



City of Pekin

REGULAR CITY COUNCIL MEETING MONDAY, FEBRUARY 10, 2020 5:30 PM

1.	Pledge of Allegiance
2.	Call to Order
3.	Approve Agenda
3.1.	Approve agenda
4.	Approval of Minutes
4.1.	City Council - Regular Meeting - Jan 27, 2020 5:30 PM
5.	Public Input
6.	Consent Agenda
6.1.	"Young Authors Week" March 2-8, 2020 ACTION REQUESTED: Approve the Proclamation.
6.2.	Accounts Payable Bill Run through 02-07-20 ACTION REQUESTED: Receive and File Accounts Payable Proof List through February 7, 2020
6.3.	January 2020 Building Report ACTION REQUESTED: Receive and File January 2020 Building Report
6.4.	November 13, 2019 Minutes of Pekin Plan Commission
6.5.	Police Department Stats - January 2020 ACTION REQUESTED: Receive and File Police Department Stats – January 2020
6.6.	Bus Department Complete Replacement HVAC System Project ACTION REQUESTED: Receive and File bids Mucciante Heating & Cooling and Standard Heating & Cooling
6.7.	Roof Emergency Replacement at the Bus Department

	ACTION REQUESTED: Receive and File Quotes Kreiling Roofing Co. and Kelly Construction
6.8.	Request for Proposals/Qualifications Tax Increment Financing District and Business Development District Establishment ACTION REQUESTED: Receive and File RFP/RFQ responses - Jacob & Klein LTD and Crowe LLP
6.9.	Sikich LLP City of Pekin Audits For the Year Ended April 30, 2018 ACTION REQUESTED: Receive and File 2018 Annual Financial Report, TIF CBD, TIF SIPCA, T/PCCC, Library, Sewerage, and Solid Waste
7.	Presentations: IHSA and Audit
8.	New Business
8.1.	Resolution No. 50-19/20 Support for IHSA Basketball Tournament in the amount of \$5,000 ACTION REQUESTED: Approve the Resolution.
8.2.	Resolution No. 51-19/20 Sponsorship of 2020 Pekin Marigold Festival Committee in the Amount of \$6,500 ACTION REQUESTED: Approve the Resolution
8.3.	Resolution No. 54-19/20 Memorandum of Understanding to Extend School Bus Transportation Services with District 108 ACTION REQUESTED: Approve the Resolution.
8.4.	Resolution No. 55-19/20 Memorandum of Understanding to Extend School Bus Transportation Services with District 303 ACTION REQUESTED: Approve the Resolution.
8.5.	Ordinance No. 2868-19/20 Central Business District TIF District Amendment to Intergovernmental Agreement with District 108 ACTION REQUESTED: Adopt the Ordinance.
8.6.	Ordinance No. 2869-19/20 Central Business District TIF District Amendment to Intergovernmental Agreement with District 303 ACTION REQUESTED: Adopt the Ordinance.

8.7. Ordinance No. 2861-19/20 Approving and Authorizing the Execution of a TIF Predevelopment Agreement by and between the City of Pekin and Sud Family Limited Partnership ACTION REQUESTED: Adopt the Ordinance.
8.8. Resolution No. 52-19/20 PAL Health Technology II Reimbursement ACTION REQUESTED: Approve the Resolution.
8.9. Ordinance No. 2862-19/20 Declaring Surplus Revenue in Southern Industrial Park TIF District ACTION REQUESTED: Adopt the Ordinance.
8.10. Ordinance No. 2867-19/20 Professional Services Agreement for TIF District Creation ACTION REQUESTED: Adopt the Ordinance.
8.11. Ordinance No. 2866-19/20 Professional Services Agreement for Business Development District Creation ACTION REQUESTED: Adopt the Ordinance.
8.12. Resolution No. 53-19/20 Authorization for Financing Airport Expansion ACTION REQUESTED: Approve the Resolution.
8.13. Resolution No. 59-19/20 A Resolution Authorizing the Mayor to Execute an Intergovernmental Agreement between the City of Pekin and Tazewell County to Receive Recycling Grants Funds for 2020 ACTION REQUESTED: Approve the Resolution.
8.14. Ordinance No. 2870-19/20 Providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds ACTION REQUESTED: Adopt the Ordinance.
8.15. Resolution No. 56-19/20 Agreement for Professional Services with CliftonLarsonAllen, LLP ACTION REQUESTED: Approve the Resolution.
8.16. Resolution No. 58 -19/20 IT Project Purchases For Backup Software Addition &

	Maintenance ACTION REQUESTED: Approve the Resolution.
8.17.	Ordinance No. 2863-19/20 An Ordinance Amending Title 3 Chapter 4F Regulating Video Gaming With the City of Pekin ACTION REQUESTED: Adopt the Ordinance.
8.18.	Ordinance No. 2860-19/20 Amending the City of Pekin Zoning Code to Impose Regulations on Adult-Use and Medical Cannabis Businesses in the PUD District ACTION REQUESTED: Adopt the Ordinance.
8.19.	Special Use Ordinance No. 2865 - 19/20 for Cannabis Craft Grower Use at 1805 Riverway Dr. ACTION REQUESTED: Approval of Ordinance No. 2865 – 19/20 for the establishment of an adult-use cannabis craft grower use at 1805 Riverway Drive.
8.20.	Special Use Ordinance No. 2864 - 19/20 for an Adult- Use Cannabis Dispensary Use at 1805 Riverway Dr. ACTION REQUESTED: Approval of Ordinance No. 2864 – 19/20 for the establishment of an adult-use cannabis dispensary use at 1805 Riverway Drive.
8.21.	Resolution No. 57-19/20 Emergency Procurement for Roof Repair at Bus Department Facility ACTION REQUESTED: Approve and Adopt the Resolution.
8.22.	Resolution No. 60-19/20 Bid Award for HVAC Improvements at the Bus Department Facility ACTION REQUESTED: Approve and Adopt the Resolution.
9.	Any Other Business To Come Before The Council
10.	Executive Session 5 ILCS 120/2 (c) 11. Litigation
11.	Adjourn

 PROCEEDINGS OF THE REGULAR MEETING
 OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
 HELD IN THE COUNCIL CHAMBERS OF CITY HALL
 111 S. CAPITOL ST
 ON MONDAY JANUARY 27, 2020 AT 5:30 O'CLOCK P.M.
 MARK LUFT * CHAIR * PRESIDING

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Mark Luft. The City Clerk confirmed all members were present and logged on. A quorum was declared by Mayor Mark Luft.

Attendee Name	Title	Status	Arrived
Michael Garrison	Councilman	Present	4:50 PM
Rick Hilst	Councilman	Present	4:51 PM
Karen Hohimer	Councilwoman	Present	4:53 PM
Dave Nutter	Councilman	Present	4:50 PM
Lloyd Orrick	Mayor Pro-Tem	Present	4:51 PM
John P Abel	Councilman	Present	4:51 PM
Mark Luft	Mayor	Present	4:51 PM

APPROVE AGENDA

3.1. Motion to: **Approve agenda**

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Lloyd Orrick, Mayor Pro-Tem
SECONDER:	John P Abel, Councilman
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

APPROVAL OF MINUTES

4.1. City Council - Regular Meeting - Jan 13, 2020 5:30 PM

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Dave Nutter, Councilman
SECONDER:	Karen Hohimer, Councilwoman
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

PUBLIC INPUT

John McNish questioned Agenda Item 7.2 Resolution No. 42-19/20 parking lease agreement with SEICO with regards to whether or not a survey has been completed.

CONSENT AGENDA

- 6.1. Tazewell County Animal Control Billing December 2019
- 6.2. Accounts Payable Bill Run through 01-24-20
- 6.3. Motion to: **Motion to Approve Consent Agenda**

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Lloyd Orrick, Mayor Pro-Tem
SECONDER:	Karen Hohimer, Councilwoman
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

UNFINISHED BUSINESS

7.1. **Authorization of the City Manager to purchase and report to the City Council on the acquisition of two new Ford Transit Connect vans from the Illinois Government Bid through Morrow Brothers Ford Inc.**

Councilmember Abel made a motion to approve the authorization of the City Manager to purchase and report to the City Council on the acquisition of two new Ford Transit Connect vans from the Illinois Government Bid through Morrow Brothers Ford, Inc., seconded by Councilmember Orrick. The motion was then withdrawn by Councilmember Abel.

Motion to: **Authorization of the City Manager to purchase and report to the City Council on the acquisition of two new Ford Transit Connect vans locally from Velde Ford**

City Manager, Mr. Mark Rothert, presented the agenda item to approve the authorization of the City Manager to purchase and report to the City Council on the acquisition of two new Ford Transit Connect vans from the Illinois Government bid through Morrow Brothers Ford, Inc. Mr. Rothert explained that this was coming back to Council from the previous meeting for consideration with several options due to demand for special needs routes through the school district. Mr. Rothert explained the different options. The first option being the state bid contract which was the best price for new models with Morrow Brothers Ford. At the last meeting it was requested that additional research be done which led to two other options. One option was through Velde offering two vans red in color, located in the city limits. The last option was through Uftring Dodge, offering two 2019 Dodge Caravans that were brand new, silver in color and that match our fleet. Mr. Rothert deferred to Mr. Dan Jost, Fleet Manager, and Mr. Bob Henderson, Bus Department Supervisor, for questions.

Mr. Jost explained that one option does have additional passenger seating, 7 instead of 6 and a slight difference in fuel economy. The caravan receiving 20 miles and the Ford receiving mid 20's because it is a smaller vehicle. Mr. Jost added that the current vehicles the City has are caravans and have had an excellent history with them.

Council questioned various details regarding each type of van which included cost difference of \$7,500, average yearly mileage of 20,000, extended warranty offered, mileage efficiency, and local dollars within the community.

Councilmember Abel withdrew his motion to purchase two new Ford Connect vans from the Illinois Government bid through Morrow Brothers Ford, Inc.

Councilmember Garrison motioned to approve the purchase of the two Ford Connect vans from Velde Ford, seconded by Councilmember Hohimer.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Garrison, Councilman
SECONDER:	Karen Hohimer, Councilwoman
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

7.2. **Resolution No. 42-19/20 Parking Lease Agreement with SEICO**

Agenda Item 7.2 Resolution No. 42-19/20 died due to lack of a motion.

City Attorney, Kate Swise, explained to Council why the agenda item died. Ms. Swise stated that the item initially came before the Council for consideration in a previous meeting but was tabled to gather additional information, specifically property lines. Tabling an item technically requires it to be brought back later during the same meeting or the next meeting. Mr. Swise explained that it is better served postponing an item, in this case until the receiving of the survey. Ms. Swise added that tabling is a temporary solution so the item will be brought back when information necessary has been provided to Council, therefore not necessary to be brought back at every meeting. Should the Council want to consider the item later, the motion should be to postpone until the additional information requested is available to Council.

Ms. Swise added that it was her understanding that there is not a current survey.

Mr. Rothert added that they are currently working with a survey to place pins on the property.

City Engineer, Mr. Guerra, interjected to explain that court records were being utilized to pin it and from there it can be determined if there is an impediment on the property. Mr. Guerra confirmed that surveyors were out last week and it should be completed by the next few meetings pending the results of the corners.

NEW BUSINESS

8.1. Amendment to the Ameren Illinois Material Storage Lease in the Riverway Business Park

City Engineer, Mr. Michael Guerra, requested Council to amend the term for Ameren material storage lease in the Riverway Business Park for an additional month and to begin the lease on February 1, 2020. Mr. Guerra explained that Ameren is ready to move beginning February 1st at the same cost as the original lease, but just to extend the lease one month earlier.

City Manager, Mr. Mark Rothert, added that it was also recommended that Ameren remove the pole on the sidewalk located on Court Street in front of Pekin Insurance as a contingency.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Lloyd Orrick, Mayor Pro-Tem
SECONDER:	Karen Hohimer, Councilwoman
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL

Elaine Ritchie questioned Council on the motorized bike issue.

Council explained that the item was not dead, but just wanted to make sure it is correct and that it may be on the agenda in February.

John McNish asked that Council verify that the FY18 and FY19 audit was still late. Mr. McNish also spoke regarding the wastewater billing issues, Court Street construction, no street lights on Court Street and the Pizza Peel construction site on the sidewalk.

Mayor Luft stated that Councilmembers are involved with the process to redo the entire billing system for wastewater. Mayor Luft explained that a small committee will be created that will include staff and a Councilmember and an employee from the water company.

Alan White asked Council if a resident could also be on the committee and if so he would like to volunteer his services for that placement. Mr. White also inquired as to the results of his FOIA request stating language regarding PAC.

City Manager, Mr. Mark Rothert, gave an update as to the quality control committee reviewing the audit, that Memorandum of Understanding were being worked on with the school district for bus service, that there are RFP's posted for HVAC at the bus department and staff is reviewing RFP's for consulting services. Mr. Rothert announced that upcoming meetings will include requests for support for IHSA and marigold. Mr. Rothert stated that it is not productive or helpful to be accused of fraud and that he is asking that characterization not be inserted moving forward.

City Attorney, Kate Swise, updated Council on the codification. Ms. Swise stated that Municode had sent recommendations and she went through each of those, discussed them with department heads and has put together a final response that was submitted the first part of this month. Municode has been provide ordinances over the last year and the next step is to provide a book, hopefully in the next month or so.

Mr. Rothert added that a memo was provided to Council regarding Goal #5 to address pension obligation options.

Councilmember Abel stated that he was informed by a citizen that a car went through the ditch on Veteran's Drive and asked that the City inform people that the road ends.

Mr. Guerra informed Council that the issue has been brought to the Traffic Safety Committee.

Councilmember Hohimer stated that at the last meeting she made a comment on the potholes in the roads. After doing some research she concluded that infrastructure wear and tear is due to a freeze and thaw that causes expansion and contraction on road services which leads to the creation of potholes.

Mayor Luft commented that he was surprised as to how many people follow pension issues. Detroit filed bankruptcy on their pension obligations but Pekin is not in that situation.

EXECUTIVE SESSION 5 ILCS 120/2 (C) 6. SALE OF PROPERTY

10.1. Motion to: Move into Executive Session

Motion was made by Councilmember Abel to move into Executive Session regarding 5 ILCS 120/2(c) 6. Sale of Property and (c) 5. Purchase or Lease of Real Property.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	John P Abel, Councilman
SECONDER:	Karen Hohimer, Councilwoman
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

ADJOURN

There being no further business to come before Council, a motion was made by Councilmember Orrick, seconded by Councilmember Hohimer for Council to adjourn. Mayor Luft adjourned the meeting at 7:10 p.m.



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Sue McMillan, City Clerk

AGENDA ITEM: Young Authors Week 2020

ACTION REQUESTED: Approve the Proclamation.

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Mark A. Rothert

Mark A. Rothert, City Manager

2/4/2020

Date:

Office of the Mayor



Proclamation

WHEREAS, Young Authors is a District-wide program and in its thirty-fourth year in our Pekin Elementary Schools, District No.108; and

WHEREAS, over 3300 students, kindergarten through eighth grade, have an opportunity to participate and to write their own books; and

WHEREAS, this program entails teachers using District writing assignments and helping students turn those assignments into books, illustrated, laminated, and bound, to give each student a lasting memento; and

WHEREAS, 150 District representatives were chosen for the Young Authors District Conference which is being held in the auditorium at Wilson Intermediate School on Monday, March 2, 2020, with the children's books on display; and

WHEREAS, six representatives will be selected to represent District 108 at the State Young Authors Conference at Normal Community High School on Saturday, May 18, 2019.

WHEREAS, the staff and parents of District 108 deserve recognition for their many hours of direction and encouragement;

NOW, THEREFORE, BE IT RESOLVED that I, Mark Luft, Mayor of the City of Pekin, Tazewell County, Illinois, do hereby proclaim the week of March 2nd to be

"YOUNG AUTHORS WEEK"

in the City of Pekin, Tazewell County, Illinois, and ask the citizens of our community to join in paying special recognition to all of our young writers of today.

ADOPTED _____, in the Year of Our Lord, Two Thousand and Twenty.

MARK A. LUFT
Mayor

ATTEST:

SUE E. McMILLAN
City Clerk

**REQUEST FOR COUNCIL ACTION**

Agenda Date: February 10, 2020
To: Council Members
From: Sue McMillan, City Clerk

AGENDA ITEM: Accounts Payable Bill Run through 02-07-20

ACTION REQUESTED: Receive and File Accounts Payable Proof List through February 7, 2020

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Mark A. Rothert

Mark A. Rothert, City Manager

2/5/2020

Date:

Accounts Payable

To Be Paid Proof List

User: mkflatley
 Printed: 02/05/2020 - 10:58AM
 Batch: 00015.01.2020 - missy1



City Of Pekin
 111 S. Capitol
 Pekin, IL 61554

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description	Reference				
353 Court LLC									
11338									
2	1/24/2020	56,400.00	0.00	02/07/2020				No	0
270-270-583000 Tif Facade Grant/Loan				reimbursement for stabilization work to 353 court LLC					
2 Total:		56,400.00							
353 Court LLC Total:		56,400.00							
A to Z Rental									
10005									
80292	1/22/2020	54.27	0.00	02/07/2020				No	0
100-034-534400 Equipment Repairs				repairs on coleman powermate generator					
80292 Total:		54.27							
80293	1/22/2020	81.47	0.00	02/07/2020				No	0
100-034-534400 Equipment Repairs				repairs on norgth star industrial generator					
80293 Total:		81.47							
80294	1/22/2020	64.83	0.00	02/07/2020				No	0
100-034-534400 Equipment Repairs				repairs on yamaha generator					
80294 Total:		64.83							
80295	1/22/2020	55.06	0.00	02/07/2020				No	0
100-034-534400 Equipment Repairs				repairs on cutoff saw					
80295 Total:		55.06							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description	Reference				
80296	1/22/2020	52.00	0.00	02/07/2020				No	0
100-034-534400 Equipment Repairs				repairs on cutoff saw					
80296 Total:		52.00							
80297	1/22/2020	74.50	0.00	02/07/2020				No	0
100-034-534400 Equipment Repairs				repairs on pressure washer					
80297 Total:		74.50							
80302	1/23/2020	84.06	0.00	02/07/2020				No	0
100-034-534400 Equipment Repairs				repairs on honda generator					
80302 Total:		84.06							
A to Z Rental Total:		466.19							
AAA Certified Confidential Security Corp									
10891									
81635	1/17/2020	38.00	0.00	02/07/2020				No	0
100-761-569000 Other Contractual Service				confidential material disposal					
81635 Total:		38.00							
AAA Certified Confidentialia		38.00							
AAIM Employers Association									
10918									
41528	1/31/2020	690.27	0.00	02/07/2020				No	0
501-501-569000 Other Contractual Service				01/20 background checks					
41528 Total:		690.27							
AAIM Employers Associa		690.27							
Ace Hardware									
10911									

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description	Reference				
*** 27347/3	1/10/2020	13.98	0.00	02/07/2020				No	0
100-761-534000 Automotive Expense				2 key fob batteries for squads					
27347/3 Total:		13.98							
*** 27378/3	1/15/2020	4.51	0.00	02/07/2020				No	0
100-761-522400 General Supplies				mounting hardware for office signs					
27378/3 Total:		4.51							
27519/3	1/30/2020	14.99	0.00	02/07/2020				No	0
100-761-522400 General Supplies				16 pack of AA batteries					
27519/3 Total:		14.99							
Ace Hardware Total:		33.48							
Advance Auto Parts									
12965									
4163	1/15/2020	130.74	0.00	02/07/2020				No	0
699-069-534000 Automotive Expense				exhaust gasket and muffler/vmf 5098					
4163 Total:		130.74							
4164	1/15/2020	28.78	0.00	02/07/2020				No	0
100-793-534000 Automotive Expense				sway bar links for vehicle 612					
4164 Total:		28.78							
4265	1/17/2020	8.35	0.00	02/07/2020				No	0
100-793-534000 Automotive Expense				stabilizer bar bushings vehicle 612					
4265 Total:		8.35							
4527	1/22/2020	196.76	0.00	02/07/2020				No	0
501-501-534000 Automotive Expense				rear axle seals and rotors for bus 1303					
4527 Total:		196.76							
5912	1/9/2020	269.97	0.00	02/07/2020				No	0
100-761-534000 Automotive Expense				3 batteries for squad					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
5912 Total:		269.97							
6008	1/16/2020	4.40	0.00	02/07/2020	light bulbs for school buses			No	0
501-501-534000 Automotive Expense									
6008 Total:		4.40							
6106	1/23/2020	3.99	0.00	02/07/2020	brake cable connector bus 1303			No	0
501-501-534000 Automotive Expense									
6106 Total:		3.99							
6149	1/28/2020	37.10	0.00	02/07/2020	head lights and pigtail sockets			No	0
501-501-534000 Automotive Expense									
6149 Total:		37.10							
6150	1/28/2020	7.80	0.00	02/07/2020	light bulbs			No	0
501-501-534000 Automotive Expense									
6150 Total:		7.80							
Advance Auto Parts Total:		687.89							
Allegra Print & Imaging									
10016									
59743	1/22/2020	195.61	0.00	02/07/2020	CDBG envelopes			No	0
261-261-520200 Office Supplies									
59743 Total:		195.61							
Allegra Print & Imaging To		195.61							
Altorfer Inc									
10019									
pc020597403	1/25/2020	177.68	0.00	02/07/2020	hydraulic hose for #423			No	0
100-032-534000 Automotive Expense									

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	pc020597403 Total:	177.68							
pc020597971	1/30/2020	92.31	0.00	02/07/2020				No	0
100-032-534000 Automotive Expense				hose, coupling for #422					
	pc020597971 Total:	92.31							
	Altorfer Inc Total:	269.99							
Amerencilco 10021									
*** 0931067015	1/21/2020	0.07	0.00	02/07/2020				No	0
100-068-550100 Utilities				324 court st 12/16/19-1/19/20					
	0931067015 Total:	0.07							
*** 096065243	1/31/2020	1,351.84	0.00	02/07/2020				No	0
100-068-550100 Utilities				various locations public property 11/28-1/23/20					
*** 096065243	1/31/2020	59.12	0.00	02/07/2020				No	0
100-068-550100 Utilities				1411 elmgrove tower 12/29-01/28/20					
*** 096065243	1/31/2020	164.01	0.00	02/07/2020				No	0
501-501-550100 Utilities				1130 koch st unit b 12/15-01/16/20					
*** 096065243	1/31/2020	164.00	0.00	02/07/2020				No	0
699-069-550100 Utilities				1130 koch st unit b 12/15-01/16/20					
*** 096065243	1/31/2020	56.99	0.00	02/07/2020				No	0
223-026-550100 Utilities				201 s 2nd 12/4-1/7/20					
*** 096065243	1/31/2020	956.78	0.00	02/07/2020				No	0
100-034-550100 Utilities				various locations of fire stations12/15-01/17/					
*** 096065243	1/31/2020	182.99	0.00	02/07/2020				No	0
100-032-550100 Utilities				1140 koch and 1208 koch 12/15-01/17/20					
*** 096065243	1/31/2020	938.16	0.00	02/07/2020				No	0
525-525-550100 Utilities				various locations at airport12/03-01/06/20					
*** 096065243	1/31/2020	60.42	0.00	02/07/2020				No	0
231-031-550100 Utilities				606 s front st 12/15-01/28/20					
	096065243 Total:	3,934.31							
*** 2063131008	10/15/2019	1,386.50	0.00	02/07/2020				No	0

Attachment: To Be Paid Proof List 2-7-20 (2023 : Accounts Payable Bill Run through 02-07-20)

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
100-032-550600 Electricity For Signal Li				various locations on traffic lights 09/11-10/10/19					
*** 2063131008	11/14/2019	1,265.49	0.00	02/07/2020				No	0
100-032-550600 Electricity For Signal Li				various locations on traffic lights 10/10/11/08/19					
*** 2063131008	12/16/2019	1,466.57	0.00	02/07/2020				No	0
100-032-550600 Electricity For Signal Li				various locations on traffic lights 11/08-12/11/19					
*** 2063131008	1/17/2020	1,161.49	0.00	02/07/2020				No	0
100-032-550600 Electricity For Signal Li				various locations on traffic lights 12/11/19-01/14/20					
2063131008 Total:		5,280.05							
*** 2349029006	1/20/2020	1,161.56	0.00	02/07/2020				No	0
231-030-550100 Utilities				service at various lift station locations 11/28-01/01/20					
2349029006 Total:		1,161.56							
*** 2434114066	1/20/2020	309.10	0.00	02/07/2020				No	0
100-032-550500 Electricity For Street Li				1208 koch st customer owned street lights 12/16/19-01/17/2					
2434114066 Total:		309.10							
*** 3955025012	1/24/2020	51.34	0.00	02/07/2020				No	0
100-032-550500 Electricity For Street Li				1703 remington rd street light 12/19/19-1/22/20					
3955025012 Total:		51.34							
*** 8695491773	1/20/2020	5,683.92	0.00	02/07/2020				No	0
100-032-550500 Electricity For Street Li				1208 koch st street lights 12/16/19-01/17/20					
8695491773 Total:		5,683.92							
Amerencilco Total:		16,420.35							
American Heart Association									
13932									
01272020	1/28/2020	65.00	0.00	02/07/2020				No	0
100-001-598100 Public Relations				Bryan Elliott Memorial Contribution					
01272020 Total:		65.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number	Description			Reference					
American Heart Associatio		65.00							
American Water 12288 4000184668	1/1/2020	1,035.36	0.00	02/07/2020				No	0
231-029-560701 American Water Consmpmn Repts				december 2019 usage					
4000184668 Total:		1,035.36							
American Water Total:		1,035.36							
Arrowsmith, Doug 11882 expense-0220	2/1/2020	75.00	0.00	02/07/2020				No	0
223-023-550300 Telephone				february 2020 cell phone reimbursement					
expense-0220 Total:		75.00							
Arrowsmith, Doug Total:		75.00							
Associated Bag Company 11179 e559028	1/16/2020	286.80	0.00	02/07/2020				No	0
100-761-522400 General Supplies				syringe containers, protective masks and evidence supplies					
e559028 Total:		286.80							
Associated Bag Company T		286.80							
Atlas Supply Company 10038 015244	12/23/2019	135.89	0.00	02/07/2020				No	0
100-034-522400 General Supplies				station cleaning supplies and batteries					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	015244 Total:	135.89							
015722	1/24/2019	274.75	0.00	02/07/2020				No	0
501-501-522400 General Supplies				cups, toilet paper, garbage bags and hand towels					
	015722 Total:	274.75							
015768	1/28/2020	323.88	0.00	02/07/2020				No	0
100-034-522400 General Supplies				cleaning supplies					
	015768 Total:	323.88							
15692	1/23/2020	79.99	0.00	02/07/2020				No	0
501-501-522400 General Supplies				1 case of insect and lice kits					
	15692 Total:	79.99							
*** 15723	1/24/2020	84.90	0.00	02/07/2020				No	0
100-032-522400 General Supplies				toilet bowl cleaner and paper towels					
*** 15723	1/24/2020	54.95	0.00	02/07/2020				No	0
223-023-522400 General Supplies				toilet bowl cleaner and paper towels					
	15723 Total:	139.85							
	Atlas Supply Company To	954.36							
Avanti's Dome LLC 11012									
01092020	1/9/2020	1,000.00	0.00	02/07/2020				No	0
208-208-598100 Public Relations				marketing expenses - avantis dome					
	01092020 Total:	1,000.00							
01162020	1/16/2020	4,300.00	0.00	02/07/2020				No	0
208-208-598100 Public Relations				website design - avantis dome					
	01162020 Total:	4,300.00							
01232020	1/23/2020	900.00	0.00	02/07/2020				No	0
208-208-598100 Public Relations				radio advertising - avantis dome					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number	Description		Reference						
01232020 Total:		900.00							
Avanti's Dome LLC Total:		6,200.00							
Axon Enterprise, Inc. 10631 si1636043	1/23/2020	192.00	0.00	02/07/2020	3 taser right hand holsters			No	0
100-761-529000 Equipment									
si1636043 Total:		192.00							
Axon Enterprise, Inc. Total		192.00							
Bushue Background Screening 13292 20190430	4/30/2019	220.00	0.00	02/07/2020	pre employment finger printing			No	0
501-501-569000 Other Contractual Service									
20190430 Total:		220.00							
20190531	5/31/2019	114.00	0.00	02/07/2020	pre employment finger printing			No	0
501-501-569000 Other Contractual Service									
20190531 Total:		114.00							
20190831	8/31/2019	114.00	0.00	02/07/2020	pre employment finger printing			No	0
501-501-569000 Other Contractual Service									
20190831 Total:		114.00							
20191031	10/31/2019	171.00	0.00	02/07/2020	pre employment finger printing			No	0
501-501-569000 Other Contractual Service									
20191031 Total:		171.00							
Bushue Background Screen		619.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
Calpine Energy Solutions 10590									
*** 2002300119887	1/23/2020	61.75	0.00	02/07/2020				No	0
100-032-550600 Electricity For Signal Li					traffic lights 11/24/19-12/26/19				
*** 2002300119887	1/23/2020	6,903.28	0.00	02/07/2020				No	0
100-032-550500 Electricity For Street Li					street lights/customer owned street lights 12/3/19-01/06/20				
*** 2002300119887	1/23/2020	898.43	0.00	02/07/2020				No	0
231-030-550100 Utilities					all liftstations 11/24/19-12/26/19				
*** 2002300119887	1/23/2020	449.95	0.00	02/07/2020				No	0
100-068-550100 Utilities					1411 elmgrover tw and 1130 koch unit A 11/25/19-12/29/19				
*** 2002300119887	1/23/2020	2,044.47	0.00	02/07/2020				No	0
100-068-550100 Utilities					public properties 11/28/19-01/01/20				
*** 2002300119887	1/23/2020	11,589.08	0.00	02/07/2020				No	0
231-031-550100 Utilities					606 s front and 2500 s 2nd 11/20/19-12/22/19				
*** 2002300119887	1/23/2020	481.31	0.00	02/07/2020				No	0
525-525-550100 Utilities					various airport locations 12/3/19-12/10/19				
*** 2002300119887	1/23/2020	223.06	0.00	02/07/2020				No	0
100-032-550100 Utilities					various street dept locations 12/15/19-01/16/20				
*** 2002300119887	1/23/2020	121.01	0.00	02/07/2020				No	0
223-023-550100 Utilities					solid waste dept 12/15/19-01/16/20				
*** 2002300119887	1/23/2020	265.36	0.00	02/07/2020				No	0
501-501-550100 Utilities					various bus dept locations 12/01/19-01/01/20				
*** 2002300119887	1/23/2020	709.29	0.00	02/07/2020				No	0
100-034-550100 Utilities					3232 court and 272 derby 12/17/19-01/20/20				
*** 2002300119887	1/23/2020	265.38	0.00	02/07/2020				No	0
699-069-550100 Utilities					vmf locations 12/15/19-01/16/20				
200230011988762 Total:		24,012.37							
Calpine Energy Solutions T		24,012.37							
Central IL. Fire Investigators Association 12120									
02032020	2/3/2020	900.00	0.00	02/07/2020				No	0
100-034-519000 Training And Education					6 fireman to conference 2/21-2/23/20				
02032020 Total:		900.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
Central IL. Fire Investigato		900.00							
Centre State International Trucks, Inc. 10109									
268956	1/21/2020	467.59	0.00	02/07/2020				No	0
100-032-534000 Automotive Expense				IPR valve for st422					
268956 Total:		467.59							
*** 268966	1/22/2020	102.76	0.00	02/07/2020				No	0
100-032-534000 Automotive Expense				hood latch for st414					
*** 268966	1/22/2020	170.96	0.00	02/07/2020				No	0
223-023-534000 Automotive Expense				blower motor and blower resister for sw7					
268966 Total:		273.72							
269020	1/27/2020	64.16	0.00	02/07/2020				No	0
501-501-534000 Automotive Expense				radiator hose for bus 1722					
269020 Total:		64.16							
269022	1/27/2020	1,214.54	0.00	02/07/2020				No	0
100-032-534000 Automotive Expense				stearing gear for st406					
269022 Total:		1,214.54							
Centre State International T		2,020.01							
CenturyLink 10111									
*** 304025584	1/10/2020	48.69	0.00	02/07/2020				No	0
100-034-550300 Telephone				phone service 01/10-02/09/20					
304025584 Total:		48.69							
*** 304027612	1/13/2020	72.10	0.00	02/07/2020				No	0
100-034-550300 Telephone				ESDA phone service 12/13/19-01/12/20					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number	Description			Reference					
304027612 Total:		72.10							
CenturyLink Total:		120.79							
CINTAS Corporation 10115									
4037890303	12/19/2019	89.81	0.00	02/07/2020				No	0
231-031-569000 Other Contractual Service				clean uniforms 12/19					
4037890303 Total:		89.81							
4040764859	1/23/2020	89.81	0.00	02/07/2020				No	0
231-031-569000 Other Contractual Service				clean uniforms 01/2020					
4040764859 Total:		89.81							
4041427778	1/30/2020	175.71	0.00	02/07/2020				No	0
699-069-569000 Other Contractual Service				clean uniforms 01/2020					
4041427778 Total:		175.71							
CINTAS Corporation Tota		355.33							
Cloudpoint Geographics Inc. 11838									
002550	1/31/2020	7,450.00	0.00	02/07/2020				No	0
100-007-569000 Other Contractual Service				GIS contract for february 2020					
002550 Total:		7,450.00							
Cloudpoint Geographics In		7,450.00							
Comcast Cable 11073									
*** 203200090660	1/19/2020	222.64	0.00	02/07/2020				No	0
525-525-550100 Utilities				phone service/internet at airport 01/23-02/22/20					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number	Description			Reference					
203200090660	Total:	222.64							
Comcast Cable	Total:	222.64							
Cone, Jon 13933 01242020	1/24/2020	750.00	0.00	02/07/2020				No	0
231-030-569000	Other Contractual Service				sanitary sewer backwater program at 2203 sunset dr				
01242020	Total:	750.00							
Cone, Jon	Total:	750.00							
Core & Main 10255 L781600	1/20/2020	166.28	0.00	02/07/2020				No	0
231-030-564000	Sewer Maintenance/Improvement				6pvc sewer pipe, clay pvc couplings				
L781600	Total:	166.28							
Core & Main	Total:	166.28							
David Burling Excavating Inc 10091 38964	9/10/2020	2,500.00	0.00	02/07/2020				No	0
100-793-536100	Property Cleanup Fees				clean up of sewer repair at 1017 buff st				
38964	Total:	2,500.00							
39842	1/14/2020	1,500.00	0.00	02/07/2020				No	0
100-068-536300	Snow Removal - Salt				snow removal 1/12/20				
39842	Total:	1,500.00							
39917	1/21/2020	180.00	0.00	02/07/2020				No	0
100-068-536300	Snow Removal - Salt				salting at city hall 1/18/20				

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number	Description			Reference					
	39917 Total:	180.00							
39985	1/23/2020	1,500.00	0.00	02/07/2020				No	0
100-068-536300	Snow Removal - Salt			snow removal at various city locations 1/23/20					
	39985 Total:	1,500.00							
	David Burling Excavating In	5,680.00							
Dennison Chevrolet 10154									
295113cvw	1/6/2020	68.90	0.00	02/07/2020				No	0
100-761-534000	Automotive Expense			lugnuts for squad 5121					
	295113cvw Total:	68.90							
	Dennison Chevrolet Total:	68.90							
Emblem Enterprises, Inc 10979									
770772	10/28/2020	351.23	0.00	02/07/2020				No	0
100-034-529000	Equipment			200 patches					
	770772 Total:	351.23							
	Emblem Enterprises, Inc To	351.23							
Esker, Josie 13323									
expense-0220	2/1/2020	75.00	0.00	02/07/2020				No	0
100-007-550300	Telephone			february 2020 cell phone reimbursement					
	expense-0220 Total:	75.00							
	Esker, Josie Total:	75.00							

Attachment: To Be Paid Proof List 2-7-20 (2023 : Accounts Payable Bill Run through 02-07-20)

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
Fastenal Company									
10181									
ILPEK152870	1/10/2020	34.96	0.00	02/07/2020				No	0
100-032-534000 Automotive Expense				bolts for st421					
ILPEK152870 Total:		34.96							
ILPEK152877	1/13/2020	28.52	0.00	02/07/2020				No	0
223-025-554300 Uniforms And Tools				safety cleats for sw					
ILPEK152877 Total:		28.52							
Fastenal Company Total:		63.48							
Federal Eastern International									
13938									
512657	11/5/2019	840.44	0.00	02/07/2020				No	0
100-761-592604 Emergency Services Team				CIERT team ammo supplies					
512657 Total:		840.44							
Federal Eastern Internation		840.44							
Fick, Matt									
13647									
29	2/3/2020	2,280.00	0.00	02/07/2020				No	0
270-270-560500 Consulting Services				consulting fee 01/21-02/03/20					
29 Total:		2,280.00							
Fick, Matt Total:		2,280.00							
Fidelity Security Life Insurance Co									
13930									
164208106	2/1/2020	1,929.16	0.00	02/07/2020				No	0
695-095-517506 Vision Coverage				02/2020 vision coverage					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number	Description			Reference					
164208106 Total:		1,929.16							
Fidelity Security Life Insur		1,929.16							
Firestone Tire & Service 10191									
213417	1/8/2020	84.99	0.00	02/07/2020				No	0
100-761-534000 Automotive Expense				alignment squad 5121					
213417 Total:		84.99							
Firestone Tire & Service To		84.99							
Five Star Water 12219									
*** 106351	1/16/2020	17.95	0.00	02/07/2020				No	0
231-031-522400 General Supplies				water delivery and cooler rental					
106351 Total:		17.95							
Five Star Water Total:		17.95							
Fourteenth Street Hardware 10206									
149593	11/12/2019	1.42	0.00	02/07/2020				No	0
100-032-522400 General Supplies				nuts and bolts for shop					
149593 Total:		1.42							
Fourteenth Street Hardwar		1.42							
Franciscovich, Brian 10207									
expense 0220	2/1/2020	75.00	0.00	02/07/2020				No	0

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
699-069-550300 Telephone				february 2020 cell phone reimbursement					
expense 0220 Total:		75.00							
Franciscovich, Brian Total:		75.00							
Gem City Tire 12935									
23159	12/9/2019	2,099.95	0.00	02/07/2020				No	0
525-525-534400 Equipment Repairs				tires and mounting for tractor					
23159 Total:		2,099.95							
23453	1/7/2020	548.28	0.00	02/07/2020				No	0
100-761-534000 Automotive Expense				4 tires squad 5121					
23453 Total:		548.28							
23592	1/20/2020	949.67	0.00	02/07/2020				No	0
100-032-534000 Automotive Expense				tires for st409					
23592 Total:		949.67							
Gem City Tire Total:		3,597.90							
Greenhouse Flower Shoppe 11022									
001624	1/3/2020	83.00	0.00	02/07/2020				No	0
100-761-598100 Public Relations				sympathy planter/homerin (s. pekin officer)					
001624 Total:		83.00							
Greenhouse Flower Shopp		83.00							
Group Plan Solutions 12142									
2040	1/24/2020	200.00	0.00	02/07/2020				No	0

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description	Reference				
695-092-517505 Flex Administration Fee				02/2020 flex run out					
2040 Total:		200.00							
Group Plan Solutions Tota		200.00							
Guerra, Michael 10241 expense 0220	2/1/2020	75.00	0.00	02/07/2020				No	0
100-007-550300 Telephone				february 2020 cell phone reimbursement					
expense 0220 Total:		75.00							
Guerra, Michael Total:		75.00							
Henderson, Robert 12126 expense 0220	2/1/2020	75.00	0.00	02/07/2020				No	0
501-501-550300 Telephone				february 2020 cell phone reimbursement					
expense 0220 Total:		75.00							
Henderson, Robert Total:		75.00							
Herr Petroleum Corporation 12712 d35293	1/16/2020	9,459.00	0.00	02/07/2020				No	0
699-000-160100 Fuel Inventory				4500 gallons regular fuel delivered 01/16/20					
d35293 Total:		9,459.00							
d35768	1/21/2020	14,934.00	0.00	02/07/2020				No	0
699-000-160100 Fuel Inventory				6000 gallons diesel delivered 1/21/20					
d35768 Total:		14,934.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number	Description			Reference					
	Herr Petroleum Corporatio	24,393.00							
Higgins, Thomas P. 10851									
1219	1/23/2020	300.00	0.00	02/07/2020				No	0
100-003-599000 Miscellaneous				january 22, 2020 hearing					
1219 Total:		300.00							
Higgins, Thomas P. Total:		300.00							
ICMA-RC 10286									
02032020	2/3/2020	52,376.63	0.00	02/07/2020				No	0
100-761-515800 Sick Pay				sick time balance per CBA-richardson					
02032020 Total:		52,376.63							
ICMA-RC Total:		52,376.63							
IL American Water 10291									
*** 210000995141	1/17/2020	82.07	0.00	02/07/2020				No	0
100-034-550100 Utilities				3232 court st 12/14/19-01/15/20					
210000995141 Total:		82.07							
*** 210001081816	1/17/2020	30.12	0.00	02/07/2020				No	0
100-068-550100 Utilities				633 margarewt st yd hy 12/14/19-01/15/20					
210001081816 Total:		30.12							
*** 210001269890	1/17/2020	20.22	0.00	02/07/2020				No	0
100-068-550100 Utilities				502 s 2nd st yd hy 12/14/19-01/15/20					
210001269890 Total:		20.22							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
*** 210002094969	1/17/2020	39.65	0.00	02/07/2020				No	0
100-068-550100 Utilities				100 state st 12/14/19-01/15/20					
210002094969 Total:		39.65							
*** 210002282773	1/17/2020	201.80	0.00	02/07/2020				No	0
100-068-550100 Utilities				111 s capitol st 12/14/19-01/15/20					
210002282773 Total:		201.80							
*** 210002365869	1/17/2020	20.22	0.00	02/07/2020				No	0
100-068-550100 Utilities				400 n 7th st yd hy 12/14/19-01/15/20					
210002365869 Total:		20.22							
*** 210003283755	1/15/2020	24.76	0.00	02/07/2020				No	0
100-068-550100 Utilities				1842 court st yd hy 12/12/19-01/13/20					
210003283755 Total:		24.76							
*** 210004789874	1/17/2020	528.38	0.00	02/07/2020				No	0
231-031-550100 Utilities				606 s front st 12/14/19-01/15/20					
210004789874 Total:		528.38							
*** 220000296568	1/17/2020	43.85	0.00	02/07/2020				No	0
100-068-550100 Utilities				107 front st restrooms 12/14/19-01/15/20					
220000296568 Total:		43.85							
IL American Water Total:		991.07							
IL Environmental Protection Agency									
12435									
*** 8	12/18/2019	71,811.71	0.00	02/07/2020				No	0
231-000-218900 ILEPA Loan L17-3082				principle payment on L17-3082					
*** 8	12/18/2019	30,263.33	0.00	02/07/2020				No	0
231-029-590400 Interest Paid				interest payment on L17-3082					
8 Total:		102,075.04							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
IL Environmental Protectio		102,075.04							
IL Office of the State Fire Marshal 11072									
9625385	1/21/2020	140.00	0.00	02/07/2020				No	0
231-031-557200 License And Inspection Fees				fee for boiler certificates					
9625385 Total:		140.00							
IL Office of the State Fire M		140.00							
Illini Plumbing, Inc. 12264									
13020	1/6/2020	816.98	0.00	02/07/2020				No	0
100-068-534200 Buildings And Grounds Rep				plumbing repairs at fire station 3					
13020 Total:		816.98							
13076	1/15/2020	297.00	0.00	02/07/2020				No	0
231-030-534400 Equipment Repairs				repaired pump at state st lift station					
13076 Total:		297.00							
13091	1/17/2020	99.00	0.00	02/07/2020				No	0
100-793-569000 Other Contractual Service				plumbing inspection at 359 court st					
13091 Total:		99.00							
13092	1/17/2020	277.00	0.00	02/07/2020				No	0
100-793-569000 Other Contractual Service				plumbing inspection at 1023 s 5th st					
13092 Total:		277.00							
13093	1/17/2020	99.00	0.00	02/07/2020				No	0
100-793-569000 Other Contractual Service				plumbing inspection at 717 arlann					
13093 Total:		99.00							
13094	1/17/2020	99.00	0.00	02/07/2020				No	0

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
100-793-569000 Other Contractual Service				plumbing inspection at unity point					
13094 Total:		99.00							
13095	1/17/2020	188.00	0.00	02/07/2020				No	0
100-793-569000 Other Contractual Service				plumbing inspection at 1702 vista grande					
13095 Total:		188.00							
13098	1/20/2020	99.00	0.00	02/07/2020				No	0
100-793-569000 Other Contractual Service				plumbing inspection at 101 n parkway					
13098 Total:		99.00							
13099	1/20/2020	188.00	0.00	02/07/2020				No	0
100-793-569000 Other Contractual Service				plumbing inspection at 1825 vienna					
13099 Total:		188.00							
13102	1/21/2020	1,311.97	0.00	02/07/2020				No	0
231-030-534400 Equipment Repairs				installed conduit for elect transducer in state st lift station					
13102 Total:		1,311.97							
13103	1/21/2020	1,458.20	0.00	02/07/2020				No	0
231-030-534400 Equipment Repairs				re-install veir in overflow at state st lift station					
13103 Total:		1,458.20							
13104	1/21/2020	3,139.39	0.00	02/07/2020				No	0
231-030-534400 Equipment Repairs				replaced air vacuum releif valve at state st lift station					
13104 Total:		3,139.39							
13105	1/21/2020	15,226.81	0.00	02/07/2020				No	0
231-030-587000 Machinery And Equipment				installed pump pedestal and lift out plates state st liftstation					
13105 Total:		15,226.81							
13167	1/29/2020	99.00	0.00	02/07/2020				No	0
100-793-569000 Other Contractual Service				plumbing inspection at 411 circle					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	13167 Total:	99.00							
13168	1/29/2020	99.00	0.00	02/07/2020				No	0
100-793-569000	Other Contractual Service			plumbing inspection at 2107 court st					
	13168 Total:	99.00							
13170	1/30/2020	99.00	0.00	02/07/2020				No	0
100-793-569000	Other Contractual Service			plumbing inspection at 2900 court st					
	13170 Total:	99.00							
13171	1/30/2020	188.00	0.00	02/07/2020				No	0
100-793-569000	Other Contractual Service			plumbing inspection at pekin insurance					
	13171 Total:	188.00							
13172	1/30/2020	99.00	0.00	02/07/2020				No	0
100-793-569000	Other Contractual Service			plumbing inspection at 2032 el camino					
	13172 Total:	99.00							
13173	1/30/2020	178.00	0.00	02/07/2020				No	0
100-793-569000	Other Contractual Service			plumbing inspection at 2203 sunset dr					
	13173 Total:	178.00							
13174	1/30/2020	99.00	0.00	02/07/2020				No	0
100-793-569000	Other Contractual Service			plumbing inspection at 315 derby					
	13174 Total:	99.00							
13175	1/30/2020	99.00	0.00	02/07/2020				No	0
100-793-569000	Other Contractual Service			plumbing inspection at 353 court st					
	13175 Total:	99.00							
13176	1/30/2020	99.00	0.00	02/07/2020				No	0
100-793-569000	Other Contractual Service			plumbing inspection at pizza peel					
	13176 Total:	99.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
13177	1/30/2020	277.00	0.00	02/07/2020				No	0
100-793-569000 Other Contractual Service				plumbing inspection at koch st bar & grill					
13177 Total:		277.00							
13178	1/30/2020	99.00	0.00	02/07/2020				No	0
100-793-569000 Other Contractual Service				plumbing inspection at 721 audubon					
13178 Total:		99.00							
13179	1/30/2020	99.00	0.00	02/07/2020				No	0
100-793-569000 Other Contractual Service				plumbing inspection at 1600 camarillo					
13179 Total:		99.00							
13180	1/30/2020	188.00	0.00	02/07/2020				No	0
100-793-569000 Other Contractual Service				plumbing inspection at 323 state st					
13180 Total:		188.00							
Illini Plumbing, Inc. Total:		25,021.35							
Interstate Batteries of Centra									
10330									
20179175	1/17/2020	94.95	0.00	02/07/2020				No	0
100-032-534000 Automotive Expense				battery for st409					
20179175 Total:		94.95							
Interstate Batteries of Cent		94.95							
Interstate Billing Service, Inc									
12346									
3017116957	10/30/2019	518.00	0.00	02/07/2020				No	0
100-009-599801 Computer Software				diagnostics for international truck engines					
3017116957 Total:		518.00							
3017979083	1/17/2019	1,198.76	0.00	02/07/2020				No	0

