the Prior Bonds to be used for non-refunding purposes were invested in investments having a substantially guaranteed Yield for four years or more.

(e) The Refunded Bonds do not include, directly or indirectly in a series, any advance refunding obligations.

(f) The City has not been notified that the Prior Bonds or any obligation refunded by the Prior Bonds are under examination by the Internal Revenue Service, and to the best of the City's knowledge the Prior Bonds nor any obligation refunded by the Prior Bonds are under examination by the Internal Revenue Service.

(g) The City acknowledges that (i) the final rebate payment with respect to the Prior Bonds may be required to be made sooner than if the refunding had not occurred and (ii) the final rebate is due 60 days after the Prior Bonds are paid in full.

11.15. *No Other Gross Proceeds.* (a) Except for the Bond Fund and except for investment earnings that have been commingled as described in paragraph 2.2 and any credit enhancement or liquidity device related to the Bonds, after the issuance of the Bonds, neither the City nor any member of the same Controlled Group as the City has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

(ii) amounts in any fund or account with respect to the Bonds (other than the Rebate Fund);

(iii) Transferred Proceeds;

(iv) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(v) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds or any obligations under any credit enhancement or liquidity device with respect to the Bonds, even if the City encounters financial difficulties;

(vi) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the Bondholders or any credit enhancement provider, including any liquidity device or negative pledge (e.g., any amount pledged to pay principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Bonds or a guarantor of the Bonds); or

(vii) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i) or (ii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes required to be maintained at least at a

particular level or similar arrangement exists with respect to, in any way, the Bonds or any credit enhancement or liquidity device related to the Bonds.

(c) The term of the Bonds is not longer than is reasonably necessary for the governmental purposes of the Bonds. The average reasonably expected remaining economic life of the Prior Project is at least 10 years. The weighted average maturity of the Bonds does not exceed one year and does not exceed 120 percent of the average reasonably expected economic life of the Prior Project. The maturity schedule of the Bonds (the "*Principal Payment Schedule*") is based on an analysis of revenues expected to be available to pay debt service on the Bonds. The Principal Payment Schedule is not more rapid (i.e., having a lower average maturity) because a more rapid schedule would place an undue burden on tax rates and cause such rates to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Bonds as set forth in paragraph 2.1 hereof.

11.16. *Compliance with Rebate Provisions.* The City covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Bonds. The City will make, or cause to be made, rebate payments with respect to the Bonds in accordance with law.

11.17. *Rebate Fund.* The City is hereby authorized to create and establish a special fund to be known as the Rebate Fund (the "*Rebate Fund*"), which, if created, shall be continuously held, invested, expended and accounted for in accordance with this Ordinance. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Bonds. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Ordinance.

11.18. *Records.* The City agrees to keep and retain or cause to be kept and retained for the period described in Section 7.9 adequate records with respect to the investment of all Gross Proceeds and amounts in the Rebate Fund. Such records shall include: (a) purchase price; (b) purchase date; (c) type of investment; (d) accrued interest paid; (e) interest rate; (f) principal amount; (g) maturity date; (h) interest payment date; (i) date of liquidation; and (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment is retained after the date the last Bond is retired, the records required to be kept shall include the fair market value of such investment on the date the last Bond is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

11.19. *Fair Market Value; Certificates of Deposit and Investment Agreements.* The City will continuously invest all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Ordinance. In making investments of Gross Proceeds or of amounts in the Rebate Fund the City shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) 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 reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review others bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased

(i.e., providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Bonds;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Bonds;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the City or any other person (whether or not in connection with the Bonds) and that the bid is not being submitted solely as a courtesy to the City or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

(c) If a GIC is purchased, the City will retain the following records with its bond documents until three years after the Bonds are redeemed in their entirety:

(i) a copy of the GIC;

(ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under subparagraph (b)(xi) of this paragraph;

(iii) 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; and

(iv) the bid solicitation form and, if the terms of the GIC 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.

Moneys to be rebated to the United States shall be invested to mature on or prior to the anticipated rebate payment date. All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in this Section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market" includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or Yield restriction requirements not been relevant to the City. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this paragraph.

A single investment, or multiple investments awarded to a provider based on a single bid may not be used for funds subject to different rules relating to rebate or yield restriction.

The foregoing provisions of this paragraph satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this paragraph are contained herein for the protection of the City, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Bonds. The City will contact Bond Counsel if it does not wish to comply with the provisions of this paragraph and forego the protection provided by the safe harbors provided herein.

11.20. *Arbitrage Elections.* The Mayor, City Clerk and Treasurer of the Corporate Authorities are hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

11.21. *Six Month Exception.* If all Gross Proceeds of the Bonds (including earnings thereon) are spent within six months of the date the Bonds are issued, other than amounts deposited in a reasonably required reserve fund or a bona fide debt service fund, no rebate is required except in the case of unexpected gross proceeds arising after the date of Closing. If all proceeds (including earnings thereon) required to be spent are so

spent within this six-month period, except for 5% of the Bond proceeds, and the City spends the 5% (plus earnings thereon), within one year from the Closing, no rebate is required. To qualify for the six-month exception, there must be no other amounts that are treated as Gross Proceeds of the Bonds, other than a reasonably required reserve or replacement fund or a bona fide debt service fund. Even if the City qualifies for this exception, the City may have to rebate with respect to any amounts that arise or are pledged to the payment of the Bonds at a later date.