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
100-032-534000 Automotive Expense				front springs for st421					
3017979083 Total:		1,198.76							
3017988747	1/16/2019	1,737.99	0.00	02/07/2020				No	0
223-023-534000 Automotive Expense				egr coder kit for sw9					
3017988747 Total:		1,737.99							
Interstate Billing Service, In		3,454.75							
IWIRC									
10335									
302704	10/28/2019	102.00	0.00	02/07/2020				No	0
261-261-559000 Medical Expense/supplies				pre employment/basic physical					
302704 Total:		102.00							
IWIRC Total:		102.00							
Jacob & Klein, Ltd									
13448									
01242020	1/24/2020	175.00	0.00	02/07/2020				No	0
273-273-560500 Consulting Services				TIF consulting fees quarterly billing					
01242020 Total:		175.00							
01242020-1	1/24/2020	250.00	0.00	02/07/2020				No	0
270-270-560500 Consulting Services				TIF consulting fees quarterly billing					
01242020-1 Total:		250.00							
Jacob & Klein, Ltd Total:		425.00							
Jost, Dan									
13257									
expense-0220	2/1/2020	75.00	0.00	02/07/2020				No	0

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
699-069-550300 Telephone				february 2020 cell phone reimbursement					
expense-0220 Total:		75.00							
Jost, Dan Total:		75.00							
Journal Star 10343									
in1346203	1/18/2020	31.50	0.00	02/07/2020				No	0
100-793-551000 Printing And Publications				legal notice for plan commission meeting					
in1346203 Total:		31.50							
in1346439	1/22/2020	39.00	0.00	02/07/2020				No	0
100-793-551000 Printing And Publications				publication of legal notice for 2/5/20 plan commission					
in1346439 Total:		39.00							
Journal Star Total:		70.50							
Kegley Machine, Inc. 10861									
26564	1/21/2020	34.15	0.00	02/07/2020				No	0
231-031-534400 Equipment Repairs				cutting key stock for #3 RAS pump					
26564 Total:		34.15							
Kegley Machine, Inc. Total		34.15							
Key Equipment 10353									
157883	12/31/2019	2,092.93	0.00	02/07/2020				No	0
231-033-534000 Automotive Expense				gutter brooms for sweeper					
157883 Total:		2,092.93							

Attachment: To Be Paid Proof List 2-7-20 (2023 : Accounts Payable Bill Run through 02-07-20)

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
Key Equipment Total:		2,092.93							
Kimball Midwest 11679									
7673012	1/17/2020	17.25	0.00	02/07/2020				No	0
100-034-522400 General Supplies				shop supplies					
7673012 Total:		17.25							
7680087	1/21/2020	159.65	0.00	02/07/2020				No	0
100-034-529000 Equipment				sockets and pin contacts					
7680087 Total:		159.65							
*** 7686003	1/22/2020	124.75	0.00	02/07/2020				No	0
100-032-522400 General Supplies				julie marking paint					
*** 7686003	1/22/2020	231.19	0.00	02/07/2020				No	0
231-030-522400 General Supplies				gloves for vactor					
7686003 Total:		355.94							
7690528	1/24/2020	54.65	0.00	02/07/2020				No	0
100-034-522400 General Supplies				station supplies					
7690528 Total:		54.65							
*** 7693864	1/27/2020	282.33	0.00	02/07/2020				No	0
100-034-534000 Automotive Expense				electronic wiring for pump on truck					
*** 7693864	1/27/2020	45.40	0.00	02/07/2020				No	0
100-034-529000 Equipment				socket plugs					
7693864 Total:		327.73							
7694253	1/27/2020	41.70	0.00	02/07/2020				No	0
100-034-529000 Equipment				socket plugs					
7694253 Total:		41.70							
Kimball Midwest Total:		956.92							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
Kirk, Matt 12064									
expense-0220	1/31/2020	14.00	0.00	02/07/2020				No	0
100-761-519000 Training And Education				lunch during training 02/11/20					
expense-0220 Total:		14.00							
Kirk, Matt Total:		14.00							
Knight, Madison 13939									
02042020	2/4/2020	750.00	0.00	02/07/2020				No	0
231-030-569000 Other Contractual Service				backwater program at 1921 st clair dr					
02042020 Total:		750.00							
Knight, Madison Total:		750.00							
Koenig Body & Equipment 10359									
86326	1/20/2020	31.63	0.00	02/07/2020				No	0
100-032-534000 Automotive Expense				blade pin for st422					
86326 Total:		31.63							
Koenig Body & Equipment		31.63							
L.C.D. Uniforms 10842									
6036	1/22/2020	95.40	0.00	02/07/2020	poli-warr	expense		No	0
100-761-518900 Uniform Allowance				12 white gloves/honor guard					
6036 Total:		95.40							

Attachment: To Be Paid Proof List 2-7-20 (2023 : Accounts Payable Bill Run through 02-07-20)

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
	L.C.D. Uniforms Total:	95.40							
LHF Compost, Inc. 11829									
178042	1/20/2020	997.05	0.00	02/07/2020				No	0
223-025-566501	Compost Site Expense			yardwaste fee 1/8-1/17/20					
	178042 Total:	997.05							
	LHF Compost, Inc. Total:	997.05							
Linda S. Pieczynski 12922									
*** 6961	1/13/2020	70.00	0.00	02/07/2020				No	0
100-761-551600	Dues And Subscriptions			roll call newsletter CY2020					
*** 6961	1/13/2020	112.00	0.00	02/07/2020				No	0
100-761-519000	Training And Education			training option					
	6961 Total:	182.00							
	Linda S. Pieczynski Total:	182.00							
Little, Jeff 10382									
expense-0220	1/31/2020	167.27	0.00	02/07/2020				No	0
100-761-519000	Training And Education			per diem and hotel 02/09/20-02/10/20					
	expense-0220 Total:	167.27							
	Little, Jeff Total:	167.27							
Lowe, Jenna 13936									
01302020	1/30/2020	168.00	0.00	02/07/2020				No	0
100-793-426400	Building And Rezoning Permit			duplicate building permit returned					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number	Description			Reference					
01302020 Total:		168.00							
Lowe, Jenna Total:		168.00							
Lynn Moses Plumbing 12500 39553	12/18/2019	275.00	0.00	02/07/2020				No	0
231-030-569000 Other Contractual Service				sewer inspection and locate at 400 christopher					
39553 Total:		275.00							
Lynn Moses Plumbing Tot		275.00							
Maris, LLC 10814 50944	1/31/2020	500.00	0.00	02/07/2020				No	0
231-029-569000 Other Contractual Service				pre employment testing					
50944 Total:		500.00							
Maris, LLC Total:		500.00							
McNeilus Truck & Manufacturing 10410 4600947	1/24/2020	703.64	0.00	02/07/2020				No	0
223-023-534000 Automotive Expense				liner for sw9					
4600947 Total:		703.64							
McNeilus Truck & Manufa		703.64							
Melton, Jennifer 10413 expense-0220	1/31/2020	349.96	0.00	02/07/2020				No	0

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description	Reference				
100-761-519000 Training And Education				per diem and hotel 2/11/20-2/13/20					
expense-0220 Total:		349.96							
Melton, Jennifer Total:		349.96							
Menards									
10414									
69814	1/16/2020	115.20	0.00	02/07/2020				No	0
100-068-522400 General Supplies				light bulbs					
69814 Total:		115.20							
69842	1/17/2020	68.28	0.00	02/07/2020				No	0
100-068-522400 General Supplies				salt for city hall					
69842 Total:		68.28							
70412	1/24/2020	21.97	0.00	02/07/2020				No	0
525-525-522400 General Supplies				cleaning supplies					
70412 Total:		21.97							
70424	1/24/2020	11.98	0.00	02/07/2020				No	0
231-031-522400 General Supplies				light bulbs					
70424 Total:		11.98							
70445	1/24/2020	15.77	0.00	02/07/2020				No	0
231-031-522400 General Supplies				light bulbs					
70445 Total:		15.77							
70652	1/27/2020	187.92	0.00	02/07/2020				No	0
100-034-522400 General Supplies				cleaning supplies for stations					
70652 Total:		187.92							
70694	1/28/2020	104.90	0.00	02/07/2020				No	0
223-023-522400 General Supplies				bars for tote repairs					

Attachment: To Be Paid Proof List 2-7-20 (2023 : Accounts Payable Bill Run through 02-07-20)

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
70694 Total:		104.90							
*** 70716	1/28/2020	10.98	0.00	02/07/2020				No	0
100-034-522400 General Supplies				cords					
*** 70716	1/28/2020	2.65	0.00	02/07/2020				No	0
100-034-522400 General Supplies				cable ties					
70716 Total:		13.63							
70718	1/28/2020	4.00	0.00	02/07/2020				No	0
100-034-522400 General Supplies				power cord for station 1 office					
70718 Total:		4.00							
70797	1/29/2020	29.96	0.00	02/07/2020				No	0
231-031-522400 General Supplies				fans for heaters in chlorine building					
70797 Total:		29.96							
70860	1/30/2020	7.21	0.00	02/07/2020				No	0
100-032-523000 Traffic/Street Signs & Marking				nuts and washers for signs					
70860 Total:		7.21							
70955	1/31/2020	9.98	0.00	02/07/2020				No	0
100-032-523000 Traffic/Street Signs & Marking				utility blades					
70955 Total:		9.98							
86556	1/28/2020	-4.99	0.00	02/07/2020				No	0
100-034-522400 General Supplies				returned cord					
86556 Total:		-4.99							
Menards Total:		585.81							
MES Inc									
10415									
in1420137	1/27/2020	160.00	0.00	02/07/2020				No	0
100-034-534400 Equipment Repairs				SCBA repair					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number	Description			Reference					
	in1420137 Total:	160.00							
	MES Inc Total:	160.00							
Monroe Truck Equipment 10430									
5424309	1/27/2020	499.28	0.00	02/07/2020				No	0
100-032-534000 Automotive Expense				motor, hydraulic shaft, port/seal saver					
	5424309 Total:	499.28							
5424712	1/29/2020	123.35	0.00	02/07/2020				No	0
100-032-534000 Automotive Expense				hub, spinner assembly for trucks					
	5424712 Total:	123.35							
	Monroe Truck Equipment	622.63							
Motion Industries Inc 10436									
il61217135	1/15/2020	121.43	0.00	02/07/2020				No	0
231-031-534400 Equipment Repairs				bearings for sludge thickener					
	il61217135 Total:	121.43							
	Motion Industries Inc Tota	121.43							
Mutual Wheel 10439									
2506353	1/20/2020	523.18	0.00	02/07/2020				No	0
100-034-534000 Automotive Expense				brake shoes and hardware kit					
	2506353 Total:	523.18							
	Mutual Wheel Total:	523.18							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
MyFleetCenter.Com									
13381									
28773	1/14/2020	54.99	0.00	02/07/2020				No	0
100-761-534000 Automotive Expense				oil change squad 5079					
28773 Total:		54.99							
28779	1/14/2020	54.99	0.00	02/07/2020				No	0
100-761-534000 Automotive Expense				oil change squad 5171					
28779 Total:		54.99							
28861	1/17/2020	62.98	0.00	02/07/2020				No	0
100-761-534000 Automotive Expense				oil change squad 5112					
28861 Total:		62.98							
28982	1/21/2020	62.98	0.00	02/07/2020				No	0
100-761-534000 Automotive Expense				oil change squad 5121					
28982 Total:		62.98							
MyFleetCenter.Com Total		235.94							
NAPA Auto Parts of Pekin									
10441									
413048	1/20/2020	630.97	0.00	02/07/2020				No	0
100-034-534000 Automotive Expense				oil for trucks					
413048 Total:		630.97							
413346	1/22/2020	37.55	0.00	02/07/2020				No	0
100-032-534000 Automotive Expense				tail light for st69					
413346 Total:		37.55							
413401	1/22/2020	38.13	0.00	02/07/2020				No	0
501-501-534000 Automotive Expense				rear brake shoes for bus 1303					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
413401 Total:		38.13							
413804	1/27/2020	85.06	0.00	02/07/2020				No	0
100-034-534000 Automotive Expense				connector cleaner kit					
413804 Total:		85.06							
NAPA Auto Parts of Pekin		791.71							
Olson, Brett 12928 expenes 0220	2/1/2020	75.00	0.00	02/07/2020				No	0
100-032-550300 Telephone				february 2020 cell phone reimbursement					
expenes 0220 Total:		75.00							
Olson, Brett Total:		75.00							
Overhead Door Corporation 10941 18124193	1/9/2020	285.00	0.00	02/07/2020				No	0
100-068-534200 Buildings And Grounds Rep				garage door repair/fire station 3					
18124193 Total:		285.00							
Overhead Door Corporatio		285.00							
Palmer, Allison 13820 expense-0220	1/31/2020	14.00	0.00	02/07/2020				No	0
100-761-519000 Training And Education				lunch reimbursement during training 02/11/20					
expense-0220 Total:		14.00							
Palmer, Allison Total:		14.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number	Description			Reference					
Parkside Athletics 10470									
011520	1/15/2020	8,815.00	0.00	02/07/2020				No	0
695-095-516700 Wellness Program				34 annual parkside memberships					
	011520 Total:	8,815.00							
	Parkside Athletics Total:	8,815.00							
PDC Laboratories Inc 10473									
i9403347	1/31/2020	5,541.07	0.00	02/07/2020				No	0
231-031-561300 Testing Fees And Expenses				wastewater testing 12/24/19-01/24/20					
	i9403347 Total:	5,541.07							
	PDC Laboratories Inc Tota	5,541.07							
PDC Services 10474									
4468321	1/15/2020	2,986.34	0.00	02/07/2020				No	0
231-031-536400 Sludge Removal				sludge to landfill 01/03-01/15/20					
	4468321 Total:	2,986.34							
	PDC Services Total:	2,986.34							
Pekin Insurance 11246									
*** jw00191270000	1/13/2020	1,706.55	0.00	02/07/2020				No	0
695-095-517504 A D & D Life Premium				02/20 group life insurance					
	jw00191270000 Total:	1,706.55							

Attachment: To Be Paid Proof List 2-7-20 (2023 : Accounts Payable Bill Run through 02-07-20)

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number	Description			Reference					
	Pekin Insurance Total:	1,706.55							
Pekin Park Foundation 13931									
01242020	1/24/2020	65.00	0.00	02/07/2020	lyn howard memorial contribution			No	0
100-001-598100 Public Relations									
	01242020 Total:	65.00							
	Pekin Park Foundation Tot	65.00							
Peoria Area Convention and Visitors Bureau 10841									
3606	1/28/2020	1,000.00	0.00	02/07/2020	advertising in PACVB experience guide			No	0
100-001-598100 Public Relations									
	3606 Total:	1,000.00							
	Peoria Area Convention and	1,000.00							
PR Manufacturing Enterprises, LLC 13489									
02032020	2/3/2020	50,000.00	0.00	02/07/2020	TIF incentives redevelopment agreement PAL			No	0
273-273-591200 Developer Agreement Payment									
	02032020 Total:	50,000.00							
	PR Manufacturing Enterpr	50,000.00							
Praxair Distribution Inc 10518									
94390842	1/22/2020	58.02	0.00	02/07/2020	rental on cylinder tanks			No	0
100-034-524000 Lease/rental Of Equipment									

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number	Description			Reference					
94390842 Total:		58.02							
Praxair Distribution Inc To		58.02							
Puritan Springs Water 10766 *** 1386911	1/23/2020	16.67	0.00	02/07/2020				No	0
525-525-569000 Other Contractual Service				water delivery					
1386911 Total:		16.67							
*** 1523786	1/23/2020	77.37	0.00	02/07/2020				No	0
100-990-569000 Other Contractual Service				water delivery and cooler 12/27/19-01/23/20					
1523786 Total:		77.37							
Puritan Springs Water Tota		94.04							
Ray O'Herron Co Inc 10539 2003311in	1/16/2020	162.94	0.00	02/07/2020				No	0
100-761-534000 Automotive Expense				1 red LED light, 1 amber LED light and 1 light flange					
2003311in Total:		162.94							
2003739in	1/20/2020	75.20	0.00	02/07/2020				No	0
100-761-534000 Automotive Expense				6 gun lock mount push buttons					
2003739in Total:		75.20							
2004076in	1/21/2020	42.62	0.00	02/07/2020				No	0
100-761-518900 Uniform Allowance				2 name tags/barth and 2 name tags/hitchcock					
2004076in Total:		42.62							
2005500in	1/27/2020	505.00	0.00	02/07/2020				No	0
100-761-534000 Automotive Expense				mastercom siren for squad					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
2005500in Total:		505.00							
Ray O'Herron Co Inc Total		785.76							
Resource Management Associates 10981									
20010	1/17/2020	1,511.34	0.00	02/07/2020				No	0
100-990-590900 Police And Fire Commission				firefighter original appt written exam					
20010 Total:		1,511.34							
Resource Management Ass		1,511.34							
Roanoke Concrete Products 10553									
177760	1/8/2020	378.50	0.00	02/07/2020				No	0
231-030-564000 Sewer Maintenance/Improvement				class PP-1 for repair man hole sheridan and 4th					
177760 Total:		378.50							
177761	1/8/2020	423.50	0.00	02/07/2020				No	0
231-030-564000 Sewer Maintenance/Improvement				class PP-1 for repair man hole 5th and mclean					
177761 Total:		423.50							
177849	1/14/2020	262.50	0.00	02/07/2020				No	0
240-240-564100 Drainage Improvements				flowable fill/sewer repair at N. 16th/aurther					
177849 Total:		262.50							
Roanoke Concrete Product		1,064.50							
Schwartz Electric 10579									
14378	1/24/2020	1,875.00	0.00	02/07/2020				No	0
270-270-584009 General Public Improvements				LED lights for TIF streets/lighting downtown					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
14378 Total:		1,875.00							
14382	1/24/2020	2,950.00	0.00	02/07/2020				No	0
270-270-584009 General Public Improvements				LED lights for TIF streets/lighting downtown					
14382 Total:		2,950.00							
Schwartz Electric Total:		4,825.00							
Scott, Chad									
12672									
expense-0220	1/31/2020	28.00	0.00	02/07/2020				No	0
100-761-519000 Training And Education				2 lunch per diems 02/12-02/13/20					
expense-0220 Total:		28.00							
Scott, Chad Total:		28.00							
Screen Graphics									
11875									
*** 39464	1/30/2020	526.00	0.00	02/07/2020				No	0
223-025-551000 Printing And Publications				decals					
*** 39464	1/30/2020	70.00	0.00	02/07/2020				No	0
223-023-551000 Printing And Publications				decals					
*** 39464	1/30/2020	70.00	0.00	02/07/2020				No	0
223-026-551000 Printing And Publications				decals					
39464 Total:		666.00							
Screen Graphics Total:		666.00							
Sentry Safety Supply, Inc.									
10882									
*** 0243661in	1/27/2020	97.74	0.00	02/07/2020				No	0
100-032-522400 General Supplies				winter/rubber gloves					
*** 0243661in	1/27/2020	103.12	0.00	02/07/2020				No	0

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
223-023-522400 General Supplies *** 0243661in	1/27/2020	97.74	0.00	02/07/2020	winter/rubber gloves			No	0
223-025-522400 General Supplies *** 0243661in	1/27/2020	97.74	0.00	02/07/2020	winter/rubber gloves			No	0
223-026-522400 General Supplies *** 0243661in	1/27/2020	7.25	0.00	02/07/2020	winter/rubber gloves			No	0
100-032-554300 Uniforms And Tools					safety hat				
0243661in Total:		403.59							
Sentry Safety Supply, Inc.		403.59							
SIKICH LLP 13539 *** 418032	12/31/2019	5,759.59	0.00	02/07/2020				No	0
100-990-560100 Auditing Fees *** 418032	12/31/2019	1,151.91	0.00	02/07/2020	professional services 07/01/19-12/31/19			No	0
900-762-569000 Other Contractual Service *** 418032	12/31/2019	1,151.91	0.00	02/07/2020	professional services 07/01/19-12/31/19			No	0
231-031-560100 Auditing Fees *** 418032	12/31/2019	460.77	0.00	02/07/2020	professional services 07/01/19-12/31/19			No	0
223-023-560100 Auditing Fees *** 418032	12/31/2019	1,151.91	0.00	02/07/2020	professional services 07/01/19-12/31/19			No	0
270-270-560100 Auditing Fees *** 418032	12/31/2019	1,151.91	0.00	02/07/2020	professional services 07/01/19-12/31/19			No	0
273-273-560100 Auditing Fees					professional services 07/01/19-12/31/19				
418032 Total:		10,828.00							
SIKICH LLP Total:		10,828.00							
Storm Offroad LLC 13921 1102	1/24/2020	1,660.08	0.00	02/07/2020				No	0
100-761-534000 Automotive Expense					lights and sirens for unmarked vehicle				
1102 Total:		1,660.08							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description	Reference				
Storm Offroad LLC Total:		1,660.08							
T Shirt House									
10628									
87847	10/10/2019	60.00	0.00	02/07/2020				No	0
100-034-518900 Uniform Allowance				duty shirts for new hire bailey					
87847 Total:		60.00							
87848	10/8/2019	81.00	0.00	02/07/2020				No	0
100-034-518900 Uniform Allowance				sweat shirt for new hire bailey					
87848 Total:		81.00							
87849	10/3/2019	16.00	0.00	02/07/2020				No	0
100-034-518900 Uniform Allowance				hat for new hire bailey					
87849 Total:		16.00							
87850	10/10/2019	29.00	0.00	02/07/2020				No	0
100-034-518900 Uniform Allowance				shorts and sweats for new hire bailey					
87850 Total:		29.00							
87851	10/7/2019	12.00	0.00	02/07/2020				No	0
100-034-518900 Uniform Allowance				beanie for new hire bailey					
87851 Total:		12.00							
T Shirt House Total:		198.00							
Tazewell County Health Department									
11644									
*** 17583	1/21/2020	44.00	0.00	02/07/2020				No	0
100-032-559000 Medical Expense/supplies				vacines for employee					
17583 Total:		44.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number	Description			Reference					
Tazewell County Health D		44.00							
Tazewell County Landfill 10635									
4468338	1/15/2020	23,759.64	0.00	02/07/2020				No	0
223-023-566500 Landfill Expense				landfill fee 1/2-1/15/20					
4468338 Total:		23,759.64							
4468339	1/15/2020	301.59	0.00	02/07/2020				No	0
223-023-566500 Landfill Expense				x-waste fee at landfill 01/04/20					
4468339 Total:		301.59							
Tazewell County Landfill T		24,061.23							
Tazewell County Recorder 11172									
013020	1/30/2020	237.00	0.00	02/07/2020				No	0
231-029-593300 Lien Filing Fee				filing of 4 and release of 1 wastewater lien					
013020 Total:		237.00							
02032020	2/3/2020	189.60	0.00	02/07/2020				No	0
231-029-593300 Lien Filing Fee				filing of 3 and release of 1 wastewater lien					
02032020 Total:		189.60							
Tazewell County Recorder		426.60							
Teaney, Denise 13890									
*** pettycash1/20	1/22/2020	104.00	0.00	02/07/2020				No	0
501-501-554200 Meals Lodging				meal reimbursements for bus drivers					
*** pettycash1/20	1/22/2020	20.00	0.00	02/07/2020				No	0
501-501-557200 License And Inspection Fees				money orders for permit renewals					

Attachment: To Be Paid Proof List 2-7-20 (2023 : Accounts Payable Bill Run through 02-07-20)

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
	pettycash1/20 Total:	124.00							
	Teaney, Denise Total:	124.00							
The Economic Development Group, LTD									
13450									
01242020	1/24/2020	1,214.50	0.00	02/07/2020				No	0
273-273-560500 Consulting Services				TIF consulting fees					
	01242020 Total:	1,214.50							
01242020-1	1/24/2020	2,028.70	0.00	02/07/2020				No	0
270-270-560500 Consulting Services				TIF consulting fees					
	01242020-1 Total:	2,028.70							
	The Economic Developmen	3,243.20							
Third Millennium Associates, Inc.									
11953									
*** 24240	12/31/2019	926.69	0.00	02/07/2020				No	0
231-029-569000 Other Contractual Service				october 2019 lockbox					
*** 24240	12/31/2019	926.69	0.00	02/07/2020				No	0
223-023-569000 Other Contractual Service				october 2019 lockbox					
	24240 Total:	1,853.38							
*** 24297	12/31/2019	731.79	0.00	02/07/2020				No	0
231-029-569000 Other Contractual Service				november 2019 lockbox					
*** 24297	12/31/2019	731.79	0.00	02/07/2020				No	0
223-023-569000 Other Contractual Service				november 2019 lockbox					
	24297 Total:	1,463.58							
*** 24333	1/17/2020	980.30	0.00	02/07/2020				No	0
223-023-569000 Other Contractual Service				january 2020 bill rendering					
*** 24333	1/17/2020	9.98	0.00	02/07/2020				No	0
231-029-520400 Postage				january 2020 postage					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description			Reference		
*** 24333	1/17/2020	9.97	0.00	02/07/2020				No	0
223-023-520400 Postage				january 2020 postage					
*** 24333	1/17/2020	980.31	0.00	02/07/2020				No	0
231-029-569000 Other Contractual Service				january 2020 bill rendering					
24333 Total:		1,980.56							
Third Millennium Associat		5,297.52							
Truck Centers Inc 10664									
f14029260501	1/24/2020	385.92	0.00	02/07/2020				No	0
223-025-534000 Automotive Expense				transmission range selector for yw4					
f14029260501 Total:		385.92							
f14029263901	1/28/2020	12.38	0.00	02/07/2020				No	0
223-023-534000 Automotive Expense				hard brake valve					
f14029263901 Total:		12.38							
r14006012401	1/3/2020	255.30	0.00	02/07/2020				No	0
223-023-534000 Automotive Expense				sw11 warranty field call for transmission light					
r14006012401 Total:		255.30							
r14006012501	1/6/2020	138.75	0.00	02/07/2020				No	0
223-023-534000 Automotive Expense				sw13 warranty field call for oil leak					
r14006012501 Total:		138.75							
r14006012601	1/3/2020	138.75	0.00	02/07/2020				No	0
223-026-534000 Automotive Expense				rc1 warranty field call for after treatment					
r14006012601 Total:		138.75							
r14006025101	1/13/2020	897.52	0.00	02/07/2020				No	0
100-032-534000 Automotive Expense				st463 diagnostic/repair after treatment					
r14006025101 Total:		897.52							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	Truck Centers Inc Total:	1,828.62							
Velde Ford 10683									
357161fowg	1/16/2020	80.61	0.00	02/07/2020				No	0
100-793-534000 Automotive Expense				4wd shift cable and handle for vehicle 616					
357161fowg Total:		80.61							
focs388871	1/21/2020	121.99	0.00	02/07/2020				No	0
100-761-534000 Automotive Expense				troubleshoot vibration squad 5144					
focs388871 Total:		121.99							
focs389483	1/24/2020	201.99	0.00	02/07/2020				No	0
100-761-534000 Automotive Expense				troubleshoot squad 5163/spark plugs misfiring					
focs389483 Total:		201.99							
k1391218	1/28/2020	23,084.00	0.00	02/07/2020				No	0
501-000-152000 Vehicles				2019 ford transit					
k1391218 Total:		23,084.00							
k1426905	1/28/2020	28,345.00	0.00	02/07/2020				No	0
501-000-152000 Vehicles				2019 ford transit					
k1426905 Total:		28,345.00							
Velde Ford Total:		51,833.59							
Visa (business) 11433									
*** 0175-0120	1/26/2020	525.00	0.00	02/07/2020				No	0
100-763-519000 Training And Education				registration fee/leadership conference 02/24-02/28/20					
*** 0175-0120	1/26/2020	50.00	0.00	02/07/2020				No	0
100-761-592604 Emergency Services Team				national tactical officers assoc. for stolz 1/1-12/31/20					
*** 0175-0120	1/26/2020	50.00	0.00	02/07/2020				No	0
100-761-592604 Emergency Services Team				national tactical officers assoc. for ranney 1/1-12/31/20					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	0175-0120 Total:	625.00							
*** 2592-0120	1/26/2020	120.29	0.00	02/07/2020				No	0
100-009-538000 Maintenance Agreements					SSL certificate renwal maintenance fee 01/28/2020-01/28/21				
*** 2592-0120	1/26/2020	56.66	0.00	02/07/2020				No	0
100-990-520200 Office Supplies					3 decanters				
*** 2592-0120	1/26/2020	25.00	0.00	02/07/2020				No	0
501-501-599000 Miscellaneous					reload funds for tollways				
*** 2592-0120	1/26/2020	35.00	0.00	02/07/2020				No	0
100-005-551000 Printing And Publications					assistant finance director ad IML				
*** 2592-0120	1/26/2020	400.00	0.00	02/07/2020				No	0
100-005-551000 Printing And Publications					assistant finance director ad ilgfoa				
	2592-0120 Total:	636.95							
*** 5141-0120	1/26/2020	240.00	0.00	02/07/2020				No	0
100-034-529000 Equipment					2 radio headsets				
*** 5141-0120	1/26/2020	33.98	0.00	02/07/2020				No	0
100-034-599802 Computer Hardware					HDMI cables for F1				
	5141-0120 Total:	273.98							
*** 6031-0120	1/26/2020	446.80	0.00	02/07/2020				No	0
100-001-519000 Training And Education					CBDG training 2/3-2/5/20				
*** 6031-0120	1/26/2020	225.00	0.00	02/07/2020				No	0
100-001-519000 Training And Education					ILCMA 2020 winter conference 2/5/20-2/7/20				
	6031-0120 Total:	671.80							
	Visa (business) Total:	2,207.73							
Von Rohr, Richard									
10688									
expense-0120	1/21/2020	28.00	0.00	02/07/2020				No	0
100-761-519000 Training And Education					lunch per diem during training 01/21-01/22/20				
	expense-0120 Total:	28.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number	Description			Reference					
Von Rohr, Richard Total:		28.00							
Warning Systems Spec									
13591									
9145	1/17/2020	487.00	0.00	02/07/2020	poli-cour	expense		No	0
100-761-534000 Automotive Expense				rewire computer and GPS antenna squad 5153					
9145 Total:		487.00							
9150	1/27/2020	1,193.00	0.00	02/07/2020	poli-cour	expense		No	0
100-761-534000 Automotive Expense				complete rewire on squad 5142					
9150 Total:		1,193.00							
Warning Systems Spec Tot		1,680.00							
Washburn, Wesley									
13481									
expense-0120	1/21/2020	28.00	0.00	02/07/2020				No	0
100-761-519000 Training And Education				lunch per diem during training 1/21-1/22/20					
expense-0120 Total:		28.00							
Washburn, Wesley Total:		28.00							
Will Harms Co									
10706									
36283	1/27/2020	62.76	0.00	02/07/2020				No	0
100-763-520200 Office Supplies				post it notes, correction tape and file pockets					
36283 Total:		62.76							
Will Harms Co Total:		62.76							
XWaste Inc									

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number	Description			Reference					
10721									
440070	1/23/2020	135.00	0.00	02/07/2020				No	0
223-023-566500	Landfill Expense			x-waste fee 1/7/20					
	440070 Total:	135.00							
	XWaste Inc Total:	135.00							
	Report Total:	539,613.67							

Attachment: To Be Paid Proof List 2-7-20 (2023 : Accounts Payable Bill Run through 02-07-20)



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: John Lebegue, Building & Inspections

AGENDA ITEM: January 2020 Building Report

ACTION REQUESTED: Receive and File January 2020 Building Report

DESCRIPTION: Receive and File January 2020 Building Report

FINANCIAL IMPACT: N/A

Requested Amount:

Line Item:

Budgeted Amount:

Remaining Funds:

IMPACT IF APPROVED:

IMPACT IF DENIED:

ALTERNATIVES:

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Mark A. Rothert

Mark A. Rothert, City Manager

2/4/2020

Date:

Cash Receipts

Receipt Listing by GL

User: jrlebegue

Printed: 02/03/2020 - 2:18 PM

January 2020



City Of Pekin
111 S. Capitol
Pekin, IL 61554

Account Number Receipt No	Void	Cust No	Name	Account Description	Receipt Date	Line Item Description	Amount
100-793-425500							
00736436	False	000000	Kalman Engineering	Hvac Permit	1/7/2020	HVAC Permit	40.00
00737753	False	000000	Freeman Heating		1/10/2020	HVAC Permit	20.00
00738699	False	000000	Fritch HVAC		1/17/2020	HVAC Permit	20.00
00738700	False	000000	Meister HVAC		1/17/2020	HVAC Permit	40.00
00738703	False	000000	Garber HVAC		1/17/2020	HVAC Permit	40.00
00738709	False	000000	Standard Heating		1/17/2020	HVAC Permit	230.00
						Fund: 100	Total: 390.00
100-793-425700							
00739291	False	028227	Central Life Church	Special Use Permit	1/21/2020	Special Use Permit	0.00
						Fund: 100	Total: 0.00
100-793-426000							
00736437	False	000000	L&F Electric	Electrical Permits	1/7/2020	Electrical Permit	43.00
00736439	False	000000	Kaiser Electric		1/7/2020	Electrical Permit	31.00
00736443	False	000000	Schwartz Electric		1/7/2020	Electrical Permit	48.00
00737754	False	000000	Copperfield Communications		1/10/2020	Electrical Permit	43.00
00737761	False	000000	Robert Lamb		1/10/2020	Electrical Permit	31.00
00738189	False	000000	Sessa Electric		1/15/2020	Electrical Permit	79.00
00738191	False	000000	J-Horn		1/15/2020	Electrical Permit	43.00
00738360	True	000000	Shuck Electric		1/16/2020	Electrical Permit	55.00
00738467	False	000000	Shuck Electric		1/16/2020	Electrical Permit	55.00
00738746	True	000000	Porter Electric		1/21/2020	Electrical Permit	43.00
00738747	False	000000	Porter Electrical		1/21/2020	Electrical Permit	43.00
00741185	False	000000	T.J. Lowe & Co.		1/27/2020	Electrical Permit	86.00
00743406	False	000000	Michael Duffy		1/31/2020	Electrical Permit	61.00
						Fund: 100	Total: 661.00

CR - Cash Receipts Proof List by GL (02/03/2020 - 2:18 PM)

Page 1

Account Number Receipt No	Void	Cust No	Name	Account Description	Receipt Date	Line Item Description	Amount
100-793-426400				Building And Rezoning Permit			
00736447	False	000000	Zendavor Signs		1/7/2020	Sign Permit	104.00
00737757	False	000000	David Cassidy		1/10/2020	Roofing Permit	35.00
00738465	False	000000	Leah Tuntland		1/16/2020	Dumpster \$25.00 per day	125.00
00738701	False	000000	S&S Lighting		1/17/2020	Sign Permit	49.00
00738705	False	000000	Gavilinski Roofing		1/17/2020	Roofing Permit	50.00
00738710	False	000000	James Jackman		1/17/2020	Building Rezoning Permits	40.00
00741141	False	000000	David Allen		1/27/2020	Fence Permit	56.00
00741202	False	000000	RockyTop		1/27/2020	Roofing Permit	65.00
00741207	False	000000	Michael Thompson		1/27/2020	Building Rezoning Permits	68.00
						Fund: 100	Total: 592.00
100-793-451200				Plumbing Permits			
00736440	False	000000	David Burling & Son		1/7/2020	Plumbing Inspections	220.00
00736445	False	000000	David Burling & Son		1/7/2020	Plumbing Inspections	220.00
00736446	False	000000	Arnold & Sons		1/7/2020	Plumbing Inspections	46.00
00737300	False	000000	Jenna Lowe		1/9/2020	Plumbing Inspections	58.00
00737751	False	000000	Pipco Companies		1/10/2020	Plumbing Inspections	300.00
00737755	False	000000	Cranford Plumbing		1/10/2020	Plumbing Inspections	20.00
00737756	False	000000	Robert Maquet		1/10/2020	Plumbing Inspections	20.00
00738702	False	000000	Reading & Son Plumbing		1/17/2020	Plumbing Inspections	55.00
00738704	False	000000	Illini Plumbing		1/17/2020	Plumbing Inspections	34.00
00738706	False	000000	R. Maquet Plumbing		1/17/2020	Plumbing Inspections	80.00
00738707	True	000000	Reading & Son Plumbing		1/17/2020	Plumbing Inspections	59.00
00738708	False	000000	Reading & Son		1/17/2020	Plumbing Inspections	59.00
00741193	False	000000	Mikes Plumbing		1/27/2020	Plumbing Inspections	20.00
00741198	False	000000	Maquet Plumbing		1/27/2020	Plumbing Inspections	92.00
00741201	False	000000	David Burling & Son		1/27/2020	Plumbing Inspections	165.00
00741209	False	000000	David Burling & Son		1/27/2020	Plumbing Inspections	110.00
						Fund: 100	Total: 1,558.00
100-793-498900				Non Sufficient Funds Fee			
00739735	False	024736	Trent Copelen		1/23/2020	NSF Fee	25.00
						Fund: 100	Total: 25.00
100-793-499800				Miscellaneous Receipts			
00741203	False	000000	Hasselberg Grebe Snodgrass		1/27/2020	Misc Receipts	85.00

CR - Cash Receipts Proof List by GL (02/03/2020 - 2:18 PM)

Page 2

Account Number Receipt No	Void	Cust No	Name	Account Description	Receipt Date	Line Item Description	Amount
00741204	True	000000	Hasselberg Grebe Snodgrass		1/27/2020	Misc Receipts	85.00
00741206	False	000000	Hasselberg Grebe Snodgrass		1/27/2020	Misc Receipts	85.00
00743054	True	000000	Phillip Lippi		1/30/2020	Misc Receipts	85.00
00743108	False	000000	Phillip Lippi		1/30/2020	Misc Receipts	85.00
						Fund: 100	
						Total:	425.00
Report Totals:							3,651.00

January 2020

Code Enforcement Citations by Type

Printed: 2/3/2020

Page 1 of 1

Code Descriptor	Permits required for work	Code Identifier	1
Code Descriptor	Insufficient number of litter containers	Code Identifier	1
Code Descriptor	Nuisances/ Creating & maintaining	Code Identifier	4
Code Descriptor	Accessory building in side yard setback	Code Identifier	1
Code Descriptor	Parking regulations front yard setback	Code Identifier	4
Code Descriptor	Mosquito problem	Code Identifier	1
Code Descriptor	Structure fire	Code Identifier	3
Code Descriptor	Structure unfit for human occupancy	Code Identifier	3
Code Descriptor	Property maintenance violation	Code Identifier	6
Code Descriptor	Right-of-way obstructions	Code Identifier	7
Code Descriptor	Placement of litter containers	Code Identifier	2
Code Descriptor	Junk cars	Code Identifier	5
Code Descriptor	Junk and debris	Code Identifier	16
Code Descriptor	Maintenance of animals	Code Identifier	1
Code Descriptor	Fire Code Violation	Code Identifier	3
Code Descriptor	Abandoned Structure	Code Identifier	1
Code Descriptor	Off street parking	Code Identifier	3
Code Descriptor	Illegal home occupation	Code Identifier	1

Attachment: JANUARY 2020 BUILDING REPORT (2007 : January 2020 Building Report)



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: John Lebegue, Building & Inspections

AGENDA ITEM: November 13, 2019 Minutes of the Pekin Plan Commission

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Date:

Pekin Planning Commission Meeting
 Council Chambers
 111 South Capitol Street, 2nd level
 November 13, 2019
 5:30 p.m.

Present:

Bill Craig, Chairman
 Tim Bonnette
 Steve Thompson

Don Hild
 Chris Deverman
 Amy Wilson

The regular meeting of the Pekin Planning Commission was called to order and a quorum was declared.

Staff present: John Lebegue, Building Inspections/Development Director, and Kate Swise, City Attorney

MOTION by Tim Bonnette to approve the November 13, 2019 Agenda, seconded by Don Hild. On roll call vote, all present voted AYE. Motion approved.

MOTION by Chris Deverman to approve the minutes of October 16, 2019, Seconded by Tim Bonnette. On roll call vote, Chairman Bill Craig, Don Hild, Tim Bonnette, Steve Thompson and Chris Deverman voted AYE, Amy Wilson abstained. Motion approved.

Council Action Reports:

Chairman Bill Craig, stated that at the October 28, 2019 regular meeting of the Pekin City Council, the members of the City Council concurred with the recommendation of the Plan Commission and granted Site Plan approval for the construction of an addition to the rear of the Johnson Mechanical building at 1818 Parkway Drive.

Application #1: Conduct a Public Hearing for the consideration of a Special Use Petition submitted by Atul Patel of AARAV1121 Inc. for Open Front Storage of U-Haul rental trucks, trailers and equipment at a property located at 422 Derby Street with a Legal Description of Sec 3 T24N R5W Alfs Addn. Lot 1 Blk 1 SE ¼ in Tazewell County, Illinois, with the following P.I.N.# 04-10-03-420-004.

Open Public Hearing: 5:33 p.m.

Chairman Bill Craig opened the discussion and asked if there was anyone here to speak in regard to the issue.

Jeff Shutt, representing U-Haul, appeared before the members of the Plan Commission and explained that the small U-Haul use being proposed for 422 Derby Street would replace the U-

Haul use that had been previously conducted at A-Z Rental at 1115 Derby Street. Mr. Shutt further stated that 1 to 2 pieces of equipment would be stored at the site at 422 Derby Street and if vehicles were dropped off at 422 Derby Street in excess of the 2 vehicles, the vehicle would be moved to a larger, local location.

Neighboring property owner, Michael Abbott, 414 Derby Street, appeared before the members of the Plan Commission and expressed concerns that the proposed U-Haul use would utilize the alley at the rear of the property. In response to Mr. Abbott's concern, Mr. Shutt and Mr. Patel stated that the proposed U-Haul use would be entirely conducted at the front of the property and the alley at the rear of the property would not be used.

Don Hild asked the applicant if there were any future plans to pave the vacant lot to the west of the property to expand the U-Haul use onto that property.

Mr. Patel stated that they have recently installed a secondary driveway on the vacant parcel, but has no plans to expand business onto the vacant lot.

Close Public Hearing: 5:40 p.m.

Chairman Bill Craig entertained a motion for discussion.

Motion made by Steve Thompson, seconded by Chris Deverman, to open discussion.

Don Hild asked if U-Haul can control the drop off of large vehicles at 422 Derby Street.

Mr. Shutt stated that U-Haul has the ability to route larger vehicles to larger, local facilities, as they would be happy to take the larger vehicles.

Amy Wilson stated that she had concerns that a truck being returned to the site would be parked in a location on the lot that would obstruct traffic and create an unsafe condition and suggested that signage be installed on the property at 422 Derby Street to identify the designated parking area for U-Haul trucks and equipment.

Chairman Bill Craig stated that he had concerns as to the small size of the property, but felt that the small scale U-Haul use would be a nice accessory use for the owner of the property at 422 Derby Street.

Chairman Bill Craig called the question on the petition for Special Use authorization for the open front storage of U-Haul rental trucks, trailers and equipment at the property at 422 Derby Street. On a roll call vote, all present voted Aye. Motion passed.

Application #2: Conduct a Public Hearing for the consideration of amendments to the City of Pekin Zoning Code for regulating adult-use recreational cannabis businesses and use of adult-use recreational cannabis in the City of Pekin.

Open Public Hearing: 5:49 p.m.

Bill Craig, Chairman, opened the discussion and asked if there was anyone here to speak in regard to the issue.

No one appeared before the members of the Plan Commission to speak in regard to the consideration of amendments to the City of Pekin Zoning Code for regulating adult-use recreational cannabis businesses and use of adult-use recreational cannabis in the City of Pekin.

Close Public Hearing: 5:50 p.m.

Bill Craig, Chairman, entertained a motion for discussion.

Motion made by Chris Deverman, seconded by Steve Thompson, to open discussion.

Chairman Bill Craig opened discussion by stating that he had been contacted prior to the meeting and informed that there was a last minute change to the proposed ordinance in regard to the setback requirements for cannabis establishments. Chairman Craig further explained that where the ordinance required a setback of 1000 feet that the setback be changed to 500 feet.

City Attorney Kate Swise explained that the decision to reduce the setback of cannabis establishments was made since the draft ordinance was prepared and the reduced setback would apply to cannabis dispensaries, cannabis infusers and cannabis transportation centers.

City Attorney Swise continued by stating that under the Medical Cannabis Act the State determined the required setback of a medical cannabis facility, but for recreational cannabis facilities the State has included no setback regulations and is leaving that matter up to the local municipality. City Attorney Swise then distributed a downtown district map that showed how limiting a 1000 foot setback would be for cannabis related businesses interested in locating in downtown Pekin. City Attorney Swise ended her comments by stating that staff recommended the required setback be reduced to 500 feet and that staff had prepared a survey in regard to resident opinions in regard to recreational cannabis establishments and the results of the survey have been distributed.

Chris Deverman complimented City Attorney Swise on the work she had on performed on the proposed ordinance.

Don Hild asked that since all cannabis related uses required Special Use authorization if conditions and restrictions could be placed on cannabis related establishments similar to other special uses.

City Attorney Swise stated that conditions could be placed on recreational cannabis establishments.

Chris Deverman then asked if a recreational cannabis facility could be located in a building in the downtown district that had an upper story residence.

Building Inspections / Development Director stated that a recreational cannabis facility could not locate in a downtown building if a residence existed on an upper story of the building.

Chris Deverman asked what the required distance was between cannabis dispensing facilities.

City Attorney Swise stated that cannabis dispensing facilities must be 1,500 feet apart.

Don Hild then stated that according to the proposed ordinance that residents can grow cannabis at home.

City Attorney Swise stated that residents may grow cannabis at home but only if they have a medical cannabis card.

Chris Deverman stated that he did not have a problem with even less than a 500 foot setback.

City Attorney Swise explained that the required setback for cannabis facilities could be reduced to 100 feet, which would be consistent with the required setback established under the liquor code.

Chairman Bill Craig then moved to amend the proposed ordinance reduce the setback for cannabis dispensing organizations, cannabis infuser organizations, cannabis processing organizations and cannabis transporting organizations to 100 feet from a pre-existing place of worship, public or private nursery school, preschool, primary or secondary school, college, university, community or junior college, vocational or trade school, learning center or academy, driving school, cosmetology school, day care center, licensed day care home, or licensed residential care home, seconded by Chris Deverman. Chairman Bill Craig called the question on the amended ordinance amending the City of Pekin Zoning Code for the regulation of adult-use recreational cannabis businesses and use of adult-use recreational cannabis in the City of Pekin. On a roll call vote, all present voted Aye. Motion passed.

No public input.

Motion made by Steve Thompson, seconded by Chris Deverman to adjourn. On roll call vote, all present voted Aye. Motion approved. Meeting adjourned at 6:30 p.m.

Respectfully submitted:

John R. Lebegue, Building Inspections / Development Director



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: John Dossey, Police Chief

AGENDA ITEM: Police Department Stats - January 2020
ACTION REQUESTED: Receive and File Police Department Stats – January 2020

DESCRIPTION: Police Department Stats – January 2020

FINANCIAL IMPACT: n/a

Requested Amount:
 Line Item:
 Budgeted Amount: n/a
 Remaining Funds:

IMPACT IF APPROVED:

IMPACT IF DENIED:

ALTERNATIVES:

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
X	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):
 Date:

City Manager:

Mark A. Rothert

Mark A. Rothert, City Manager

2/5/2020

Date:

JANUARY 2020 WEEKLY STATS	DEC 29 - Jan 4	JAN 5-11	JAN 12-18	JAN 19-25	JAN 26 - FEB 1	TOTAL
PATROL						
Calls for service	380	355	415	418	398	1966
Buisness / Bar checks	115	124	133	105	101	115
Traffic stops	47	34	72	40	54	247
Phone calls & station information	55	70	55	47	45	272
Reports	52	53	62	52	61	280
Supplements	24	13	15	16	19	87
Impounds	3	4	8	5	8	28
Arrests	44	35	44	31	35	189
Citations	34	47	43	21	63	208
Written warnings	23	38	32	30	22	145
Cell phone	0	1	1	0	0	2
Truck route	0	0	0	0	0	0
Low-speed gas bicycle	0	0	1	0	0	1
Pedestrian stops	0	2	0	0	0	2
DUI	0	1	0	2	4	7
Crashes	10	14	11	18	20	73
Field contact	1	1	1	0	1	4
Parking tickets - Parking Enforce	0	0	0	0	0	0
Parking tickets - Patrol	6	4	4	4	4	22
Animal controls tickets - AC	7	2	49	0	0	58
Animal - Patrol	0	0	3	0	0	3
NOT COUNTED (those listed below)						
Julie notifications	1	2	0	0	0	3
Repossessions	0	0	0	0	0	0
Repossessions	1	2	0	0	0	3
Incident created in error	0	0	0	0	0	0
Law test nature code	0	0	0	0	0	0

RECORDS						
Notice to Appears	0	0	0	0	0	0
Citations	2	0	0	0	0	2
Warnings	0	0	0	0	0	0
Freedom of Information / Pages	10 / 53 pgs	23 / 253 pgs	18 / 122 pgs	15 / 333 pgs	19 / 915 pgs	85 / 1554 pgs
CD/DVD'S FOR FOI OR SUBPOENAS	0	6	1	2	2	11
SEX Offender Registration	9	25	16	9	23	82
Impounds processed	3	4	8	5	8	28
Impound fees collected	\$ 1,500.00	\$ 3,000.00	\$ 2,500.00	\$ 2,500.00	\$ 3,500.00	\$ 13,000.00
Fines collected	\$0.00	\$ 3,066.00	\$ 1,920.50	\$674.50	\$0.00	\$5,661.00
Reports	2	0	0	1	0	3
Supplemental reports	1	1	0	1	0	3
Fingerprints processed	0	1	1	0	0	2
Court case files	8	28	8	25	51	120
DVD/CD for court	11	9	23	8	3	54
Pieces of logged evidence	90	70	48	50	N/A	258
Backgrounds for other LAW/GOVT. Agen	9	1	5	7	13	35
False alarm letters	0	0	3	0	0	3
Certificate of Purchase	3	0	1	4	4	12
Certificate of Purchase Final Letters	0	4	7	0	1	12
Evidence Pulled to be destroyed	56	123	203	0	N/A	385
Subpoenas / Expungements	1 / 453 pgs	0	3	0	1 sub/29 pgs	5 / 482
AVRS Crash Report Sales / \$	11 / \$55	16 / \$80	18 / \$90	0 / \$0	0 / \$0	45 / 225

Attachment: PD Stats - January 2020 (2020 : Police Department Stats - January 2020)



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Mark Rothert, City Manager

AGENDA ITEM: Bus Department HVAC Report

ACTION REQUESTED: Receive and File bids Mucciante Heating & Cooling and Standard Heating & Cooling

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):
 Date:

City Manager:
 Date:

MUCCIANTE

HEATING & COOLING

821 Brenkman Dr.
Pekin, IL

Dan Jost
City of Pekin
Pekin, IL

1-22-19

BUS DEPARTMENT COMPLETE HVAC REPLACEMENT

We are pleased to offer for your consideration the following;

Furnish and install a Mitsubishi Hyper heat Mini split system in place of the boiler/chiller system
Equipment to be installed

7 Offices ceiling cassettes wireless thermostats

1 East Entry Ceiling cassette wireless thermostats

4 Condensers provided with outdoor stand total capacity 20 tons

1 5 ton A/C gas fired furnace with make up air controlled economizer for the breakroom and
meeting room

Start up by manufacturer.

All prevailing wage labor

Electrical wiring included for the outdoor condensers.

For the sum of.....\$70,622.00

* Repairs or replacements not included in the above quote will be completed time & material and
billed as an extra to this quote. The facility will be notified prior to the start of this work.

ALL APPLICABLE TAXES, PERMITS, ADDITIONAL INSURANCE, BONDS AND SHIPPING CHARGES ARE NOT REFLECTED IN
QUOTED AMOUNT

THIS QUOTE REFLECTS LABOR COMPLETED BETWEEN THE HOURS OF 8:00 A.M. - 4:30 P.M., MONDAY - FRIDAY NOT
INCLUDING HOLIDAYS. LABOR COMPLETED OUTSIDE THE STATED HOURS, ON HOLIDAYS OR WEEKENDS WILL BE
SUBJECT TO ADDITIONAL LABOR CHARGES.

ALL QUOTES ARE SUBJECT TO CREDIT APPROVAL PRIOR TO START UP OF PROJECT OR DELIVERY OF EQUIPMENT.
COMPANY PURCHASE ORDERS MUST REFER TO OUR QUOTES TERMS & CONDITIONS. TERMS: INSTALLATION QUOTES
35% UPON ORDER, 35% UPON RECEIPT OF MATERIAL AND PROGRESS BILLING TILL COMPLETION.

SERVICE QUOTES TIME & MATERIAL NET. 15 DAYS.

EQUIPMENT ONLY QUOTES 50% UPON ORDER, 50% UPON RECEIPT OF MATERIAL. PAST DUE BALANCES ARE SUBJECT
TO A 1.5% PER MONTH FINANCE CHARGE. ALL COSTS INCURRED TO COLLECT, INCLUDING REASONABLE
ATTORNEYS FEES, WILL BE THE RESPONSIBILITY OF THE APPLICANT COMPANY. QUOTES CANCELED AFTER
EQUIPMENT HAS BEEN ORDERED WILL INCUR A 25% RESTOCKING FEE.

ASBESTOS REMOVAL OR DISPOSAL IS NOT INCLUDED IN THIS QUOTE

THIS PROPOSAL IS SUBJECT TO ACCEPTANCE WITHIN 30 DAYS FROM THE PROPOSAL DATE OR IS THEN SUBJECT TO
REVIEW

Attachment: MUCCIANTE HEATING & COOLING (2021 : Bus Department HVAC Report)

MUCCIANTE

HEATING & COOLING

821 Brenkman Dr.
Pekin, IL

ACCEPTED BY: _____ DATE: _____
QUOTE IS GOOD FOR 30 DAYS FROM THE DATE PROPOSED

By: Nick Mucciante
Owner

Attachment: MUCCIANTE HEATING & COOLING (2021 : Bus Department HVAC Report)



**RESIDENTIAL
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24 HOUR EMERGENCY SERVICE

AN EQUAL OPPORTUNITY EMPLOYER

City of Pekin
 111 S. Capitol
 Pekin, IL 61554
 Attn: City Clerk

Re: Bus Department HVAC Replacement

City of Pekin - City Clerk:

Thank you for the opportunity to provide you with our proposal for the "Bus Department HVAC Replacement".

Enclosed you will find our:

- Proposal
- Cost Estimate Summary
- Proposal Appendices
- Bidder's Certification and Questionnaire Documents
- Copy of Insurance Coverage

Please feel free to contact me with any additional questions or clarifications at 309.696.2824..

Sincerely,
 Standard Heating & Cooling

Britt Ewalt
 Vice President

Attachment: STANDARD HEATING & COOLING (2021 : Bus Department HVAC Report)



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24 HOUR EMERGENCY SERVICE

AN EQUAL OPPORTUNITY EMPLOYER

City of Pekin
 111 S. Capitol
 Pekin, IL. 61554

January 22, 2020
 Re: Bus Department HVAC
 Est.# BE194714

We propose to furnish labor and materials needed to install a Ductless Split System to heat and cool this location. We will also install an ERV unit that will supply the required building ventilation per your personnel occupancy in your RFP.

Included in our proposal are the following items;

- 3 – Mitsubishi Hyper Heat Pumps
- 16 – Mitsubishi Wall Cassettes
- 16 – Inline Condensate Pumps
- Branch Box as required
- Communication Wiring
- Power wiring from your existing electrical system
- Refrigerant Piping
- 1 – ERV Fresh Air Unit
- Supply, Exhaust and Outdoor Air Ductwork for ERV Unit
- Roof Patching for required penetrations
- Equipment Roof Rails
- Honeywell wall mounted thermostats with automatic change over control
- Hoisting
- Test and Balancing
- 1yr parts and labor warranty on the installation
- 5yr parts warranty on the Mitsubishi Unit
- 7yr compressor warranty on the Mitsubishi Unit
- City Permit

For the sum of \$98,549.00

Addendum #1

Note not included any painting, stamped PE drawing, bonds, special insurance, demolition of existing equipment or upgrading to existing electrical services.

Terms: Monthly AIA Billings

This proposal good for 30 days

ACCEPTED: _____

DATE: _____

PREPARED BY:

SETTING THE STANDARD IN COMFORT SINCE 1939

Attachment: STANDARD HEATING & COOLING (2021 : Bus Department HVAC Report)



**RESIDENTIAL
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INSTITUTIONAL**

24 HOUR EMERGENCY SERVICE

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BIDDERS EXPERIENCE

Standard Heating & Cooling has been in business for 80 years serving the Central Illinois area. We provide repairs, maintenance and new HVAC systems for Residential, Commercial and Industrial Customers.

We have designed and installed complete HVAC Systems for local Schools, Businesses, Local Government and Community Buildings. In addition to working in Pekin as a subcontractor on larger projects, we have been doing work directly for the City of Pekin for over 3 years and are familiar with your equipment.

Prior to the start of a project, we identify which one of our Foreman will be running the job. We hold a pre-job meeting between the Foreman, Superintendent and Project Manager to go over the project scope and identify manpower needs to ensure a successful project that is completed on time for the customer.

The following are some customers that we have completed successful projects with in the last few years:

Black Hawk Community College
Trefzger's Bakery
Buehler Home
Maui Jim
OSF Health Care
Neighborhood House

Knox College
First United Methodist Church Pekin
Fulton County Courthouse
Metamora Grade School
Tazewell County
Goodwill Industries

Our Estimators are the Project Managers on each job, they do not just bid it and pass it on to someone else to run. They coordinate with the Superintendent who then works directly with the Foreman. Any new developments or problems that might come up are dealt with as a team to find the quickest and most cost-effective solution to keep the project on track and minimize delays.

The Project Manager and Superintendent also make regular site visits to ensure the work is being completed according to SMACNA standards. We require our employees to follow all of OSHA'S guidelines to complete our projects accident free. If we hire any subcontractors for a project, we ensure they adhere to the same standards and are fully insured.



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24 HOUR EMERGENCY SERVICE

AN EQUAL OPPORTUNITY EMPLOYER

BIDDER TEAM

Standard Heating & Cooling is signatory to Sheetmetal Workers Local Union 1. Our employees go through the Department of Labor accredited Apprenticeship Program. This program is for our Sheetmetal Workers and our Service Technicians, with each receiving separate training. In addition to four years of classroom training, our workers also receive on the job training from Journeymen. Standard Heating & Cooling believes that you should never stop learning. We encourage our Journeymen to take additional training classes as they are offered. Our Service Technicians are expected to regularly attend new training classes and receive new certifications as new equipment is introduced into the market.

Our Team for each major project includes:

- Estimator
- Superintendent
- Foreman
- Accounting Specialist
- Service Coordinator

Each of our estimators have over 20 years' experience with designing and estimating this type of project. We work closely with our equipment suppliers to ensure the highest quality equipment for a fair price.

Our Superintendent started out as a truck driver over 20 years ago, went through the Apprenticeship Program, worked at a Journeyman then becoming a Foreman and now Superintendent. Having come up through the ranks he has detailed knowledge of what it takes to run a successful project.

Our Journeyman are elevated to Foreman only after demonstrating exceptional knowledge and performance. They go above and beyond to ensure the customer is satisfied. They are role models to the apprentices and journeyman that they work with as well as ensuring everyone completes their work in a safe manner.

Our Accounting Specialist has over 30 years' experience in Construction. She is knowledgeable on all phases of paperwork for billing, certified payroll and closeout documents.

Our Service Coordinator will register all equipment with the manufacture to ensure the warranty is recorded along with making sure the Customer knows of any requirements such as annual maintenance, is needed to maintain the warranty.

If awarded the project for the "Pekin Bus Barn HVAC System", Standard Heating & Cooling will assign a complete Team to it. This will enable us to meet the schedule and requirements set by the City of Pekin.



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24 HOUR EMERGENCY SERVICE

AN EQUAL OPPORTUNITY EMPLOYER

KEY PERSONNEL SUMMARY RESUMES

Britt Ewalt

Service Technician - 12 years

Estimator / Project Manager - 17 years

Brent Higgins

Draftsman / Detailer - 5 years

Estimator / Project Manager - 30 years

Adriane Ewing

Construction Accounting - 30 years

Matt Winkler

Sheetmetal Journeyman / Foreman - 12 years

Superintendent - 10 years



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24 HOUR EMERGENCY SERVICE

AN EQUAL OPPORTUNITY EMPLOYER

City of Pekin
 111 S. Capitol
 Pekin, IL. 61554

January 22, 2020
 Re: Bus Department HVAC
 Est.# BE194714

1. Mitsubishi is the number 1 supplier of mini-split manufacturer in the USA since 1984 with the best reliability in the market.
2. Hyper Heat units sized to allow full heating capacity at -13
3. Individual cassettes allow for the best comfort room to room.
4. Cooling available down to 23 degrees however all units must either be in heating or cooling modes.
5. Highly efficient with SEER rating at 18.9, 12.0 EER, 11.0 HSPF and COP at 17 degrees is 2.70. COP means that for every dollar on energy spent, \$2.70 worth of heat is achieved at 17 degrees.
6. Improves air quality, reducing dust, mold and allergens. Return air shall be filtered by means of easily removed, washable, Antioxidant Pre-filter and an Anti-allergy enzyme filter – blue, pleated type.
7. The compressor is a high performance, hermetic, inverter driven, variable speed, dual rotary type manufactured by Mitsubishi Electric Corporation. Allows wide range of comfort to meet conditions. MXZ-8C48NAHZ has a cooling capacity range of 6,000 to 48,000 BTU's. Heating capacity range is from 7,200 to 54,000 BTU's. Inverter system automatically adjusts instantly for consistent comfort. Maximizes energy savings by using only the energy needed to perfectly heat or cool an area.
8. Quieter than a human whisper. Indoor units at low speed range from 22 to 33 dBA. Human whisper is 30 dBA.
9. The installation being completed by Standard Heating & Cooling, means your system would be installed by a Diamond Mitsubishi Dealer. Standard Heating and Cooling is recognized by Mitsubishi for continuous training and meets the high standards of the Diamond Dealer status.

Sincerely

Britt Ewalt
 Vice President

SETTING THE STANDARD IN COMFORT SINCE 1939

Attachment: STANDARD HEATING & COOLING (2021 : Bus Department HVAC Report)

**REQUEST FOR COUNCIL ACTION**

Agenda Date: February 10, 2020
To: Council Members
From: Sue McMillan, City Clerk

AGENDA ITEM: Roof Replacement Bus Department

ACTION REQUESTED: Receive and File Quotes Kreiling Roofing Co. and Kelly Construction

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Mark A. Rothert

Mark A. Rothert, City Manager

2/6/2020

Date:



Kelley Construction

Kelley Construction
 201 N. 8th St.
 Pekin IL, 61554
 Phone: 309-346-6604
 E-Mail: Office @kelleyconstructioninc.com
 www.kelleyconstructioninc.com

Insured: Dan Jost (City Of Pekin)
 Property: 1130 Koch Street
 Pekin, IL 61554

Estimator: Taylor Carr
 Position: Project Consulting Mngr.
 Company: Kelley Construction Inc.
 Business: 201 N 8th St.
 Pekin , IL 61554

Business: (309) 346-6604
 E-mail: Taylor@kelleyconstructioninc.com

Claim Number:

Policy Number:

Type of Loss: <NONE>

Date of Loss:
 Date Inspected:

Date Received:
 Date Entered: 2/4/2020 9:38 AM

Price List: ILBL8X_JAN20
 Restoration/Service/Remodel
 Estimate: JOST_DAN

Attachment: COP CUSTOMER TOTAL AMOUNT KELLY (2028 : Roof Replacement Bus Department)



Kelley Construction

Kelley Construction
 201 N. 8th St.
 Pekin IL, 61554
 Phone: 309-346-6604
 E-Mail: Office @kelleyconstructioninc.com
 www.kelleyconstructioninc.com

JOST_DAN

Main Level

EPDM

DESCRIPTION	QTY
1. Single axle dump truck - per load - including dump fees	5.00 EA
2. Tear off, haul and dispose of gravel ballast	63.84 SQ
3. Remove Insulation - ISO board	63.84 SQ
4. Insulation - ISO board with tapered system	70.22 SQ
5. Rubber roofing - Mechanically attached - 60 mil	73.42 SQ
6. R&R Custom bent aluminum (PER LF)	320.00 LF
<i>This estimate does not include removal of HVAC units on the roof.</i>	

Grand Total

\$120,284.12

Taylor Carr
 Project Consulting Mngr.

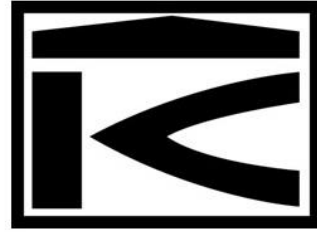
Grand Total Areas:

0.00 SF Walls	0.00 SF Ceiling	0.00 SF Walls and Ceiling
0.00 SF Floor	0.00 SY Flooring	0.00 LF Floor Perimeter
0.00 SF Long Wall	0.00 SF Short Wall	0.00 LF Ceil. Perimeter
0.00 Floor Area	0.00 Total Area	0.00 Interior Wall Area
599.24 Exterior Wall Area	0.00 Exterior Perimeter of Walls	
6,384.06 Surface Area	63.84 Number of Squares	320.21 Total Perimeter Length
0.00 Total Ridge Length	0.00 Total Hip Length	

Attachment: COP CUSTOMER TOTAL AMOUNT KELLY (2028 : Roof Replacement Bus Department)

Kreiling Roofing Co.

2335 W. Altorfer Drive
 Peoria, IL 61615
 Phone: (309) 673-3649
 Fax: (309) 692-2504
 www.kreiling.com



TO:

City of Pekin
 111 S Capitol
 Pekin, IL 61554

02/03/2020

JOB: WO #20200270

ADDRESS: 1130 Koch St, Pekin, IL 61554

Kreiling Roofing Company proposes to do the following work:

1. Tear-off roof down to metal deck.
2. Loose lay 1.5" insulation to match existing.
3. Mechanically fasten 1/8" tapered insulation system to direct water towards drains *see below.
4. Adhere Firestone black 060 EPDM roofing membrane with bonding adhesive.
5. Install wood blocking to match new insulation height.
6. Fabricate and install new pre-finished 24GA metal edge on North side, 2-piece metal edge and fascia on East side, and counter-flashing on South/West walls.
7. Flash details to manufacturer specification.
8. Provide 20-year manufacturer warranty.
9. Clean-up and haul away roofing debris.

*HVAC units will need to be raised to allow clearance for tapered insulation height, HVAC contractor cost not included.

*IL sales tax not included.

PRICE**\$85,909.00**

Approved By:

 PRINT NAME

 SIGNATURE

Jonah Moore

Kreiling Roofing Company

Attachment: COP ROOF REPLACEMENT KREILING (2028 : Roof Replacement Bus Department)



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Mark Rothert, City Manager

AGENDA ITEM: RFP TIF District and BDD

ACTION REQUESTED: Receive and File RFP/RFQ responses - Jacob & Klein LTD and Crowe LLP

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Date:



Smart decisions. Lasting value.™

Proposal to Provide Professional Services to Create a Tax Increment Financing District and Business Development District

January 17, 2020

Submitted to:

Mark Rothert, City Manager
City of Pekin
111 S. Capitol Street
Pekin, Illinois 61554

Submitted by:

Alicia L. Antonetti-Tricker, Principal
Crowe LLP
225 West Wacker Drive, Suite 2600
Chicago, Illinois
Direct 317.208.2469
alicia.antonetti@crowe.com



Attachment: CROWE LLP TIF BDD PROPOSAL OPT (2018 : RFP TIF District and BDD)

Table of Contents

1. Qualifications of Firm.....	1
Firm Background	1
Relevant Qualifications	2
2. Timeline and Scope.....	4
TIF District Scope & Timeline	4
BD District Scope & Timeline	6
3. Experience and Qualifications of Personnel	7
4. Fee Schedule.....	9
5. References	10
Appendix A: Resumes	11



Crowe LLP
 Independent Member of Crowe Global
 225 West Wacker Drive, Suite 2600
 Chicago, Illinois
 Tel 317-632-1100
 Fax 317-635-6127
 www.crowe.com

January 17, 2020

Mark Rothert, City Manager
 City of Pekin
 111 S. Capitol Street
 Pekin, Illinois 61554

Dear Mr. Rothert:

Please find our response to your Request for Proposal (RFP), entitled Professional Services to Create a Tax Increment Financing District (TIF District) and Business Development District (BD District), enclosed.

Crowe is a public accounting, consulting, and technology firm headquartered in Chicago with two additional offices in Illinois (Oak Brook and Springfield) and a total of over 40 offices around the world. Our vision is built on deep specialization and a focus on our clients, our people, and the hallmarks of our profession: integrity, objectivity, and independence.

We forge each relationship with the intention of delivering exceptional client service while upholding our firm's core values – care, share, invest, and grow – and strong professional standards. Crowe has delivered value to our clients for decades by listening to their needs and developing a comprehensive understanding of their businesses and would appreciate the opportunity to do the same for you.

Our vision is built on deep specialization and a focus on our clients, our people, and the hallmarks of our profession: integrity, objectivity, and independence. The differentiating attributes of the Crowe team that we feel are important to the success of this project, include:

- **Full service national top 10 accounting, consulting and technology firm headquartered in Chicago, Illinois.** We are a national top 10 firm, *headquartered in Chicago* with a full-service team dedicated to public sector clients. Our combined expertise with accounting and consulting provides the City with a team knowledgeable in all area required to make this project successful.
- **Commitment to the Illinois.** Crowe is committed to the State of Illinois. This commitment is demonstrated by our headquarters in Chicago, and our employment of over 850 individuals across *three Illinois Offices (Chicago, Oakbrook and Springfield)*, representing approximately 20% of the Firm's total personnel.
- **Experience working with TIF and Other Special Districts.** As you will read in our response, Crowe has been providing TIF, and related special districts, consulting services for decades.
- **Extensive experience providing financial (municipal) advisory services.** Crowe is a registered Municipal Advisor (MA) with the Municipal Securities Rulemaking Board (MSRB) and the U.S. Securities and Exchange Commission (SEC). As a registered MA, Crowe has had the opportunity to work with states, cities and other units of government to assist with financial analysis including ratings, structuring of debt, and the issuance of bonds. *While we understand the intent of this RFP is not to provide municipal advisory services, our background as municipal advisors – and financing projects with TIF and other special district revenue – will benefit the City.*

Attachment: CROWE LLP TIF BDD PROPOSAL OPT (2018 : RFP TIF District and BDD)

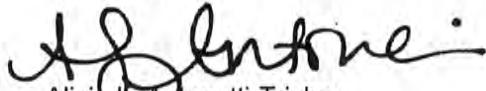
Mr. Mark Rothert
City Manager
Pekin, Illinois
Page ii

- **Collaborative and creative style.** We have a highly collaborate approach in working with clients to consistently identify and deliver high-quality, practical solutions while respecting each team members' points of view to provide a team environment. *Our collaborative approach will provide for a smooth and efficient process for the City.*

In our seventy-seven year history, we have built our firm based on a commitment to building value for our clients. We build that value with experienced resources and personal attention. We are confident our approach and resources, combined with our expertise, will assist you in accomplishing your objectives by providing quality accounting assistance.

Thank you for taking the time to consider our proposal. We are confident that after reviewing our proposal you will share our conviction that we stand apart from others – with a values driven workplace, people, resources, attitude, reputation and specialized service to provide the best professional services at a reasonable cost.

Sincerely,



Alicia L. Antonetti-Tricker
Principal

1. Qualifications of Firm

Qualifications of the firm in regards to creating TIF districts and BDDs.

Firm Background

Crowe: Building lasting value

Crowe is a public accounting, consulting, and technology firm that combines deep industry and specialized expertise with innovation. By listening to our clients, we learn about their businesses and the challenges they face. Our dedicated teams strive to deliver exceptional client service while upholding our core values and strong professional standards. We invest in tomorrow because we know smart decisions build lasting value for our clients, people, and profession.

Founded in 1942 as Crowe Chizek, Crowe provides a wide variety of high-quality services, including audit and accounting, tax, technology, and advisory services. The firm has been providing auditing services for over 75 years and has more than 4,000 personnel.

Key Leadership of the Firm

Crowe LLP (Crowe) is led by Mr. Jim Powers, chief executive officer. In his role as CEO, Mr. Powers heads the Board of Directors and acts as the communication link between the Board of Directors and the management team, or those who manage the firm's business units (BUs).

Board of Directors

Crowe is governed by a seven-person Board of Directors elected by the firm's partners. The Board is responsible for fostering policy development, initiating long-range planning, and overseeing functional and administrative unit planning, as well as approving operating plans. The Board of Directors is also responsible for appointing the firm's Chief Executive Officer. Since Crowe is primarily managed along functional and industry lines rather than geographical locations, the Chief Executive Officer in turn appoints the partners in charge of each functional business unit and Crowe's various industry focused units.

Industry specialization is the primary go-to-market strategy for the firm, relying on teams of individuals contained within the business units to drive service delivery and growth within key industries.



Office Locations

Crowe serves clients coast to coast from the following office locations:



- California | Los Angeles (2), Orange County, Sacramento, San Francisco, San Jose
- Colorado | Denver
- Connecticut | Hartford
- District of Columbia | Washington D.C.
- Florida | Fort Lauderdale, Miami, Tampa
- Georgia | Atlanta
- **Illinois | Chicago, Oak Brook, Springfield**
- Indiana | Elkhart, Fort Wayne, Indianapolis (2), South Bend
- Kentucky | Lexington, Louisville
- Massachusetts | Boston
- Michigan | Grand Rapids
- Missouri | St. Louis
- New Jersey | Livingston
- New York | New York
- Ohio | Cleveland, Columbus
- Tennessee | Knoxville, Nashville
- Texas | Dallas, Houston
- Vermont | Burlington

Relevant Qualifications

Crowe has been providing consulting to public sector organizations for decades as well as interacting with elected and appointed officials at the federal, state and local level.

Crowe also has significant experience working with TIF districts and other special districts, such as business development districts. We have been providing financial / municipal advisory consulting services to state and local entities for decades.

Below is a list of governmental customers we have provided similar services to in the recent past. We have provided reference information as requested later in our response. We welcome the opportunity to discuss our credentials with the City.

Client	Experience
City of Bedford, Indiana	TIF district creation
City of Calumet City, Illinois	TIF compliance examination
City of Des Plaines, Illinois	TIF compliance examination
City of Elkhart, Indiana	TIF district creation
Village of Elmwood Park, Illinois	TIF compliance examination
Village of Forest Park, Illinois	TIF compliance examination
City of Frankfort, Indiana	TIF district creation
Ft. Harrison, Indiana	TIF district creation
Village of Glendale Heights, Illinois	TIF compliance examination
City of Greenwood, Indiana	TIF district creation

Client	Experience
Village of Hillside, Illinois	TIF compliance examination
City of Huntingburg, Indiana	TIF district creation
Indianapolis Local Public Improvement Bond Bank / City of Indianapolis	TIF district creation
Village of Matteson, Illinois	TIF compliance examination
City of South Bend, Indiana	TIF district creation
Town of Speedway, Indiana	TIF district creation
Town of Zionsville, Indiana	TIF district creation

2. Timeline and Scope

A timeline for engagement, including the scope of services, appropriate anticipated start and finish dates for all of the major tasks identified in the scope of services.

Crowe appreciates the opportunity to provide our proposed scope of services, based on the scope of work contained in the RFP.

Based on the goals and objectives outlined in the RFP, coupled with our proven methodologies, we recommend the following approach to create the TIF and BD districts for the City.



TIF District Scope & Timeline

Crowe is pleased to provide our proposed scope of services and timeline to assist the City with the creation of a TIF District. The scope of services for TIF District is described through the following 4 phases. Specific activities within each phase are included below. Please note that the timeline assumes project commencement on 2/1/2020. Additionally, please note Crowe will provide financial analysis services and general consulting related to the development of the TIF district. Crowe will not provide legal advice as part of the engagement. It is assumed the City will handle the legal requirements for the TIF and engage counsel if required.



Phase 1: Confirming the TIF District

1. Discuss with the City not only the proposed geographic area, but also any changes required in the proposed area.
2. Identify blighting in the area, as well as the redevelopment and economic development goals.

Phase 2: Preparation of the TIF Plan

1. Prepare TIF plan for the area which will include, but is not limited to, the following:
 - a. Planned uses for the area
 - b. Anticipated investments into the area
 - c. Budget for the area
 - d. Impact of the area
 - e. "But for" requirement
 - f. Timetable
2. Assist in preparation of TIF ordinance

Phase 3: Local Taxing Units Meetings

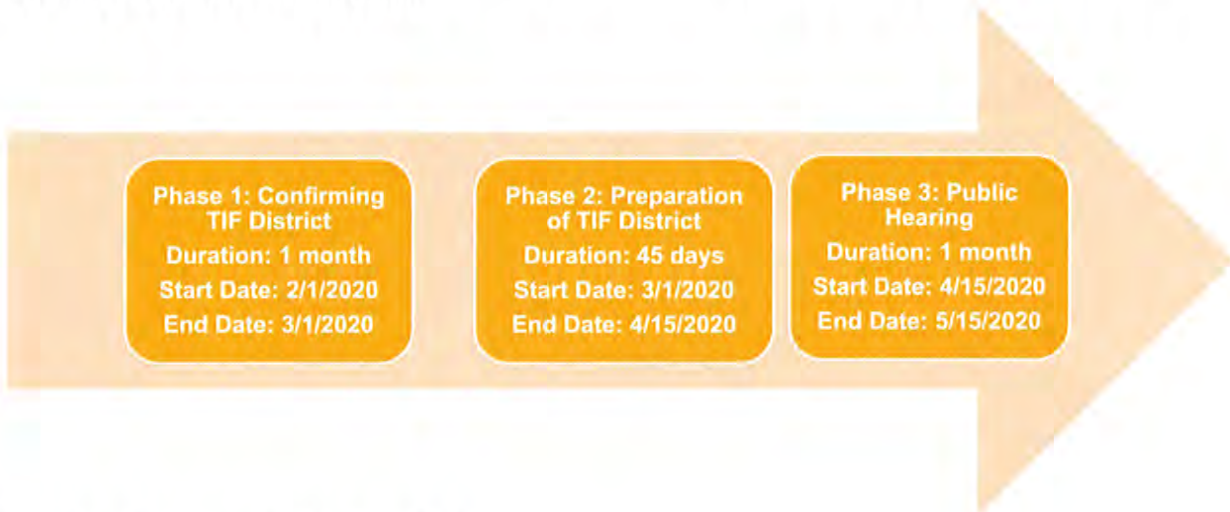
1. Assist with preparation of Joint Review Board Public Notice.
2. Address questions that arise from various local taxing bodies.
3. Attendance at Joint Review Board and other meetings to discuss the TIF area and plan.

Phase 4: Public Hearing

1. Assist in the preparation of materials for a Public Hearing, including notices.
2. Attendance at the Public Hearing to address any questions from residents and interested parties.

BD District Scope & Timeline

Crowe is pleased to provide our proposed scope of services and timeline to assist the City with the creation of a TIF District. The scope of services for BD District is described through the following 3 phases. Specific activities within each phase are included below. Please note that the timeline assumes project commencement on 2/1/2020. Additionally, please note Crowe will provide financial analysis services and general consulting related to the development of the BD district. Crowe will not provide legal advice as part of the engagement. It is assumed the City will handle the legal requirements for the TIF and engage counsel if required.



Phase 1: Confirming the BD District

1. Discuss with the City not only the proposed geographic area, but also any changes required in the proposed area.

Phase 2: Preparation of the BD District Plan

1. Prepare the BD District Plan for the area which will include, but is not limited to, the following:
 - a. Description of the district
 - b. Planned development project(s) for the district
 - c. Discuss the lack of development in the district
2. Assist in preparation of BD ordinance

Phase 3: Public Hearing

1. Assist in the preparation of materials for the Public Hearing.
2. Attendance at the Public Hearing to address any questions as it relates to the BD District.

3. Experience and Qualifications of Personnel

A description of the experience and qualifications of all of the personnel that are anticipated to contribute to the project, including identifying the principal in charge of the project.

Our team includes leadership with a diverse background in local government and public finance. Crowe has more than 4,000 employees, including professionals who are registered Municipal Advisors carrying the Series 50 designation. Crowe anticipates staffing the project with the following leaders. Additional staff may be added to support the engagement team.

Alicia Antonetti-Tricker, Principal

Role: Engagement Principal



Alicia is a Principal (Partner) at Crowe and leads Crowe's national local government consulting practice. She has nearly 20 years of finance, management and information technology consulting experience with public sector clients. Alicia is a Qualified Municipal Advisory Representative (Series 50), Qualified Municipal Advisor Principal (Series 54), and a certified Project Management Professional (PMP). Alicia will serve as the engagement principal in an oversight role for the City. Alicia has served local units of government across the county, including communities in Illinois such as Lake County and Cook County.

Herschel Frierson, Managing Director

Role: Engagement Executive



Herschel is a Managing Director at Crowe. **Herschel has over 22 years of experience serving local units of government.** Herschel is a Qualified Municipal Advisory Representative (Series 50). Herschel will serve as the engagement leader for the City. Herschel has served many diverse units of government and special taxing districts throughout his career including leading economic development projects, debt issuance, revenue analysis, budgeting and other municipal advisory needs. Herschel has worked with several cities and towns in the creation of TIF districts, including the City of Elkhart, IN; City of New

Albany, IN; Floyd County, IN; City of South Bend, IN. Herschel leads many engagements and is often called upon for presentations and training sessions.

Tony Kalina, Senior Consultant

Role: TIF District and BD District Analyst



Tony Kalina is a public sector consultant and analyst. **Along with five years of securities compliance expertise, Mr. Kalina has been serving Illinois local governments and special districts directly or as a public finance specialist since 2012.** Mr. Kalina holds a Bachelor of Arts in Political Science from DePaul University and a Master of Public Administration, with a focus on fiscal administration, from Northern Illinois University. Tony is a Qualified Municipal Advisor Representative (Series 50). Tony recently joined Crowe in July of 2019 to support clients throughout the state of Illinois and neighboring Indiana. Prior to joining Crowe, he spent nearly four years as a project manager at another municipal advisory firm.

Tony has also worked for the City of Prospect Heights, the Village of Barrington, and Performance Trust Capital Partners, LLC in various administrative and financial roles. Tony understands public finance from many different aspects. Tony focuses on advisory services for Illinois and Indiana-based entities including local income tax impact analysis, cash flow analysis, debt issuance and management, financial reporting, economic impact studies, budgeting, and tax increment financing studies for the firm's local government clients.

Tony has provided consulting services, including municipal advisory services, to the following Illinois entities between 2017 – 2018 while he worked at another firm (prior to joining Crowe). This list is intended to demonstrate Tony's experience serving Illinois communities.

Tony's Illinois Experience (2017-2018)

- Bradley
- South Elgin & Countryside Fire Protection District
- Geneva Public Library District
- Proviso Township High School District Number 209
- Proviso Township High School District Number 209
- Wauconda Area Public Library District
- Wheaton
- Skokie Park District
- Unity Point Community Consolidated School District No. 140
- Unity Point Community Consolidated School District No. 140
- Skokie
- Community Unit School District Number 300
- Community Unit School District Number 300
- Sterling Community Unit School District No. 5
- Joliet Park District
- DeKalb Community Unit School District No. 428
- DeKalb Community Unit School District No. 428
- Proviso Township High School District Number 209
- Champaign Community Unit School District Number 4
- Northfield
- DeKalb Community Unit School District No. 428
- Flora
- Lombard School District No. 44
- Homewood
- Algonquin Area Public Library District
- Geneva Public Library District
- Prairie Hill Community Consolidated School District No. 133
- Rosemont Park District
- Skokie Park District
- Community Unit School District Number 300
- Sterling Community Unit School District No. 5
- Glenview Park District
- Joliet Park District
- Mokena Community Park District
- Gail Borden Public Library District

Nathan Flynn, Senior Manager

Role: TIF District and BD District Senior Analyst



Nathan is a Qualified Municipal Advisory Representative (Series 50) and a Qualified Municipal Advisor Principal (Series 54). Prior to joining Crowe in 2017, *Mr. Flynn spent over twenty years as a public finance investment banker covering governmental and non-profit issuers throughout the country with a focus on high-level structuring engagements.*

Nathan serves on the *board of directors for the National Association of Municipal Advisors.* Prior to joining Crowe, Nathan worked with various Illinois entities, further demonstrating our team's understanding of Illinois. Below is a list of his experience in Illinois prior to joining Crowe.

Nathan's Illinois Experience

- City of DeKalb
- Cook County Community School District No. 106 La Grange
- Cook County High School District No. 203 New Tier Township
- Cook County School District No. 67 Golf
- Cook County Township High School District No. 225 Northfield
- Du Page Cook & Will Counties Community College District No. 502
- Kane McHenry Cook & De Kalb Counties
- City of Park Ridge
- Village of Bartlett
- Village of Kenilworth
- Village of Northbrook
- Village of Skokie

The resumes of the proposed engagement team are in **Appendix A.**

4. Fee Schedule

Breakdown of the proposed fee schedule to undertake the creation of both districts, to include an all-inclusive not-to-exceed cost estimate for completion of the work program proposed.

Our goal in setting fees is simple: provide long-term, cost-effective pricing for our clients. Our fee structure is designed to ensure that our clients are not reluctant to call us when questions arise. When the required scope changes due to factors such as a major new project, ongoing services beyond the original scope of work, new reporting requirements, etc., we will discuss any fee modifications with you prior to proceeding. We will work proactively with you to identify scope changes and arrive at mutually agreeable fee revision if necessary. There will be no surprises about the fee arrangements.

Based upon our understanding of the project, our proposed fees are based on actual hours expended and actual expenses incurred with a not to exceed amount of \$60,000 for the creation of both the TIF and BD districts, as further detailed below. Should there be any problems or unforeseen circumstances, we will notify the City's management and come to a mutual understanding of whether any additional fees will be involved before continuing.

Hourly rates are presented below. Actual expenses will be billed at cost.

Level	Rate
Partner/Director	\$325 – 475
Senior Manager	\$250 – 325
Manager	\$175 – 250
Staff	\$125 – 175

Service	Not to Exceed Cost
TIF Creation (Per TIF)	\$35,000
BDD Creation (Per BDD)	\$25,000

We appreciate the opportunity to provide this proposal. We welcome the opportunity to discuss this proposal in more detail with the City if needed.

5. References

A list of current references and projects with contact information. Illinois references and projects are preferred.

Quality work, based upon strong competency and directed towards our client's needs, is the core element of creating value for our clients. Quality service involves prompt and efficient service delivery and effective communications with clients. Business relationships involve gaining trust and respect by listening to our client's needs and developing a comprehensive understanding of their business and vision for the future before providing advice. We have delivered high value to our clients for decades and we feel that we are well-suited to help the City. Our clients are the best judges of our ability to exceed your expectations. Please feel free to contact any of the individuals listed below for an appraisal of our work.

Indianapolis, Indiana	
Contact Person & Title	Mr. Rusty Carr, Chief Financial and Operations Officer
Address	City of Indianapolis Department of Metropolitan Development 200 E. Washington Street, Suite 2042 Indianapolis, Indiana 46204
Phone	317.327.4433
Email	Rusty.Carr@indy.gov

New Albany, Indiana	
Contact Person & Title	Shane Gibson, City Attorney
Address	311 Hauss Square, Suite 316 New Albany, Indiana 47150
Phone	812-948-5333
Email	sgibson@cityofnewalbany.com

Huntingburg, Indiana	
Contact Person & Title	Denny Spinner, Mayor
Address	508 E 4 th St Huntingburg, Indiana 47542
Phone	812-683-5661
Email	dspinner@huntingburg-in.gov

Appendix A: Resumes

We have provided resumes of key staff on the following pages.



Alicia L. Antonetti-Tricker
PMP – Principal

alicia.antonetti@crowe.com
www.crowe.com

Profile

Alicia leads Crowe's local government consulting practice which provides finance, operations and information technology services to cities, towns, counties, utilities and other municipal units, as well as state-level debt issuers. She leads engagements that provide advice on the issuance of municipal securities (bonds, notes), assessments and analysis to achieve cost savings and efficiencies, performance improvement, change management and oversight on the implementation of large, enterprise technology systems including enterprise resource planning (ERP) / financial management systems and customer relationship management systems. Alicia serves as Crowe's Chief Compliance Officer for municipal advisory services, under U.S. Securities and Exchange Commission and Municipal Securities Rulemaking Board compliance requirements.

Alicia serves on the Programming Committee for the Government Finance Officers Association (GFOA) Women in Public Finance Network. Alicia is one of two private sector partners working alongside government finance officials to develop programming to support women in government finance nationally.

License & Certifications

- Series 50 (Qualified Municipal Advisor Representative)
 - Municipal Securities Rulemaking Board (2017)
- Series 54 (Qualified Municipal Advisor Principal)
 - Municipal Securities Rulemaking Board (2019)
- PMP (Project Management Professional)
 - Project Management Institute (2004)

Education

- Master of Public Affairs, Policy Analysis
 - Indiana University | Bloomington, Indiana
- Bachelor of Arts, Political Science and Sociology
 - University of California, Davis

Client Focus

Services:

- Program & Project Management
- Financial Analysis
- Operational Efficiencies
- Process Improvement
- Organizational Change Management
- Strategic Planning
- Procurement Support
- Information Technology Planning & Assessment
- Information Technology Implementations

Industries:

- Public Sector (State, Local, Education, Non-Profits)

Community Involvement:

- Noblesville Youth Assistance, Inc.
- D.A.R.E Indiana

Professional Affiliations:

- Government Finance Officers Association
- Women in Public Finance
- Executive Women in Finance Project Management Institute
-



Profile

Mr. Frierson is a TIF Specialist with more than 15 years of experience with financial advisory, utility consulting and general consulting projects. His work has involved analysis of cash flows for various governmental units in preparation for proposed financings; revenue studies and tax impact studies for municipal bond issues; and escrow verification reports.

Professional and Industry Experience

Mr. Frierson has also provided assistance in economic development activities including feasibility studies; financing activities for tax increment and other incentive programs and annexation analysis, including compiling and analyzing survey data of attendees to a major trade show; and leading a special project for an urban township government to perform core accounting functions. He also provides rate and cost of service analysis for utility related engagements.

Publications and Speaking Engagements

- Indiana Association of Cities and Towns
- Association of Indiana Counties
- Lorman Education Services

Professional Affiliations

- National Association of Black Accountants, Inc.

Education & Certifications

- Series 50 (Qualified Municipal Advisor Representative)
 - Municipal Securities Rulemaking Board
- Bachelor of Science, Accounting
 - Butler University | Indianapolis, Indiana

Client Focus

Services:

- Debt Issuance and Management
- Financial Management
- Budgeting and forecasting
- Revenue and Fee Analysis
- Economic Development
- Tax Increment Financing

Industries:

- Public Sector

Community Involvement:

- National Association of Black Accountants, Inc. | Central Region President
- National Association of Black Accountants, Inc. | National Board Member
- NFL Community Impact | 2012 Indianapolis Super Bowl Host Committee Member



Tony J. Kalina, MPA
Municipal Advisory Senior Consultant

tony.kalina@crowe.com
www.crowe.com

Profile

Tony Kalina is a municipal advisor. Along with five years of securities compliance expertise, Mr. Kalina has been serving Illinois local governments and special districts directly or as a public finance specialist since 2012. Mr. Kalina holds a Bachelor of Arts in Political Science from DePaul University and a Master's of Public Administration, with a focus on fiscal administration, from Northern Illinois University. Tony is a Qualified Municipal Advisor Representative (Series 50).

Professional and Industry Experience

Tony recently joined Crowe in July of 2019. Prior to joining Crowe, he spent nearly four years as a project manager and Registered Municipal Advisor at another municipal advisory firm. Tony has also worked for the City of Prospect Heights, the Village of Barrington, and Performance Trust Capital Partners, LLC in various administrative and financial roles.

At Crowe, Tony focuses on municipal advisory services for Illinois-based entities including local income tax impact analysis, cash flow analysis, debt issuance and management, financial reporting, economic impact studies, budgeting, and tax increment financings studies for the firm's local government clients.

Education & Certifications

- Bachelor of Arts in Political Science,
 - DePaul University | Chicago, Illinois
- Master's of Public Administration
 - Northern Illinois University | DeKalb, Illinois
- Registered Municipal Advisor Representative (Series 50)

Client Focus

Services:

- Municipal Advisory
- Tax Impact Analysis
- Cash Flow Analysis
- Debt Issuance and Management
- Financial Reporting
- Economic Impact
- Budgeting

Industries:

- Public Sector
- Non-Profit & Higher Ed

Community Involvement:

- Team Redzovic Jiu Jitsu & Self Defense | Instructor



Nathan Flynn
Senior Manager

Nathan.Flynn@crowe.com
www.crowe.com

Profile

Since joining Crowe in 2017, Mr. Flynn has worked on a variety of projects focused on debt issuance for various governmental units.

Professional and Industry Experience

Prior to joining Crowe in 2017, Mr. Flynn spent over twenty years as a public finance investment banker covering governmental and non-profit issuers throughout the country with a focus on high-level structuring engagements, including interest rate derivatives and Public Private Partnerships.