11.22. *Issue Price.* For purposes of determining the Yield on the Bonds, the purchase price of the Bonds is equal to the price being paid to the City by the Purchaser. The Purchaser is buying the Bonds as an investment for its own account with no intention to resell the Bonds. The purchase price of each of the Bonds is not less than the fair market value of the Bond as of the date the Purchaser agreed to buy the Bonds.

11.23. *Yield Limits.* Except as provided in paragraph (a) or (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Bonds.

The following may be invested without Yield restriction:

(a) (i) amounts on deposit in the Bond Fund (except for capitalized interest) that have not been on deposit under the Ordinance for more than 13 months, so long as the Bond Fund continues to qualify as a bona fide debt service fund as described in paragraph 3.2 hereof;

(ii) amounts to be used for a Current Refunding until the earlier to occur of 90 days after Closing or the date of final payment of debt service to be made from Bond Proceeds on the Refunded Bonds allocable to such Current Refunding;

(b) (i) An amount the lesser of \$100,000 or five percent of the Sale Proceeds;

(ii) amounts invested in Qualified Tax Exempt Obligations (to the extent permitted by law and this Ordinance);

(iii) amounts in the Rebate Fund;

(iv) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and

(v) all amounts derived from the investment of Sale Proceeds or investment earnings thereon for a period of one year from the date received.

11.24. *Continuing Nature of Yield Limits.* Except as provided in paragraph 7.10 hereof, once moneys are subject to the Yield limits of paragraph 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

11.25. *Federal Guarantees.* Except for investments meeting the requirements of paragraph 5.2(a) hereof, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank, as amended (e.g., Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). Except as otherwise permitted in the immediately prior sentence and in the Regulations, no portion of the payment of principal or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). Neither this paragraph nor paragraph 5.5 hereof applies to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

11.26. *Investments After the Expiration of Temporary Periods, Etc.* Any amounts that are subject to the yield limitation in Section 5.2 because Section 5.2(a) is not applicable and amounts not subject to yield restriction only because they are described in Section 5.2(b) cannot be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home, Loan Bank Act, as amended (e.g., Refcorp Strips).

11.27. *Payment and Use Tests.* (a) No more than five percent of the proceeds of each issue of the Prior Bonds and investment earnings thereon were used, directly or indirectly, in whole or in part, in any Private Business Use. The City acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(b) The payment of more than five percent of the principal of or the interest on the Bonds or on each issue of the Prior Bonds considered separately will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the City or a member of the same Controlled Group as the City) in respect of property, or borrowed money, used or to be used in any Private Business Use.

(c) No more than the lesser of \$5,000,000 or five percent of the sum of the proceeds of each issue of the Prior Bonds and investment earnings thereon were used, and no more than the lesser of \$5,000,000 or five percent of the sum of the Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to make or finance loans to any persons. The City acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(d) No user of the Prior Project other than a state or local governmental unit will use more than five percent of such facilities, considered separately, on any basis other than the same basis as the general public.

11.28. *I.R.S. Form 8038-G.* The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, is true and complete. The City will file Form 8038-G (and all other required information reporting forms) in a timely manner.

11.29. *Bank Qualification.* (a) The City hereby designates each of the Bonds as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the City hereby certifies that (i) none of the Bonds will be at any time a “private activity bond” (as defined in Section 141 of the Code) other than a “qualified 501(c)(3) bond” (as defined in Section 145 of the Code), (ii) as of the date hereof in calendar year 2019, the City has not issued any tax-exempt obligations of any kind other than the Bonds nor have any tax-exempt obligations of any kind been issued on behalf of the City and (iii) not more than \$10,000,000 of obligations of any kind (including the Bonds) issued by or on behalf of the City during calendar year 2019 will be designated for purposes of Section 265(b)(3) of the Code.

(b) The City is not subject to Control by any entity, and there are no entities subject to Control by the City.

(c) On the date hereof, the City does not reasonably anticipate that for calendar year 2019 it will issue any Section 265 Tax-Exempt Obligations (other than the Bonds), or that any Section 265 Tax-Exempt Obligations will be issued on behalf of it. “Section 265 Tax-Exempt Obligations” are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code. The City will not issue or permit the issuance on behalf of it or by any entity subject to Control by the City (which may hereafter come into existence) of Section 265 Tax-Exempt Obligations (including the Bonds) that exceed the aggregate amount of \$10,000,000 during calendar year 2019 unless it first obtains an opinion of Bond Counsel to the effect that such issuance will not adversely affect the treatment of

the Bonds as “qualified tax-exempt obligations” for the purposes and within the meaning of Section 265(b)(3) of the Code.