Publications and Speaking Engagements

- National Association of Municipal Advisors
- Government Finance Officers Association
- Chicago Bond School

Education & Certifications

- Masters of Business Administration, Finance & Management
 - Northwestern University Kellogg School of Business | Evanston, IL
- Bachelor of Arts, Economics
 - Northwestern University | Evanston, IL
- Series 50 (Qualified Municipal Advisor Representative)
 - Municipal Securities Rulemaking Board (2017)
- Series 54 (Qualified Municipal Advisor Principal)
 - Municipal Securities Rulemaking Board (2019)

Client Focus

Services:

- Municipal Advisory
- Debt Issuance and Management
- Derivative Structures
- Public Private Partnerships
- Economic Development
- Tax Increment Financing

Industries:

- Public Sector
- Non-Profit

Community Involvement:

- National Association of Municipal Advisors | Board Member
- Reach For Youth | Board of Directors Chair
- Westfield Youth Sports Incorporated | Sports Commissioner

EDG

THE ECONOMIC DEVELOPMENT GROUP, LTD.

January 17, 2020

Mr. Mark Rothert, City Manager
City of Pekin
111 South Capitol St.
Pekin, IL 61554

Re: Request for Qualifications and Request for Proposals for Professional Services
Proposed Court Street TIF District
Proposed Pekin BDD No. 1

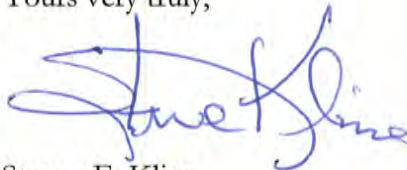
Dear Mark,

On behalf of Jacob & Klein, Ltd. (J&K) and The Economic Development Group, Ltd. (EDG), please find enclosed a response to the City of Pekin's *Request for Qualifications and Request for Proposals for Professional Services* as relates to the proposed "Court Street TIF District" and the proposed "Pekin Business Development District (BDD) No. 1". For your convenience, eight (8) printed copies of our proposal are enclosed. I will send an electronic (pdf) copy of this material to you today as well.

Each bound copy includes an overview of our qualifications, a proposed timeline, bios for each principal and staff who will be involved, a summary break-down of our proposed fee structure, and references as requested. Please note that we have marked and indexed each Professional Services Agreement (PSA) in the enclosed material as "proposed" and will look forward to discussing any questions or refinements that the City may wish to explore.

Our companies appreciate the opportunity to undertake these ambitious projects for the City of Pekin and look forward to continuing the professional relationship our group has experienced with the City over the last couple of years.

Yours very truly,



Steven E. Kline
President/CEO

Enclosures

Attachment: JACOB & KLEIN THE ECONOMIC DEVELOPMENT GROUP, LTD TIF BDD PROPOSAL OPT (2018 : RFP TIF District and BDD)

JACOB & KLEIN LLP
Attorneys at Law



**THE ECONOMIC
DEVELOPMENT GROUP** LLP
Economic Consultants and Registered Municipal Advisors (SEC, MSRB)

1701 Clearwater Avenue, Bloomington, Illinois 61704 / Ph: (309) 664-7777 / Website: www.tifillinois.com

Qualifications & Proposals for Professional Services

**Establishment & Annual Administration of
Proposed Court Street Tax Increment Financing District**

and

**Establishment & Annual Administration of
Pekin Business Development District No. 1**

**Prepared for
City of Pekin
% Mr. Mark Rothert, City Manager
111 S. Capitol Street
Pekin, Illinois 61554**

January 17, 2020

This document was prepared and submitted by Jacob & Klein, Ltd. (J&K) and The Economic Development Group, Ltd. (EDG) to the City of Pekin, Illinois on January 17, 2020 pursuant to: *Request for Qualifications/Proposals (RFQ/RFP) for Professional Services to create a Tax Increment Financing District and Business Development District in the City of Pekin* as published on line at: http://www.ci.pekin.il.us/government/city_clerk/bids.php.

*Jacob & Klein, Ltd. and The Economic Development Group, Ltd.
Response to City of Pekin Request for (TIF/BDD) Qualifications and Proposals, January 17, 2020*

CONTENTS

Project Description per RFQ/RFP	1
Qualifications of Jacob & Klein, Ltd. (J&K) and The Economic Development Group, Ltd. (EDG)	2
Experience and Qualifications of J&K/EDG Personnel	4
Proposed Timelines.....	6
J&K/EDG Proposal Summary.....	8
Proposed Professional Services Agreements	
TIF District.....	9
BDD	11
References.....	13

*Jacob & Klein, Ltd. and The Economic Development Group, Ltd.
Response to City of Pekin Request for (TIF/BDD) Qualifications and Proposals, January 17, 2020*

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Project Description per RFQ/RFP

Jacob & Klein, Ltd. ("J&K") and The Economic Development Group, Ltd. ("EDG") are providing this proposal in response to the City of Pekin's ("City") Request for Qualifications and Request for Proposals for professional services.

As described in the RFQ/RFP: "The City of Pekin is a home rule municipality of 33,000 residents in central Illinois, a suburb of Peoria. The City is interested to foster economic growth, address deteriorating infrastructure and stabilize declining neighborhoods within the city. To address these issues, the City is desirous to implement both a Tax Increment Financing District (TIF) and Business Development District (BDD) primarily along major commercial corridors of the community that include Court Street, Derby Street, Broadway Road, and the north business park area). Additionally, areas for residential growth are also included to induce such development. The City is seeking firms to submit their qualifications and proposals to assist in creating both districts. The scope of services includes, but is not limited to, studying and determining eligibility of a TIF/BDD study area, as well as, meeting all state statutory requirements to create such districts."

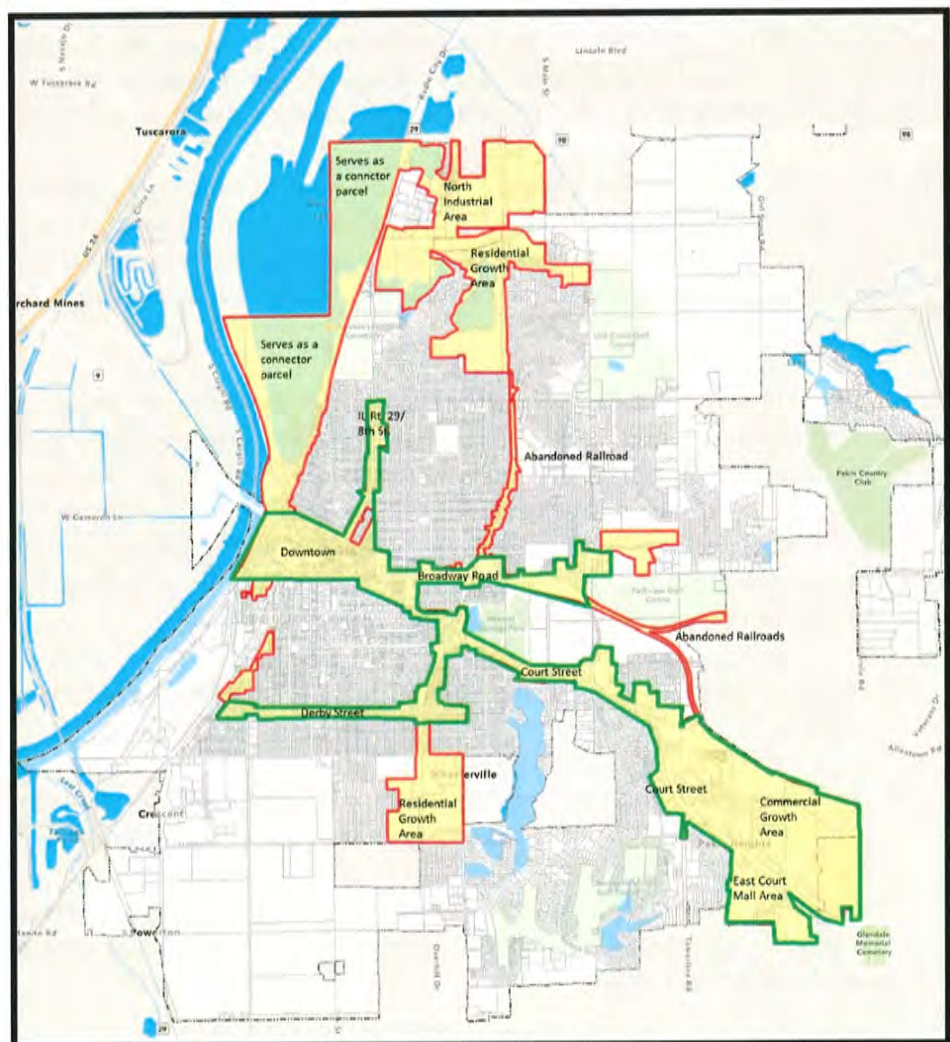
All timelines and estimates provided in this proposal have been determined with the boundaries depicted in the City's map, shown at right.

J&K/EDG reserve the right to recommend changes to the proposed boundaries for purposes of contiguity, compliance and other statutory requirements.

Study Area of All Potentially Developable Areas in the City of Pekin

Green Border = Approximate Business Development District (BDD) Boundary
Red Border = Approximate Tax Increment Finance District (TIF) Boundary

Note: the proposed BDD area overlays with the proposed TIF District area



Qualifications of J&K and EDG

Jacob & Klein, Ltd. (J&K) and The Economic Development Group, Ltd. (EDG) are two firms working together specializing as a single service provider for the creation and administration of **Tax Increment Financing (TIF) Districts** and other innovative business incentives such as **Business Development Districts** that:

- ✓ Stimulate economic development, particularly in smaller, rural communities located outside of the Chicago and Cook County metro area;
- ✓ Generate new sources of revenue and enhance community vitality through creative growth solutions; and
- ✓ Relieve local officials of time-consuming burdens relating to tedious annual administrative and compliance burdens.

Our firms help municipalities manage the ongoing complexities of TIF Districts, Business Development Districts, as well as other incentive programs. The support services that J&K/EDG provide means that our involvement does not end when a TIF District or a Business Development District has been established. With our continued involvement, local officials may confidently shift their attention toward setting policy and strategic decision making without having to be concerned about the administrative details of maintaining these important economic development tools.

The Economic Development Group, Ltd. is a Registered Municipal Advisor that is registered as such with the Securities Exchange Commission (S.E.C.) and the Municipal Securities Rulemaking Board (M.S.R.B.). As Registered Municipal Advisor Representatives, EDG staff are qualified to help the City of Pekin explore a wide scope of financing alternatives to achieve its economic development goals.

Our unique business model, *TIF IllinoisSM*, offers expertise in public and private partnerships specializing in the use of Tax Increment Financing and other business incentive tools. J&K/EDG have established more than 220 TIF Districts and numerous Business Development Districts throughout Illinois. We annually administer hundreds of intergovernmental agreements and private redevelopment agreements for more than 80 Illinois municipalities. Our firms annually direct the statutory use and reporting for more than \$59 million of TIF real estate tax increment generated by our client communities. Our TIF Redevelopment Plans have:

- ✓ attracted more than \$2.5 billion of new private investment and more than 4,000 new jobs since 1986;
- ✓ stabilized population and school enrollments where TIF residential projects attracted families and residents in our towns that would have otherwise continued to decline; and
- ✓ stimulated remarkable increases in municipal revenues -- our municipal clients generate on average more than \$880,000 of real estate tax increment each year (for more information see www.tifillinois.com).

*Jacob & Klein, Ltd. and The Economic Development Group, Ltd.
Response to City of Pekin Request for (TIF/BDD) Qualifications and Proposals, January 17, 2020*

Since **March 26, 2018**, the City of Pekin has engaged the services of J&K/EDG to assist with the annual administration of its Central Business District (CBD) TIF District and the Southern Industrial Park (SIP) TIF District. J&K/EDG currently provide ongoing administrative services to the City for these redevelopment project areas, including but not limited to the following:

1. J&K/EDG provide the City with on-call legal and consulting services on matters relating to the TIF Districts as requested by the City Manager and other City officials.
2. J&K/EDG staff consult with and coordinate TIF-related administrative activities with the City Manager, City Clerk, City Engineer, CPA, and other officials as required.
3. EDG staff track and monitor the growth of annual Real Estate and Sales Tax (if appropriate) Increments on a project-by-project basis within the TIF Districts.
4. J&K/EDG staff assist the City with negotiating terms of TIF Reimbursements and prepare Redevelopment Agreements with Private Developers.
5. J&K/EDG staff consult with Private Developers regarding TIF Redevelopment Agreements and Reimbursements.
6. J&K/EDG staff communicate with Developers and the County Supervisor of Assessments to review improvements, paid tax bills and changes in Equalized Assessed Valuations.
7. EDG staff advise the City on matters relating to Developer Reimbursements (e.g., verify paid property tax bills and eligible project costs, and advise the municipality to make payments).
8. EDG staff provide City with a Public Requisition/Payment Approval process.
9. EDG staff advise City on matters relating to payments to other taxing bodies under Intergovernmental Agreements.
10. J&K/EDG staff prepare, certify, and submit Annual TIF District Reports to the Office of the Illinois Comptroller, the City and other taxing districts.
11. J&K attorneys provide legal opinions to the City on matters relating to Annual Reports that are filed with the State Comptroller as required by the TIF Act.
12. J&K/EDG conduct the City's Annual Joint Review Board Meetings with the taxing bodies as required by the TIF Act.

Tax Increment Financing has been the central focus of our firms' expertise for more than 30 years. J&K/EDG focus on the difficult tasks and responsibilities that cities must undertake to comply with a multitude of statutory requirements. We offer easy-to-understand analyses and take care of the administrative details of an economic development effort for which many elected officials have neither the time nor the experience to handle themselves. As legal counselors (J&K) and a Registered Municipal Advisor (EDG), our group operates within the highest core rules of professional conduct, supervision and qualification while exercising a duty of care and loyalty to each of our clients.

Experience and Qualifications of J&K and EDG Personnel

The Principal EDG Consultant assigned to the City of Pekin on matters relating to both Tax Increment Financing and Business Development Districts is Steven Kline. Steve is President/CEO and a Registered Municipal Advisor Representative of The Economic Development Group, Ltd. He received an undergraduate degree in Agricultural Science and a Master of Business Administration from Western Illinois University. Prior to joining EDG, Steve was a research associate at the Illinois Institute for Rural Affairs at Western Illinois University where he helped create and administer the MAPPING the Future of Your Community Program. As an advocate for rural development and the creation of broad-based public/private partnerships, he is a past Chair and current Member of the Board of Directors for Illinois Rural Partners, the State Rural Development Council representing the State of Illinois in the National Rural Development Partnership of the U.S. Department of Agriculture. He is a contributing author to economic development publications and a frequent speaker at state and regional economic development conferences.

The Principal J&K Attorney assigned to the City of Pekin on matters relating to both Tax Increment Financing and Business Development Districts is Nicolas Nelson. Nic is an Associate Attorney of Jacob & Klein, Ltd. Mr. Nelson joined Jacob & Klein in December 2013 after working as an attorney at another private law firm. He specializes in Tax Increment Financing and Real Estate Law. His primary focus is the preparation and analysis of TIF-related intergovernmental agreements and private redevelopment agreements. Mr. Nelson has extensive knowledge of a variety of complex activities relating to real estate, including sales and acquisitions, title, land use, development, leasing, finance, joint ventures, restructuring and workouts. He received his undergraduate degree from Millikin University and his Juris Doctor with honors from Northern Illinois University College of Law. He is admitted in the Northern and Central Federal District Courts and is a member of the Illinois State Bar Association as well as the McLean County Bar Association.

The J&K/EDG personnel who are currently and would be assigned various duties relating to new TIF/BDD activities undertaken by the City of Pekin include the following:

Herbert J. Klein is the President of Jacob & Klein, Ltd., specializing in areas relating to Government Law – (representing both municipalities and other taxing districts); Economic Development Law; and Real Estate Law. Mr. Klein has extensive experience in Tax Increment Financing with an emphasis on negotiating municipal/taxing district intergovernmental agreements and private redevelopment agreements. Mr. Klein received his undergraduate degree from Eastern Illinois University and his Juris Doctor from Northern Illinois University College of Law. Mr. Klein is a member of the Illinois State Bar Association, the Local Government Law Section Council of the Illinois State Bar Association, and Attorney's Title Guaranty Fund. He is also a member and past Chair of the Illinois State Bar Association's Business Advice and Financial Planning Section, past member of the ISBA Assembly, and an Illinois Bar Foundation Fellow. He is a contributing author to attorney education publications and a frequent speaker at legal education conferences as well as at State and regional economic development conferences.

Gwen R. Crawford is Vice President of Financial Analysis and a Registered Municipal Advisor Representative for The Economic Development Group, Ltd. Gwen prepares various long-range financial analyses, including bond analyses and other projections, and economic impact studies relating to existing and proposed redevelopment projects undertaken within Tax Increment Financing Districts created and administered through the *TIF Illinois*SM process. Gwen also assists with the preparation of TIF District Redevelopment Plans and subsequent amendment procedures, as well

*Jacob & Klein, Ltd. and The Economic Development Group, Ltd.
Response to City of Pekin Request for (TIF/BDD) Qualifications and Proposals, January 17, 2020*

tracking annual reimbursements pursuant to Redevelopment Agreements and Intergovernmental Agreements in existing TIF Districts. Gwen manages the company's TIF Manager® database, a vast depository containing thousands of parcel records, TIF increment history files and annual reimbursement procedures which are unique to each TIF District. Together with legal review by Jacob & Klein, Ltd., EDG is responsible for directing more than \$59 million in TIF District real estate tax increment each year. She received her Bachelor Degree and Master Degree in Mathematics from Illinois State University.

Kelly Jacob is Comptroller of The Economic Development Group, Ltd. and Jacob & Klein Law Firm. Kelly is responsible for the preparation and filing of TIF District Annual Reports with the State of Illinois Comptroller's Office. Her financial expertise is essential to the ongoing administrative services provided by EDG. Kelly provides EDG staff with detailed data relating to the economic development activities, annual revenues and expenditures undertaken in each TIF District administered through the *TIF IllinoisSM* process. She received her Bachelor of Science degree in Finance from the University of Nebraska.

Paul Ostrosky is an Economic Development Analyst for The Economic Development Group, Ltd. Mr. Ostrosky received his Bachelor of Science in Business Degree in Economic Consulting from Indiana University in May 2011. He later received a second and third Bachelor of Science in Business Degrees in Finance and Insurance from Illinois State University in December 2012.

Pam Cullen is an Assistant Financial Analyst for The Economic Development Group, Ltd. Pam assists in maintaining the company's TIF Manager® database and creating various reports for existing TIF Districts and redevelopment projects undertaken within Tax Increment Financing Districts created and administered through the *TIF IllinoisSM* process. Pam assists EDG with the preparation of TIF District Redevelopment Plans and subsequent amendment procedures as well as the acquisition and analysis of parcel data necessary for evaluating proposed TIF District boundaries, related qualifying characteristics of those areas and initial equalized assessed valuations. Pam also reviews documentation to verify millions of dollars in TIF eligible project costs incurred by Developers pursuant to Redevelopment Agreements in existing TIF Districts. She received her Bachelor's Degree in Business Administration and Business Information Sequence Certificate from Illinois State University.

Megan Newman, a new addition to EDG's team in 2019, is an Assistant Financial Analyst for The Economic Development Group, Ltd. Megan earned a Bachelor's of Science Degree in Business Administration from the University of Illinois-Urbana and a Master of Public Administration from the University of Illinois-Springfield. Having prior experience with the Illinois Department of Public Health, the Illinois Office of the Auditor General, the financial office of the Pike County Illinois Health Department, and as the former Economic Development Director for the City of Pittsfield, Illinois, Megan is now assisting EDG with numerous procedures relating to the establishment and annual administration of multiple TIF Districts and Business Development Districts for which Jacob & Klein, Ltd. and The Economic Development Group, Ltd. provide ongoing professional services.

J&K and EDG are further supported by a highly skilled team of staff professionals who contribute greatly to the successful economic development strategies that have made a difference to the communities we serve.

Proposed Timelines

J&K/EDG proposes to undertake the qualifying characteristics surveys for the proposed TIF District and the proposed BDD redevelopment project areas and complete the remaining statutory procedures on a concurrent basis. This approach will help contain costs and allow for more efficient scheduling of notices, publications, public meetings, public hearings and other meetings as required.

Assuming the City engages J&K/EDG for this work on or before February 10, 2020, we propose the following schedules.

Proposed TIF District Schedule:

City engages J&K/EDG ¹	02/10/2020
City approves ordinance to create Interested Parties Registries (IPR) and announce date, place and time for Public Meeting	03/23/2020
EDG prepares and mails notices for Public Meeting	04/10/2020
Public Meeting	04/27/2020
J&K/EDG submit first draft TIF Redevelopment Plan to City.....	05/01/2020
City approves ordinance to set date for Public Hearing.....	05/11/2020
EDG prepares and notices via certified mail to taxing districts for the Joint Review Board Meeting and Public Hearing	05/12/2020
EDG prepares and mails notices of Public Hearing to taxpayers (certified) and residents (regular mail) within the proposed TIF Area	05/22/2020
EDG prepares and mails notices of Public Hearing to IPR registrants and residential addresses within 750 ft. of proposed TIF Area (regular mail)	05/29/2020
Joint Review Board Meeting.....	06/03/2020
EDG prepares and arranges for first newspaper publication of the notice of the Public Hearing	06/10/2020
EDG prepares and arranges for second newspaper publication of the notice of the Public Hearing	06/17/2020
Public Hearing	06/29/2020
City approves final three (3) ordinances to establish the TIF District	07/13/2020
EDG requests certification of initial TIF base values from Tazewell County	07/24/2020

¹ The Economic Development Group, Ltd. prepares and coordinates all notices and publications, moderates the Public Meeting, JRB Meeting and Public Hearing; and Jacob & Klein, Ltd. prepares all required ordinances.

*Jacob & Klein, Ltd. and The Economic Development Group, Ltd.
Response to City of Pekin Request for (TIF/BDD) Qualifications and Proposals, January 17, 2020*

Proposed BDD Schedule:

City engages J&K/EDG ²	02/10/2020
City approves ordinance proposing the approval of a BDD Redevelopment Plan and designation of a BDD; and sets a date for a Public Hearing	05/11/2020
EDG prepares and arranges for first newspaper publication of the notice of the Public Hearing	06/10/2020
EDG prepares and arranges for second newspaper publication of the notice of the Public Hearing	06/17/2020
Public Hearing	06/29/2020
City approves ordinance to approve the BDD Redevelopment Plan designate the BDD Area and impose applicable BDD taxes	07/13/2020
City files with Illinois Department of Revenue a copy of the ordinance to impose applicable BDD Retailers' Occupation Tax, BDD Service Occupation Tax and BDD Hotel Operators' Tax.....	On or before 10/01/2020

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² The Economic Development Group, Ltd. prepares and coordinates all notices and publications and moderates Public Hearing; Jacob & Klein, Ltd. provides all required ordinances.

J&K/EDG Proposal Summary

Two proposed Professional Services Agreements (“PSAs”) providing scopes of work and details of our engagement, along with copies of the authorizing Ordinances are attached below for the City’s consideration.

The first PSA relates to the Establishment and Annual Administration of the proposed **Court Street Tax Increment Financing (TIF) District** as currently depicted in the City’s map on page 1. The second PSA relates to the Establishment and Annual Administration of the proposed **Pekin Business Development District (“BDD”) No. 1** as currently depicted in the City’s map on page 1.

In both instances, the City should be aware that until the final number of parcels, taxpayers and affected properties have been accurately reviewed and counted, it is not possible to determine final, all-inclusive costs relating to mailings and publications. We are assuming that annexations, if any are required, will be completed separately by the City and in advance of establishing the TIF District or the BDD.

The City may also incur time and expenses for engineering as may relate to the preparation of final boundary maps, legal descriptions and any engineered opinions as may relate to further documenting the condition of vacant tracts for TIF qualification purposes.

Overall summary of J&K/EDG proposed fees and costs for the TIF District

TIF District establishment fee (combined, unduplicated J&K/EDG fee)	\$57,600.00
<i>(Plus a per parcel surcharge of \$15 per additional parcel after the first 1,000 parcels)</i>	
Estimated reimbursable costs of J&K/EDG relating to TIF establishment	\$5,000.00
<i>(Quoted amount exclusive of mailings & publications and not to be exceeded without City’s prior consent)</i>	
TIF District annual administrative fee (combined, unduplicated J&K/EDG fee).....	\$8,500.00
<i>(Note that the annual fee is adjusted for change in Consumer Price Index or “CPI”)</i>	
Estimated reimbursable costs relating to annual TIF administrative services.....	\$2,500.00
<i>(Quoted amount not to be exceeded without City’s prior consent)</i>	

Overall summary of J&K/EDG proposed fees and costs for the BDD

BDD establishment fee (combined, unduplicated J&K/EDG fee).....	\$22,500.00
Estimated reimbursable costs relating to BDD establishment	\$2,500.00
<i>(Quoted amount exclusive of mailings & publications and not to be exceeded without City’s prior consent)</i>	
BDD annual administrative fee (combined, unduplicated J&K/EDG fee).....	\$3,500.00
<i>(Plus \$750 per year per BDD Redevelopment Agreement >\$10,000; annual fee adjusted for change in CPI)</i>	
Estimated reimbursable costs relating to annual BDD administrative services.....	\$1,500.00
<i>(Quoted amount exclusive of mailings & publications and not to be exceeded without City’s prior consent)</i>	

*Jacob & Klein, Ltd. and The Economic Development Group, Ltd.
Response to City of Pekin Request for (TIF/BDD) Qualifications and Proposals, January 17, 2020*

**Proposed Professional Services Agreement for the
Establishment and Annual Administration of Court Street TIF District**

Attachment: JACOB & KLEIN THE ECONOMIC DEVELOPMENT GROUP, LTD TIF BDD PROPOSAL OPT (2018 : RFP TIF District and BDD)

*Jacob & Klein, Ltd. and The Economic Development Group, Ltd.
Response to City of Pekin Request for (TIF/BDD) Qualifications and Proposals, January 17, 2020*

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PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

17 JAN 2020

ORDINANCE NO. _____

CITY OF PEKIN, ILLINOIS

AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT

for the

ESTABLISHMENT AND ANNUAL ADMINISTRATION OF
PEKIN COURT STREET TAX INCREMENT FINANCING
(TIF) DISTRICT

by and between

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS

and

JACOB & KLEIN, LTD.

and

THE ECONOMIC DEVELOPMENT GROUP, LTD.

ADOPTED BY THE MAYOR AND CITY COUNCIL
OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS,
ON THE 10TH DAY OF FEBRUARY, 2020.

Attachment: JACOB & KLEIN THE ECONOMIC DEVELOPMENT GROUP, LTD TIF BDD PROPOSAL OPT (2018 : RFP TIF District and BDD)

ORDINANCE NO. _____

CITY OF PEKIN, ILLINOIS
AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT
for the
ESTABLISHMENT AND ANNUAL ADMINISTRATION OF
PEKIN COURT STREET TAX INCREMENT FINANCING (TIF) DISTRICT
by and between
THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
and
JACOB & KLEIN, LTD.
and
THE ECONOMIC DEVELOPMENT GROUP, LTD.

PREAMBLE

WHEREAS, the City of Pekin, Tazewell County, Illinois, a Home Rule Municipality (the "City") wishes to establish a Tax Increment Financing (TIF) District pursuant to the Tax Increment Allocation Redevelopment Act (the "Act"), 65 ILCS 5/11-74.4-1 *et. seq.*; and

WHEREAS, the City desires to engage the professional services of Jacob & Klein, Ltd. to render administrative services and legal advice and The Economic Development Group, Ltd. to render technical advice to assist the City in establishing and administering the **Pekin Court Street TIF District**.

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS THAT:

1. The Professional Services Agreement by and between the City of Pekin, Jacob & Klein, Ltd. and The Economic Development Group, Ltd. (*Exhibit A* attached) is hereby approved.
2. The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Professional Services Agreement and the City Clerk of the City of Pekin is hereby authorized and directed to attest such execution.
3. The Professional Services Agreement shall be effective on the date of its approval, on the 10th day of February, 2020.
4. This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin Court Street TIF District
 Ordinance and Professional Services Agreement
 Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

PASSED, APPROVED AND ADOPTED by the Mayor and City Council of the City of Pekin, Tazewell County, Illinois, this 10th day of February, 2020.

CORPORATE AUTHORITIES	AYES	NAYS	ABSTAIN	ABSENT
John Abel				
Michael Garrison				
David Nutter				
Lloyd Orrick				
Rick Hilst				
Karen Hohimer				
Mark Luft, Mayor				
TOTALS:				

APPROVE:

Mayor

ATTEST:

City Clerk

EXHIBIT A is attached: Professional Services Agreement by and between the City of Pekin, Tazewell County, Illinois and Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin Court Street TIF District
Ordinance and Professional Services Agreement
Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

EXHIBIT A

**Professional Services Agreement
by and between
The City of Pekin, Tazewell County, Illinois
and
Jacob & Klein, Ltd.
and
The Economic Development Group, Ltd.**

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin Court Street TIF District
Ordinance and Professional Services Agreement
Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

PROFESSIONAL SERVICES AGREEMENT

for the

**ESTABLISHMENT AND ANNUAL ADMINISTRATION OF
PEKIN COURT STREET TAX INCREMENT FINANCING
(TIF) DISTRICT**

by and between

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS

and

JACOB & KLEIN, LTD.

and

THE ECONOMIC DEVELOPMENT GROUP, LTD.

FEBRUARY 2020

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin Court Street TIF District
Ordinance and Professional Services Agreement
Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

PROFESSIONAL SERVICES AGREEMENT
for the
ESTABLISHMENT AND ANNUAL ADMINISTRATION OF
PEKIN COURT STREET TAX INCREMENT FINANCING (TIF) DISTRICT
by and between
THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
and
JACOB & KLEIN, LTD.
and
THE ECONOMIC DEVELOPMENT GROUP, LTD.

THIS AGREEMENT is entered into this 10th day of February, 2020, by and between the **CITY OF PEKIN, ILLINOIS**, an Illinois Home Rule Municipal Corporation (the “City”); and **JACOB & KLEIN, LTD.**, Bloomington, Illinois, an Illinois Professional Service Corporation (“J&K”); and **THE ECONOMIC DEVELOPMENT GROUP, LTD.**, Bloomington, Illinois, and Illinois Corporation (“EDG”). The City, J&K and EDG may hereinafter be referred to as the “Parties” to this Agreement.

WHEREAS, the City wishes to establish a Tax Increment Financing (TIF) District within the City pursuant to the Tax Increment Allocation Redevelopment Act (the “Act”), 65 ILCS 5/11-74.4-1 *et. seq.*; and

WHEREAS, the City desires to engage the professional services of J&K to render legal advice and EDG to render technical advice to assist the City in Establishing and Annually Administering a Tax Increment Financing Redevelopment Plan, Area and Projects to be known as **PEKIN COURT STREET TIF DISTRICT** (the “TIF District”).

NOW, THEREFORE, the Parties agree as follows:

1. **City to Engage J&K and EDG.** The City agrees hereby to engage the services of J&K and EDG for the purposes set forth herein and J&K agrees to provide all legal advice to EDG and the City to prepare or coordinate the preparation of Reports, the TIF District Redevelopment Plan, Notices and Documentation (including those reports prepared by other professionals) necessary to complete the Establishment and the Annual Administration of the TIF District Redevelopment Plan, Area and Projects as required pursuant to State Statutes and as outlined in *Exhibit 1. Professional Services Relating to the Establishment of the TIF District* and *Exhibit 2. Professional Services Relating to the Annual Administration of the TIF District*.
 - a. The Parties agree that J&K, as Attorneys, will undertake those responsibilities that require legal advice or preparation under this Agreement on behalf of the City or EDG. EDG is a separate corporate entity established by Thomas N. Jacob (of counsel) and is owned in whole by Herbert J. Klein. Mr. Klein is also the principal owner of Jacob & Klein, Ltd. (J&K). The City is entering into this Agreement voluntarily and with informed consent after the opportunity to consult with independent counsel as to the ownership of both entities by Herbert J. Klein.

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin Court Street TIF District

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

Page 6 of 16

Packet Pg. 129

Attachment: JACOB & KLEIN THE ECONOMIC DEVELOPMENT GROUP, LTD TIF BDD PROPOSAL OPT (2018 : RFP TIF District and BDD)

- b. J&K may, in addition, be retained by the City as its special attorney to perform other professional services outside the Scope of Services set forth herein, including representation of the City before State agencies or the Illinois Legislature. Such representation shall be at the Attorney's then current hourly rate for similar services or as otherwise agreed. Any such representation shall be pursuant to a written agreement between the Parties.
 - i. Legal services provided by J&K and/or consulting services provided by EDG relating to financing, including the issuance of Bonds involving the TIF District, will be billed separately from this Agreement and subject to the terms of any agreements related to such financing or Bonds.
 - ii. If retained as a Registered Municipal Advisor through a separate Letter of Engagement, EDG will analyze the potential use of TIF Revenue Bonds, Developer Notes and other financing alternatives, as well as arrange for Bond Counsel when required by the City.
 - iii. This Agreement does not include representation in any Court case resulting from the establishment of the TIF District Redevelopment Plan, Area or Projects or the Annual Administration of the TIF District.
- c. The total Fees and Reimbursable Costs to be paid hereunder by the City to J&K and EDG, when billed by each of the separate entities, will not be duplicated and will not exceed the total Fees and Reimbursable Costs provided for herein.
- d. The Parties agree that pursuant to *Section 5/11-74.4-3(q)(1)* of the Act, all Professional Fees and related Costs incurred by the City for Establishing and Annually Administering the TIF District are TIF eligible project costs and are fully reimbursable to the City from the real estate tax increment generated by the TIF District.
- e. The City hereby acknowledges that J&K and EDG are not responsible for monitoring and documenting matters relating to compliance with the Illinois Prevailing Wage Act, the Illinois Procurement Code, and any other wage and/or employment laws, to the extent such are applicable to any public or private project undertaken within the TIF District Redevelopment Project Area or the Area as may be amended in the future.

2. Establishment of the TIF District.

- a. **Services.** J&K and EDG will provide services as outlined in *Exhibit 1* to Establish the TIF District.
- b. **Term.** This Professional Services Agreement for the Establishment the TIF District shall commence immediately and shall continue until the presentation of the TIF District Redevelopment Plan and appropriate ordinances to the City Council for the Establishment of the TIF District. It is anticipated that the TIF District will be established on or before **July 13, 2020**, barring unexpected complications.

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin Court Street TIF District

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

- c. **Payment of Fees and Reimbursable Costs.** The total Base Professional Fee to be paid to J&K and EDG for the Establishment of the TIF District shall be **Fifty-Seven Thousand Six-Hundred and 00/100 Dollars (\$57,600.00)**, plus a Per Parcel Surcharge and Costs, and are to be paid by the City as follows:
- i. J&K and EDG shall be paid a total sum of **Nineteen-Thousand Two-Hundred and 00/100 Dollars (\$19,200)** upon execution of this Agreement.
 - ii. J&K and EDG shall be paid an additional total sum of **Nineteen-Thousand Two-Hundred and 00/100 Dollars (\$19,200)** and Costs incurred to date, upon delivery of the proposed TIF Redevelopment Plan to the City.
 - iii. The balance of the Professional Fee, of **Nineteen-Thousand Two-Hundred and 00/100 Dollars (\$19,200)**, and the remaining Costs for the Establishment of the TIF District, shall be paid when the Plan and final Ordinances are presented to the City Board for passage.
 - iv. All Reimbursable Costs incurred by J&K and EDG as part of the Establishment of the TIF District shall be reimbursed to J&K and EDG by the City, including all reasonable travel and subsistence expenses while away from Bloomington or Peru, Illinois, all photocopying, report binding, mailings, postage, and staff costs. For purposes of this Agreement, staff costs do not include the time of Attorneys Thomas N. Jacob, Nic Nelson or Herb Klein (J&K), or the time of Steven Kline (EDG) while performing said Professional Services described in *Exhibit 1* subject to the following conditions:
 1. All travel will be reimbursed for mileage at the maximum rate permitted by Internal Revenue Service Rules and Regulations at the time of service. All other costs which are incidental to the establishment of the TIF District, including staff costs, photocopying and report binding, mailings, postage, and telecommunication charges, shall be reimbursed at the current rates then charged by J&K and EDG.
 2. The total Reimbursable Costs incurred by J&K and EDG as part of the Establishment of the TIF District (other than costs of mailings and publications) shall not exceed **Five-Thousand and 00/100 Dollars (\$5,000.00)** without consent of the City in advance of such additional services being performed.
 - v. The City understands and acknowledges that J&K and EDG will rely on the work of other professionals, including the City's Engineers and Attorney, to prepare reports and documentation needed for the TIF District Redevelopment Plan, Projects and Reports and other necessary documents; and that J&K and EDG shall rely on their professional expertise to prepare the TIF District Redevelopment Plan and present material and information necessary to the Establishment of the District. The City further understands that it may directly incur additional fees and costs for the Establishment of the

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Pekin Court Street TIF District

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

Page 8 of 16

Packet Pg. 131

TIF District which result from the involvement of other (i.e., non-J&K/EDG) professionals.

- vi. **Per Parcel Surcharge:** In addition to the Base Professional Fee described above, a \$15.00 per parcel surcharge in excess of the first one-thousand (1,000) parcels included in the District shall be paid by the City to J&K and EDG for the establishment of the District. The per parcel surcharge shall be paid as follows:
 - 1. The per parcel surcharge for parcels in excess of the first 1,000 parcels included in the TIF District, less a five percent (5%) early payment discount, shall be billed to the City and paid to J&K and EDG when the final TIF Plan and Ordinances are presented to the City Board for passage; or
 - 2. Payment of the total per parcel surcharge may be deferred until which time the City has received sufficient real estate tax increment in its Special Tax Allocation Fund and paid prior to reimbursing any other TIF eligible public and private project costs.

3. Annual Administration of the TIF District.

- a. **Services.** J&K and EDG will provide services as outlined in *Exhibit 2* to annually administer the TIF District.
 - i. On an annual basis, all of the legal review of documents and matters relating to the statutory compliance of public and private development activities occurring within the TIF District are provided by J&K in the Annual Administrative Fee. Other administrative functions will be provided by EDG. EDG will also provide financial feasibility analyses for new proposed private developments. J&K will provide legal services required in the preparation of new Redevelopment Agreements and other legal documents and legal opinions.
 - ii. To the extent possible, J&K and EDG will attempt to include in Private Redevelopment Agreements provisions allocating a portion of the Annual Administrative Fees, Annual Costs and other fees to those Private Developments on a pro-rata basis determined by the increment generated by those Developments which have Redevelopment Agreements.
- b. **Term.** The term of the Annual Administrative Services provided in this Agreement shall be for three (3) years and shall commence immediately following the establishment of the TIF District. Thereafter, this Agreement shall automatically renew at the end of each three-year period during the life of the District as a roll-over, for a new period of three years, absent notice of non-renewal as provided herein. This Agreement as it relates to annual administrative services may be terminated by written notice of non-renewal from the City to J&K and EDG no later than one (1) year prior to the end of each contract period. If the City provides J&K and EDG written notice

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Pekin Court Street TIF District
Ordinance and Professional Services Agreement
Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

of non-renewal less than one (1) year prior to the end of a contract period, then J&K and EDG shall not be responsible for preparing and filing the TIF District Annual Report relating to the current fiscal year in which notice of non-renewal is received. Upon receiving written notice of non-renewal, J&K and EDG is to provide to the City a final invoice for professional fees and costs incurred as of the date of the termination.

c. Payment of Annual Administrative Fee and Reimbursable Costs.

- i. The Annual Administrative Fee to be paid by the City to J&K and EDG for the Annual Administration of the TIF District shall be **Eight-Thousand Five-Hundred and 00/100 Dollars (\$8,500.00)**. This Annual Fee shall be adjusted annually for the *Consumer Price Index - All Urban Consumers IL-IN-WI*, using **2020** as the base year.
- ii. In addition to the Annual Administrative Fee, all Reimbursable Costs incurred by J&K and EDG as part of the Annual Administration of the TIF District shall be reimbursed to J&K and EDG by the City, including all reasonable travel and subsistence expenses while away from Bloomington or Peru, Illinois, all photocopying, report binding, mailings, postage, and staff costs. Such are to be reimbursed at customary rates charged by J&K or EDG. For purposes of this Agreement, staff costs do not include the time of Attorneys Thomas N. Jacob, Herb Klein or Nic Nelson (J&K) or Steven Kline (EDG) while performing said Professional Services described in **Exhibit 2** and subject to the following conditions:
 1. All travel will be reimbursed for mileage at the maximum rate permitted by Internal Revenue Service Rules and Regulations at the time of service. All other costs which are incidental to the administration of the TIF District, including staff costs, photocopying and report binding, mailings, postage, and telecommunication charges, shall be reimbursed at the current rates then charged by J&K and EDG.
 2. The total Reimbursable Costs incurred by J&K and EDG as part of the Annual Administration of the TIF District (other than costs of mailings and publications) shall not exceed **Two-Thousand Five-Hundred and 00/100 Dollars (\$2,500.00)** without consent of the City in advance of such additional services being performed.
- iii. For Annual Administrative Fees, and Annual Administrative Costs, J&K and EDG shall bill the City on a quarterly basis. For the purpose of this Agreement, Quarterly Billings shall occur as follows:

Service Period	Billing Month
January, February, March	April
April, May, June	July
July, August, September	October
October, November, December	December

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin Court Street TIF District

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

Page 10 of 16

Packet Pg. 133

- iv. Annual Administrative Fees shall be adjusted annually for the *Consumer Price Index - All Urban Consumers IL-IN-WI*, using **2020** as the base year and prorated in equal installments for purposes of determining quarterly billings.
 - d. The City understands that J&K and EDG shall rely on the work of others, including the City's Administrator, City Engineer, Clerk, Auditors and Attorney; the Tazewell County Assessor and County Clerk; the Illinois Department of Revenue (IDOR); the Illinois Department of Commerce and Economic Opportunity (DCEO); the Illinois Comptroller's Office and the Illinois State Board of Education for information and documentation necessary for the Annual Administration of the TIF District. The City further understands that it may directly incur additional fees and costs for the Annual Administration of the TIF District which result from the involvement of other (non-J&K/EDG) professionals.
 - e. To the extent possible, J&K and EDG will attempt to include in Private Redevelopment Agreements provisions allocating a portion of the Annual Administrative Fees and Annual Costs to those Private Developments on a *pro-rata* basis determined by the increment generated by those Developments which have Redevelopment Agreements within the TIF District.
4. **Drafting Ambiguities.** The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether, or not, to seek advice of counsel with respect to the Agreement is a decision which is the sole responsibility of each Party. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of this Agreement. Titles of the several parts, paragraphs, sections or articles of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any provisions hereof.
 5. **Titles of Paragraphs.** Titles of the several parts, paragraphs, sections or articles of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any provisions hereof.
 6. **Amendments to this Agreement.** J&K/EDG and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required by the Parties hereto for carrying out the intention of or facilitating the performance of this Agreement. The Parties hereto may therefore amend this Agreement at any time by their mutual consent which amendment must be in writing and executed by the Parties.
 7. **Entire Agreement.** The Terms and Conditions set forth in this Agreement supersede all prior oral and written understanding and constitute the entire Agreement between the Parties with respect to the subject matter hereof.
 8. **Binding Upon Successors in Interest.** This Agreement shall be binding upon all the Parties hereto and their respective heirs, successors, administrators, assigns, or other successors in interest.

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin Court Street TIF District

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

9. **Notices.** Notices or demands hereunder shall be in writing and shall be served by (a) personal delivery, or (b) certified mail, return receipt requested to the following addresses, or to the last known address of either party or to the address provided by any assignee if such address has been given in writing. In the event said notice is mailed, the date of service of such notice shall be deemed to be three (3) business days after the date of delivery of said notice to the United States Post Office.

City of Pekin
% City Clerk
111 S. Capitol Street
Pekin, IL 61554
Ph: (309) 478-5371

Jacob & Klein, Ltd. and
The Economic Development Group, Ltd.
1701 Clearwater Avenue
Bloomington, IL 61704
Ph: (309) 664-7777

10. **Severability.** If any provision of this Agreement is held to be invalid, the remainder of this Agreement shall not be affected thereby.
11. **Choice of Law/Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois with venue lying in the Circuit Court of McLean County, Illinois.
12. **Warranty of Signatories.** The signatories of this Agreement warrant that they have full authority to execute this Agreement and to bind the entity for which they are signing and agree to hold the other Party or Parties hereto harmless if it is later determined that such authority does not exist.
13. **Counterparts.** This Agreement may be executed in counterparts, which when taken together shall constitute a single signed original as though all Parties had executed the same page.

IN WITNESS WHEREOF, the City, J&K, and EDG have executed this Professional Services Agreement on the day and year above written.

THE CITY OF PEKIN, an Illinois
Municipal Corporation:

By: _____
Mayor

Attest: _____
City Clerk

JACOB & KLEIN, LTD., an Illinois
Professional Service Corporation:

By: _____
President

**THE ECONOMIC DEVELOPMENT
GROUP, LTD.,** an Illinois Corporation:

By: _____
President

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin Court Street TIF District
Ordinance and Professional Services Agreement
Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

EXHIBIT 1

PROFESSIONAL SERVICES RELATING TO THE ESTABLISHMENT OF THE TIF DISTRICT

Services to be provided to the City by J&K and EDG relating to the Establishment of the TIF District are set forth as follows:

1. J&K shall provide City with legal advice regarding the establishment of the TIF District on an on-call, as needed basis.
2. EDG shall provide City with technical consulting regarding the establishment of the TIF District on an on-call, as needed basis.
3. Create an estimated schedule and timeline for completing the required procedure to establish the TIF District.
4. Work with local elected officials, City staff and engineers to define the Redevelopment Project Area (TIF District Boundary).
5. Consult on any necessary Annexation Agreement(s) with City Attorney and Private Developer(s), if any.
6. Prepare the TIF District Redevelopment Plan. EDG will collect a variety of information from the City and, with J&K, draft the TIF Redevelopment Plan. Local officials will provide historical information, access to legal descriptions, street maps/aerial tax maps, engineering opinion letters, descriptions and estimated costs of potential public and private projects, potential private development build-out rates, property tax bills, assessment data, and identification of officials' properties and other City records as necessary to establish the TIF District.
 - a. Evaluate the statutory and financial feasibility of creating the TIF District and incorporate such findings in the Redevelopment Plan. The City has indicated it does not intend to displace ten (10) or more inhabited residential units for any redevelopment projects occurring within the TIF District. Therefore, this Agreement does not provide for the preparation of a separate Feasibility Study or Housing Impact Study. If conditions change, thereby requiring a separate Feasibility Study or Housing Impact Study, such services shall be provided by J&K and EDG per *Section 2(c)(iv)* above, unless this Agreement is otherwise amended per *Section 4*.
7. Organize and conduct the first meeting of the Joint Review Board.

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin Court Street TIF District

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

Page 2 of 16

8. Consult with the School District to determine and analyze the potential impact, evaluate alternative approaches for assisting the school district and prepare necessary Intergovernmental Agreements, if required.
9. Assist the City with negotiating Private Redevelopment Agreements with potential Developers.
10. Assist the City with creating Interested Parties Registries as required.
11. Prepare and send all Notices to taxing bodies, taxpayers, residences within 750 feet of the proposed TIF District, and to those individuals or organizations listed on the Interested Parties Registries.
12. Prepare and arrange for the City Clerk all publications required of the City.
13. Moderate Public Meeting(s) as required or necessary.
14. Conduct Public Hearing to review the proposed TIF District with the public.
15. Draft and present to the City all required Ordinances to create the TIF District.

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PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin Court Street TIF District

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

Page 3 of 16

EXHIBIT 2

PROFESSIONAL SERVICES RELATING TO THE ANNUAL ADMINISTRATION OF THE TIF DISTRICT

Services to be provided to the City by J&K and EDG relating to the Annual Administration of the TIF District are set forth as follows:

1. Provide the City with on-call legal and consulting services on matters relating to the TIF District as needed.
2. Consult with and coordinate administrative activities with City's Administrator, City Clerk, City Engineer, CPA, Mayor and other officials as required.
3. Track and monitor the growth of annual Real Estate and Sales Tax (if appropriate) Increments within the TIF District.
4. Negotiate terms of TIF Reimbursements and prepare Redevelopment Agreements with Developers.
5. Consult with Developers regarding TIF Redevelopment Agreements and Reimbursements.
6. Communicate with Developers and the County Supervisor of Assessments to review improvements, paid tax bills and changes in Equalized Assessed Valuations.
7. Advise City on matters relating to Developer Reimbursements (e.g., verify paid property tax bills and eligible project costs, and advise the municipality to make payments).
8. Provide City with a Public Requisition/Payment Approval process.
9. Advise City on matters relating to payments to other taxing bodies under Intergovernmental Agreements.
10. Prepare, certify, and submit Annual TIF District Reports to the Office of the Illinois Comptroller.
11. Provide legal opinion (J&K) on matters relating to Annual Reports to State Comptroller as required by the TIF Act.
12. Prepare TIF District Annual Reports for submission to City and other taxing districts.
13. Conduct City's Annual Joint Review Board Meetings with Taxing Bodies as required by the TIF Act.

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin Court Street TIF District
Ordinance and Professional Services Agreement
Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

14. Work with the School District to determine and analyze potential financial impacts, evaluate alternative approaches for assisting the school district and prepare necessary Intergovernmental Agreements.
15. Prepare TIF Increment Projections for City and Reimbursement Estimates for Developers.
16. If retained as a Registered Municipal Advisor per a separate Letter of Engagement, EDG will analyze the potential use of TIF Revenue Bonds, Developer Notes and other financing alternatives, as well as arrange for Bond Counsel when required by City or Developer. All professional services related to the issuance of Bonds will be additional, subject to separate agreements and billed at the then applicable rates.

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PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin Court Street TIF District

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

Page 5 of 16

*Jacob & Klein, Ltd. and The Economic Development Group, Ltd.
Response to City of Pekin Request for (TIF/BDD) Qualifications and Proposals, January 17, 2020*

**Proposed Professional Services Agreement for the
Establishment and Annual Administration of Pekin BDD No. 1**

Attachment: JACOB & KLEIN THE ECONOMIC DEVELOPMENT GROUP, LTD TIF BDD PROPOSAL OPT (2018 : RFP TIF District and BDD)

*Jacob & Klein, Ltd. and The Economic Development Group, Ltd.
Response to City of Pekin Request for (TIF/BDD) Qualifications and Proposals, January 17, 2020*

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PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

17 JAN 2020

ORDINANCE NO. _____

CITY OF PEKIN, ILLINOIS

AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT

for the

ESTABLISHMENT AND ANNUAL ADMINISTRATION OF
PEKIN BUSINESS DEVELOPMENT DISTRICT NO. 1

by and between

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS

and

JACOB & KLEIN, LTD.

and

THE ECONOMIC DEVELOPMENT GROUP, LTD.

ADOPTED BY THE MAYOR AND CITY COUNCIL
OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS,
ON THE 10TH DAY OF FEBRUARY, 2020.

Attachment: JACOB & KLEIN THE ECONOMIC DEVELOPMENT GROUP, LTD TIF BDD PROPOSAL OPT (2018 : RFP TIF District and BDD)

ORDINANCE NO. _____

CITY OF PEKIN, ILLINOIS
AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT
for the
ESTABLISHMENT AND ANNUAL ADMINISTRATION OF
PEKIN BUSINESS DEVELOPMENT DISTRICT NO. 1
by and between
THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
and
JACOB & KLEIN, LTD.
and
THE ECONOMIC DEVELOPMENT GROUP, LTD.

PREAMBLE

WHEREAS, the City of Pekin, Tazewell County, Illinois, an Illinois Home Rule Municipal Corporation (the “City”) wishes to establish a Business Development District pursuant to the Business District Development and Redevelopment Act (65 ILCS 5/11-74.3-1 *et. seq.*, the “Act”) in order to attract new retail businesses to the City, provide for the retention and expansion of existing retail businesses located in the City, and make public infrastructure improvements in support of such businesses; and

WHEREAS, the City desires to engage the professional services of Jacob & Klein, Ltd. to render administrative services and legal advice and The Economic Development Group, Ltd. to render technical advice to assist the City in establishing and administering the **Pekin Business Development District No. 1** (the “BDD” or “BDD No. 1”).

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS THAT:

1. The Professional Services Agreement by and between the City of Pekin, Jacob & Klein, Ltd. and The Economic Development Group, Ltd. (*Exhibit A* attached) is hereby approved.
2. The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Professional Services Agreement and the City Clerk of the City of Pekin is hereby authorized and directed to attest such execution.
3. The Professional Services Agreement shall be effective on the date of its approval, on the 10th day of February, 2020.
4. This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin BDD No. 1

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

Page 2 of 16

Packet Pg. 144

Attachment: JACOB & KLEIN THE ECONOMIC DEVELOPMENT GROUP, LTD TIF BDD PROPOSAL OPT (2018 : RFP TIF District and BDD)

PASSED, APPROVED AND ADOPTED by the Mayor and City Council of the City of Pekin, Tazewell County, Illinois, this 10th day of February, 2020.

CORPORATE AUTHORITIES	AYES	NAYS	ABSTAIN	ABSENT
John Abel				
Michael Garrison				
David Nutter				
Lloyd Orrick				
Rick Hilst				
Karen Hohimer				
Mark Luft, Mayor				
TOTALS:				

APPROVE:

Rod Davies, Mayor

ATTEST:

Susan Trevor, City Clerk

EXHIBIT A is attached: Professional Services Agreement by and between the City of Pekin, Tazewell County, Illinois and Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin BDD No. 1

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

EXHIBIT A

**Professional Services Agreement
by and between
The City of Pekin, Tazewell County, Illinois
and
Jacob & Klein, Ltd.
and
The Economic Development Group, Ltd.**

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin BDD No. 1

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

PROFESSIONAL SERVICES AGREEMENT

for the

**ESTABLISHMENT AND ANNUAL ADMINISTRATION OF
PEKIN BUSINESS DEVELOPMENT DISTRICT NO. 1**

by and between

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS

and

JACOB & KLEIN, LTD.

and

THE ECONOMIC DEVELOPMENT GROUP, LTD.

FEBRUARY 10, 2020

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin BDD No. 1

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

PROFESSIONAL SERVICES AGREEMENT
 for the
ESTABLISHMENT AND ANNUAL ADMINISTRATION OF
PEKIN BUSINESS DEVELOPMENT DISTRICT NO. 1
 by and between
THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
 and
JACOB & KLEIN, LTD.
 and
THE ECONOMIC DEVELOPMENT GROUP, LTD.

THIS AGREEMENT is entered into this 10th day of February, 2020, by and between the **CITY OF PEKIN, ILLINOIS**, an Illinois Home Rule Municipal Corporation (the “City”); and **JACOB & KLEIN, LTD.**, Bloomington, Illinois, an Illinois Professional Service Corporation (“J&K”); and **THE ECONOMIC DEVELOPMENT GROUP, LTD.**, Bloomington, Illinois, and Illinois Corporation (“EDG”). The City, J&K and EDG may hereinafter be referred to as the “Parties” to this Agreement.

WHEREAS, the City of Pekin, Tazewell County, Illinois (the “City”) wishes to establish a Business Development District pursuant to the Business District Development and Redevelopment Act (65 ILCS 5/11-74.3-1 *et. seq.*, the “Act”) in order to attract new retail businesses to the City, provide for the retention and expansion of existing retail businesses located in the City, and make public infrastructure improvements in support of such businesses; and

WHEREAS, the City desires to engage the professional services of Jacob & Klein, Ltd. to render administrative services and legal advice and The Economic Development Group, Ltd. to render technical advice to assist the City in establishing and administering the **Pekin Business Development District No. 1** (the “BDD” or “Pekin BDD No. 1”); and

WHEREAS, the Parties acknowledge that for scheduling and cost-containment purposes, this Agreement shall be null and void unless approved and executed on or before December 2, 2019 and in concurrence with the approval and execution by the Parties of a Professional Services Agreement for the Establishment and Annual Administration of the Pekin Main Street TIF District.

NOW, THEREFORE, the Parties agree as follows:

1. **City to Engage J&K and EDG.** The City agrees hereby to engage the services of J&K and EDG for the purposes set forth herein and J&K agrees to provide all legal advice to EDG and the City to prepare or coordinate the preparation of Reports, the BDD Redevelopment Plan, Notices and Documentation (including those reports prepared by other professionals) necessary to complete the Establishment and the Annual Administration of the BDD Plan, Area and Projects as required pursuant to State Statutes and as outlined in *Exhibit 1. Professional Services Relating to the Establishment of the BDD* and *Exhibit 2. Professional Services Relating to the Annual Administration of the BDD*.
 - a. The Parties agree that J&K, as Attorneys, will undertake those responsibilities that require legal advice or preparation under this Agreement on behalf of the City or EDG. EDG is a separate corporate entity established by Thomas N. Jacob (of

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Pekin BDD No. 1

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

Page 6 of 16

Packet Pg. 148

Attachment: JACOB & KLEIN THE ECONOMIC DEVELOPMENT GROUP, LTD TIF BDD PROPOSAL OPT (2018 : RFP TIF District and BDD)

counsel) and is owned in whole by Herbert J. Klein. Mr. Klein is also the principal owner of Jacob & Klein, Ltd. (J&K). The City is entering into this Agreement voluntarily and with informed consent after the opportunity to consult with independent counsel as to the ownership of both entities by Herbert J. Klein.

- b. J&K may, in addition, be retained by the City as its special attorney to perform other professional services outside the Scope of Services set forth herein, including representation of the City before State agencies or the Illinois Legislature. Such representation shall be at the Attorney's then current hourly rate for similar services or as otherwise agreed. Any such representation shall be pursuant to a written agreement between the Parties.
 - i. Legal services provided by J&K and/or consulting services provided by EDG relating to financing, including the issuance of Bonds involving the BDD, will be billed separately from this Agreement and subject to the terms of any agreements related to such financing or Bonds.
 - ii. If retained as a Registered Municipal Advisor through a separate Letter of Engagement, EDG will analyze the potential use of BDD Revenue Bonds, Developer Notes and other financing alternatives, as well as arrange for Bond Counsel when required by the City.
 - iii. This Agreement does not include representation in any Court case resulting from the establishment of the BDD Redevelopment Plan, Area or Projects or the Annual Administration of the BDD.
- c. The total Fees and Reimbursable Costs to be paid hereunder by the City to J&K and EDG, when billed by each of the separate entities, will not be duplicated and will not exceed the total Fees and Reimbursable Costs provided for herein.
- d. The Parties agree that pursuant to the Act, all Professional Fees and related Costs incurred by the City for Establishing and Annually Administering the BDD are BDD eligible project costs and are fully reimbursable to the City from the BDD sales tax revenues generated by the BDD.
- e. The City hereby acknowledges that J&K and EDG are not responsible for monitoring and documenting matters relating to compliance with the Illinois Prevailing Wage Act, the Illinois Procurement Code, and any other wage and/or employment laws, to the extent such are applicable to any public or private project undertaken within the BDD Redevelopment Project Area or the Area as may be amended in the future.

2. Establishment of the BDD.

- a. **Services.** J&K and EDG will provide services as outlined in *Exhibit 1* to Establish the BDD.
- b. **Term.** This Professional Services Agreement for the Establishment the BDD shall commence immediately and shall continue until the presentation of the BDD

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Pekin BDD No. 1

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

Redevelopment Plan and appropriate ordinances to the City Council for the Establishment of the BDD. It is anticipated that the BDD will be established on or before July 13, 2020, barring unexpected complications.

- c. **Payment of Fees and Reimbursable Costs.** The total Base Professional Fee to be paid to J&K and EDG for the Establishment of the BDD shall be **Twenty-Two Thousand Five-Hundred and 00/100 Dollars (\$22,500.00)**, plus Reimbursable Costs, and are to be paid by the City as follows:
- i. J&K and EDG shall be paid a total sum of **Eleven-Thousand Two Hundred Fifty and 00/100 Dollars (\$11,250.00)** within fourteen (14) days upon execution of this Agreement.
 - ii. The balance of the Fee, **Eleven-Thousand Two Hundred Fifty and 00/100 Dollars (\$11,250.00)**, and Reimbursable Costs for the establishment of the BDD shall be paid when the final Ordinances are presented to the City Council for passage.
 - iii. All Reimbursable Costs incurred by J&K and EDG as part of the Establishment of the BDD shall be reimbursed to J&K and EDG by the City, including all reasonable travel and subsistence expenses while away from Bloomington or Peru, Illinois, all photocopying, report binding, mailings, postage, and staff costs. For purposes of this Agreement, staff costs do not include the time of Attorneys Thomas N. Jacob, Nic Nelson or Herb Klein (J&K), or the time of Steven Kline (EDG) while performing said Professional Services described in *Exhibit 1* subject to the following conditions:
 1. All travel will be reimbursed for mileage at the maximum rate permitted by Internal Revenue Service Rules and Regulations at the time of service. All other costs which are incidental to the establishment of the BDD, including staff costs, photocopying and report binding, mailings, postage, and telecommunication charges, shall be reimbursed at the current rates then charged by J&K and EDG.
 2. The total Reimbursable Costs incurred by J&K and EDG as part of the Establishment of the BDD (other than costs of mailings and publications) shall not exceed **Two-Thousand Five-Hundred and 00/100 Dollars (\$2,500.00)** without consent of the City in advance of such additional services being performed.
 - iv. The City understands and acknowledges that J&K and EDG will rely on the work of other professionals, including the City's Engineers and Attorney, to prepare reports and documentation needed for the BDD Redevelopment Plan, Projects and Reports and other necessary documents; and that J&K and EDG shall rely on their professional expertise to prepare the BDD Redevelopment Plan and present material and information necessary to the Establishment of the District. The City further understands that it may directly incur additional

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Pekin BDD No. 1

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

Page 8 of 16

Packet Pg. 150

fees and costs for the Establishment of the BDD which result from the involvement of other (i.e., non-J&K/EDG) professionals.

3. Annual Administration of the BDD.

- a. **Services.** J&K and EDG will provide services as outlined in *Exhibit 2* to annually administer the BDD.
 - i. On an annual basis, all of the legal review of documents and matters relating to the statutory compliance of public and private development activities occurring within the BDD are provided by J&K in the Annual Administrative Fee. Other administrative functions will be provided by EDG. EDG will also provide financial feasibility analyses for new proposed private developments. J&K will provide legal services required in the preparation of new Redevelopment Agreements and other legal documents and legal opinions.
 - ii. To the extent possible, J&K and EDG will attempt to include in Private Redevelopment Agreements provisions allocating a portion of the Annual Administrative Fees, Annual Costs and other fees to those Private Developments on a pro-rata basis determined by the increment generated by those Developments which have Redevelopment Agreements.
- b. **Term.** The term of the Annual Administrative Services for the City of Pekin BDD No. 1 shall be for one (1) year and shall commence upon the Establishment of the BDD. Thereafter, this Agreement shall automatically renew at the end of each year during the life of the BDD as a roll-over, for a new period of one (1) year, absent notice of non-renewal as provided herein. This Agreement as it relates to Annual Administrative Services may be terminated by written notice of non-renewal from the City to J&K and EDG no later than ninety (90) days prior to the end of each contract period. Upon receiving written notice of non-renewal, J&K and EDG are to provide the City a final invoice for professional fees and costs incurred as of the date of the termination.
- c. **Payment of Annual Administrative Fee and Reimbursable Costs.**
 - i. The Annual Administrative Fee to be paid by the City to J&K and EDG for the Annual Administration of the BDD shall be an annual fee of **Three-Thousand Five-Hundred and 00/100 Dollars (\$3,500.00)**. This Annual Fee shall be adjusted annually for the *Consumer Price Index - All Urban Consumers IL-IN-WI*, using 2020 as the base year.
 - ii. There shall be an additional Annual Administrative Fee of **Seven-Hundred Fifty and 00/100 Dollars (\$750.00)** plus the annual increase in the Consumer Price Index using 2019 as the base year for each BDD Redevelopment Agreement the City enters into for any projects located within the BDD and

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Pekin BDD No. 1

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

for which the total cumulative BDD eligible project costs estimated to be reimbursed per the terms of said BDD Redevelopment Agreement amount to \$10,000 or more.

1. If said additional Annual Administrative Fee for each BDD Redevelopment Agreement includes incentives relating to a Pekin TIF District, if any, such additional Annual Administrative Fee shall not be duplicated in J&K and EDG billings for annual administrative services relating to such TIF District.
- iii. In addition to the Annual Administrative Fee, all Reimbursable Costs incurred by J&K and EDG as part of the Annual Administration of the BDD shall be reimbursed to J&K and EDG by the City, including all reasonable travel and subsistence expenses while away from Bloomington or Peru, Illinois, all photocopying, report binding, mailings, postage, and staff costs. Such are to be reimbursed at customary rates charged by J&K or EDG. For purposes of this Agreement, staff costs do not include the time of Attorneys Thomas N. Jacob, Herb Klein or Nic Nelson (J&K) or Steven Kline (EDG) while performing said Professional Services described in *Exhibit 2* and subject to the following conditions:
 1. All travel will be reimbursed for mileage at the maximum rate permitted by Internal Revenue Service Rules and Regulations at the time of service. All other costs which are incidental to the administration of the BDD, including staff costs, photocopying and report binding, mailings, postage, and telecommunication charges, shall be reimbursed at the current rates then charged by J&K and EDG.
 2. The total Reimbursable Costs incurred by J&K and EDG as part of the Annual Administration of the BDD (other than costs of mailings and publications) shall not exceed **One-Thousand Five-Hundred and 00/100 Dollars (\$1,500.00)** without consent of the City in advance of such additional services being performed.
- iv. For Annual Administrative Fees, and Annual Administrative Costs, J&K and EDG shall bill the City on a quarterly basis. For the purpose of this Agreement, Quarterly Billings shall occur as follows:

Service Period	Billing Month
January, February, March	April
April, May, June	July
July, August, September	October
October, November, December	December

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Pekin BDD No. 1

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

- v. Annual Administrative Fees shall be adjusted annually for the *Consumer Price Index - All Urban Consumers IL-IN-WI*, using **2020** as the base year and prorated in equal installments for purposes of determining quarterly billings.
 - d. The City understands that J&K and EDG shall rely on the work of others, including the City's Administrator, City Engineer, Clerk, Auditors and Attorney; the Tazewell County Assessor and County Clerk; the Illinois Department of Revenue (IDOR); the Illinois Department of Commerce and Economic Opportunity (DCEO); the Illinois Comptroller's Office and the Illinois State Board of Education for information and documentation necessary for the Annual Administration of the BDD. The City further understands that it may directly incur additional fees and costs for the Annual Administration of the BDD which result from the involvement of other (non-J&K/EDG) professionals.
 - e. To the extent possible, J&K and EDG will attempt to include in Private Redevelopment Agreements provisions allocating a portion of the Annual Administrative Fees and Annual Costs to those Private Developments on a *pro-rata* basis determined by the increment generated by those Developments which have Redevelopment Agreements within the BDD.
4. **Drafting Ambiguities.** The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether, or not, to seek advice of counsel with respect to the Agreement is a decision which is the sole responsibility of each Party. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of this Agreement. Titles of the several parts, paragraphs, sections or articles of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any provisions hereof.
 5. **Titles of Paragraphs.** Titles of the several parts, paragraphs, sections or articles of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any provisions hereof.
 6. **Amendments to this Agreement.** J&K/EDG and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required by the Parties hereto for carrying out the intention of or facilitating the performance of this Agreement. The Parties hereto may therefore amend this Agreement at any time by their mutual consent which amendment must be in writing and executed by the Parties.
 7. **Entire Agreement.** The Terms and Conditions set forth in this Agreement supersede all prior oral and written understanding and constitute the entire Agreement between the Parties with respect to the subject matter hereof.
 8. **Binding Upon Successors in Interest.** This Agreement shall be binding upon all the Parties hereto and their respective heirs, successors, administrators, assigns, or other successors in interest.

(The remainder of this page is intentionally blank.)

PROPOSED COPY FOR DISCUSSION PURPOSES ONLY

Pekin BDD No. 1

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

Page 11 of 16

Packet Pg. 153

9. **Notices.** Notices or demands hereunder shall be in writing and shall be served by (a) personal delivery, or (b) certified mail, return receipt requested to the following addresses, or to the last known address of either party or to the address provided by any assignee if such address has been given in writing. In the event said notice is mailed, the date of service of such notice shall be deemed to be three (3) business days after the date of delivery of said notice to the United States Post Office.

City of Pekin
% City Clerk
111 S. Capitol Street
Pekin, IL 61554
Ph: (309) 478-5371

Jacob & Klein, Ltd. and
The Economic Development Group, Ltd.
1701 Clearwater Avenue
Bloomington, IL 61704
Ph: (309) 664-7777

10. **Severability.** If any provision of this Agreement is held to be invalid, the remainder of this Agreement shall not be affected thereby.
11. **Choice of Law/Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois with venue lying in the Circuit Court of McLean County, Illinois.
12. **Warranty of Signatories.** The signatories of this Agreement warrant that they have full authority to execute this Agreement and to bind the entity for which they are signing and agree to hold the other Party or Parties hereto harmless if it is later determined that such authority does not exist.
13. **Counterparts.** This Agreement may be executed in counterparts, which when taken together shall constitute a single signed original as though all Parties had executed the same page.

IN WITNESS WHEREOF, the City, J&K, and EDG have executed this Professional Services Agreement on the day and year above written.

THE CITY OF PEKIN, an Illinois Home
Rule Municipal Corporation:

By: _____
Mayor

Attest: _____
City Clerk

JACOB & KLEIN, LTD., an Illinois
Professional Service Corporation:

By: _____
President

THE ECONOMIC DEVELOPMENT
GROUP, LTD., an Illinois Corporation:

By: _____
President

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Pekin BDD No. 1
Ordinance and Professional Services Agreement
Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

Page 12 of 16

Packet Pg. 154

Attachment: JACOB & KLEIN THE ECONOMIC DEVELOPMENT GROUP, LTD TIF BDD PROPOSAL OPT (2018 : RFP TIF District and BDD)

EXHIBIT 1

PROFESSIONAL SERVICES RELATING TO THE ESTABLISHMENT OF THE BDD

Services to be provided to the City by J&K and EDG relating to the Establishment of the BDD are set forth as follows:

1. J&K shall provide City with legal advice regarding the establishment of the BDD on an on-call, as needed basis.
2. EDG shall provide City with technical consulting regarding the establishment of the BDD on an on-call, as needed basis.
3. Create an estimated schedule and timeline for completing the required procedure to establish the BDD.
4. Work with local elected officials, City staff and engineers to define the Redevelopment Project Area (BDD Boundary).
5. Consult on any necessary Annexation Agreement(s) with City Attorney and Private Developer(s), if any.
6. Prepare all required studies and reports to establish the BDD, the scope of which will include field surveys and studies in sufficient detail for the City to:
 - a. Make a formal finding that the business district is a 'blighted area' as that term is defined by the Act; and
 - b. Make a formal finding that the business district is a 'blighted area' as that term is defined by the Act; and
7. Assist the City with the preparation of a Business District Development and Redevelopment Plan (the "Plan") which sets forth the following:
 - a. A specific description of the proposed boundaries of the district, including a map illustrating the boundaries, and each address in the business district in such a way that the Department of Revenue can determine by its address whether a business is located in the business district.
 - b. A general description of each project proposed to be undertaken over the life of the business district that is to be located within the business district, including a description of the approximate location of each project.

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Pekin BDD No. 1

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

Page 2 of 16

- c. The name of the proposed business district.
 - d. The estimated business district project costs.
 - e. The anticipated source of funds to pay business district project costs.
 - f. The anticipated type(s) and terms of any obligations that could be issued.
 - g. The rate of any tax to be imposed pursuant to the Act and the period of time for which the tax shall be imposed.
8. Prepare and present to the City the required Ordinances or Resolutions for designating the BDD and approving the BDD Redevelopment Plan.
 9. Assist the City with preparing requisite publications and notices as well as conduct and moderate a Public Hearing, for which Notice is published in a newspaper of general circulation within the City.
 10. Assist the City with negotiating Private Redevelopment Agreements with potential Developers.

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Pekin BDD No. 1

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

EXHIBIT 2

PROFESSIONAL SERVICES RELATING TO THE ANNUAL ADMINISTRATION OF THE BDD

Services to be provided to the City by J&K and EDG relating to the Annual Administration of the BDD are set forth as follows:

1. Provide the City with on-call legal and consulting services on matters relating to the BDD as needed.
2. Consult with and coordinate administrative activities with City's Administrator, City Clerk, City Engineer, CPA, Mayor and other officials as required.
3. Provide to the Illinois Department of Revenue the boundary of the Business District and a list of each address located within the Business District in such a way that the Department of Revenue can determine by its address whether a business is located in the Business District.
4. Assist the City in establishing the Special Business District Tax Allocation Fund.
5. On behalf of the City, negotiate terms of BDD Reimbursements and prepare Redevelopment Agreements with Developers.
6. Consult with Developers regarding BDD Redevelopment Agreements and Reimbursements.
7. Advise City on matters relating to Developer Reimbursements (e.g., verify eligible project costs, and advise the municipality to make payments).
8. Consult with City officials regarding the use of BDD Funds for public projects contained in the Plan and establish a Requisition Program to approve BDD Project Costs.
9. Analyze the potential use of Business Development District Revenue Bonds, Developer Notes and other financing alternatives. Arrange for Bond Counsel when required by the City. All professional services related to the issuance of specific Bonds or obligations will be additional, subject to separate agreements and billed at the then applicable rates. EDG may be designated as the City's Municipal Advisor pursuant to a separate agreement.
10. Assist the City in administering the Business Development District Plan and remaining in compliance with the Act.

(The remainder of this page is intentionally blank.)

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Pekin BDD No. 1

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

Page 4 of 16

Packet Pg. 157

Attachment: JACOB & KLEIN THE ECONOMIC DEVELOPMENT GROUP, LTD TIF BDD PROPOSAL OPT (2018 : RFP TIF District and BDD)

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Pekin BDD No. 1

Ordinance and Professional Services Agreement

Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

*Jacob & Klein, Ltd. and The Economic Development Group, Ltd.
Response to City of Pekin Request for (TIF/BDD) Qualifications and Proposals, January 17, 2020*

References

City of Pekin (TIF)
% Mr. Mark Rotherth, City Manager
111 S. Capitol Street
Pekin, Illinois 61554

City of Canton (TIF)
% Kent McDowell, Mayor
2 N. Main St.
Canton, IL 61520
Ph: (309) 647-0020

City of Delavan (TIF)
% Elizabeth Skinner, Mayor
219 Locust Street
P.O. 590
Delavan, IL 61734
Ph: (309) 244-7146

City of Farmington (TIF)
% Kent Kowal, Mayor
322 E. Fort Street, Room 101
Farmington, IL 61531
Ph: (309) 245-2011

Village of Milan (TIF)
% Steve Seiver, Village Administrator
405 1st Street E
Milan, IL 61264-2495

City of Morris (TIF)
% Richard Kopczick, Mayor
700 N. Division Street
Morris, IL 60450-0103
Ph: (815) 942-4026

Village of Peoria Heights (TIF & BDD)
% Michael Phelan, Mayor
4901 N. Prospect Rd.
Peoria Heights, IL 61616
Ph: (309) 686-2385

City of Taylorville (TIF & BDD)
% Bruce Barry, Mayor
115 N. Main Street
Taylorville, IL 62568
Ph: (217) 824-2101

Additional References Available Upon Request



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Sue McMillan, City Clerk

AGENDA ITEM: Audits 2018 Sikich

ACTION REQUESTED: Receive and File 2018 Annual Financial Report, TIF CBD, TIF SIPCA, T/PCCC, Library, Sewerage, and Solid Waste

DESCRIPTION:

FINANCIAL IMPACT:

Requested Amount:
 Line Item:
 Budgeted Amount:
 Remaining Funds:

IMPACT IF APPROVED:

IMPACT IF DENIED:

ALTERNATIVES:

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):
 Date:

City Manager:

Mark A. Rothert

Mark A. Rothert, City Manager

2/5/2020

Date:

CITY OF PEKIN, ILLINOIS
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended April 30, 2018

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditor's Report.....	1-3
Basic Financial Statements:	
Government-Wide Financial Statements	
Statement of Net Position	4-5
Statement of Activities.....	6-7
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	8-9
Reconciliation of Fund Balances of Governmental Funds	
To the Governmental Activities in the Statement of Net Position.....	10
Statement of Revenues, Expenditures and Changes in	
Fund Balance	11
Reconciliation of the Governmental Funds Statement of Revenues,	
Expenditures, and Changes in Fund Balances to the Governmental	
Activities in the Statement of Activities	12
Proprietary Funds:	
Statement of Net Position	13-14
Statement of Revenues, Expenses and Changes	
In Net Position	15
Statement of Cash Flows	16
Fiduciary Funds:	
Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18
Notes to Financial Statements.....	19-75
Required Supplementary Information:	
Schedule of Changes in Net Pension Liability and Related Ratios:	
Illinois Municipal Retirement Fund.....	76
Police Pension Trust Fund	77
Fire Pension Trust Fund.....	78
Schedule of Changes in Total OPEB Liability and Related Ratios:	
Other Postemployment Benefit Plan.....	79
Schedule of Employer Contributions:	
Illinois Municipal Retirement Fund.....	80
Police Pension Trust Fund	81
Fire Pension Trust Fund.....	82
Schedule of Investment Returns	
Police Pension Trust Fund	83
Fire Pension Trust Fund.....	84

CITY OF PEKIN, ILLINOIS
TABLE OF CONTENTS (CONTINUED)

	<u>Page(s)</u>
Required Supplementary Information (continued):	
Schedule of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual:	
General Fund.....	85
Library Fund	86
TIF 1 Central Business District Fund	87
Notes to Required Supplementary Information	88
Combining and Individual Fund Statements and Schedules:	
Major Governmental Funds:	
Combining Balance Sheet by Subfund – General Fund	89
Combining Schedule of Revenues, Expenditures and	
Changes in Fund Balance by Subfund – General Fund	90
Schedule of Revenues, Expenditures and Changes	
in Fund Balance – Budget and Actual:	
General Fund.....	91
Capital Projects Fund.....	92
Schedule of Expenditures – Budget and Actual – General Fund.....	93-95
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	96
Combining Schedule of Revenues, Expenditures and	
Changes in Fund Balance.....	97
Schedule of Revenues, Expenditures and Changes	
in Fund Balance – Budget and Actual	
Special Revenue Funds	98
Nonmajor Enterprise Funds:	
Combining Statement of Net Position	99
Combining Statement of Revenues, Expenses and	
Changes in Net Position.....	100
Combining Statement of Cash Flows	101
Internal Service Funds:	
Combining Statement of Net Position	102
Combining Statement of Revenues, Expenses and	
Changes in Net Position.....	103
Combining Statement of Cash Flows	104
Pension Trust Funds:	
Combining Statement of Fiduciary Net Position	105
Combining Statement of Changes in Fiduciary Net Position	106

3201 W. White Oaks Dr., Suite 102
Springfield, IL 62704
217.793.3363

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

To the President
and Board of Trustees
City of Pekin, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pekin, Illinois (the City), as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pekin, Illinois, as of April 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adjustments to Prior Period Financial Statements

As part of our audit of the 2018 financial statements we also audited adjustments described in Note 15 that were applied to restate the 2017 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2017 financial statements of the City other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2017 financial statements as a whole.

Other Matters

Required Supplementary Information

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

Management has omitted management's discussion and analysis, and the schedule of investment returns for April 30, 2015 through April 30, 2017 for the Police Pension fund that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pekin, Illinois' basic financial statements. The combining and individual fund statements and schedules and statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich LLP

Springfield, Illinois
January 27, 2020

BASIC FINANCIAL STATEMENTS

CITY OF PEKIN, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	TPCCC
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 5,292,977	\$ 5,494,684	\$ 10,787,661	\$ 656,154
Investments	3,395,231	250,000	3,645,231	-
Receivables				
Property taxes	7,002,305	-	7,002,305	-
Intergovernmental	11,524,817	-	11,524,817	-
Accounts	689,400	2,238,619	2,928,019	2,250
Loans	1,186,020	-	1,186,020	-
Developer	67,072	-	67,072	-
Other	205,609	587,600	793,209	-
Accrued interest	-	-	-	-
Inventory	24,028	21,766	45,794	-
Prepaid items	89,150	149,009	238,159	-
Internal balances	1,929,572	(1,929,572)	-	-
Total current assets	31,406,181	6,812,106	38,218,287	658,404
Noncurrent assets:				
Loans receivable	-	3,120,309	3,120,309	-
Developer receivable	400,528	-	400,528	-
Capital Assets:				
Construction in progress	-	54,718	54,718	-
Land and improvements	14,181,732	1,790,299	15,972,031	-
Other capital assets	86,863,807	79,119,546	165,983,353	1,819,212
Less: accumulated depreciation	(28,240,857)	(23,439,453)	(51,680,310)	(1,693,442)
Total capital assets, net	72,804,682	57,525,110	130,329,792	125,770
Total noncurrent assets	73,205,210	60,645,419	133,850,629	125,770
Total assets	104,611,391	67,457,525	172,068,916	784,174
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	6,641,851	119,831	6,761,682	163,167
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES				
	\$ 111,253,242	\$ 67,577,356	\$ 178,830,598	\$ 947,341

(Continued)

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

This statement continued on the following page.

CITY OF PEKIN, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	TPCCC
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
Current Liabilities:				
Accounts payable	\$ 1,300,428	\$ 346,928	\$ 1,647,356	\$ 73,599
Accrued wages	313,924	105,936	419,860	24,931
Performance bond payable	-	250,000	250,000	-
Due to fiduciary fund	72,080	-	72,080	-
Other accrued liabilities	962,325	-	962,325	-
Accrued interest payable	90,675	135,947	226,622	-
Deferred revenue	-	7,127	7,127	-
Compensated absences payable - current	544,539	65,867	610,406	-
General obligation bonds payable - current	540,000	320,000	860,000	-
Loans payable - current	563,096	1,812,189	2,375,285	-
Total OPEB liability - current	734,220	98,985	833,205	-
Total current liabilities	5,121,287	3,142,979	8,264,266	98,530
Noncurrent Liabilities:				
Compensated absences payable	3,989,791	162,184	4,151,975	-
General obligation bonds payable	5,005,000	4,715,000	9,720,000	-
Loans payable	2,540,041	32,666,268	35,206,309	-
Net pension liability (asset) - IMRF	737,628	467,863	1,205,491	(862,191)
Net pension liability - Police Pension	21,802,922	-	21,802,922	-
Net pension liability - Fire Pension	41,452,494	-	41,452,494	-
Total OPEB liability	17,983,626	2,424,490	20,408,116	-
Total noncurrent liabilities	93,511,502	40,435,805	133,947,307	(862,191)
Total liabilities	98,632,789	43,578,784	142,211,573	(763,661)
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	7,002,305	-	7,002,305	-
Unavailable revenues	-	-	-	-
Deferred inflows related to pensions	4,548,491	838,507	5,386,998	741,614
Deferred inflows related to OPEB	6,942,195	935,922	7,878,117	-
Total deferred inflows of resources	18,492,991	1,774,429	20,267,420	741,614
Total liabilities and deferred inflows of resources	117,125,780	45,353,213	162,478,993	(22,047)
Net Position:				
Net investment in capital assets	64,156,545	18,011,653	82,168,198	125,770
Restricted for public safety	27,628	-	27,628	-
Restricted for public works	3,090,396	-	3,090,396	-
Restricted for culture and recreation	808,312	-	808,312	-
Restricted for economic development	4,496,492	-	4,496,492	-
Restricted for capital projects	4,101,758	-	4,101,758	-
Unrestricted	(82,553,669)	4,212,490	(78,341,179)	843,618
Total net position	\$ (5,872,538)	\$ 22,224,143	\$ 16,351,605	\$ 969,388

The accompanying notes are an integral part of these financial statements.

CITY OF PEKIN, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 4,326,076	\$ 1,775,382	\$ -	\$ -
Public safety	27,207,429	869,866	13,936	191,389
Public works	4,479,083	142,591	32,000	-
Economic development	744,355	-	-	443,656
Culture and recreation	1,521,074	56,577	44,456	-
Interest on long-term debt	246,159	-	-	-
Total governmental activities	<u>38,524,176</u>	<u>2,844,416</u>	<u>90,392</u>	<u>635,045</u>
Business-type activities				
School Bus	4,093,762	4,787,675	-	-
Solid Waste	2,232,524	2,303,960	69,010	-
Sewerage	4,621,478	7,367,313	-	-
Economic Development	346,050	293,030	-	-
Airport	495,714	181,628	-	137,296
Total business-type activities	<u>11,789,528</u>	<u>14,933,606</u>	<u>69,010</u>	<u>137,296</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 50,313,704</u>	<u>\$ 17,778,022</u>	<u>\$ 159,402</u>	<u>\$ 772,341</u>
Component unit:				
TPCCC	\$ 1,543,590	\$ 1,815,917	\$ -	\$ -

General revenues:

Taxes
Property taxes
Other local taxes
Intergovernmental
Investment income
Other
Gain (loss) on sale of assets
Transfers
Total general revenues and transfers

Change in net position

Net position, beginning of year

Prior period adjustment

Net position beginning of year, restated

Net position end of year

Net (Expense) Revenue and Changes in Position			Component
Primary Government			Unit
Governmental Activities	Business-Type Activities	Total	TPCCC
\$ (2,550,694)	\$ -	\$ (2,550,694)	-
(26,132,238)	-	(26,132,238)	-
(4,304,492)	-	(4,304,492)	-
(300,699)	-	(300,699)	-
(1,420,041)	-	(1,420,041)	-
(246,159)	-	(246,159)	-
(34,954,323)	-	(34,954,323)	-
-	693,913	693,913	-
-	140,446	140,446	-
-	2,745,835	2,745,835	-
-	(53,020)	(53,020)	-
-	(176,790)	(176,790)	-
-	3,350,384	3,350,384	-
(34,954,323)	3,350,384	(31,603,939)	-
			\$ 272,327
7,008,077	-	7,008,077	-
7,401,316	-	7,401,316	-
12,543,215	-	12,543,215	-
251,301	491,226	742,527	8,716
486,267	-	486,267	-
5,664	(6,749)	(1,085)	-
806,293	(806,293)	-	-
28,502,133	(321,816)	28,180,317	8,716
(6,452,190)	3,028,568	(3,423,622)	281,043
(12,307,246)	23,237,901	10,930,655	580,512
12,886,898	(4,042,326)	8,844,572	107,833
579,652	19,195,575	19,775,227	688,345
\$ (5,872,538)	\$ 22,224,143	\$ 16,351,605	\$ 969,388

The accompanying notes are an integral part of these financial statements.

CITY OF PEKIN, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2018

	General	Library	TIF 1 Central Business District	Capital Projects	Aggregate Nonmajor	Total
ASSETS						
Cash and cash equivalents	\$ 104,345	\$ 385,563	\$ 2,410,977	\$ 4,946	\$ 2,312,744	\$ 5,218,575
Investments	1,750,308	399,923	-	-	1,245,000	3,395,231
Receivables:						
Property taxes	5,378,083	1,106,463	508,992	-	8,767	7,002,305
Intergovernmental	3,061,342	-	-	8,315,744	147,731	11,524,817
Accounts	608,218	-	-	45,000	2,815	656,033
Loans	-	-	32,892	-	1,153,128	1,186,020
Developer	158,600	-	-	309,000	-	467,600
Other	40,690	27,362	-	105,055	22,605	195,712
Prepaid items	89,150	-	-	-	-	89,150
Due from other funds	5,178,219	20,184	1,346,755	-	-	6,545,158
TOTAL ASSETS	<u>\$ 16,368,955</u>	<u>\$ 1,939,495</u>	<u>\$ 4,299,616</u>	<u>\$ 8,779,745</u>	<u>\$ 4,892,790</u>	<u>\$ 36,280,601</u>

(Continued)

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

This statement continued on the following page.

CITY OF PEKIN, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2018

	General	Library	TIF 1 Central Business District	Capital Projects	Aggregate Nonmajor	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 429,037	\$ 7,292	\$ 612,069	\$ -	\$ 210,741	\$ 1,259,139
Accrued wages	290,030	15,163	-	-	2,217	307,410
Due to other funds	20,184	2,265	-	4,243,120	1,364	4,266,933
Due to fiduciary fund	72,080	-	-	-	-	72,080
Other	22,136	-	-	-	-	22,136
Total liabilities	833,467	24,720	612,069	4,243,120	214,322	5,927,698
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	5,378,083	1,106,463	508,992	-	8,767	7,002,305
Unavailable revenues	462,318	-	-	8,650,611	12,049	9,124,978
Total deferred inflows of resources	5,840,401	1,106,463	508,992	8,650,611	20,816	16,127,283
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	6,673,868	1,131,183	1,121,061	12,893,731	235,138	22,054,981
FUND BALANCES						
Nonspendable	247,750	-	-	-	-	247,750
Restricted	-	808,312	3,178,555	-	4,435,961	8,422,828
Assigned	-	-	-	-	221,691	221,691
Unassigned	9,447,337	-	-	(4,113,986)	-	5,333,351
Total fund balances	9,695,087	808,312	3,178,555	(4,113,986)	4,657,652	14,225,620
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 16,368,955	\$ 1,939,495	\$ 4,299,616	\$ 8,779,745	\$ 4,892,790	\$ 36,280,601

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

The accompanying notes are an integral part of these financial statements.

CITY OF PEKIN, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

April 30, 2018

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 14,225,620
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	72,804,682
Internal service funds are used by management to charge the costs vehicle maintenance and employee health insurance to individual funds. Assets and liabilities are included in the governmental activities	(1,998,445)
Accrued interest receivable is not a financial resources, and therefore, are not reported in the funds	9,897
Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds	9,124,978
Deferred outflows related to pensions	6,627,227
Deferred inflows related to pensions	(4,446,163)
Deferred inflows related to OPEB	(6,787,298)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued interest payable	(90,675)
Compensated absences payable, current	(521,949)
General obligation bonds payable - current	(540,000)
Loans payable, current	(563,096)
Net OPEB liability, current	(717,838)
Compensated absences payable, noncurrent	(3,936,121)
General obligation bonds payable, noncurrent	(5,005,000)
Loans payable, noncurrent	(2,540,041)
Net pension liability - IMRF	(680,532)
Net pension liability - Police Pension	(21,802,922)
Net pension liability - Fire Pension	(41,452,494)
Net OPEB liability, noncurrent	(17,582,368)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (5,872,538)

The accompanying notes are an integral part of these financial statements.

CITY OF PEKIN, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2018

	General	Library	TIF 1 Central Business District	Capital Projects	Aggregate Nonmajor	Total
REVENUES						
Property taxes	\$ 5,435,623	\$ 1,075,054	\$ 497,400	\$ -	\$ -	\$ 7,008,077
Other local taxes	6,947,904	-	-	236,532	216,880	7,401,316
Intergovernmental	11,567,501	105,191	-	-	870,523	12,543,215
Fees and charges for services	1,555,094	56,577	-	142,591	-	1,754,262
Licenses and permits	227,274	-	-	-	-	227,274
Fines and collections	354,521	-	-	-	-	354,521
Investment income	75,014	5,344	27,560	23	59,769	167,710
Reimbursements and restitutions	197,502	-	-	-	-	197,502
State grants	13,936	44,456	-	-	32,000	90,392
Federal grants	191,389	-	-	-	443,656	635,045
Miscellaneous	250,178	17,991	550	-	7,997	276,716
Total revenues	26,815,936	1,304,613	525,510	379,146	1,630,825	30,656,030
EXPENDITURES						
Current:						
General government	3,377,325	-	28,500	-	-	3,405,825
Public safety	21,934,108	-	-	-	40,147	21,974,255
Public works	2,538,103	-	-	-	294,856	2,832,959
Economic development	-	-	174,718	-	657,523	832,241
Culture and recreation	-	1,287,268	-	-	-	1,287,268
Capital outlay	562,422	6,762	-	1,169,131	1,070,666	2,808,981
Debt service:						
Principal	869,658	-	-	-	85,537	955,195
Interest	232,456	-	-	-	10,925	243,381
Total expenditures	29,514,072	1,294,030	203,218	1,169,131	2,159,654	34,340,105
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(2,698,136)	10,583	322,292	(789,985)	(528,829)	(3,684,075)
OTHER FINANCING SOURCES (USES)						
Transfer in	865,896	-	-	-	237,150	1,103,046
Transfer out	-	(15,000)	(281,753)	-	-	(296,753)
Proceeds on sale of assets	5,664	-	-	-	-	5,664
Loan Proceeds	2,247,073	-	-	-	-	2,247,073
Total other financing sources (uses)	3,118,633	(15,000)	(281,753)	-	237,150	3,059,030
NET CHANGE IN FUND BALANCE	420,497	(4,417)	40,539	(789,985)	(291,679)	(625,045)
FUND BALANCE - MAY 1, 2017 - ORIGINAL	10,055,717	785,304	3,742,601	(3,575,501)	4,779,242	15,787,363
PRIOR PERIOD ADJUSTMENT	(781,127)	27,425	(604,585)	251,500	170,089	(936,698)
FUND BALANCE - MAY 1, 2017 - RESTATED	9,274,590	812,729	3,138,016	(3,324,001)	4,949,331	14,850,665
FUND BALANCE - APRIL 30, 2018	\$ 9,695,087	\$ 808,312	\$ 3,178,555	\$ (4,113,986)	\$ 4,657,652	\$ 14,225,620

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

The accompanying notes are an integral part of these financial statements.

CITY OF PEKIN, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ (625,045)**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current year:

Capital outlays	3,187,478
Depreciation	(2,294,265)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to increase/decrease net position:

Donations of capital assets	-
-----------------------------	---

Internal service funds are used by management to charge the costs
vehicle maintenance and employee health insurance to individual funds.
Net gains (losses) are included in the governmental activities

(721,631)

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the funds

601,275

Some expenses reported in the statement of activities do not require the use of current financial
resources and, therefore, are not reported as expenditures in governmental funds:

Accrued compensated absences (excludes internal service funds)	29,434
Pension expense	(4,851,192)
Other post-employment benefits	(483,588)

The issuance of long-term debt (e.g. bonds, loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Repayment of G.O. bonds payable	525,000
Repayment of loans payable	430,195
Loan proceeds	(2,247,073)
Accrued interest payable	(2,778)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (6,452,190)**

The accompanying notes are an integral part of these financial statements.