11.30. *Termination; Interest of City in Rebate Fund.* The terms and provisions set forth in this Section shall terminate at the later of (a) 75 days after the Bonds have been fully paid and retired or (b) the date on which all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States and any other payments required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of paragraphs 4.3, 4.4(c) and 7.9 hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

11.31. *Separate Issue.* Since a date that is 15 days prior to the date of sale of the Bonds by the City to the Purchaser, neither the City nor any member of the same Controlled Group as the City has sold or delivered any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds. Neither the City nor any member, of the same Controlled Group as the City will sell or deliver within 15 days after the date of sale of the Bonds any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

11.32. *No Sale of the Prior Project.* (a) Other than as provided in the next sentence, neither the Prior Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the City of the property (determined on the date of issuance of the Bonds) or (ii) the maturity date of the Bonds. The City may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of the reasonably expected economic life to the City of the property (determined on the date of issuance of the Bonds) or (ii) the maturity of the Bonds, provided: (A) the weighted average maturity of the Bonds financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the City reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the City deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the City reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

(b) The City acknowledges that if property financed with the Prior Bonds is sold or otherwise disposed of in a manner contrary to (a) above, such sale or disposition may constitute a “deliberate action” within the meaning of the Regulations that may require remedial actions to prevent the Bonds from becoming private activity bonds. The City shall promptly contact Bond Counsel if a sale or other disposition of Bond-financed property is considered by the City.

11.33. *Purchase of Bonds by City.* The City will not purchase any of the Bonds except to cancel such Bonds.

11.34. *Final Maturity.* The period between the date of Closing and the final maturity of the Bonds is not more than 10-1/2 years.

11.35. *Registered Form.* The City recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon be exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the City agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

11.36. *First Amendment.* The City acknowledges and agrees that it will not use, or allow the Prior Project to be used, in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America or by any comparable provisions of the Constitution of the State of Illinois.

11.37. *Future Events.* The City acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein. The City shall promptly contact Bond Counsel if such changes do occur.

11.38. *Records Retention.* The City agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Bonds from federal income taxation, to demonstrate compliance with the covenants in this Ordinance and to show that all tax returns related to the Bonds submitted or required to be submitted to the Internal Revenue Service are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Bond transaction (including this Ordinance and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (i.e., copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the information required under paragraphs 4.3 and 4.4 hereof and in particular information related to the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Bonds are outstanding, plus three (3) years after the later of the final payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds.

11.39. *Permitted Changes; Opinion of Bond Counsel.* The Yield restrictions contained in paragraph 5.2 hereof or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result

in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled and the City receives an opinion of Bond Counsel to such effect. Unless the City otherwise directs, such opinion shall be in such form and contain such disclosures and disclaimers as may be required so that such opinion will not be treated as a covered opinion or a state or local bond opinion for purposes of Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230) 31 C.F.R. pt. 10.

11.40. *Excess Proceeds.* Gross Proceeds of the Bonds and investment earnings thereon and all unspent Prior Bond Proceeds as of the date of Closing and investment earnings thereon do not exceed by more than one percent of the Sale Proceeds of the Bonds the amount that will be used for:

- (i) payment of principal of or interest or call premium on the Refunded Bonds;
- (ii) payment of pre-issuance accrued interest on the Bonds and interest on the Bonds that accrues for a period up to the completion date of any capital project for which the prior issue was issued, plus one year;
- (iii) payment of cost of issuance of the Bonds;
- (iv) payment of administrative costs allocable to repaying the Refunded Bonds, carrying and repaying the Bonds or investments of the Bonds;
- (v) Prior Bond Proceeds that will be used or maintained for the governmental purpose of the Refunded Bonds; and
- (vi) interest on purpose investments.

11.41. *Successors and Assigns.* The terms, provisions, covenants and conditions of this Section shall bind and inure to the benefit of the respective successors and assigns of the Corporate Authorities and the City.

11.42. *Expectations.* The Corporate Authorities have reviewed the facts, estimates and circumstances in existence on the date of issuance of the Bonds. Such facts, estimates and circumstances, together with the expectations of the City as to future events, are set forth in summary form in this Section. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein, the City has adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that Sale Proceeds, investment earnings thereon or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds within the meaning of the Rebate Provisions and the Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

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

The Corporate Authorities hereby authorize the officials of the City responsible for issuing the Bonds, the same being the Mayor, City Clerk and Treasurer of the Corporate Authorities, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be exempt from federal income taxation. In connection therewith, the City and the Corporate Authorities further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the City in such compliance.

Section 12. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

Section 13. Duties of Bond Registrar. If requested by the Bond Registrar, the Mayor and City Clerk of the Corporate Authorities are authorized to execute the Bond Registrar's

standard form of agreement between the City and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

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

Section 14. 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 provisions shall not affect any of the remaining provisions of this Ordinance.

Section 15. Repeal. All ordinances, resolutions or parts thereof in conflict herewith be and the same are hereby repealed and this Ordinance shall be in full force and effect forthwith upon its adoption.

Adopted November 12, 2019.

Mayor

Attest:

City Clerk

(SEAL)