CITY OF PEKIN, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2018

	Business-type Activities-Enterprise Funds				Total Enterprise Funds	Governmental Funds
	School Bus	Solid Waste	Sewerage	Nonmajor Enterprise Funds		Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 225	\$ 61,352	\$ 5,433,075	\$ 32	\$ 5,494,684	\$ 74,402
Investments	-	250,000	-	-	250,000	-
Accounts receivable	534,734	359,552	1,239,225	105,108	2,238,619	33,367
Other receivables	-	37,600	550,000	-	587,600	-
Fuel inventory, at cost	-	-	-	21,766	21,766	24,028
Prepaid expenses	149,009	-	-	-	149,009	-
Due from other funds	1,944,290	392,131	14,369	-	2,350,790	10,340
Total current assets	2,628,258	1,100,635	7,236,669	126,906	11,092,468	142,137
Noncurrent assets:						
Loans receivable	-	-	-	3,120,309	3,120,309	-
Capital assets:						
Construction in progress	-	-	-	54,718	54,718	-
Land and improvements	45,306	-	73,000	1,671,993	1,790,299	-
Buildings	626,012	-	57,517,798	494,561	58,638,371	-
Sewers	-	-	12,200,139	-	12,200,139	-
Equipment	24,550	93,027	3,723,921	236,101	4,077,599	73,521
Vehicles	1,132,741	1,842,729	561,099	-	3,536,569	-
Capitalized loan costs	-	-	666,868	-	666,868	-
Less accumulated depreciation and amortization	(998,109)	(900,243)	(20,077,017)	(1,464,084)	(23,439,453)	(70,603)
Total capital assets net	830,500	1,035,513	54,665,808	993,289	57,525,110	2,918
Total noncurrent assets	830,500	1,035,513	54,665,808	4,113,598	60,645,419	2,918
Total assets	3,458,758	2,136,148	61,902,477	4,240,504	71,737,887	145,055
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	53,489	32,810	28,479	5,053	119,831	14,624
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 3,512,247	\$ 2,168,958	\$ 61,930,956	\$ 4,245,557	\$ 71,857,718	\$ 159,679

(Continued)

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

This statement continued on the following page.

CITY OF PEKIN, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2018

	Business-type Activities-Enterprise Funds				Total Enterprise Funds	Governmental Funds
	School Bus	Solid Waste	Sewerage	Nonmajor Enterprise Funds		Internal Service Funds
LIABILITIES						
Current Liabilities:						
Accounts payable	\$ 49,256	\$ 88,390	\$ 66,779	\$ 142,503	\$ 346,928	\$ 41,289
Accrued wages	74,589	15,281	14,724	1,342	105,936	6,514
Performance bond payable	-	250,000	-	-	250,000	-
Retiree benefits premium payable	-	-	-	-	-	358,811
Claims payable	-	-	-	-	-	581,378
Accrued interest	-	-	135,947	-	135,947	-
Deferred revenue	-	-	-	7,127	7,127	-
Due to other funds	-	2,512,440	392,131	1,375,791	4,280,362	358,993
Compensated absences - current	18,240	20,169	23,357	4,101	65,867	22,590
General obligation bonds - current	-	-	320,000	-	320,000	-
Loan payable - current	-	-	1,812,189	-	1,812,189	-
Total OPEB liability - current	21,577	44,150	26,955	6,303	98,985	16,382
Total current liabilities	163,662	2,930,430	2,792,082	1,537,167	7,423,341	1,385,957
Noncurrent liabilities:						
Compensated absences	42,899	65,627	50,650	3,008	162,184	53,670
General obligation bonds	-	-	4,715,000	-	4,715,000	-
Loan payable	-	-	32,666,268	-	32,666,268	-
Net pension liability - IMRF	208,841	128,101	111,194	19,727	467,863	57,096
Total OPEB liability	528,503	1,081,376	660,228	154,383	2,424,490	401,258
Total noncurrent liabilities	780,243	1,275,104	38,203,340	177,118	40,435,805	512,024
Total liabilities	943,905	4,205,534	40,995,422	1,714,285	47,859,146	1,897,981
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	374,286	229,584	199,283	35,354	838,507	102,328
Deferred inflows related to OPEB	204,017	417,442	254,867	59,596	935,922	154,897
Total deferred inflow of resources	578,303	647,026	454,150	94,950	1,774,429	257,225
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	1,522,208	4,852,560	41,449,572	1,809,235	49,633,575	2,155,206
NET POSITION (DEFICIT)						
Net investment in capital assets	830,500	1,035,513	15,152,351	993,289	18,011,653	2,918
Unrestricted	1,159,539	(3,719,115)	5,329,033	1,443,033	4,212,490	(1,998,445)
TOTAL NET POSITION (DEFICIT)	\$ 1,990,039	\$ (2,683,602)	\$ 20,481,384	\$ 2,436,322	\$ 22,224,143	\$ (1,995,527)

The accompanying notes are an integral part of these financial statements.

CITY OF PEKIN, ILLINOIS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended April 30, 2018

	Business-type Activities-Enterprise Funds				Governmental Funds
	School Bus	Solid Waste	Sewerage	Nonmajor Enterprise Funds	Total Enterprise Funds
					Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 4,787,675	\$ 2,303,960	\$ 7,367,313	\$ 474,658	\$ 14,933,606
OPERATING EXPENSES					
Personnel costs	2,441,240	793,227	680,248	207,822	4,122,537
Supplies	33,454	10,105	118,248	784	162,591
Cost of fuel and parts sold	-	-	-	-	-
Insurance claims and premiums paid	-	-	-	-	-
Other services and charges	1,492,155	1,284,820	948,948	395,115	4,121,038
Depreciation/amortization	126,913	144,372	1,952,855	50,014	2,274,154
Total operating expenditures	4,093,762	2,232,524	3,700,299	653,735	10,680,320
OPERATING INCOME (LOSS)	693,913	71,436	3,667,014	(179,077)	4,253,286
NONOPERATING REVENUES (EXPENSES)					
Grants	-	69,010	-	-	69,010
Gain (loss) on sale of capital assets	-	(6,749)	-	-	(6,749)
Investment income	9,183	3,347	138,439	340,257	491,226
Interest expense	-	-	(921,179)	(188,029)	(1,109,208)
Total nonoperating revenues (expenses)	9,183	65,608	(782,740)	152,228	(555,721)
CHANGE IN NET POSITION BEFORE TRANSFERS	703,096	137,044	2,884,274	(26,849)	3,697,565
TRANSFERS					
Transfers out	(306,766)	(199,648)	(289,807)	(10,072)	(806,293)
Transfers in	-	-	-	-	-
Net transfers in (out)	(306,766)	(199,648)	(289,807)	(10,072)	(806,293)
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	396,330	(62,604)	2,594,467	(36,921)	2,891,272
CAPITAL CONTRIBUTIONS	-	-	-	137,296	137,296
CHANGE IN NET POSITION	396,330	(62,604)	2,594,467	100,375	3,028,568
NET POSITION (DEFICIT) - MAY 1 - ORIGINAL	3,144,533	(542,215)	18,084,430	2,551,153	23,237,901
PRIOR PERIOD ADJUSTMENT	(1,550,824)	(2,078,783)	(197,513)	(215,206)	(4,042,326)
NET POSITION (DEFICIT) - MAY 1 - RESTATED	1,593,709	(2,620,998)	17,886,917	2,335,947	19,195,575
NET POSITION (DEFICIT) - APRIL 30	\$ 1,990,039	\$ (2,683,602)	\$ 20,481,384	\$ 2,436,322	\$ 22,224,143

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

The accompanying notes are an integral part of these financial statements.

CITY OF PEKIN, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2018

	Business-type Activities-Enterprise Funds					Governmental Activities
	School Bus	Solid Waste	Sewerage	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from services and fees	\$ 5,145,700	\$ 2,236,240	\$ 7,365,920	\$ 481,785	\$ 15,229,645	\$ 7,579,380
Payments for personnel costs	(2,826,361)	(1,039,005)	(905,451)	(153,801)	(4,924,618)	(5,884,290)
Payments to vendors and suppliers	(1,486,322)	(1,263,039)	(1,130,496)	(272,675)	(4,152,532)	(1,234,037)
Net cash from operating activities	833,017	(65,804)	5,329,973	55,309	6,152,495	461,053
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Grant receipts	-	69,010	-	-	69,010	-
Increase (decrease) in interfund receivables/liabilities	(1,944,290)	945,854	377,762	85,724	(534,950)	(457,588)
Transfers to other funds	(306,766)	(199,648)	(289,807)	(10,072)	(806,293)	-
Transfers from other funds	-	-	-	-	-	-
Net cash from non-capital financing activities	(2,251,056)	815,216	87,955	75,652	(1,272,233)	(457,588)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase and construction of capital assets	-	(709,956)	(56,141)	(164,303)	(930,400)	-
Proceeds from disposal of capital assets	-	18,549	-	-	18,549	-
Grant receipts	-	-	-	(93,790)	(93,790)	-
Principal paid on capital debt	-	-	(2,171,348)	(8,551,265)	(10,722,613)	-
Interest paid on capital debt	-	-	(927,123)	(188,029)	(1,115,152)	-
Net from capital and related financing activities	-	(691,407)	(3,154,612)	(8,997,387)	(12,843,406)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Principal received on loans receivable	-	-	-	8,363,141	8,363,141	-
Interest income received	9,183	3,347	138,439	366,021	516,990	2,724
Net cash from investing activities	9,183	3,347	138,439	8,729,162	8,880,131	2,724
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,408,856)	61,352	2,401,755	(137,264)	916,987	6,189
CASH AND CASH EQUIVALENTS, MAY 1	1,409,081	-	3,031,320	-	4,440,401	68,213
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 225	\$ 61,352	\$ 5,433,075	\$ (137,264)	\$ 5,357,388	\$ 74,402
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES						
Operating income (loss)	693,913	71,436	3,667,014	(179,077)	4,253,286	(727,833)
Adjustments to reconcile operating income (loss) to net cash from operating activities						
Depreciation and amortization	126,913	144,372	1,952,855	50,014	2,274,154	3,478
Changes in assets and liabilities						
Accounts receivable	358,025	(67,720)	(1,393)	-	288,912	(1,767)
Other receivable	-	-	-	(14,506)	(14,506)	-
Inventories	-	-	-	14,049	14,049	(4,039)
Deferred outflow, pensions	228,273	151,984	108,110	137,730	626,097	(8,985)
Accounts payable	39,287	31,886	(63,300)	(637)	7,236	9,111
Accrued wages	20,566	2,928	2,416	7,127	33,037	4,781
Accrued retiree benefit premiums	-	-	-	-	-	(25,399)
Claims payable	-	-	-	-	-	581,378
Compensated absences	402	(12,860)	(3,891)	(15,659)	(32,008)	(71,270)
Net pension liability	(635,048)	(425,365)	(297,895)	(37,482)	(1,395,790)	40,206
OPEB liability	(494,131)	(502,494)	(414,664)	8,938	(1,402,351)	405,348
Deferred inflows, pensions	349,503	213,330	187,269	33,674	783,776	101,832
Deferred inflows, OPEB	145,314	326,699	193,452	51,138	716,603	154,212
Net cash from operating activities	\$ 833,017	\$ (65,804)	\$ 5,329,973	\$ 55,309	\$ 6,152,495	\$ 461,053

The accompanying notes are an integral part of these financial statements.

CITY OF PEKIN, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

April 30, 2018

	Pension Trust Funds
ASSETS	
Cash	\$ 163,729
Investments, at market value:	
Money market accounts	223,033
Money market mutual funds	1,033,799
Corporate obligations	2,498,676
U.S. Treasuries	13,434,221
Agency securities	2,200,584
Mortgage pools	331,477
State and municipal obligations	284,229
Stock equities	10,774,097
Equity mutual funds	27,117,157
Prepaid expenses	6,127
Accrued interest receivable	123,266
Due from primary government	72,080
Total assets	58,262,475
LIABILITIES	
Accounts payable	43,538
Total Liabilities	43,538
NET POSITION, RESTRICTED FOR PENSIONS	<u><u>\$ 58,218,937</u></u>

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

The accompanying notes are an integral part of these financial statements.

CITY OF PEKIN, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

For the Year Ended April 30, 2018

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 4,755,628
Plan members	859,999
Total contributions	<u>5,615,627</u>
Investment income (expenses):	
Net realized and unrealized appreciation (depreciation) in fair value	2,763,387
Interest and dividends	1,963,586
Investment expenses	(172,068)
Net investment income (expenses)	<u>4,554,905</u>
Total additions	<u>10,170,532</u>
DEDUCTIONS	
Benefit payments	6,042,271
Administrative expenses	133,819
Total deductions	<u>6,176,090</u>
CHANGE IN NET POSITION	3,994,442
NET POSITION RESTRICTED FOR PENSIONS, MAY 1	<u>54,224,495</u>
NET POSITION RESTRICTED FOR PENSIONS, APRIL 30	<u><u>\$ 58,218,937</u></u>

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

The accompanying notes are an integral part of these financial statements.

CITY OF PEKIN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Pekin, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member council. It operates under the City Manager form of government.

In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity is based upon the significance of its operational or financial relationship with the primary government.

The financial statements of the City include the financial activities of the City and any component units. The Police Pension Plan and Fire Pension Plan are reported as if they were a part of the City. The data is included in the City's fiduciary fund financial statements because the funds are fiscally dependent on the City and provides services entirely to the City's current and former employees. The Police Pension Plan and the Fire Pension Plan do not issue separate component unit reports.

Discretely Presented Component Unit - The Tazewell/Pekin Consolidated Communications Center (TPCCC) provides police and fire communication services to the City as well as Tazewell County and other communities within the county. The governing board includes the City's mayor and chief of police. The City provides the majority of funding and provides office space and accounting services to TPCCC. Complete financial statements for TPCCC may be obtained at its administrative office.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, licenses and permits, rent, investment income, transfers, and other miscellaneous revenues not properly included among program revenues are reported instead as general revenues.

The fund financial statements of the City are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The following fund types are used by the City:

Governmental Funds

Governmental funds are those through which most governmental functions are financed. The acquisition uses and balances of the City's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Continued)

Governmental Funds (Continued)

The following are the City's major governmental funds:

General Fund -- This fund is the general operating fund of the City. It is used to account for all financial resources except those accounted for in another fund.

Library Fund -- This fund accounts for the property taxes restricted for activities of the Pekin Public Library.

TIF #1 Central Business District Fund -- This fund is used to account for tax increment financing district related property taxes and expenditures for the Central Business District.

Capital Projects Fund -- This fund is used to account for acquisition or construction of major capital facilities not being financed by proprietary funds.

Proprietary Funds

Proprietary funds include enterprise fund and internal service funds. Enterprise funds are used to account for activities that are similar to those often found in the private sector where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Internal Service funds are used to finance and account for services and commodities provided by designated departments to other departments of the City.

The City reports the following major enterprise funds:

School Bus Fund -- This fund is used to account for the operations of the City's school bus operations.

Solid Waste Fund -- This fund is used to account for the provision of solid waste collection and disposal services.

Sewerage Fund -- This fund is used to account for the operations of the City's sewerage services.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Continued)

Proprietary Funds (Continued)

Additionally, the City reports the following internal service funds:

Vehicle Maintenance Fund -- This fund is used to account for vehicle fuel, repairs and maintenance services provided to the various City departments for City owned vehicles. Charges for services provided by this fund are allocated to the various City departments on a cost recovery basis.

Employee Benefits Fund -- This fund is used to account for insurance premiums and claims for City employees and their dependents. Charges for services provided by this fund are allocated to the various City departments on a cost recovery basis.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, other governments, or other funds.

The City reports the following Fiduciary funds:

Police Pension Trust Fund -- This fund is used to account for the activities of the Police Pension Trust Fund which accumulates resources for pension benefit payments to qualified uniformed public safety employees.

Fire Pension Trust Fund -- This fund is used to account for the activities of the Fire Pension Trust Fund which accumulates resources for pension benefit payments to qualified uniformed public safety employees.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements, proprietary fund financials statements and the fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. At year-end, entries are recorded for financial reporting purposes to reflect the modified accrual basis of accounting for governmental fund types.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. The term “available” is defined as collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. For the City, available is defined as expected to be received within 90 days of fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due (i.e., matured).

GASB Statement No. 33 (GASB 33) groups non-exchange transactions into the following four classes, based upon their principal characteristics: derived tax revenues, imposed non-exchange revenues, government mandated non-exchange transactions, and voluntary non-exchange transactions.

The City recognizes assets from derived tax revenue transactions (such as sales taxes) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred and received within the availability period. Resources received in advance are reported as deferred revenues until the period of the exchange.

The City recognizes assets from imposed non-exchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted. The City recognizes revenues from property taxes, net of estimated refunds and estimated uncollectible amounts, in the period for which the taxes are levied. Imposed non-exchange revenues also include permits and court fines and forfeitures.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB 33, have been met. Any resources received before eligibility requirements are met are reported as unearned revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Funds are charges for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Cash Equivalents

For cash flow statements purposes, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

E. Investments

Investments are recorded at fair value, except for nonnegotiable certificates of deposits which are recorded at cost, using quoted market prices. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income is recognized as earned. Gains or losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

F. Receivables

All trade and property tax receivables are shown net of allowance for uncollectibles.

Unbilled solid waste and sewerage receivables related to the business-type activities are recorded at year-end. They are determined by taking cycle billings subsequent to year end and prorating the applicable number of days to the current fiscal year.

Property taxes attach as an enforceable lien on the property as of January 1 and are due in two installments and collectible in June and September. Property taxes are considered delinquent after the due dates. The 2017 tax levy is intended to finance the 2019 fiscal year and are not considered available for current operations and are, therefore shown as taxes receivable and unavailable revenue. The 2018 tax levy has not been recorded as a receivable at April 2018. Although, the tax attached as a lien on property as of January 1, 2018, the tax will not be levied until December 2018, and, accordingly, is not measurable at April 30, 2018.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. The funds having material inventory are the Airport Fund (enterprise) with fuel and the Vehicle Maintenance Fund (internal service) with fuel and vehicle parts.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. Due To/From Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the fiscal year are referred to as “due to/from”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

J. Capital Assets

Capital assets, which include buildings, other improvements, machinery and equipment, infrastructure (e.g., streets, sidewalks, roads, bridges, traffic lighting and similar items), vehicles, and land improvements, are reported in the applicable governmental or business-type activities column in the government-wide financial statements, net of accumulated depreciation. Capital assets are defined by the City as assets with an estimated useful life in excess of two years with an initial, individual cost of \$5,000 or more.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at the acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed on the straight-line method over the estimated useful lives of the various classes of assets. The estimated useful lives of depreciable capital assets are as follows:

Assets	Years
Buildings and improvements	25 - 50
Infrastructure	20 - 50
Machinery and equipment	7 - 15
Vehicles	5 - 10
Library books	10

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets (Continued)

Pursuant to GASB Statement No. 34, the City has reported infrastructure assets acquired or constructed since 1978. These assets have been recorded at historical cost at the date of acquisition or construction less accumulated depreciation.

K. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

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

L. Compensated Absences

Vested or accumulated vacation and sick leave are accrued when incurred by the City in the government-wide and proprietary fund financial statements. Vested or accumulated vacation and sick leave of the proprietary fund is recorded as an expense and liability of that fund as the benefits accrue to employees. A liability in the governmental funds is reported only if the benefit has matured.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption/acquisition of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City reports deferred outflows of resources related to the pension reported on the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents a consumption/acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The governmental funds report unavailable revenues from property taxes and other intergovernmental taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second is deferred inflows of resources related to the pension and other post-employment benefits reported on the government-wide statement of net position.

N. Net Position/Fund Balance

In the government-wide financial statements and the proprietary fund financial statements, the City reports the following applicable categories of net position.

Net Investment in Capital Assets - The portion of net position represents the City's investment in capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

Restricted - The portion of net position that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation. \$327,590 of the restricted fund balance result from enabling legislation.

Unrestricted – The portion of net position available for any purpose that do not meet the definition of net investment in capital assets or restricted.

In the fund financial statements, governmental funds report fund balance in the following applicable categories listed from the most restrictive to the least restrictive.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Net Position/Fund Balance (Continued)

Nonspendable - The portion of fund balance that is not in a spendable form or is legally or contractually required to be maintained intact.

Restricted - The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation. \$327,590 of the restricted fund balance result from enabling legislation.

Committed - The portion of fund balance with constraints or limitations by formal action (ordinance) of the City Council, the highest level of decision-making authority.

Assigned - The portion of fund balance that the City intends to use for a specific purpose as determined by the applicable City officials to which the City Council has designated authority.

Unassigned - Amounts that are available for any purpose; these positive amounts are reported only in the General Fund. Residual deficit amounts of other governmental funds would also be reported as unassigned.

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned and then unassigned funds.

The City has a formal fund balance policy that aims to maintain adequate levels of reserves to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and to provide cash flow liquidity for the City's general operations. The target is to achieve and maintain a reserve equal to 25% of annual expenditures for the following functions: General Fund, Solid Waste, Storm Sewer, Capital (adjusted as a five-year rolling average), School Bus, Airport, and Economic Development. The City considers balances of less than 25% to be cause for concern, barring unusual or deliberate circumstances, and a balance of more than 40% as excessive. An amount in excess of 40% is to be considered for reservation to accumulate funding for capital projects and equipment, and/or to reduce the tax levy requirements.

See Note 8 for the Governmental Fund Balance classifications.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Grant Revenues

Resources received by the City from other governments are accounted for within applicable funds based on the purpose and requirements of each grant. Revenues are recognized on an accounting basis consistent with the fund's measurement objective.

Revenues related to expenditure-driven grants are recognized to the extent expenditures are incurred. Any excess deficiency of grant revenues received compared to expenditures incurred is recorded as unearned revenue or amounts receivable from the grantor.

P. Interfund Transactions

Interfund service transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund service transactions and reimbursements are reported as transfers in by the recipient fund and as transfers out by the disbursing fund. The transfers are eliminated for governmental activities in the government-wide financial statements.

Q. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could differ from those estimates.

R. Employee Benefits

The City has established an internal service fund to account for its medical self-insurance program. The purpose of this fund is to pay medical insurance claims of the City employees and their covered dependents.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

City

The City has adopted an investment policy to invest in instruments allowed by Illinois Compiled Statutes (ILCS). The policy further identifies allowable securities to include (a) fully FDIC insured or collateralized cash deposits, (b) fully insured or collateralized certificates of deposit, (c) U.S. Treasury obligations, (d) money market mutual funds, including investment pools which invest in U.S. Treasury Securities and/or repurchase agreements backed by U.S. Treasury Securities, and Illinois Funds, (e) securities guaranteed by the full faith and credit of the United States of America, (f) securities issued by Federal Agencies (i.e. Federal National Mortgage Association, Federal National Mortgage Association), (g) repurchase agreements collateralized by U.S. Treasury Securities, and (h) commercial paper issued by a U.S. corporation whose assets exceed \$500 million. It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy, in order of priority, are: safety of principal/diversification, liquidity, return on investment (yield), and local consideration.

A. Deposits with Financial Institutions.

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank’s failure, the City’s deposits may not be returned to them. To guard against credit risk for deposits with financial institutions, the City’s investment policy requires all deposits with financial institutions in excess of federal depository insurance be collateralized at 100% of the uninsured bank balance, with collateral held by the City or third party safekeeping institution, evidenced by a written safekeeping agreement.

B. Investments

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the City’s investment policy, the City limits its exposure to interest rate risk by structuring the portfolio so that investments will have maturities to have available sufficient cash for all operating purposes. The policy limits the average maturity of investments will no exceed five years, but specifically limits investments of (1) certificates of deposit to maturities of two year from the date of purchase, (2) U.S. Treasury Securities and U.S. Agencies back securities to maturities of ten years from the date of purchase, (3) repurchase agreements to six months to maturity from the date of purchase and, (4) commercial paper to 180 days to maturity from the date of purchase.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

City (Continued)

B. Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. The City's investment policy requires securities be held by institutions with whom the City has executed safekeeping agreements.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy does not specifically address credit risk, except that commercial paper must be rated within two highest classifications by two standards rating services.

Concentration of credit risk is the risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. To reduce exposure to concentration of credit risk, the City limits the amount that may be held of the City's investment portfolio to (1) 50% of the total City investment for certificates of deposit, (2) 40% of the total City investment for money market mutual funds, (3) 30% of the total City investments for securities backed by the full faith and credit of the U.S. Government, (4) 25% of the total City investments for U.S. Agency backed securities, (5) 25% of the total City investments for repurchase agreements and, (6) 10% of the total City investments for commercial paper.

Fair value hierarchy – The City categorizes its fair value measurements within the fair value established by generally accepted accounting principles. The hierarchy of inputs are used to measure the fair value of the asset. Level inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs. The City held investments in non-negotiable certificates of deposit totaling \$3,395,231 as of April 30, 2018.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Police Pension Fund

The Pension Board has adopted an investment policy to invest in instruments allowed by Illinois Compiled Statutes (ILCS). The policy further identifies allowable securities to include (1) interest bearing direct obligations of the United States, (2) interest bearing obligations guaranteed by the full faith and credit of the United States of America, (3) interest bearing bonds, notes, debentures or other similar obligations of agencies of the United States of America, (4) interest bearing savings accounts or certificates of deposit, issued by federal chartered banks or savings and loans, (5) interest bearing savings accounts or certificates of deposit, issued by State of Illinois chartered banks or savings and loans, (6) credit insured by agencies of the federal government, (7) interest bearing bonds of the State of Illinois, (8) Illinois Funds, (9) interest bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois, (10) direct obligations of the State of Israel, subject to the limitations set forth in the ILCS, (11) money market mutual funds, (12) general accounts of a life insurance company authorized to do business in Illinois (13) separate accounts of a life insurance company authorized to do business in Illinois, not to exceed 10% of plan net assets, (14) corporate bonds managed through an investment advisor. It further identifies securities allowed by ILCS, when net asset exceed the applicable thresholds.

A. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Pension Fund's deposits may not be returned to them. The Pension Fund's investment policy does not specifically address custodial credit risk.

B. Investments

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the Pension Fund's investment policy, the Pension Fund limits its exposure to interest rate risk by structuring the portfolio so that investments will have maturities to have available sufficient cash for all operating purposes.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Police Pension Fund (Continued)

B. Investments (Continued)

At April 30, 2018, the pension fund's investment balances were as follows:

Investment Type	Fair Value	Maturity			
		< 1 Year	1 - 5 Years	6 - 10 Years	> 10 Years
U.S. Treasuries	\$ 7,667,385	\$ 1,578,191	\$ 4,178,187	\$ 1,911,007	\$ -
Agency Securities	1,142,468	202,653	939,815	-	-
Corporate Bonds	1,156,807	374,630	782,177	-	-
Municipal Bonds	142,171	142,171	-	-	-
Mortgage Pools	214,260	206	5,262	79,617	129,175
Subject to interest rate risk	10,323,091	<u>\$ 2,297,851</u>	<u>\$ 5,905,441</u>	<u>\$ 1,990,624</u>	<u>\$ 129,175</u>
Mutual Funds	15,250,121				
Money Market Mutual Funds	803,148				
Stock Equities	5,864,913				
Money Market Accounts	185,411				
Total	<u>\$ 32,426,684</u>				

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Pension Fund's investment policy does not specifically address credit risk. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

At April 30, 2018, the pension fund's investment balances were rated as follows:

Investment Type	Fair Value	Standard & Poor's		
		AA+ to A-	BBB+ to BBB-	Not Rated
Agency Securities	\$ 1,142,468	\$ 1,142,468	\$ -	\$ -
Corporate Bonds	1,156,807	1,006,897	149,910	-
Municipal Bonds	142,171	-	142,171	-
Mortgage Pools	214,260	-	-	214,260
Money Market Mutual Funds	803,148	-	-	803,148
Subject to credit risk	3,458,854	<u>\$ 2,149,365</u>	<u>\$ 292,081</u>	<u>\$ 1,017,408</u>
U.S. Treasuries	7,667,385			
Mutual Funds	15,250,121			
Stock Equities	5,864,913			
Money Market Accounts	185,411			
Total	<u>\$ 32,426,684</u>			

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Police Pension Fund (Continued)

B. Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Pension Fund's investment policy requires securities be held by a third-party custodian acting as an agent to safe-keep the assets of the funds.

Concentration of credit risk is the risk of loss resulting from the concertation of assets in a specific maturity, a specific issuer, or a specific class of securities. While the Pension Fund places no limit on the amount the pension fund may invest in one issuer, the investment policy does states that allocation of assets shall be achieved through the prudent diversification of asset classes. The goal shall be to maintain liquidity while providing reasonable diversification consistent with the objectives and guidelines for the Fund. The Pension Fund invests in mutual funds, money market mutual funds, corporate and municipal bonds, marketable equity securities, and U.S. treasury and federal agency securities.

Fair value hierarchy – The Pension Fund categorizes its fair value measurements within the fair value established by generally accepted accounting principles. The hierarchy of inputs are used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

Following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the year ended April 30, 2018.

- Mutual funds, money market mutual funds and marketable equity securities: Valued at the closing quoted price in an active market
- Corporate bonds and municipal obligations: The investment grade corporate bonds and municipal obligations generally do not trade in active markets on the measurement date. Therefore, these securities are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.
- U.S. government agency securities, mortgage pools and asset backed securities: Valued by a pricing service using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Police Pension Fund (Continued)

B. Investments (Continued)

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Treasuries	\$ 7,667,385	\$ -	\$ 7,667,385	\$ -
Agency Securities	1,142,468	-	1,142,468	-
Mortgage Pools	214,260	-	214,260	-
Corporate Bonds	1,156,807	-	1,156,807	-
Municipal Bonds	142,171	-	142,171	-
Mutual Funds	15,250,121	15,250,121	-	-
Money Market Mutual Funds	803,148	803,148	-	-
Stock Equities	5,864,913	5,864,913	-	-
Total	\$ 32,241,273	\$ 21,918,182	\$ 10,323,091	\$ -
Money Market Accounts*	185,411			
Total Investments	\$ 32,426,684			

*Money market accounts are recorded at cost and are not based on Level 1, 2, or 3 inputs.

Fire Pension Fund

The Pension Board has adopted an investment policy to invest in instruments allowed by Illinois Compiled Statutes (ILCS). The policy further identifies allowable securities to include (1) interest bearing direct obligations of the United States, (2) interest bearing obligations guaranteed by the full faith and credit of the United States of America, (3) interest bearing bonds, notes, debentures or other similar obligations of agencies of the United States of America, (4) interest bearing savings accounts or certificates of deposit, issued by federal chartered banks or savings and loans, (5) interest bearing savings accounts or certificates of deposit, issued by State of Illinois chartered banks or savings and loans, (6) credit insured by agencies of the federal government, (7) interest bearing bonds of the State of Illinois, (8) Illinois Funds, (9) interest bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois, (10) direct obligations of the State of Israel, subject to the limitations set forth in the ILCS, (11) money market mutual funds, (12) general accounts of a life insurance company authorized to do business in Illinois (13) separate accounts of a life insurance company authorized to do business in Illinois, not to exceed 10% of plan net assets, (14) corporate bonds managed through an investment advisor. It further identifies securities allowed by ILCS, when net asset exceed the applicable thresholds.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Fire Pension Fund (Continued)

A. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Pension Fund's deposits may not be returned to them. The Pension Fund's investment policy does not specifically address custodial credit risk.

B. Investments

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the Pension Fund's investment policy, the Pension Fund limits its exposure to interest rate risk by structuring the portfolio so that investments will have maturities to have available sufficient cash for all operating purposes.

At April 30, 2018, the pension fund's investment balances were as follows:

Investment Type	Fair Value	Maturity			
		< 1 Year	1 - 5 Years	6 - 10 Years	> 10 Years
U.S. Treasuries	\$ 5,766,836	\$ 559,488	\$ 3,407,477	\$ 1,799,871	\$ -
Agency Securities	1,058,116	-	694,666	363,450	-
Corporate Bonds	1,341,869	624,228	639,018	78,623	-
Municipal Bonds	142,058	142,058	-	-	-
Mortgage Pools	117,217	383	6,559	1,885	108,390
Subject to interest rate risk	8,426,096	\$ 1,326,157	\$ 4,747,720	\$ 2,243,829	\$ 108,390
Mutual Funds	11,867,036				
Money Market Mutual Funds	230,651				
Stock Equities	4,909,184				
Money Market Accounts	37,622				
Total	<u>\$ 25,470,589</u>				

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Pension Fund's investment policy does not specifically address credit risk. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Fire Pension Fund (Continued)

B. Investments (Continued)

At April 30, 2018, the pension fund's investment balances were rated as follows:

Investment Type	Fair Value	Standard & Poor's		
		AA+ to A-	BBB+ to BBB-	Not Rated
Agency Securities	\$ 1,058,116	\$ 1,058,116	\$ -	\$ -
Corporate Bonds	1,341,869	1,164,311	177,558	-
Municipal Bonds	142,058	-	142,058	-
Mortgage Pools	117,217	-	-	117,217
Money Market Mutual Funds	230,651	-	-	230,651
Subject to credit risk	2,889,911	<u>\$ 2,222,427</u>	<u>\$ 319,616</u>	<u>\$ 347,868</u>
U.S. Treasuries	5,766,836			
Mutual Funds	11,867,036			
Stock Equities	4,909,184			
Money Market Accounts	37,622			
Total	<u>\$ 25,470,589</u>			

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Pension Fund's investment policy requires securities be held by a third party custodian acting as an agent to safe-keep the assets of the funds.

Concentration of credit risk is the risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. While the Pension Fund places no limit on the amount the pension fund may invest in one issuer, the investment policy does states that allocation of assets shall be achieved through the prudent diversification of asset classes. The goal shall be to maintain liquidity while providing reasonable diversification consistent with the objectives and guidelines for the Fund. The Pension Fund invests in mutual funds, money market mutual funds, corporate and municipal bonds, marketable equity securities, and U.S. treasury and federal agency securities.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Fire Pension Fund (Continued)

B. Investments (Continued)

Fair value hierarchy – The City categorizes its fair value measurements within the fair value established by generally accepted accounting principles. The hierarchy of inputs are used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

Following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the year ended April 30, 2018.

- Mutual funds, money market mutual funds and marketable equity securities: Valued at the closing quoted price in an active market
- Corporate bonds and municipal obligations: The investment grade corporate bonds and municipal obligations generally do not trade in active markets on the measurement date. Therefore, these securities are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.
- U.S. government agency securities, mortgage pools and asset backed securities: Valued by a pricing service using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data.

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Treasuries	\$ 5,766,836	\$ -	\$ 5,766,836	\$ -
Agency Securities	1,058,116	-	1,058,116	-
Corporate Bonds	1,341,869	-	1,341,869	-
Municipal Bonds	142,058	-	142,058	-
Mortgage Pools	117,217	-	117,217	-
Mutual Funds	11,867,036	11,867,036	-	-
Money Market Mutual Funds	230,651	230,651	-	-
Stock Equities	4,909,184	4,909,184	-	-
Total Investments by Fair Value	\$ 25,432,967	\$ 17,006,871	\$ 8,426,096	\$ -
Money Market Accounts*	37,622			
Total Investments	\$ 25,470,589			

*Money market accounts are recorded at cost and are not based on Level 1, 2, or 3 inputs.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES

Intergovernmental receivables at April 30, 2018 consisted of the following:

	HUD Metro				
	General	Development	Motor Fuel	Capital Project	
	Fund	Fund	Tax Fund	Fund	Total
Sales/use/gaming taxes	\$ 2,782,982	\$ -	\$ -	\$ -	\$ 2,782,982
Telecommunication tax	141,169	-	-	-	141,169
Motor fuel tax	-	-	78,050	-	78,050
Other local taxes	137,191	-	-	-	137,191
Grant	-	69,681	-	8,315,744	8,385,425
Total	\$ 3,061,342	\$ 69,681	\$ 78,050	\$ 8,315,744	\$ 11,524,817

4. CAPITAL ASSETS

A. Governmental Activities

The following is a summary of changes in capital assets for the year ended April 30, 2018:

	*Restated Balance April 30, 2017	Additions	Deletions	Balance April 30, 2018
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 14,168,932	\$ 12,800	\$ -	\$ 14,181,732
Capital assets being depreciated				
Buildings	18,093,912	83,425	-	18,177,337
Infrastructure	48,418,116	2,287,452	-	50,705,568
Machinery and equipment	4,707,211	382,500	-	5,089,711
Vehicles	10,363,017	335,801	336,537	10,362,281
Library books	2,443,410	85,500	-	2,528,910
Total capital assets being depreciated:	84,025,666	3,174,678	336,537	86,863,807
Less accumulated depreciation for:				
Buildings	4,948,157	359,155	-	5,307,312
Infrastructure	7,124,503	1,135,072	-	8,259,575
Machinery and equipment	3,651,083	233,419	-	3,884,502
Vehicles	8,593,955	488,294	336,537	8,745,712
Library books	1,965,431	78,325	-	2,043,756
Total accumulated depreciation	26,283,129	2,294,265	336,537	28,240,857
Total capital assets being depreciated, net	57,742,537	880,413	-	58,622,950
Governmental activities capital assets, net	\$ 71,911,469	\$ 893,213	\$ -	\$ 72,804,682

* Restated to correct the prior period balance. See Note 15

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

A. Business-type Activities

The following is a summary of changes in capital assets for the year ended April 30, 2018:

	*Restated Balance April 30, 2017	Additions	Deletions	Balance April 30, 2018
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 249,884	\$ -	\$ -	\$ 249,884
Construction in progress	-	54,718	-	54,718
Total capital assets not being depreciated:	249,884	54,718	-	304,602
Capital assets being depreciated				
Land improvements	1,540,417	-	-	1,540,417
Buildings	1,010,988	109,585	-	1,120,573
Utility plant	69,684,565	33,372	-	69,717,937
Machinery and equipment	4,054,830	22,769	-	4,077,599
Vehicles	3,334,390	709,956	507,778	3,536,568
Total capital assets being depreciated:	79,625,190	875,682	507,778	79,993,094
Less accumulated depreciation for:				
Land improvements	1,243,977	21,464	-	1,265,441
Buildings	260,143	38,754	-	298,897
Utility plant	14,740,716	1,743,023	-	16,483,739
Machinery and equipment	2,845,565	188,061	-	3,033,626
Vehicles	2,427,545	249,375	444,879	2,232,041
Total accumulated depreciation	21,517,946	2,240,677	444,879	23,313,744
Total capital assets being depreciated, net	58,107,244	(1,364,995)	62,899	56,679,350
Capital assets being amortized:				
Loan closing costs	666,868	-	-	666,868
Accumulated amortization	(92,233)	(33,477)	-	(125,710)
Total capital assets being amortized, net	574,635	(33,477)	-	541,158
Business-type activities, capital assets, net	\$ 58,931,763	\$ (1,343,754)	\$ 62,899	\$ 57,525,110

* Restated to correct the prior period balance. See Note 15

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

Depreciation and amortization expenses were charged to the functions of the government as follows:

Governmental activities:	
General government	\$ 237,627
Public safety	472,735
Public works	1,288,205
Economic development	3,851
Culture and recreation	291,847
Total depreciation expense - governmental activities	<u>\$ 2,294,265</u>
Business-type activities:	
Sewerage	\$ 1,919,378
School bus	126,913
Airport	50,014
Solid waste	144,372
Total depreciation expense - business-type activities	<u>\$ 2,240,677</u>

5. INTERFUND BALANCES

Interfund receivables and payables, as of April 30, 2018 are as follows:

	Interfund Receivables	Interfund Payables
General Fund:		
Library Fund	\$ -	\$ 20,184
Capital Projects Fund	952,075	-
Solid Waste Fund	2,505,729	-
Nonmajor Enterprise Funds	1,375,791	-
Internal Service Funds	344,624	-
	<u>5,178,219</u>	<u>20,184</u>
Library Fund:		
General Fund	20,184	-
Internal Service Funds	-	2,265
	<u>20,184</u>	<u>2,265</u>

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. INTERFUND BALANCES (Continued)

	Interfund Receivables	Interfund Payables
TIF 1 Central Business District Fund:		
Capital Projects Fund	\$ 1,346,755	\$ -
Capital Projects Fund:		
General Fund	-	952,075
TIF 1 Central Business District Fund	-	1,346,755
School Bus Fund	-	1,944,290
	-	4,243,120
Nonmajor Governmental Funds:		
Internal Service Funds	-	1,364
School Bus Fund:		
Capital Projects Fund	1,944,290	-
Solid Waste Fund:		
General Fund	-	2,505,729
Sewerage Fund	392,131	-
Internal Service Funds	-	6,711
	392,131	2,512,440
Sewerage Fund:		
Solid Waste Fund	-	392,131
Internal Service Funds	14,369	-
	14,369	392,131
Nonmajor Enterprise Funds:		
General Fund	-	1,375,791
Internal Service Funds:		
General Fund	-	344,624
Library Fund	2,265	-
Nonmajor Governmental Funds	1,364	-
Solid Waste Fund	6,711	-
Sewerage Fund	-	14,369
	10,340	358,993
Total Interfund Receivables/Payables	\$ 8,906,288	\$ 8,906,288

The principal purpose of these interfund receivables/payables is temporary cash loans and allocations of expenditures for which transfer of cash had not been made at year-end.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. INTERFUND BALANCES (Continued)

Interfund transfers during the fiscal year ending April 30, 2018 consist of:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Library Fund	\$ 15,000	\$ -
TIF 1 Central Business District Fund	44,603	-
School Bus Fund	306,766	-
Solid Waste Fund	199,648	-
Sewerage Fund	289,807	-
Nonmajor Enterprise Funds	10,072	-
	<u>865,896</u>	<u>-</u>
Library Fund:		
General Fund	<u>-</u>	<u>15,000</u>
TIF 1 Central Business District Fund:		
General Fund	-	44,603
Nonmajor Governmental Funds	-	237,150
	<u>-</u>	<u>281,753</u>
Nonmajor Governmental Funds		
TIF 1 Central Business District Fund	<u>237,150</u>	<u>-</u>
School Bus Fund		
General Fund	<u>-</u>	<u>306,766</u>
Solid Waste Fund		
General Fund	<u>-</u>	<u>199,648</u>
Sewerage Fund		
General Fund	<u>-</u>	<u>289,807</u>
Nonmajor Enterprise Funds		
General Fund	<u>-</u>	<u>10,072</u>
Total Interfund Transfers	<u>\$ 1,103,046</u>	<u>\$ 1,103,046</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LEASES

Operating Leases

The City has entered into three operating leases for school buses with terms in excess of one year. These agreements contain purchase options but it not the City's intent to exercise those purchase options after the lease terms. The lease costs for the buses for the fiscal year ended April 30, 2018 totaled \$866,409. Future minimum lease payments for the buses are as follows:

<u>Years ending April 30,</u>	
2019	\$ 824,223
2020	823,223
2021	802,711
2022	-
	<u>\$ 2,450,157</u>

7. LONG TERM DEBT

The following is a summary of changes in long-term debt for the year ended April 30, 2018:

	<u>*Restated</u> <u>Balance</u> <u>April 30, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>April 30, 2018</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 6,070,000	\$ -	\$ 525,000	\$ 5,545,000	\$ 540,000
Loans payable	1,286,259	2,247,073	430,195	3,103,137	563,096
Net pension liability - IMRF*	2,439,516	-	1,701,887	737,629	-
Net pension liability - Police	21,826,731	-	23,809	21,802,922	-
Net pension liability - Fire	39,092,815	2,359,679	-	41,452,494	-
Total OPEB liability*	23,317,227	-	4,599,380	18,717,847	734,220
Compensated absences	4,487,504	591,365	544,539	4,534,330	544,539
	<u>\$ 98,520,052</u>	<u>\$ 5,198,117</u>	<u>\$ 7,824,810</u>	<u>\$ 95,893,359</u>	<u>\$ 2,381,855</u>
Business-type activities:					
General Obligation Bonds	\$ 5,350,000	\$ -	\$ 315,000	\$ 5,035,000	\$ 320,000
Illinois EPA Loan*	36,334,804	-	1,856,347	34,478,457	1,812,189
Loans payable	8,551,265	-	8,551,265	-	-
Net pension liability - IMRF*	1,863,653	-	1,395,790	467,863	-
Total OPEB liability*	3,925,826	-	1,402,351	2,523,475	98,985
Compensated absences	260,059	33,859	65,867	228,051	65,867
Total	<u>\$ 56,285,607</u>	<u>\$ 33,859</u>	<u>\$ 13,586,620</u>	<u>\$ 42,732,846</u>	<u>\$ 2,297,041</u>

* Restated to correct the prior period balance. See Note 15

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

Internal service funds are included as part of the above totals for governmental activities. Also, for governmental activities, compensated absences and the net pension liability are generally liquidated by the General Fund, or the fund where the employee is paid their payroll on a regular basis. The total OPEB liability is generally liquidated by the Employees Benefits Fund.

A brief description of the above long-term debt obligations is as follows:

Governmental activities

General Obligation Bonds

Series 2012- The City issued \$1,975,000 general obligation bonds on December 4, 2012 to finance the construction of streets and street improvements and the acquisition of machinery and equipment. Bonds are payable over a seven-year period beginning in 2013. Annual principal payments range from \$195,000 to \$315,000. The interest rate is 2%. Bond payments are made from the General Fund.

\$ 510,000

Future principal and interest payments on the series 2012 general obligation bonds are as follows:

Years ending April 30,	Principal	Interest	Total
2019	\$ 315,000	\$ 7,050	\$ 322,050
2020	195,000	1,950	196,950
Total	<u>\$ 510,000</u>	<u>\$ 9,000</u>	<u>\$ 519,000</u>

Series 2014- On May 12, 2014, the City issued \$5,680,000 in general obligation bonds to finance the majority of construction costs associated with the renovation of the Pekin Public Library facility. Bonds are payable over a seventeen-year period beginning in 2015. Annual principal payments range from \$215,000 to \$395,000. The interest rate on the bonds range from 2.0% to 4.0%. Bond payments are made from the General Fund.

\$ 5,035,000

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

Governmental activities (Continued)

General Obligation Bonds (Continued)

Future principal and interest payments on the series 2014 general obligation bonds are as follows:

Years ending April 30,	Principal	Interest	Total
2019	\$ 225,000	\$ 178,300	\$ 403,300
2020	230,000	172,675	402,675
2021	240,000	166,925	406,925
2022	245,000	157,725	402,725
2023	250,000	152,375	402,375
2024-2028	1,390,000	640,975	2,030,975
2029-2033	1,685,000	358,100	2,043,100
2034-2035	770,000	46,600	816,600
Total	<u>\$ 5,035,000</u>	<u>\$ 1,873,675</u>	<u>\$ 6,908,675</u>

Loans Payable

On September 13, 2013, the City borrowed \$600,000 from Morton Community Bank for the purpose of making certain infrastructure improvements. The loan is a promissory note, payable at 3% annually. The note is payable over a seven-year period with annual principal and interest payments of \$96,461.52 until maturity, September 13, 2020. Loan payments are made from the Tourism Fund.

\$ 272,644

Future principal and interest payments on the promissory note are as follows:

Years ending April 30,	Principal	Interest	Total
2019	\$ 88,169	\$ 8,292	\$ 96,461
2020	90,851	5,611	96,462
2021	93,624	2,855	96,479
Total	<u>\$ 272,644</u>	<u>\$ 16,758</u>	<u>\$ 289,402</u>

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

Governmental activities (Continued)

Loans Payable (Continued)

On July 29, 2015 the City Council passed Ordinance No. 2722-15/16, authorizing the City to borrow up to \$2,075,000 for the purposes of financing certain capital project expenditures and acquiring certain capital assets. As of April 30, 2018, the City has borrowed \$2,047,197 for certain expenditures. The interest rate on the outstanding balance of the promissory note is 2.5%. The note is payable over a seven- year period, with monthly principal and interest payments of \$26,952.51 beginning May 1, 2016 until maturity, May 1, 2023. Loan Payments are made from the General Fund.

\$ 1,477,838

Future principal and interest payments on the promissory note are as follows:

Years ending April 30,	Principal	Interest	Total
2019	\$ 288,157	\$ 35,273	\$ 323,430
2020	295,445	27,985	323,430
2021	302,915	20,515	323,430
2022	310,575	12,855	323,430
2023	280,746	5,001	285,747
Total	<u>\$ 1,477,838</u>	<u>\$ 101,629</u>	<u>\$ 1,579,467</u>

On July 31, 2017, the City borrowed \$1,400,000 from Morton Community Bank for the purpose of financing construction of water detention capital improvements and other public improvements. The loan is a promissory note, payable at 2% annually. The note is payable over a seven-year period with annual principal and interest payments of \$212,142 until maturity, February 1, 2025. Loan payments are made from the Storm Sewer Sub-Fund of the General Fund.

\$ 1,352,655

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

Governmental activities (Continued)

Loans Payable (Continued)

Future principal and interest payments on the promissory note are as follows:

Years ending April 30,	Principal	Interest	Total
2019	\$ 186,770	\$ 25,372	\$ 212,142
2020	190,540	21,602	212,142
2021	194,386	17,756	212,142
2022	198,309	13,833	212,142
2023	202,312	9,830	212,142
2024-2025	380,338	8,589	388,927
Total	<u>\$ 1,352,655</u>	<u>\$ 96,982</u>	<u>\$ 1,449,637</u>

Business-Type Activities

General Obligation Bonds:

Series 2010- The City issued \$7,110,000 in general obligation bonds on August 23, 2010 to pay for apportion of the construction costs to the wastewater treatment plant and improvements to the sanitary sewer system. Bonds are payable over an eighteen year period beginning in 2011. Annual principal payments range from \$285,000 to \$475,000. The interest rates range from 1.0% to 6.15%. The bonds qualify under Internal Revenue Code Section 54AAA ("Qualified Build America Bonds") which provides for a 35% reduction in interest costs to the City. Bond payments are made by the Sewerage Fund.

\$ 5,035,000

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

Business-Type activities (Continued)

General Obligation Bonds: (Continued)

Future principal and interest payments on the series 2010 general obligation bonds are as follows:

Years ending April 30,	Principal	Interest	Total
2019	\$ 320,000	\$ 172,149	\$ 492,149
2020	330,000	163,586	493,586
2021	335,000	153,966	488,966
2022	345,000	143,631	488,631
2023	355,000	132,537	487,537
2024-2028	1,975,000	464,139	2,439,139
2029-2031	1,375,000	83,648	1,458,648
Total	<u>\$ 5,035,000</u>	<u>\$ 1,313,656</u>	<u>\$ 6,348,656</u>

Illinois EPA Loans- State of Illinois Water Pollution Control Loan Program

On July 11, 2011 the City Council passed Ordinance Number 2641-11/12 authorizing the City to borrow funds from the State of Illinois Water Pollution Control Loan Program Fund for the purpose of improving the City's sewerage system. The maximum approved amount to be borrowed for phases II, III and IV of the construction project is \$54,516,000. As of April 30, 2018, \$43,746,707 of the loans has been disbursed to the City for construction costs to the sewerage system. Loan payments are made through the Sewerage Fund.

\$ 34,478,457

The loans have the following terms:

Interest rates range from 1.25% to 2.295%.

Length of payments range from 19.5 years to 20 years

Payment dates began in April 2014 and continue through August 2035.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

Business-Type activities (Continued)

Illinois EPA Loans- State of Illinois Water Pollution Control Loan Program (Continued)

Future principal and interest payments on the Illinois EPA loans are as follows:

Years ending April 30,	Principal	Interest	Total
2019	\$ 1,812,189	\$ 585,881	\$ 2,398,070
2020	1,921,189	585,527	2,506,716
2021	1,955,419	551,296	2,506,715
2022	1,990,306	516,410	2,506,716
2023	2,025,860	480,764	2,506,624
2024-2028	10,687,060	1,846,518	12,533,578
2029-2033	11,684,592	855,017	12,539,609
2034-2036	2,401,842	62,279	2,464,121
Total	<u>\$34,478,457</u>	<u>\$ 5,483,692</u>	<u>\$39,962,149</u>

8. GOVERNMENTAL FUND BALANCES

The fund balances of the Governmental Funds, as shown on Statement 3, are comprised of the following:

	General Fund	Library Fund	TIF 1 Central Business District Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:						
Prepaid items	\$ 89,150	\$ -	\$ -	\$ -	\$ -	\$ 89,150
Developer agreement receivable	158,600	-	-	-	-	158,600
Total nonspendable	<u>247,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,750</u>
Restricted:						
Loans	-	-	32,892	-	1,153,128	1,186,020
Library services	-	808,312	-	-	-	808,312
Federal/State regulations	-	-	3,145,663	-	3,282,833	6,428,496
Total restricted	<u>-</u>	<u>808,312</u>	<u>3,178,555</u>	<u>-</u>	<u>4,435,961</u>	<u>8,422,828</u>
Assigned:						
Special purposes	-	-	-	-	221,691	221,691
Unassigned	<u>9,447,337</u>	<u>-</u>	<u>-</u>	<u>(4,113,986)</u>	<u>-</u>	<u>5,333,351</u>
Total fund balance	<u>\$ 9,695,087</u>	<u>\$ 808,312</u>	<u>\$ 3,178,555</u>	<u>\$ (4,113,986)</u>	<u>\$ 4,657,652</u>	<u>\$ 14,225,620</u>

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS

Illinois Municipal Retirement Fund

Plan Description. The City of Pekin's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not for individual employers. The report may be obtained on-line at www.imrf.org.

Plan Administration. All City employees (other than those covered by the Police Pension Plan and the Fire Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, and benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership. At December 31, 2017, the date of the most recent actuarial valuation, the IMRF membership consisted of:

Retirees and beneficiaries currently receiving benefits	125
Inactive employees entitled to, but not yet receiving benefits	29
Active plan members	<u>126</u>
Total	<u>280</u>

Benefits Provided. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions. As set by statute, the City's plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar years 2018 and 2017 was 11.52% and 12.18%, respectively, of payroll. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, which the supplemental retirement benefits rate is set by statute.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2017. The total pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The following are the methods and assumptions used to determine the total pension liability as of December 31, 2017.

Actuarial valuation date	December 31, 2017
Asset valuation method	Market Value of Assets
Actuarial cost method	Entry Age Normal
Price inflation	2.50% (2.75% prior year)
Salary increases	3.39% to 14.25% (3.75% to 14.50% prior year)
Investment rate of return	7.50%

Retirement Age - Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Mortality - For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Single Discount Rate. A single discount rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made rates equal to the difference between actuarially determine contribution rates and the member rate. The single discount rate reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability.

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at January 1, 2017	\$ 29,398,704	\$25,095,535	\$ 4,303,169
Changes for the period:			
Service cost	596,378	-	596,378
Interest	2,160,050	-	2,160,050
Difference between expected and actual experience	34,285	-	34,285
Changes in assumptions	(944,894)	-	(944,894)
Employer contributions	-	717,857	(717,857)
Employee contributions	-	320,543	(320,543)
Net investment income	-	3,787,644	(3,787,644)
Benefit payments and refunds	(1,792,445)	(1,792,445)	-
Administrative expense	-	(20,545)	20,545
Other (net transfer)	-	137,998	(137,998)
Net changes	\$ 53,374	\$ 3,151,052	\$(3,097,678)
Balances at December 31, 2017	\$ 29,452,078	\$28,246,587	\$ 1,205,491

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.50% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 4,742,279	\$ 1,205,491	\$(1,739,917)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended April 30, 2018, the City reported recognized pension expense of \$789,349. At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 53,753	\$ 33,838
Changes in assumption	7,916	774,212
Net difference between projected and actual earnings on pension plan investments	-	1,352,442
Contributions made after measurement date	247,084	-
TOTAL	\$ 308,753	\$ 2,160,492

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

\$247,084 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Period ended April 30,	
2019	\$ (383,128)
2020	(413,520)
2021	(710,069)
2022	(592,106)
2023	-
Thereafter	-
TOTAL	<u>\$ (2,098,823)</u>

Police Pension Fund

Plan Description. Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single employer pension plan sponsored by the City. The plan issues an annual report to the Illinois Department of Insurance; however, they do not issue their own stand-alone financial statements. The City accounts for the plan as a pension trust fund and the plan is governed by a Board of Trustees. Although this is a single employer pension plan, the defined benefits, as well as the employee and employer contribution levels, are mandated by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. Plan members' contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions.

Plan Membership. At April 30, 2018, the date of the most recent actuarial valuation, the Police Pension membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	50
Inactive plan members, but not yet receiving benefits	7
Active plan members	<u>54</u>
Total	<u>111</u>

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS (Continued)

Police Pension Fund (Continued)

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

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary.

Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City's annual contribution to the plan is provided by property tax levy. These taxes are required to be of an amount necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, The City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The City's policy is to fund the pension fund at 103% of the annual actuarial requirements until the funded ratio is 75% of the funding requirement as determined by the Department of Insurance and then will continue to fund at 100% of the annual actuarial requirements. For the year ended April 30, 2018, the City's contribution was 41.81% of covered payroll.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS (Continued)

Police Pension Fund (Continued)

Net Pension Liability. The City's net pension liability was measured as of April 30, 2018. The total pension liability was determined by an actuarial valuation as May 1, 2017.

Actuarial Assumptions. The following are the methods and assumptions used to determine the total pension liability as of April 30, 2018.

Actuarial valuation date	May 1, 2017
Actuarial cost method	Entry Age Normal
Asset Valuation	Market Value
Salary increases	3.50%-9.91%
Increase in total payroll	3.50%
Price inflation	2.50%
Percent married	80.0%

Mortality rates were based on L&A 2016 Illinois Police Mortality Rates. Retirement rates were based on L&A 2016 Illinois Police Retirement Rates Capped at age 65.

All economic assumption rates are assumed to be annual rates, compounded on an annual basis.

The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. Long-term Real Rates of Return are shown as the Expected Rate of Return, net of the assumed inflation rate. There are multiple approaches seen to providing these rates. Typically, the information is either based on capital market projections, or historical rates seen for the asset classes.

The rates provided in the table below are based on an arithmetic average.

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return	Target Allocation
Fixed Income Govt.	3.90%	3.00%	0.90%	36.00%
Corporate Investment Grade	4.90%	3.00%	1.90%	4.00%
Domestic Equities	9.60%	3.00%	6.60%	42.00%
International Developed	9.30%	3.00%	6.30%	15.00%
Real Estate	12.10%	3.00%	9.10%	3.00%

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS (Continued)

Police Pension Fund (Continued)

Assumptions were changed from the prior year. The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.82% to 3.97% for the current year. The underlying index used is The Bond Buyer 20-Bond GO Index which is unchanged from the prior year.

Investment Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.86% for the Police Pension Fund. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate. The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.97% based on the Bond Buyer G.O. 20-Bond Municipal Bond Index; and the resulting single discount rate is 7.00%.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS (Continued)

Police Pension Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at May 1, 2017	\$ 52,320,137	\$30,493,406	\$21,826,731
Changes for the period:			
Service cost	964,115	-	964,115
Interest	3,576,666	-	3,576,666
Difference between expected and actual experience	(27,032)	-	(27,032)
Changes in assumptions	-	-	-
Employer contributions	-	1,739,614	(1,739,614)
Employee contributions	-	412,405	(412,405)
Other contributions	-	49,238	(49,238)
Net investment income	-	2,442,669	(2,442,669)
Benefit payments and refunds	(2,449,821)	(2,449,821)	-
Administrative expense	-	(106,368)	106,368
Other (net transfer)	-	-	-
Net changes	\$ 2,063,928	\$ 2,087,737	\$ (23,809)
Balances at April 30, 2018	\$ 54,384,065	\$32,581,143	\$21,802,922

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS (Continued)

Police Pension Fund (Continued)

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.00% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability (asset)	\$ 29,703,416	\$21,802,922	\$15,391,099

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended April 30, 2018, the City reported recognized pension expense of \$2,715,262.

At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 318,173	\$ 520,315
Changes in assumption	1,864,983	401,403
Net difference between projected and actual earnings on pension plan investments	237,351	-
TOTAL	\$ 2,420,507	\$ 921,718

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS (Continued)

Police Pension Fund (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Police Pension will be recognized in pension expense as follows:

Period ended April 30,	
2019	\$ 615,563
2020	615,561
2021	120,318
2022	166,958
2023	(16,717)
Thereafter	<u>(2,894)</u>
TOTAL	<u>\$ 1,498,789</u>

Fire Pension Fund

Plan Description. Firefighter sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single employer pension plan sponsored by the City. The plan issues an annual report to the Illinois Department of Insurance; however, they do not issue their own stand-alone financial statements. The City accounts for the plan as a pension trust fund and the plan is governed by a Board of Trustees. Although this is a single employer pension plan, the defined benefits, as well as the employee and employer contribution levels, are mandated by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. Plan members' contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions.

Plan Membership. At April 30, 2018, the date of the most recent actuarial valuation, the Police Pension membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	75
Inactive plan members, but not yet receiving benefits	1
Active plan members	<u>50</u>
Total	<u>126</u>

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS (Continued)

Fire Pension Fund (Continued)

Benefits Provided. The Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City's annual contribution to the plan is provided by property tax levy. These taxes are required to be of an amount necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, The City has until the year 2040 to fund 90% of the past service cost for the Fire Pension Plan. The City's policy is to fund the pension fund at 105% of the annual actuarial requirements until the funded ratio is 66.7% of the funding requirement as determined by the Department of Insurance and then will continue to fund at 100% of the annual actuarial requirements.. For the year ended April 30, 2018, the City's contribution was 72.71% of covered payroll.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS (Continued)

Fire Pension Fund (Continued)

Net Pension Liability. The City's net pension liability was measured as of April 30, 2018. The total pension liability was determined by an actuarial valuation as May 1, 2017.

Actuarial Assumptions. The following are the methods and assumptions used to determine the total pension liability as of April 30, 2018.

Actuarial valuation date	May 1, 2017
Actuarial cost method	Entry Age Normal
Asset Valuation	Market Value
Salary increases	4.00%-20.43%
Increase in total payroll	3.25%
Price inflation	2.50%
Percent married	80.0%

Mortality rates were based on L&A 2016 Illinois Firefighters Mortality Rates. Retirement rates were based on L&A 2016 Illinois Firefighters Retirement Rates Capped at age 65.

All economic assumption rates are assumed to be annual rates, compounded on an annual basis.

The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. Long-term Real Rates of Return are shown as the Expected Rate of Return, net of the assumed inflation rate. There are multiple approaches seen to providing these rates. Typically, the information is either based on capital market projections, or historical rates seen for the asset classes.

The rates provided in the table below are based on a geometric average.

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return	Target Allocation
Fixed Income	3.29%	3.00%	0.29%	36.00%
Corporate Investment Grade	3.54%	3.00%	0.54%	4.00%
Domestic Equities	9.39%	3.00%	6.39%	45.00%
International Developed	9.09%	3.00%	6.09%	15.00%

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS (Continued)

Fire Pension Fund (Continued)

Assumptions were changed from the prior year. The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.82% to 3.97% for the current year. The underlying index used is The Bond Buyer 20-Bond GO Index which is unchanged from the prior year. Demographic assumptions were also updated based on a study of Firefighters and Firefighter Pension Funds in Illinois including mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates. The mortality assumption was also updated to include mortality improvements as stated in the MP-2016 table.

Investment Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.79% for the Fire Pension Fund. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate. The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.97% based on the Bond Buyer G.O. 20-Bond Municipal Bond Index; and the resulting single discount rate is 7.00%.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS (Continued)

Fire Pension Fund (Continued)

Changes in the Net Pension Liability.

	(a)	(b)	(a) - (b)
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at May 1, 2017	\$ 62,823,904	\$ 23,731,089	\$ 39,092,815
Changes for the period:			
Service cost	1,221,165	-	1,221,165
Interest	4,271,938	-	4,271,938
Difference between expected and actual experience	949,040	-	949,040
Changes in assumptions	1,416,691	-	1,416,691
Employer contributions	-	3,016,014	(3,016,014)
Employee contributions	-	398,356	(398,356)
Net investment income	-	2,112,236	(2,112,236)
Benefit payments and refunds	(3,592,450)	(3,592,450)	-
Administrative expense	-	(27,451)	27,451
Other (net transfer)	-	-	-
Net changes	\$ 4,266,384	\$ 1,906,705	\$ 2,359,679
Balances at April 30, 2018	\$ 67,090,288	\$ 25,637,794	\$ 41,452,494

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.00% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability (asset)	\$ 50,514,932	\$ 41,452,494	\$ 34,033,617

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLANS (Continued)

Fire Pension Fund (Continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended April 30, 2018, the City reported recognized pension expense of \$6,886,873.

At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,157,291	\$ 1,132,808
Changes in assumption	2,841,400	1,171,982
Net difference between projected and actual earnings on pension plan investments	33,729	-
TOTAL	\$ 4,032,420	\$ 2,304,790

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Fire Pension will be recognized in pension expense as follows:

Period ended April 30,	
2019	\$ 1,425,024
2020	314,546
2021	(568,610)
2022	337,704
2023	218,966
Thereafter	-
TOTAL	\$ 1,727,630

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. LOAN RECEIVABLE- HEALTH FACILITY CONSTRUCTION PROJECT

On October 15, 2015 the City entered into a financing assistance agreement with Progressive Health Systems ("PHS") and Park Court Limited ("PCL"). The agreement calls for the City to loan up to \$12,000,000 to PHS and PCL to be used in the construction of a new health facility building. The construction costs includes the acquisition of real estate, the build-out of a medical office building, and other costs for architects, surveying, engineering, and consulting services.

The loan has a term of sixty months. During the first eighteen months, the borrower was able to make drawings on the loan and make monthly payments for any accrued interest on the outstanding balance. Beginning in May, 2017, the borrower shall make monthly payments of interest and principal, the amount to be established by amortizing the principal balance of the loan over a twenty year period. Any remaining balance of the loan is due on the maturity date. The interest rate on the loan is 3.75%. The loan is secured by a first position mortgage on the property. The balance was paid off during the year ended April 30, 2018.

11. NOTE PAYABLE- HEALTH FACILITY CONSTRUCTION PROJECT

In order to provide the necessary resources for financing the construction projected reported in Note 02, the City has entered into a loan agreement with Morton Community Bank ("MCB") to borrow \$12,000,000 to be used in accordance with Ordinance No. 2728-15/16, passed June 22, 2015.

The terms of the note includes interest only payments are to be made over an eighteen month period beginning November 1, 2015. Beginning May 1, 2017, monthly interest and principal payments totaling \$68,357 .23 are to be made over a forty-one month period. On October 1, 2020, an estimated payment of \$10,497,115.60 will be due. The final payment is based on the assumption that all prior payments have been made as scheduled.

The interest rate of the note is 3.25%. In order for the interest rate to remain at that level, the City agrees to maintain a minimum of \$10,000,000 on deposit at MCB at all times. Deposits are defined as the aggregate of all deposit balances at MCB held by the City combined with deposit account balances at MCB held by Progressive Health Systems. The interest rate will increase fifty basis points if the deposit balance falls below the stated minimum. The balance was paid off during the year ended April 30, 2018.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation; injuries to employees; and natural disasters.

To limit exposure to these risks, the City participates in the Illinois Municipal League Risk Management Association (IMLRMA), a public entity risk pool, for its general insurance and workers' compensation insurance coverage. The City pays an annual premium for this coverage. Settled claims resulting from the above-mentioned risks did not exceed insurance coverage in the past three years.

In October 2017, the City became self-insured for health benefits for employees. The City uses an internal service fund to account for and finance its uninsured risks of loss. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Estimated payables of claims and losses for medical claims include an amount for claims incurred but not reported based upon actuarial estimates and prior experience. The City purchases specific and aggregate excess loss insurance coverages in order to reduce its risk of loss.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported.

Claims Liability

	Benefit Fund
Unpaid claims – April 30, 2017	\$ -
Current year claims and changes in estimate	1,912,085
Claim payments	<u>(1,330,707)</u>
Unpaid claims – April 30, 2018	<u>\$ 581,378</u>

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

In addition to providing the pension benefits described, the City provides postemployment health care benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts, except for the implicit subsidy which is governed by the State Legislature and ILCS. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report. The activity of the plan is reported in the City's governmental funds, School Bus fund, Sewer fund, Solid Waste fund, Airport fund, Economic Development fund and Vehicle Maintenance fund.

Benefits Provided

The City provides post retirement health benefits, as per the requirements of local ordinances and labor agreements. Retirees covered under the Teamsters, Chauffeurs, and Helpers Local Union No. 627 agreement are eligible to continue their health care coverage. Individuals are responsible for 100% of the premium cost for the coverage elected, except any retiree after April 1, 2009 who was hired prior to January 1, 2018 shares equally in the monthly applicable rate with the City paying 50% until the individual reaches 65 years of age.

Membership

At April 30, 2018 (latest information available), membership consisted of:

Retirees and beneficiaries	
currently receiving benefits	59
Terminated employees entitled	
to benefits but not yet receiving them	-
Active plan members	<u>177</u>
 TOTAL	 <u><u>236</u></u>

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funding Policy

The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. Retirees contribute to the plan as noted above. The City contributes the remainder to cover the cost of providing the benefits to the retirees via the insured plan (pay as you go). For the fiscal year ended April 30, 2018, the City contributed \$833,205. Active employees do not contribute to the plan until retirement.

Total OPEB Liability and Actuarial Assumptions

The total OPEB liability of \$21,241,320 at April 30, 2018, determined by an actuarial valuation as of that date, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry-age normal
Inflation	2.50%
	3.50% plus merit and productivity increases
Salary increases	ranging from 0.10% to 11.00%
Discount rate	3.97% (3.82% in prior year)
Healthcare cost trend rates	5.00% to 8.50%
Asset valuation method	N/A

Police and Fire employees that suffer a catastrophic injury or are killed in the line of duty may receive 100% City paid lifetime coverage for the employee, their spouse, and each dependent child under the Public Safety Employee Benefits Act.

The discount rate of 3.97% was based on the index rate for tax exempt general obligation municipal bonds rated AA or better at April 30, 2018 per the Bond Buyer G.O. 20-Bond Municipal Bond Index.

Mortality rates were based on the RPH-2018 Total Dataset Mortality Table fully generational using scale MP-2018.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in Total OPEB Liability

	Total OPEB Liability
BALANCES AT MAY 1, 2017	<u>\$ 27,243,053</u>
Changes for the period	
Service cost	1,273,954
Interest	1,073,585
Difference between expected and actual experience	(7,076,556)
Changes in benefit terms	-
Changes in assumptions	(439,511)
Benefit payments	<u>(833,205)</u>
Net changes	<u>(6,001,733)</u>
BALANCES AT APRIL 30, 2018	<u><u>\$ 21,241,320</u></u>

Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 3.97% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.97%) or 1 percentage point higher (4.97%) than the current rate:

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	\$ 23,801,810	\$ 21,241,320	\$ 19,091,614

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 5.00% to 8.50% as well as what the City total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (4.00% to 7.50%) or 1 percentage point higher (6.00% to 9.50%) than the current rate:

	1% Decrease (Varies)	Current Healthcare Trend Rates (Varies)	1% Increase (Varies)
Total OPEB liability	\$ 18,729,877	\$ 21,241,320	\$ 24,299,954

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

For the year ended April 30, 2018, the City recognized OPEB expense of \$357,898. At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected actual experience	\$ -	\$ 6,191,986
Changes in assumptions	-	1,686,131
TOTAL	\$ -	\$ 7,878,117

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Period ended April 30,	
2019	\$ (1,156,436)
2020	(1,156,436)
2021	(1,156,436)
2022	(1,156,436)
2023	(1,156,436)
Thereafter	<u>(2,095,937)</u>
TOTAL	<u>\$ (7,878,117)</u>

14. CONTINGENCIES

The City is involved to various legal proceedings considered by management to be ordinary and incidental to the government operations. Management believes these legal proceedings are not likely to have a material effect on the City's financial statements.

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. RESTATEMENT

The City has restated beginning net position as of May 1, 2017 to correct the following:

	Governmental Activities	General Fund	Library Fund	TIF 1 Central Business District	Capital Projects Fund	HUD Metro Fund	Motor Fuel Tax Fund	Foreign Fire Insurance Fund
Net position, April 30, 2017, as reported	\$ (12,307,246)	\$ 10,055,717	\$ 785,304	\$ 3,742,601	\$ (3,575,501)	\$ 1,102,315	\$ 3,462,507	\$ -
(a) Taxes receivable	(849,703)	(1,001,203)	-	-	151,500	-	-	-
(b) PPRT receivable	-	(27,425)	27,425	-	-	-	-	-
(c) Loan payable	-	-	-	-	-	-	-	-
(d) IMRF liability	1,538,174	-	-	-	-	-	-	-
(e) School bus revenue	-	-	-	-	-	-	-	-
(f) Capital assets	(235,397)	-	-	-	-	-	-	-
(g) Citylink contract	(149,844)	(149,844)	-	-	-	-	-	-
(h) Intergovernmental agreement	(604,585)	-	-	(604,585)	-	-	-	-
(i) Grant receivables	8,765,803	-	-	-	100,000	110,546	31,554	-
(j) Unbilled receivables	-	-	-	-	-	-	-	-
(k) Franchise fees	146,574	146,574	-	-	-	-	-	-
(l) Prepaid expenses	-	-	-	-	-	-	-	-
(m) Other receivables	-	-	-	-	-	-	-	-
(n) Pooled cash	68,400	68,400	-	-	-	-	-	-
(o) OPEB liability	4,144,646	-	-	-	-	-	-	-
(p) Compensated absences	(147,530)	-	-	-	-	-	-	-
(q) Debt service cash account	182,371	182,371	-	-	-	-	-	-
(r) Foreign Fire Insurance Board	27,989	-	-	-	-	-	-	27,989
Total prior period adjustment	12,886,898	(781,127)	27,425	(604,585)	251,500	110,546	31,554	27,989
Net position, April 30, 2017, as restated	\$ 579,652	\$ 9,274,590	\$ 812,729	\$ 3,138,016	\$ (3,324,001)	\$ 1,212,861	\$ 3,494,061	\$ 27,989

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. RESTATEMENT (Continued)

	Business-type Activities	Economic Development Fund	Airport Fund	Solid Waste Fund	Sewer Fund	School Bus Fund	Vehicle Maintenance Fund	TPCCC Fund
Net position, April 30, 2017, as reported	\$ 23,237,901	\$ 2,360,797	\$ 190,356	\$ (542,215)	\$ 18,084,430	\$ 3,144,534	\$ 82,185	\$ 580,512
(a) Taxes receivable	-	-	-	-	-	-	-	-
(b) PPRT receivable	-	-	-	-	-	-	-	-
(c) Loan payable	(16,229)	-	-	-	(16,229)	-	-	4,000
(d) IMRF liability	(1,296,138)	(11,579)	(28,209)	(384,926)	(284,514)	(586,910)	(11,747)	103,833
(e) School bus revenue	48,294	-	-	-	-	48,294	-	-
(f) Capital assets	191,402	-	-	(16,414)	205,382	2,434	-	-
(g) Citylink contract	-	-	-	-	-	-	-	-
(h) Intergovernmental agreement	-	-	-	-	-	-	-	-
(i) Grant receivables	7,557	-	7,557	-	-	-	-	-
(j) Unbilled receivables	728,984	-	-	139,976	589,008	-	-	-
(k) Franchise fees	-	-	-	-	-	-	-	-
(l) Prepaid expenses	149,009	-	-	-	-	149,009	-	-
(m) Other receivables	550,000	-	-	-	550,000	-	-	-
(n) Pooled cash	-	-	-	-	-	-	-	-
(o) OPEB liability	(4,145,146)	(27,740)	(132,467)	(1,718,763)	(1,163,262)	(1,102,914)	(12,977)	-
(p) Compensated absences	(260,059)	(10,491)	(12,277)	(98,656)	(77,898)	(60,737)	(147,530)	-
(q) Debt service cash account	-	-	-	-	-	-	-	-
(r) Foreign Fire Insurance Board	-	-	-	-	-	-	-	-
Total prior period adjustment	(4,042,326)	(49,810)	(165,396)	(2,078,783)	(197,513)	(1,550,824)	(172,254)	107,833
Net position, April 30, 2017, as restated	\$ 19,195,575	\$ 2,310,987	\$ 24,960	\$ (2,620,998)	\$ 17,886,917	\$ 1,593,710	\$ (90,069)	\$ 688,345

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PEKIN, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Calendar Years

MEASUREMENT DATE DECEMBER 31	2017	2016	2015
TOTAL PENSION LIABILITY			
Service cost	\$ 596,378	\$ 557,324	\$ 559,310
Interest	2,160,050	2,086,499	1,991,480
Changes of benefit terms	-	-	-
Differences between expected and actual experience	34,285	(69,706)	115,804
Changes of assumptions	(944,894)	(100,444)	33,416
Benefit payments, including refunds of member contributions	(1,792,445)	(1,456,030)	(1,326,712)
	53,374	1,017,643	1,373,298
Total pension liability - beginning	29,398,704	28,381,061	27,007,763
TOTAL PENSION LIABILITY - ENDING	<u>\$ 29,452,078</u>	<u>\$ 29,398,704</u>	<u>\$ 28,381,061</u>
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 717,857	\$ 712,546	\$ 629,532
Contributions - member	320,543	251,153	242,615
Net investment income	3,787,644	1,635,608	118,894
Benefit payments, including refunds of member contributions	(1,792,445)	(1,456,030)	(1,326,712)
Administrative expense	(20,545)	-	-
Other income (expense)	137,998	(47,550)	329,484
	3,151,052	1,095,727	(6,187)
Plan fiduciary net position - beginning	25,095,535	23,999,808	24,005,995
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 28,246,587</u>	<u>\$ 25,095,535</u>	<u>\$ 23,999,808</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET)	<u>\$ 1,205,491</u>	<u>\$ 4,303,169</u>	<u>\$ 4,381,253</u>
Plan fiduciary net position as a percentage of the total pension liability	95.91%	85.36%	84.56%
Covered payroll	\$ 5,878,828	\$ 5,565,182	\$ 5,020,196
Employer's net pension liability (asset) as a percentage of covered payroll	20.51%	77.32%	87.27%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

Assumptions changes from 2016 to 2017 are as follows: 1) Price inflation decreased from 2.75% in 2016 to 2.50% in 2017; 2) Salary increases ranged from 3.75% to 14.50% in 2016 and 3.39% to 14.25% in 2017; 3) Retirement age assumptions based on an experience study from 2011 to 2013 in 2016, and based on an experience study from 2014 to 2016 in 2017; 4) Mortality assumptions were based on IMRF specific mortality tables with fully generational projection scale MP-2014 (base year 2012) in 2016 and updated to MP-2017 (base year 2015) in 2017

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 POLICE PENSION TRUST FUND

Last Four Fiscal Years

MEASUREMENT DATE APRIL 30	2018	2017	2016	2015
TOTAL PENSION LIABILITY				
Service cost	\$ 964,115	\$ 901,042	\$ 765,440	\$ 775,146
Interest	3,576,666	3,450,422	3,168,643	3,065,230
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(27,032)	452,993	(902,723)	-
Changes of assumptions	-	(571,490)	3,385,353	-
Benefit payments, including refunds of member contributions	(2,449,821)	(2,409,154)	(2,373,461)	(2,352,616)
	2,063,928	1,823,813	4,043,252	1,487,760
Total pension liability - beginning	52,320,137	50,496,324	46,453,072	44,965,312
TOTAL PENSION LIABILITY - ENDING	<u>\$ 54,384,065</u>	<u>\$ 52,320,137</u>	<u>\$ 50,496,324</u>	<u>\$ 46,453,072</u>
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 1,739,614	\$ 1,599,022	\$ 1,577,451	\$ 1,534,236
Contributions - member	461,643	541,097	425,591	408,953
Net investment income	2,442,669	2,779,967	(463,448)	1,816,276
Benefit payments, including refunds of member contributions	(2,449,821)	(2,409,154)	(2,373,461)	(2,352,616)
Administrative expense	(106,368)	(79,449)	(86,825)	(64,475)
Other income (expense)	-	-	-	-
	2,087,737	2,431,483	(920,692)	1,342,374
Plan fiduciary net position - beginning	30,493,406	28,061,923	28,982,615	27,640,241
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 32,581,143</u>	<u>\$ 30,493,406</u>	<u>\$ 28,061,923</u>	<u>\$ 28,982,615</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET)	<u>\$ 21,802,922</u>	<u>\$ 21,826,731</u>	<u>\$ 22,434,401</u>	<u>\$ 17,470,457</u>
Plan fiduciary net position as a percentage of the total pension liability	59.91%	58.28%	55.57%	62.39%
Covered payroll	\$ 4,160,637	\$ 4,147,522	\$ 4,001,045	\$ 3,873,585
Employer's net pension liability (asset) as a percentage of covered payroll	524.03%	526.26%	560.71%	451.02%

Year ended April 30, 2018 - Changes in assumptions related to the bond rate were made since the prior measurement date.
 The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.82% to 3.97%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 FIRE PENSION TRUST FUND

Last Four Fiscal Years

MEASUREMENT DATE MAY 1	2018	2017	2016	2015
TOTAL PENSION LIABILITY				
Service cost	\$ 1,221,165	\$ 1,141,276	\$ 1,061,180	\$ 1,121,881
Interest	4,271,938	4,474,172	3,813,115	3,543,523
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	949,040	(1,888,126)	1,258,552	(331,383)
Changes of assumptions	1,416,691	(1,953,420)	5,562,946	2,658,411
Benefit payments, including refunds of member contributions	(3,592,450)	(3,450,939)	(3,335,842)	(2,946,394)
	4,266,384	(1,677,037)	8,359,951	4,046,038
Total pension liability - beginning	62,823,904	64,500,941	56,140,990	52,094,952
TOTAL PENSION LIABILITY - ENDING	<u>\$ 67,090,288</u>	<u>\$ 62,823,904</u>	<u>\$ 64,500,941</u>	<u>\$ 56,140,990</u>
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 3,016,014	\$ 2,466,193	\$ 2,375,747	\$ 2,258,166
Contributions - member	398,356	395,113	389,998	358,384
Net investment income	2,112,236	2,218,913	(437,152)	1,473,145
Benefit payments, including refunds of member contributions	(3,592,450)	(3,450,939)	(3,335,842)	(2,946,394)
Administrative expense	(27,451)	(29,292)	(29,753)	(19,171)
Other income (expense)	-	-	-	-
	1,906,705	1,599,988	(1,037,002)	1,124,130
Plan fiduciary net position - beginning	23,731,089	22,131,101	23,168,103	22,043,973
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 25,637,794</u>	<u>\$ 23,731,089</u>	<u>\$ 22,131,101</u>	<u>\$ 23,168,103</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET)	<u>\$ 41,452,494</u>	<u>\$ 39,092,815</u>	<u>\$ 42,369,840</u>	<u>\$ 32,972,887</u>
Plan fiduciary net position as a percentage of the total pension liability	38.21%	37.77%	34.31%	41.27%
Covered payroll	\$ 4,147,728	\$ 4,017,170	\$ 3,471,056	\$ 3,750,045
Employer's net pension liability (asset) as a percentage of covered payroll	999.40%	973.14%	1,220.66%	879.27%

Year ended April 30, 2018 - Changes in assumptions related to the bond rate and mortality were made since the prior measurement date. The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.82% to 3.97%. Also, mortality assumptions were updated to include mortality improvements as stated in the most recently released MP-2016 table. In addition, the rates are being applied on a fully-generational basis.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

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CITY OF PEKIN, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
 OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Two Fiscal Years

MEASUREMENT DATE APRIL 30	2018	2017
TOTAL OPEB LIABILITY		
Service cost	\$ 1,273,954	\$ 1,388,111
Interest	1,073,585	896,857
Changes of benefit terms	-	-
Differences between expected and actual experience	(7,076,556)	-
Changes of assumptions	(439,511)	(1,670,335)
Benefit payments	(833,205)	(764,408)
	(6,001,733)	(149,775)
Total OPEB liability - beginning	27,243,053	27,392,828
TOTAL OPEB LIABILITY - ENDING	\$ 21,241,320	\$ 27,243,053
Covered payroll	\$ 12,314,491	\$ 12,846,107
Employer's total OPEB liability (asset) as a percentage of covered payroll	172.49%	212.07%

Year ended April 30, 2018 - Changes in assumptions related to the bond rate, mortality and payroll growth were made since the prior measurement date. The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.82% to 3.97%. Also, mortality assumptions were updated to include mortality improvements as stated in the most recently released MP-2016 table. In addition, the rates are being applied on a fully-generational basis. Payroll growth and disability rate assumptions were updated based on the IMRF actuarial valuation as of December 31, 2017. Differences between expected and actual experience relate to demographic changes from updated census data, health care cost lower than expected, and adjustments to health care trend rates.

Year ended April 30, 2017 - Changes in assumptions related to the bond rate and payroll growth were made since the prior measurement date. The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.32% to 3.82%. Payroll growth and disability rate assumptions were updated based on the IMRF actuarial valuation as of December 31, 2016.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

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

CITY OF PEKIN, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Fiscal Years

FISCAL YEAR ENDING APRIL 30	2018	2017	2016
Actuarially determined contribution	\$ 721,090	\$ 700,444	\$ 693,405
Contributions in relation to the actuarially determined contribution	<u>721,090</u>	<u>700,444</u>	<u>693,405</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,068,890	\$ 5,560,101	\$ 5,483,557
Contributions as a percentage of covered payroll	11.88%	12.60%	12.65%

Notes to schedule:

The information presented was determined as part of the actuarial valuations as of December 31 of the prior year. Information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 26 years; the asset valuation method was 5-year smoothed market, 20% corridor; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

CITY OF PEKIN, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 POLICE PENSION TRUST FUND

Last Four Fiscal Years

<u>FISCAL YEAR ENDING APRIL 30</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,694,720	\$ 1,508,247	\$ 1,402,701	\$ 1,482,458
Contributions in relation to the actuarially determined contribution	<u>1,739,614</u>	<u>1,599,022</u>	<u>1,577,451</u>	<u>1,534,236</u>
Contribution deficiency (excess)	<u>\$ (44,894)</u>	<u>\$ (90,775)</u>	<u>\$ (174,750)</u>	<u>\$ (51,778)</u>
Covered payroll	\$ 4,160,637	\$ 4,147,522	\$ 4,001,045	\$ 3,873,585
Contributions as a percentage of covered payroll	41.81%	38.55%	39.43%	39.61%

Notes to schedule:

Information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 25 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.00% annually, and projected salary increases assumption of 3.50% to 9.91% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 FIRE PENSION TRUST FUND

Last Four Fiscal Years

FISCAL YEAR ENDING APRIL 30	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,813,436	\$ 2,318,690	\$ 2,194,373	\$ 1,984,713
Contributions in relation to the actuarially determined contribution	<u>3,016,014</u>	<u>2,466,193</u>	<u>2,375,747</u>	<u>2,258,166</u>
Contribution deficiency (excess)	<u>\$ (202,578)</u>	<u>\$ (147,503)</u>	<u>\$ (181,374)</u>	<u>\$ (273,453)</u>
Covered payroll	\$ 4,147,728	\$ 4,017,170	\$ 3,471,056	\$ 3,750,045
Contributions as a percentage of covered payroll	72.71%	61.39%	68.44%	60.22%

Notes to schedule:

Information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 25 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.00% annually, and projected salary increases assumption of 4.00% to 20.43% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

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CITY OF PEKIN, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF INVESTMENT RETURNS
 POLICE PENSION TRUST FUND

Last Four Fiscal Years

<u>FISCAL YEAR ENDING APRIL 30</u>	<u>2018</u>
Annual money-weighted rate of return	7.86%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

CITY OF PEKIN, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF INVESTMENT RETURNS
 FIRE PENSION TRUST FUND

Last Four Fiscal Years

<u>FISCAL YEAR ENDING APRIL 30</u>	<u>2018</u>
Annual money-weighted rate of return	8.79%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

CITY OF PEKIN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2018

	Final Budget	Actual	Variance Over/(Under)
REVENUES			
Property taxes	\$ 830,000	\$ 5,435,623	\$ 4,605,623
Other local taxes	5,675,000	6,947,904	1,272,904
Intergovernmental	13,358,000	11,567,501	(1,790,499)
Fees and charges	1,237,000	1,555,094	318,094
Licenses and permits	248,350	227,274	(21,076)
Fines and fees	978,543	354,521	(624,022)
Reimbursements and restitutions	110,500	197,502	87,002
Interest earnings	75,000	75,014	14
State grants	13,500	13,936	436
Federal grants	-	191,389	191,389
Miscellaneous	1,400,900	250,178	(1,150,722)
Total revenues	23,926,793	26,815,936	2,889,143
EXPENDITURES			
General Government	3,321,997	3,377,325	55,328
Public Safety	17,314,746	21,934,108	4,619,362
Public Works	2,783,078	2,538,103	(244,975)
Capital outlay	1,450,000	562,422	(887,578)
Debt Service			
Principal	685,000	869,658	184,658
Interest	40,850	232,456	191,606
Total Expenditures	25,595,671	29,514,072	3,918,401
Deficiency of revenues over expenditures	(1,668,878)	(2,698,136)	(1,029,258)
OTHER FINANCING SOURCES (USES)			
Transfers in	(483,339)	(66,712)	416,627
Transfers out	764,827	932,608	167,781
Proceeds on sale of assets	-	5,664	5,664
Loan proceeds	50,000	2,247,073	2,197,073
Total other financing sources	331,488	3,118,633	2,787,145
NET CHANGE IN FUND BALANCE	<u>\$ (1,337,390)</u>	<u>420,497</u>	<u>\$ 1,757,887</u>
FUND BALANCE - MAY 1, 2017 - ORIGINAL		10,055,717	
PRIOR PERIOD ADJUSTMENT		<u>(781,127)</u>	
FUND BALANCE - MAY 1, 2017 - RESTATED		<u>9,274,590</u>	
FUND BALANCE - APRIL 30, 2018		<u>\$ 9,695,087</u>	

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIBRARY FUND

For the Year Ended April 30, 2018

	Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 1,076,490	\$ 1,075,054	\$ (1,436)
Replacement taxes	106,000	93,206	(12,794)
Charges for services	47,700	56,577	8,877
Intergovernmental	11,885	11,985	100
Investment income	4,450	5,344	894
State grant	29,481	44,456	14,975
Miscellaneous	16,000	17,991	1,991
Total revenues	<u>1,292,006</u>	<u>1,304,613</u>	<u>12,607</u>
EXPENDITURES			
Culture and recreation:			
Personnel costs	860,925	846,276	(14,649)
Books, programs and services	271,665	320,016	48,351
Grant expense	27,166	-	(27,166)
Other services and charges	116,700	120,976	4,276
Capital outlay	550	6,762	6,212
Total expenditures	<u>1,277,006</u>	<u>1,294,030</u>	<u>17,024</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>15,000</u>	<u>10,583</u>	<u>(4,417)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(15,000)	(15,000)	-
Total other financing sources (uses)	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
NETS CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(4,417)</u>	<u>\$ (4,417)</u>
FUND BALANCE - MAY 1, 2017 - ORIGINAL		785,304	
PRIOR PERIOD ADJUSTMENT		<u>27,425</u>	
FUND BALANCE - MAY 1, 2008 - RESTATED		<u>812,729</u>	
FUND BALANCE - APRIL 30, 2018		<u>\$ 808,312</u>	

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TIF 1 CENTRAL BUSINESS DISTRICT FUND

For the Year Ended April 30, 2018

	Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 505,000	\$ 497,400	\$ (7,600)
Investment income	35,000	27,560	(7,440)
Miscellaneous	-	550	550
Total revenues	<u>540,000</u>	<u>525,510</u>	<u>(14,490)</u>
EXPENDITURES			
General government	-	28,500	28,500
Economic development:			
Redevelopment grants	150,000	-	(150,000)
Property improvements and maintenance	469,850	137,079	(332,771)
Loans forgiven	-	37,639	37,639
Other redevelopment costs	-	-	-
Total expenditures	<u>619,850</u>	<u>203,218</u>	<u>(416,632)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(79,850)</u>	<u>322,292</u>	<u>402,142</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(281,753)	(281,753)
Loan proceeds	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(281,753)</u>	<u>(281,753)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (79,850)</u>	<u>40,539</u>	<u>\$ 120,389</u>
FUND BALANCE - MAY 1, 2017 - ORIGINAL		3,742,601	
PRIOR PERIOD ADJUSTMENT		<u>(604,585)</u>	
FUND BALANCE - MAY 1, 2008 - RESTATED		<u>3,138,016</u>	
FUND BALANCE - APRIL 30, 2018		<u>\$ 3,178,555</u>	

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2018

1. BUDGETARY ACCOUNTING

In 1996 the City Council adopted budget procedures established by law which replaced the former appropriation ordinances process. The budget, unlike the replaced annual appropriations ordinance, is required to be adopted before the beginning of the fiscal year to which it applies. Unexpended budget items lapse each year.

The budget may be changed in almost any manner and without public hearings at any time during the year pursuant to a two-thirds vote of the Council members. Further, they may delegate the power, by the same vote, to make changes within an appropriation to a budget officer. The legal level of control is by fund.

2. BUDGETARY BASIS OF ACCOUNTING

The budget for all governmental funds is prepared on the modified accrual basis of accounting; therefore, the budget comparison with actual is presented in accordance with generally accepted accounting principles. The City budgets for all funds, except the TIF South Industrial Park Conservation Area Fund and the Foreign Fire Insurance Fund.

3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The excess of actual expenditures over final budget for year ended April 30, 2018 for the following funds were:

General	\$ 3,918,401
Library	17,024
HUD Metro Development	134,641
TIF South Industrial Park Conservation Area	49,435

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF PEKIN, ILLINOIS

COMBINING BALANCE SHEET BY SUBFUND
GENERAL FUND

April 30, 2018

	General	Storm Sewer	Elimination	Total
ASSETS				
Cash and cash equivalents	\$ 104,345	\$ -	\$ -	\$ 104,345
Investments	1,750,308	-	-	1,750,308
Receivables:				
Property taxes	5,378,083	-	-	5,378,083
Intergovernmental	3,061,342	-	-	3,061,342
Accounts	608,218	-	-	608,218
Loans	-	-	-	-
Developer	158,600	-	-	158,600
Other	40,690	-	-	40,690
Prepaid items	89,150	-	-	89,150
Due from other funds	9,770,770	-	(4,592,551)	5,178,219
Total current assets	<u>20,961,506</u>	<u>-</u>	<u>(4,592,551)</u>	<u>16,368,955</u>
TOTAL ASSETS	<u>\$ 20,961,506</u>	<u>\$ -</u>	<u>\$ (4,592,551)</u>	<u>\$ 16,368,955</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 427,498	\$ 1,539	\$ -	\$ 429,037
Accrued wages	288,272	1,758	-	290,030
Other	22,136	-	-	22,136
Due to other funds	20,184	4,592,551	(4,592,551)	20,184
Due to fiduciary funds	72,080	-	-	72,080
TOTAL LIABILITIES	<u>830,170</u>	<u>4,595,848</u>	<u>(4,592,551)</u>	<u>833,467</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	5,378,083	-	-	5,378,083
Unavailable revenues	462,318	-	-	462,318
Total deferred inflows of resources	<u>5,840,401</u>	<u>-</u>	<u>-</u>	<u>5,840,401</u>
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	<u>6,670,571</u>	<u>4,595,848</u>	<u>(4,592,551)</u>	<u>6,673,868</u>
FUND BALANCE (DEFICIT)				
Restricted	247,750	-	-	247,750
Assigned	-	-	-	-
Unassigned	<u>14,043,185</u>	<u>(4,595,848)</u>	<u>-</u>	<u>9,447,337</u>
Total fund balance (deficit)	<u>14,290,935</u>	<u>(4,595,848)</u>	<u>-</u>	<u>9,695,087</u>
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 20,961,506</u>	<u>\$ -</u>	<u>\$ (4,592,551)</u>	<u>\$ 16,368,955</u>

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BY SUBFUND
GENERAL FUND**

For the Year Ended April 30, 2018

	General	Storm Sewer	Elimination	Total
REVENUES				
Property taxes	\$ 5,435,623	\$ -	\$ -	\$ 5,435,623
Other local taxes	6,947,904	-	-	6,947,904
Intergovernmental	11,567,501	-	-	11,567,501
Fees and charges	1,555,094	-	-	1,555,094
Licenses and permits	227,274	-	-	227,274
Fines and fees	354,521	-	-	354,521
Reimbursements and restitutions	197,502	-	-	197,502
Interest earnings	75,014	-	-	75,014
State grants	13,936	-	-	13,936
Federal grants	191,389	-	-	191,389
Miscellaneous	250,077	101	-	250,178
Total revenues	26,815,835	101	-	26,815,936
EXPENDITURES				
Current				
General government	3,377,325	-	-	3,377,325
Public safety	21,934,108	-	-	21,934,108
Public works	2,331,368	206,735	-	2,538,103
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	562,422	-	562,422
Debt Service				
Principal	822,313	47,345	-	869,658
Interest	224,267	8,189	-	232,456
Total expenditures	28,689,381	824,691	-	29,514,072
REVENUES OVER (UNDER) EXPENDITURES	(1,873,546)	(824,590)	-	(2,698,136)
OTHER FINANCING SOURCES (USES)				
Transfer in	932,608	-	(66,712)	865,896
Transfer out	-	(66,712)	66,712	-
Proceeds on sale of assets	5,664	-	-	5,664
Loan proceeds	847,073	1,400,000	-	2,247,073
Total other financing sources	1,785,345	1,333,288	-	3,118,633
NET CHANGE IN FUND BALANCE	(88,201)	508,698	-	420,497
FUND BALANCE (DEFICIT) - MAY 1, 2017 - ORIGINAL	15,160,263	(5,104,546)	-	10,055,717
PRIOR PERIOD ADJUSTMENT	(781,127)	-	-	(781,127)
FUND BALANCE (DEFICIT) - May 1, 2008 - RESTATED	14,379,136	(5,104,546)	-	9,274,590
FUND BALANCE (DEFICIT) - APRIL 30, 2018	\$ 14,290,935	\$ (4,595,848)	\$ -	\$ 9,695,087

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2018

	Final Budget	Actual	Over/(Under)
REVENUES			
Property tax	\$ 830,000	\$ 5,435,623	\$ 4,605,623
Other local taxes			
Local sales tax	4,020,000	5,303,038	1,283,038
Local food/beverage tax	1,175,000	1,188,181	13,181
Local packaged liquor tax	200,000	172,398	(27,602)
Local motor fuel taxes	280,000	284,287	4,287
Intergovernmental			
Replacement tax	1,240,000	1,080,672	(159,328)
Income tax	3,475,000	3,091,708	(383,292)
State sales tax	6,720,000	5,428,842	(1,291,158)
State use tax	825,000	884,438	59,438
State gaming tax	328,000	357,425	29,425
State telecommunications tax	690,000	595,067	(94,933)
Intergovernmental	80,000	129,349	49,349
Fees and charges			
Franchise fees	554,000	621,960	67,960
Fire protection fees	497,000	515,345	18,345
Rentals and sale of property	186,000	417,789	231,789
Licenses and permits	248,350	227,274	(21,076)
Fines and fees	978,543	354,521	(624,022)
Reimbursements and restitutions	110,500	197,502	87,002
Interest earnings	75,000	75,014	14
State grants	13,500	13,936	436
Federal grants	-	191,389	191,389
Miscellaneous	1,400,900	250,178	(1,150,722)
Total revenues	23,926,793	26,815,936	2,889,143
EXPENDITURES			
Current:			
General Government	3,321,997	3,377,325	55,328
Public Safety	17,314,746	21,934,108	4,619,362
Public Works	2,783,078	2,538,103	(244,975)
Capital Outlay	1,450,000	562,422	(887,578)
Debt Service			
Principal	685,000	869,658	184,658
Interest	40,850	232,456	191,606
Total Expenditures	25,595,671	29,514,072	3,918,401
REVENUES OVER (UNDER) EXPENDITURES	(1,668,878)	(2,698,136)	(1,029,258)
OTHER FINANCING SOURCES (USES)			
Transfers in	764,827	932,608	167,781
Transfers out	(483,339)	(66,712)	416,627
Proceeds on sale of assets	-	5,664	5,664
Loan proceeds	50,000	2,247,073	2,197,073
Total other financing sources (uses)	331,488	3,118,633	2,787,145
NET CHANGE IN FUND BALANCE	<u>\$ (1,337,390)</u>	<u>420,497</u>	<u>\$ 1,757,887</u>
FUND BALANCE - MAY 1, 2017 - ORIGINAL		10,055,717	
PRIOR PERIOD ADJUSTMENT		(781,127)	
FUND BALANCE - MAY 1, 2017 - RESTATED		<u>9,274,590</u>	
FUND BALANCE - APRIL 30, 2018		<u>\$ 9,695,087</u>	

See accompanying Independent Auditors' Report.

CITY OF PEKIN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND

For the Year Ended April 30, 2018

	Final Budget	Actual	Variance Over/(Under)
REVENUES			
Local motor fuel tax	\$ 280,000	\$ 236,532	\$ (43,468)
State grants	8,116,721	-	(8,116,721)
Investment income	15,000	23	(14,977)
Other revenues	618,000	142,591	(475,409)
Total revenues	<u>9,029,721</u>	<u>379,146</u>	<u>(8,650,575)</u>
EXPENDITURES			
Capital outlay	<u>5,818,250</u>	<u>1,169,131</u>	<u>(4,649,119)</u>
Total expenditures	<u>5,818,250</u>	<u>1,169,131</u>	<u>(4,649,119)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,211,471</u>	<u>(789,985)</u>	<u>(4,001,456)</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Transfer out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 3,211,471</u></u>	<u><u>(789,985)</u></u>	<u><u>\$ (4,001,456)</u></u>
FUND BALANCE (DEFICIT) - MAY 1, 2017 - ORIGINAL		(3,575,501)	
PRIOR PERIOD ADJUSTMENT		<u>251,500</u>	
FUND BALANCE (DEFICIT) - MAY 1, 2008 - RESTATED		<u>(3,324,001)</u>	
FUND BALANCE (DEFICIT) - APRIL 30, 2018		<u><u>\$ (4,113,986)</u></u>	

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

See accompanying Independent Auditor's Report.

CITY OF PEKIN, ILLINOIS

SCHEDULE OF EXPENDITURES -
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2018

	Final Budget	Actual	Over/(Under)
General government:			
Administrative			
Personnel costs	\$ 493,913	\$ 414,515	\$ (79,398)
Supplies and materials	1,400	638	(762)
Contractual services and other expenses	92,788	91,107	(1,681)
Capital Outlay	-	-	-
Total Administrative	588,101	506,260	(81,841)
Legal:			
Contractual services and other expenses	283,000	379,682	96,682
City Clerk			
Personnel costs	182,319	199,849	17,530
Supplies and materials	750	1,677	927
Contractual services and other expenses	32,266	5,466	(26,800)
Capital outlay	-	-	-
Total city clerk	215,335	206,992	(8,343)
Human Resources:			
Personnel costs	224,774	208,417	(16,357)
Supplies and materials	400	483	83
Contractual services and other expenses	18,431	14,102	(4,329)
Total Personnel	243,605	223,002	(20,603)
Finance/Treasurer:			
Personnel costs	394,417	475,622	81,205
Supplies and materials	5,530	6,967	1,437
Contractual services and other expenses	169,263	124,819	(44,444)
Capital outlay	-	-	-
Total finance	569,210	607,408	38,198
Information Technology			
Personnel costs	191,253	192,249	996
Supplies and materials	4,550	3,335	(1,215)
Contractual services and other expenses	867,443	909,236	41,793
Capital outlay	-	-	-
Total Information technology	1,063,246	1,104,820	41,574

(Continued)

See accompanying Independent Auditors' Report.

CITY OF PEKIN, ILLINOIS

SCHEDULE OF EXPENDITURES -
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2018

	Final Budget	Actual	Over/(Under)
General Operations			
Supplies and materials	\$ 2,000	\$ 1,199	\$ (801)
Contractual services and other expenses	357,500	347,962	(9,538)
Capital outlay	-	-	-
Total non-departmental	359,500	349,161	(10,339)
Total general government	3,321,997	3,377,325	55,328
Public Safety:			
Police			
Personnel costs	6,959,491	8,639,013	1,679,522
Supplies and materials	149,500	127,393	(22,107)
Contractual services and other expenses	1,375,833	1,195,573	(180,260)
Capital Outlay	207,789	207,409	(380)
Total Police	8,692,613	10,169,388	1,476,775
Fire:			
Personnel costs	6,614,167	9,660,776	3,046,609
Supplies and materials	157,200	79,610	(77,590)
Contractual services and other expenses	473,685	432,443	(41,242)
Capital outlay	42,000	227,205	185,205
Total Fire	7,287,052	10,400,034	3,112,982
Building and inspections:			
Personnel costs	493,607	583,835	90,228
Supplies	8,000	5,060	(2,940)
Other services and charges	131,955	98,010	(33,945)
Capital outlay	-	-	-
Total building and inspections	633,562	686,905	53,343
Public properties:			
Personnel costs	99,330	129,054	29,724
Supplies and materials	22,000	22,221	221
Contractual services and other expenses	371,189	339,417	(31,772)
Capital Outlay	209,000	187,089	(21,911)
Total public properties	701,519	677,781	(23,738)
Total public safety	17,314,746	21,934,108	4,619,362

(Continued)

See accompanying Independent Auditors' Report.

CITY OF PEKIN, ILLINOIS

SCHEDULE OF EXPENDITURES -
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2018

	Final Budget	Actual	Over/(Under)
Public Works:			
Streets:			
Personnel costs	\$ 1,052,573	\$ 1,148,144	\$ 95,571
Supplies and materials	110,600	116,821	6,221
Contractual services and other expenses	589,395	591,565	2,170
Capital Outlay	230,000	171,478	(58,522)
Total Streets	<u>1,982,568</u>	<u>2,028,008</u>	<u>45,440</u>
Engineering/GIS:			
Personnel costs	417,366	289,887	(127,479)
Supplies and materials	2,750	1,813	(937)
Contractual services and other expenses	20,833	11,660	(9,173)
Capital Outlay	-	-	-
Total Engineering/GIS	<u>440,949</u>	<u>303,360</u>	<u>(137,589)</u>
Storm Sewer:			
Personnel costs	208,457	154,104	(54,353)
Supplies and materials	1,000	2,073	1,073
Contractual services and other expenses	150,104	50,558	(99,546)
Capital Outlay	1,450,000	562,422	(887,578)
Total Storm Sewer	<u>1,809,561</u>	<u>769,157</u>	<u>(1,040,404)</u>
Total public works	<u>4,233,078</u>	<u>3,100,525</u>	<u>(1,132,553)</u>
Debt Service:			
Debt service - principal	685,000	869,658	184,658
Debt service - interest	40,850	232,456	191,606
Total debt service	<u>725,850</u>	<u>1,102,114</u>	<u>376,264</u>
Total expenditures	<u>\$ 25,595,671</u>	<u>\$ 29,514,072</u>	<u>\$ 3,918,401</u>

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

See accompanying Independent Auditors' Report.

CITY OF PEKIN, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2018

	Tourism	HUD Metro Development	Motor Fuel Tax	TIF South Ind Conservation Area	Foreign Fire Insurance Board	Total
ASSETS						
Cash and cash equivalents	\$ 199,331	\$ 8,205	\$ 1,918,596	\$ 158,984	\$ 27,628	\$ 2,312,744
Investments	-	-	1,245,000	-	-	1,245,000
Receivables:						
Property taxes	-	-	-	8,767	-	8,767
Intergovernmental	-	69,681	78,050	-	-	147,731
Accounts	-	-	2,815	-	-	2,815
Loans	-	1,153,128	-	-	-	1,153,128
Other	22,605	-	-	-	-	22,605
Due from other funds	-	-	-	-	-	-
Total current assets	221,936	1,231,014	3,244,461	167,751	27,628	4,892,790
TOTAL ASSETS	\$ 221,936	\$ 1,231,014	\$ 3,244,461	\$ 167,751	\$ 27,628	\$ 4,892,790
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE						
LIABILITIES						
Accounts payable	\$ 245	\$ 51,366	\$ 154,065	\$ 5,065	\$ -	\$ 210,741
Accrued wages	-	2,217	-	-	-	2,217
Due to other funds	-	1,364	-	-	-	1,364
TOTAL LIABILITIES	245	54,947	154,065	5,065	-	214,322
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - property taxes	-	-	-	8,767	-	8,767
Unavailable revenues	-	12,049	-	-	-	12,049
Total deferred inflows of resources	-	12,049	-	8,767	-	20,816
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	245	66,996	154,065	13,832	-	235,138
FUND BALANCE						
Restricted	-	1,164,018	3,090,396	153,919	27,628	4,435,961
Assigned	221,691	-	-	-	-	221,691
Unassigned	-	-	-	-	-	-
Total fund balance	221,691	1,164,018	3,090,396	153,919	27,628	4,657,652
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 221,936	\$ 1,231,014	\$ 3,244,461	\$ 167,751	\$ 27,628	\$ 4,892,790

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2018

	Tourism	HUD Metro Development	Motor Fuel Tax	TIF South Industrial Park Conversation Area	Foreign Fire Insurance Board	Total
REVENUES						
Local taxes:						
Hotel/Motel	\$ 177,133	\$ -	\$ -	\$ -	\$ -	\$ 177,133
2% Foreign Fire Insurance	-	-	-	-	39,747	39,747
Intergovernmental	-	-	870,523	-	-	870,523
State grants	-	-	32,000	-	-	32,000
Federal grants	-	443,656	-	-	-	443,656
Investment income	1,415	1,142	57,173	-	39	59,769
Miscellaneous	5,836	-	2,161	-	-	7,997
Total revenues	184,384	444,798	961,857	-	39,786	1,630,825
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	40,147	40,147
Public works	-	-	294,856	-	-	294,856
Culture and recreation	-	-	-	-	-	-
Economic development	114,447	493,641	-	49,435	-	657,523
Residential and public improvements/ donations	-	-	-	-	-	-
Capital outlay	-	-	1,070,666	-	-	1,070,666
Debt Service						
Principal	85,537	-	-	-	-	85,537
Interest	10,925	-	-	-	-	10,925
Total expenditures	210,909	493,641	1,365,522	49,435	40,147	2,159,654
REVENUES OVER (UNDER) EXPENDITURES	(26,525)	(48,843)	(403,665)	(49,435)	(361)	(528,829)
OTHER FINANCING SOURCES (USES)						
Transfer in	-	-	-	237,150	-	237,150
Transfer out	-	-	-	-	-	-
Total other financing sources	-	-	-	237,150	-	237,150
NET CHANGE IN FUND BALANCE	(26,525)	(48,843)	(403,665)	187,715	(361)	(291,679)
FUND BALANCE (DEFICIT) - MAY 1, 2017 - ORIGINAL	248,216	1,102,315	3,462,507	(33,796)	-	4,779,242
PRIOR PERIOD ADJUSTMENT	-	110,546	31,554	-	27,989	170,089
FUND BALANCE (DEFICIT) - MAY 1, 2008 - RESTATED	248,216	1,212,861	3,494,061	(33,796)	27,989	4,949,331
FUND BALANCE - APRIL 30, 2018	\$ 221,691	\$ 1,164,018	\$ 3,090,396	\$ 153,919	\$ 27,628	\$ 4,657,652

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2018

	Tourism		HUD Metro Development		Motor Fuel Tax		TIF South Industrial Park Conservation Area		Foreign Fire Insurance Board	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES										
Taxes										
Hotel/Motel Tax	\$ 182,000	\$ 177,133	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2% Foreign Fire Insurance	-	-	-	-	-	-	-	-	-	39,747
Intergovernmental	-	-	9,000	-	875,000	870,523	-	-	-	-
State grants	-	-	-	-	-	32,000	-	-	-	-
Federal grants	-	-	350,000	443,656	-	-	-	-	-	-
Investment income	(500)	1,415	-	1,142	21,000	57,173	-	-	-	39
Other revenues	-	5,836	-	-	-	2,161	-	-	-	-
Total revenues	181,500	184,384	359,000	444,798	896,000	961,857	-	-	-	39,786
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	40,147
Public works	-	-	-	-	940,000	294,856	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Economic development	168,361	114,447	359,000	493,641	-	-	-	49,435	-	-
Residential and public improvements/ donations	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	1,100,000	1,070,666	-	-	-	-
Debt Service:										
Principal	88,170	85,537	-	-	-	-	-	-	-	-
Interest	8,292	10,925	-	-	-	-	-	-	-	-
Total expenditures	264,823	210,909	359,000	493,641	2,040,000	1,365,522	-	49,435	-	40,147
REVENUES OVER (UNDER) EXPENDITURES	(83,323)	(26,525)	-	(48,843)	(1,144,000)	(403,665)	-	(49,435)	-	(361)
OTHER FINANCING SOURCES (USES)										
Transfer in	-	-	-	-	-	-	-	237,150	-	-
Transfer to	-	-	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	237,150	-	-
NET CHANGES IN FUND BALANCE	\$ (83,323)	(26,525)	\$ -	(48,843)	\$ (1,144,000)	(403,665)	\$ -	187,715	\$ -	(361)
FUND BALANCE (DEFICIT) - MAY 1, 2017 - ORIGINAL		248,216		1,102,315		3,462,507		(33,796)		-
PRIOR PERIOD ADJUSTMENT		-		110,546		31,554		-		27,989
FUND BALANCE (DEFICIT) - MAY 1, 2008 - RESTATED		248,216		1,212,861		3,494,061		(33,796)		27,989
FUND BALANCE - APRIL 30, 2018		\$ 221,691		\$ 1,164,018		\$ 3,090,396		\$ 153,919		\$ 27,628

CITY OF PEKIN, ILLINOIS
CONBINNING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

April 30, 2018

	Economic Development Fund	Airport Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 32	\$ 32
Accounts receivable	-	105,108	105,108
Fuel inventory, at cost	-	21,766	21,766
Total current assets	-	126,906	126,906
Noncurrent assets:			
Loans receivable	3,120,309	-	3,120,309
Capital Assets:			
Construction in progress	-	54,718	54,718
Land and improvements	-	1,671,993	1,671,993
Buildings	-	494,561	494,561
Equipment	-	236,101	236,101
Less accumulated depreciation	-	(1,464,084)	(1,464,084)
Total capital assets, net	-	993,289	993,289
Total noncurrent assets	3,120,309	993,289	4,113,598
Total assets	3,120,309	1,120,195	4,240,504
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	2,293	2,760	5,053
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	3,122,602	1,122,955	4,245,557
LIABILITIES			
Current Liabilities			
Accounts payable	540	141,963	142,503
Accrued wages	-	1,342	1,342
Deferred revenue	-	7,127	7,127
Due to other funds	441,779	934,012	1,375,791
Compensated absences - current	2,697	1,404	4,101
Total OPEB liability - current	1,500	4,803	6,303
Total current liabilities	446,516	1,090,651	1,537,167
Noncurrent liabilities			
Compensated absences	1,949	1,059	3,008
Net pension liability - IMRF	8,952	10,775	19,727
Total OPEB liability	36,737	117,646	154,383
Total noncurrent liabilities	47,638	129,480	177,118
Total liabilities	494,154	1,220,131	1,714,285
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	16,043	19,311	35,354
Deferred inflows related to OPEB	14,181	45,415	59,596
Total deferred inflows of resources	30,224	64,726	94,950
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	524,378	1,284,857	1,809,235
NET POSITION (DEFICIT)			
Net investment in capital assets	-	993,289	993,289
Unrestricted	2,598,224	(1,155,191)	1,443,033
Total net position (deficit)	<u>\$ 2,598,224</u>	<u>\$ (161,902)</u>	<u>\$ 2,436,322</u>

See accompanying Independent Auditor's report.

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS

For the Year Ended April 30, 2018

	Economic Development Fund	Airport Fund	Total
OPERATING REVENUES			
Charges for services	\$ 293,030	\$ 181,628	\$ 474,658
OPERATING EXPENSES			
Personnel costs	91,182	116,640	207,822
Supplies	63	721	784
Other services and charges	66,776	328,339	395,115
Depreciation	-	50,014	50,014
Total operating expenditures	158,021	495,714	653,735
OPERATING INCOME (LOSS)	135,009	(314,086)	(179,077)
NONOPERATING REVENUES (EXPENSES)			
Gain (loss) on sale of capital assets	-	-	-
Investment income	340,257	-	340,257
Interest expense	(188,029)	-	(188,029)
Total nonoperating revenues	152,228	-	152,228
CHANGE IN NET POSITION BEFORE TRANSFERS	287,237	(314,086)	(26,849)
TRANSFERS			
Transfers out	-	(10,072)	(10,072)
Transfers in	-	-	-
Net transfers in (out)	-	(10,072)	(10,072)
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	287,237	(324,158)	(36,921)
CAPITAL CONTRIBUTIONS	-	137,296	137,296
CHANGES IN NET POSITION	287,237	(186,862)	100,375
NET POSITION, MAY 1 - ORIGINAL	2,360,797	190,356	2,551,153
PRIOR PERIOD ADJUSTMENT	(49,810)	(165,396)	(215,206)
NET POSITION, MAY 1 - RESTATED	2,310,987	24,960	2,335,947
NET POSITION (DEFICIT), APRIL 30	\$ 2,598,224	\$ (161,902)	\$ 2,436,322

See accompanying Independent Auditor's Report.

CITY OF PEKIN, ILLINOIS
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended April 30, 2018

	Economic Development Fund	Airport Fund	Total
Cash flows from operating activities			
Receipts from services and fees	\$ 293,030	\$ 188,755	\$ 481,785
Payments for personnel costs	(62,164)	(91,637)	(153,801)
Payments to vendors and suppliers	(66,786)	(205,889)	(272,675)
Net cash from operating activities	<u>164,080</u>	<u>(108,771)</u>	<u>55,309</u>
Cash flows from noncapital financing activities			
Net transfer out	-	(10,072)	(10,072)
Net cash received (paid) on interfund borrowing	(153,948)	239,672	85,724
Net cash from noncapital financing activities	<u>(153,948)</u>	<u>229,600</u>	<u>75,652</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	-	(164,303)	(164,303)
Grant receipts	-	(93,790)	(93,790)
Principal paid on bank loan	(8,551,265)	-	(8,551,265)
Interest paid on bank loans	(188,029)	-	(188,029)
Net cash from capital related activities	<u>(8,739,294)</u>	<u>(258,093)</u>	<u>(8,997,387)</u>
Cash flows from investing activities:			
Interest income	366,021	-	366,021
Principal received on loans receivable	8,363,141	-	8,363,141
Net cash from investing activities	<u>8,729,162</u>	<u>-</u>	<u>8,729,162</u>
Net increase (decrease) in cash	-	(137,264)	(137,264)
Cash and cash equivalent, beginning of year	-	-	-
Cash and cash equivalent, end of year	<u>\$ -</u>	<u>\$ (137,264)</u>	<u>\$ (137,264)</u>
Reconciliation of operating loss to net cash from operating activities:			
Operating income (loss)	\$ 135,009	\$ (314,086)	\$ (179,077)
Adjustments to reconcile operating loss to net cash from operating activities			
Depreciation	-	50,014	50,014
Changes in assets and liabilities:			
(Increase) decrease in receivables	-	-	-
(Increase) decrease in fuel inventory	-	(14,506)	(14,506)
(Increase) decrease in deferred outflows - IMRF	3,266	10,783	14,049
Increase (decrease) in accounts payable	53	137,677	137,730
Increase (decrease) in accrued wages	(939)	302	(637)
Increase (decrease) in deferred revenue	-	7,127	7,127
Increase (decrease) in compensated absences	(5,845)	(9,814)	(15,659)
Increase (decrease) in net pension liability - IMRF	(7,697)	(29,785)	(37,482)
Increase (decrease) in net OPEB liability	11,962	(3,024)	8,938
Increase (decrease) in deferred inflows - IMRF	15,554	18,120	33,674
Increase (decrease) in deferred outflows - OPEB	12,717	38,421	51,138
Net cash from operating activities	<u>\$ 164,080</u>	<u>\$ (108,771)</u>	<u>\$ 55,309</u>

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

April 30, 2018

	Vehicle Maintenance Fund	Employees Benefits Fund	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ -	\$ 74,402	\$ 74,402
Accounts receivable	4,407	28,960	33,367
Fuel inventory, at cost	24,028	-	24,028
Due from other funds	-	10,340	10,340
Total current assets	28,435	113,702	142,137
Noncurrent assets:			
Capital assets			
Equipment	73,521	-	73,521
Less accumulated depreciation	(70,603)	-	(70,603)
Total capital assets	2,918	-	2,918
Total assets	31,353	113,702	145,055
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	14,624	-	14,624
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	45,977	113,702	159,679
LIABILITIES			
Current Liabilities			
Accounts payable	38,181	3,108	41,289
Accrued wages	6,514	-	6,514
Retiree benefit premiums payable	-	358,811	358,811
Claims payable	-	581,378	581,378
Due to other funds	170,158	188,835	358,993
Compensated absences - current	22,590	-	22,590
Total OPEB liability - current	16,382	-	16,382
Total current liabilities	253,825	1,132,132	1,385,957
Noncurrent Liabilities			
Compensated absences	53,670	-	53,670
Net pension liability - IMRF	57,096	-	57,096
Total OPEB liability	401,258	-	401,258
Total noncurrent liabilities	512,024	-	512,024
Total liabilities	765,849	1,132,132	1,897,981
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	102,328	-	102,328
Deferred inflows related to OPEB	154,897	-	154,897
Total deferred inflows of resources	257,225	-	257,225
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	1,023,074	1,132,132	2,155,206
NET POSITION (DEFICIT)			
Net investment in capital assets	2,918	-	2,918
Restricted	-	-	-
Unrestricted	(980,015)	(1,018,430)	(1,998,445)
Total net position (deficit)	\$ (977,097)	\$ (1,018,430)	\$ (1,995,527)

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended April 30, 2018

	Vehicle Maintenance Fund	Employees Benefits Fund	Total
OPERATING REVENUES			
Charges for service	\$ 806,799	\$ 6,774,348	\$ 7,581,147
OPERATING EXPENSES			
Personnel costs	1,075,576	-	1,075,576
Cost of fuel and parts sold	535,008	-	535,008
Insurance claims and premiums paid	-	5,990,817	5,990,817
Other services and charges	79,985	624,116	704,101
Depreciation	3,478	-	3,478
Total operating expenses	1,694,047	6,614,933	8,308,980
OPERATING INCOME (LOSS)	(887,248)	159,415	(727,833)
NONOPERATING REVENUES (EXPENSES)			
Investment income	220	2,504	2,724
CHANGE IN NET POSITION	(887,028)	161,919	(725,109)
NET POSITION (DEFICIT) - MAY 1 - ORIGINAL	82,185	(1,180,349)	(1,098,164)
PRIOR PERIOD ADJUSTMENT	(172,254)	-	(172,254)
NET POSITION (DEFICIT) - MAY 1 - RESTATED	(90,069)	(1,180,349)	(1,270,418)
NET POSITION (DEFICIT) - APRIL 30	\$ (977,097)	\$ (1,018,430)	\$ (1,995,527)

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year Ended April 30, 2018

	Vehicle Maintenance Fund	Employees Benefit Fund	Total
Cash flows from operating activities			
Receipts from services	\$ 805,032	\$ 6,774,348	\$ 7,579,380
Payments for personnel costs	(449,452)	(5,434,838)	(5,884,290)
Payments to vendors and suppliers	(594,171)	(639,866)	(1,234,037)
Net cash from operating activities	(238,591)	699,644	461,053
Cash flows from non capital financing activities			
Transfers in (out)	-	-	-
Net cash received (paid) on interfund borrowing	170,158	(627,746)	(457,588)
Net cash from non capital financing activities	170,158	(627,746)	(457,588)
Cash flows from investing activities:			
Investment income	220	2,504	2,724
Net increase (decrease) in cash	(68,213)	74,402	6,189
Cash and cash equivalent, May 1	68,213	-	68,213
Cash and cash equivalent, April 30	\$ -	\$ 74,402	\$ 74,402
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ (887,248)	\$ 159,415	\$ (727,833)
Adjustments to reconcile operating loss to net cash from operating activities:			
Depreciation	3,478	-	3,478
Changes in net assets and liabilities			
(Increase) decrease in accounts receivable	(1,767)	-	(1,767)
(Increase) decrease in inventories	(4,039)	-	(4,039)
(Increase) decrease in deferred outflows - IMRF	(8,985)	-	(8,985)
Increase (decrease) in accounts payable	24,861	(15,750)	9,111
Increase (decrease) in accrued wages	4,781	-	4,781
Increase (decrease) in accrued retiree benefit premiums	-	(25,399)	(25,399)
Increase (decrease) in claims payable	-	581,378	581,378
Increase (decrease) in compensated absences	(71,270)	-	(71,270)
Increase (decrease) in net pension liability - IMRF	40,206	-	40,206
Increase (decrease) in net OPEB liability	405,348	-	405,348
Increase (decrease) in deferred inflows - IMRF	101,832	-	101,832
Increase (decrease) in deferred outflows - OPEB	154,212	-	154,212
Net cash from operating activities	\$ (238,591)	\$ 699,644	\$ 461,053

CITY OF PEKIN, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

April 30, 2018

	Police Pension Trust	Fire Pension Trust	Total
ASSETS			
Cash and cash equivalents	\$ 88,271	\$ 75,458	\$ 163,729
Investments, at market value:			
Money market accounts	185,411	37,622	223,033
Money market mutual funds	803,148	230,651	1,033,799
Corporate obligations	1,156,807	1,341,869	2,498,676
U.S. Treasuries	7,667,385	5,766,836	13,434,221
Agency securities	1,142,468	1,058,116	2,200,584
Mortgage pools	214,260	117,217	331,477
State and municipal obligations	142,171	142,058	284,229
Stock equities	5,864,913	4,909,184	10,774,097
Equity mutual funds	15,250,121	11,867,036	27,117,157
Prepaid expenses	6,127	-	6,127
Accrued interest receivable	71,042	52,224	123,266
Due from primary government	-	72,080	72,080
TOTAL ASSETS	32,592,124	25,670,351	58,262,475
LIABILITIES			
Liabilities	10,981	32,557	43,538
TOTAL LIABILITIES	10,981	32,557	43,538
NET POSITION, RESTRICTED FOR PENSIONS	\$ 32,581,143	\$ 25,637,794	\$ 58,218,937

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

See accompanying Independent Auditor's Report.

CITY OF PEKIN, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

For the Year Ended April 30, 2018

	Police Pension Trust	Fire Pension Trust	Total
ADDITIONS			
Contributions:			
Employer	\$ 1,739,614	\$ 3,016,014	\$ 4,755,628
Plan members	461,643	398,356	859,999
Total contributions	<u>2,201,257</u>	<u>3,414,370</u>	<u>5,615,627</u>
Investment income (expenses):			
Net realized and unrealized appreciation (depreciation) in fair value	1,535,241	1,228,146	2,763,387
Interest and dividends	1,001,313	962,273	1,963,586
Investment expenses	(93,885)	(78,183)	(172,068)
Net investment income (expenses)	<u>2,442,669</u>	<u>2,112,236</u>	<u>4,554,905</u>
Total additions	<u>4,643,926</u>	<u>5,526,606</u>	<u>10,170,532</u>
DEDUCTIONS			
Benefit payments	2,449,821	3,592,450	6,042,271
Administrative expenses	106,368	27,451	133,819
Total deductions	<u>2,556,189</u>	<u>3,619,901</u>	<u>6,176,090</u>
CHANGE IN NET POSITION	<u>2,087,737</u>	<u>1,906,705</u>	<u>3,994,442</u>
NET POSITION RESTRICTED FOR PENSIONS, MAY 1	<u>30,493,406</u>	<u>23,731,089</u>	<u>54,224,495</u>
NET POSITION RESTRICTED FOR PENSIONS, APRIL 30	<u><u>\$ 32,581,143</u></u>	<u><u>\$ 25,637,794</u></u>	<u><u>\$ 58,218,937</u></u>

Attachment: 18-8100 Issued Annual Financial Report (2016 : Audits 2018 Sikich)

The accompanying notes are an integral part of these financial statements.



CITY OF PEKIN, ILLINOIS

**FINANCIAL REPORT AND REPORT ON
COMPLIANCE WITH PUBLIC ACT 85-1142**

**TAX INCREMENT FINANCING-
CENTRAL BUSINESS DISTRICT FUND**

For the Fiscal Year Ended
April 30, 2018

An abstract graphic composed of overlapping, semi-transparent geometric shapes, primarily triangles and polygons, in shades of gray and white, creating a complex, layered effect.

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Attachment: 18-8810 Issued TIF CBD Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS
TAX INCREMENT FINANCING-
CENTRAL BUSINESS DISTRICT FUND
TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditor's Report on Supplementary Information	1
Financial Statements:	
Balance Sheet.....	2
Statement of Revenues, Expenditures and Changes in Fund Balance.....	3
Notes to Financial Statements.....	4-6
Independent Auditor's Report on Compliance	7

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Honorable Mayor
Members of the City Council
City of Pekin, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Pekin, Illinois (City) as of and for the year ended April 30, 2018, which collectively comprise the basic financial statements of the City, and have issued our report thereon dated January 27, 2020, which, based on our audit, expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying supplementary information presents only the Tax Increment Financing-Central Business District Fund and is not intended to present fairly the financial position and changes in financial position of the City in conformity with accounting principles generally accepted in the United States of America.

Sikich LLP

Springfield, Illinois
January 27, 2020

Attachment: 18-8810 Issued TIF CBD Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

BALANCE SHEET

TAX INCREMENT FINANCING- CENTRAL BUSINESS DISTRICT FUND

April 30, 2018

ASSETS

Current Assets:

Cash and cash equivalents	\$ 2,410,977
Property tax receivable	508,992
Due from other funds	<u>1,346,755</u>
Total current assets	<u>4,266,724</u>

Noncurrent Assets

Economic development loans receivable	<u>32,892</u>
---------------------------------------	---------------

TOTAL ASSETS\$ 4,299,616**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND FUND BALANCES****LIABILITIES**

Accounts Payable	<u>\$ 612,069</u>
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DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes	<u>508,992</u>
--------------------------------------	----------------

FUND BALANCES

Restricted for economic development	<u>3,178,555</u>
Total fund balances	<u>3,178,555</u>

**TOTAL LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND FUND BALANCES**\$ 4,299,616

Attachment: 18-8810 Issued TIF CBD Report (2016 : Audits 2018 Sikich)

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

TAX INCREMENT FINANCING- CENTRAL BUSINESS DISTRICT FUND

For the Year Ended April 30, 2018

REVENUES

Property taxes	\$ 497,400
Investment income	27,560
Miscellaneous revenue	550
Total revenues	<u>525,510</u>

EXPENDITURES

Current	
Administration	28,500
Economic Development:	
Property improvements and maintenance	137,079
Loans forgiven	37,639
Total expenditures	<u>203,218</u>

**EXCESS OF REVENUES OVER
EXPENDITURES BEFORE OTHER
FINANCING SOURCES (USES)**322,292**OTHER FINANCING SOURCES (USES)**

Transfers out	<u>(281,753)</u>
Total other financing sources (uses)	<u>(281,753)</u>

NET CHANGE IN FUND BALANCE40,539**FUND BALANCE - BEGINNING**

3,742,601

PRIOR PERIOD ADJUSTMENT(604,585)**FUND BALANCE - BEGINNING - RESTATED**3,138,016**FUND BALANCE - ENDING**\$ 3,178,555

Attachment: 18-8810 Issued TIF CBD Report (2016 : Audits 2018 Sikich)

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS
TAX INCREMENT FINANCING- CENTRAL BUSINESS DISTRICT FUND

NOTES TO FINANCIAL STATEMENTS

April 30, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Tax Increment Financing-Central Business District Fund (the TIF-CBD Fund) is a separate special revenue fund of the City of Pekin, Illinois (City). It is included in the governmental activities in the Statement of Net Position and Statement of Activities of the City's financial statements. These financial statements present only the TIF-CBD Fund and are not intended to present fairly the financial position and results of operations of the City in conformity with accounting principles generally accepted in the United States of America.

The City established the TIF-CBD Fund by Ordinances dated November 11, 1986 pursuant to the Illinois Tax Allocation Redevelopment Act. The purpose of the fund is to account for resources and expenditures arising in connection with redevelopment of a certain designated project area pursuant to a plan for redevelopment. The Fund was due to expire in 2009. In 2005 the State of Illinois, through the legislative process, extended the real estate tax exemption to the year 2021 . On June 28, 2004 the City of Pekin passed an ordinance extending the sales tax provisions through the year 2013. Those sales tax provisions have expired and no additional extensions for sales tax revenue have been made.

B. Basis of Accounting

The TIF-CBD Fund financial statements are on a modified accrual basis of accounting, under which expenditures are recorded when the liability is incurred and revenues are recorded when received in cash unless susceptible to accrual or of a material amount and not received at the normal time of receipts. Property taxes are recognized as revenues in the year for which they are intended to finance.

C. Cash and cash equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

CITY OF PEKIN, ILLINOIS
TAX INCREMENT FINANCING-
CENTRAL BUSINESS DISTRICT FUND
NOTES TO FINANCIAL STATEMENTS

2. CASH AND CASH EQUIVALENTS

The TIF-CBD Fund follows the investment policy of the City. The City is allowed to make deposits public funds in accounts authorized by the Public Funds Deposit Act (30 ILCS 225).

Custodial credit risk on deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits that are in the possession of an outside party. The City's investment policy requires that deposits with financial institutions be collateralized at 100 percent of the value of the deposit.

3. PROPERTY TAXES

The annual tax levy ordinance for 2016 tax received during fiscal year 2018 was passed December 2016. The first installment of property taxes is due to the County Collector on July 1 and the second installment is due to the County Collector on September 1. Significant amounts of property taxes for 2016 were distributed in July, September and November of 2017 and are recorded as revenue in fiscal year 2018.

The 2017 taxes are intended to finance the 2019 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable revenue. The 2018 tax levy has not been recorded as a receivable at April 30, 2018. Although the tax attached as a lien on property as of January 1, 2018, the tax will not be levied until December 2018, and, accordingly, is not measurable at April 30, 2018.

2. REDEVELOPMENT LOAN/GRANT PROGRAMS

During fiscal year 2011 the City began a redevelopment loan program for buildings located within the TIF-CBD boundaries. The program involves matching loans for viable commercial retail use on first and upper story floors. Principal and interest payments are forgiven if the property owner meets certain requirements related to upkeep and maintenance of the property.

The City also began a building facade and interior revitalization grant program whereby property owners may receive a grant to fund a portion of the costs of improvements to a building. The property must be located within the TIF-CBD boundaries.

The following activities took place involving the loan and grant programs during fiscal year 2018:

Loan Balances 4/30/2017	Loans Made in FY18	Loans Forgiveness in FY18	Loan Balances 4/30/2018
<u>\$ 70,531</u>	<u>\$ -</u>	<u>\$ 37,639</u>	<u>\$ 32,892</u>

CITY OF PEKIN, ILLINOIS
TAX INCREMENT FINANCING-
CENTRAL BUSINESS DISTRICT FUND
NOTES TO FINANCIAL STATEMENTS

3. PRIOR PERIOD ADJUSTMENTS

During the fiscal year, the TIF-CBD Fund recorded prior period adjustments to recognize accounts payable related to prior periods.

Net position, May 1, 2017 (as previously reported)	\$ 3,742,601
Restatement: Accounts payable	(604,585)
Net position, May 1, 2017 (as restated)	<u>\$ 3,138,016</u>

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INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor
Members of the City Council
City of Pekin, Illinois

We have examined management's assertion that the City of Pekin, Illinois (City) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2018 for the Tax Increment Financing-Central Business District Fund. Management is responsible for the City's assertion. Our responsibility is to express an opinion on management's assertion about the City's compliance with the specific requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with statutory requirements.

In our opinion, management's assertion that the City complied with the aforementioned requirements for the year ended April, 2018 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Mayor, City Council, management of the City, Illinois State Comptroller's Office and the joint review boards. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Springfield, Illinois
January 27, 2020

Attachment: 18-8810 Issued TIF CBD Report (2016 : Audits 2018 Sikich)



CITY OF PEKIN, ILLINOIS

**FINANCIAL REPORT AND REPORT ON
COMPLIANCE WITH PUBLIC ACT 85-1142**

**TAX INCREMENT FINANCING –
SOUTH INDUSTRIAL PARK
CONSERVATION AREA FUND**

For the Fiscal Year Ended
April 30, 2018



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Attachment: 18-8812 Issued TIF SIPCA Report (2016 : Audits 2018 Sikich)

**CITY OF PEKIN, ILLINOIS
TAX INCREMENT FINANCING –
SOUTH INDUSTRIAL PARK CONSERVATION AREA FUND
TABLE OF CONTENTS**

	<u>Page(s)</u>
Independent Auditor's Report on Supplementary Information	1
Financial Statements:	
Balance Sheet.....	2
Statement of Revenues, Expenditures and Changes in Fund Balance.....	3
Notes to Financial Statements.....	5
Independent Auditor's Report on Compliance	6

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Honorable Mayor
Members of the City Council
City of Pekin, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Pekin, Illinois (City) as of and for the year ended April 30, 2018, which collectively comprise the basic financial statements of the City, and have issued our report thereon dated January 27, 2020, which, based on our audit, expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information (Balance Sheet, Schedule of Revenues, Expenditures and Changes in Fund Balance) is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying supplementary information presents only the Tax Increment Financing – South Industrial Park Conservation Area Fund and is not intended to present fairly the financial position and changes in financial position of the City in conformity with accounting principles generally accepted in the United States of America.

Sikich LLP

Springfield, Illinois
January 27, 2020

Attachment: 18-8812 Issued TIF SIPCA Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

BALANCE SHEET

TAX INCREMENT FINANCING -
SOUTH INDUSTRIAL PARK
CONSERVATION AREA FUND

April 30, 2018

ASSETS

Current Assets:

Cash	\$ 158,984
Property tax receivable	<u>8,767</u>

TOTAL ASSETS	\$ 167,751
---------------------	-------------------

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND FUND BALANCES****LIABILITIES**

Accounts Payable	<u>\$ 5,065</u>
------------------	-----------------

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes	<u>8,767</u>
--------------------------------------	--------------

FUND BALANCES

Restricted for economic development	<u>153,919</u>
-------------------------------------	----------------

**TOTAL LIABILITIES, DEFERRED INFLOWS
OF RESOURCES AND FUND BALANCES**

\$ 167,751

Attachment: 18-8812 Issued TIF SIPCA Report (2016 : Audits 2018 Sikich)

See accompanying Independent Auditor's Report.

CITY OF PEKIN, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCETAX INCREMENT FINANCING-
SOUTH INDUSTRIAL PARK
CONSERVATION AREA FUND

For the Year Ending April 30, 2018

REVENUES

None	\$ -
------	------

EXPENDITURES

Current

Economic development:

Property improvements and maintenance	49,435
---------------------------------------	--------

Total expenditures	<u>49,435</u>
--------------------	---------------

**EXCESS OF REVENUES OVER
EXPENDITURES BEFORE OTHER
FINANCING SOURCES (USES)**

	<u>(49,435)</u>
--	-----------------

OTHER FINANCING SOURCES (USES)

Transfers in

	<u>237,150</u>
--	----------------

Total other financing sources (uses)

	<u>237,150</u>
--	----------------

NET CHANGE IN FUND BALANCE

	187,715
--	---------

FUND BALANCE (DEFICIT) - BEGINNING

	<u>(33,796)</u>
--	-----------------

FUND BALANCE - ENDING

	<u>\$ 153,919</u>
--	-------------------

Attachment: 18-8812 Issued TIF SIPCA Report (2016 : Audits 2018 Sikich)

See accompanying Independent Auditor's Report.

**CITY OF PEKIN, ILLINOIS
TAX INCREMENT FINANCING –
SOUTH INDUSTRIAL PARK CONSERVATION AREA FUND**

NOTES TO FINANCIAL STATEMENTS

April 30, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Tax Increment Financing – South Industrial Park Conservation Area Fund (the TIF-SIPCA Fund) is a separate special revenue fund of the City of Pekin, Illinois (City). It is included in the governmental activities in the Statement of Net Position and Statement of Activities of the City's financial statements. These financial statements present only the TIF-SIPCA Fund and are not intended to present fairly the financial position and results of operations of the City in conformity with accounting principles generally accepted in the United States of America.

The City established the TIF-SIPCA Fund by Ordinances dated October 22, 2012 pursuant to the Illinois Tax Allocation Redevelopment Act. The purpose of the fund is to account for resources and expenditures arising in connection with redevelopment of a certain designated project area pursuant to a plan for redevelopment.

B. Basis of Accounting

The TIF-SIPCA Fund financial statements are on a modified accrual basis of accounting, under which expenditures are recorded when the liability is incurred and revenues are recorded when received in cash unless susceptible to accrual or of a material amount and not received at the normal time of receipts. Property taxes are recognized as revenues in the year for which they are intended to finance.

C. Cash and cash equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. CASH AND CASH EQUIVALENTS

The TIF-SIPCA Fund follows the investment policy of the City. The City is allowed to make deposits public funds in accounts authorized by the Public Funds Deposit Act (30 ILCS 225).

Custodial credit risk on deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits that are in the possession of an outside party. The City's investment policy requires that deposits with financial institutions be collateralized at 100 percent of the value of the deposit.

**CITY OF PEKIN, ILLINOIS
TAX INCREMENT FINANCING –
SOUTH INDUSTRIAL PARK CONSERVATION AREA FUND
NOTES TO FINANCIAL STATEMENTS**

3. PROPERTY TAXES

The annual tax levy ordinance for 2016 tax received during fiscal year 2018 was passed December 2016. The first installment of property taxes is due to the County Collector on July 1 and the second installment is due to the County Collector on September 1. Significant amounts of property taxes for 2016 were distributed in July, September and November of 2017 and are recorded as revenue in fiscal year 2018.

The 2017 taxes are intended to finance the 2019 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable revenue. The 2018 tax levy has not been recorded as a receivable at April 30, 2018. Although the tax attached as a lien on property as of January 1, 2018, the tax will not be levied until December 2018, and, accordingly, is not measurable at April 30, 2018.

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INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor
Members of the City Council
City of Pekin, Illinois

We have examined management's assertion that the City of Pekin, Illinois (City) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2018 for the Tax Increment Financing – South Industrial Park Conservation Area Fund. Management is responsible for the City's assertion. Our responsibility is to express an opinion on management's assertion about the City's compliance with the specific requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with statutory requirements.

In our opinion, management's assertion that the City complied with the aforementioned requirements for the year ended April, 2018 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Mayor, City Council, management of the City, Illinois State Comptroller's Office and the joint review boards. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Springfield, Illinois
January 27, 2020

Attachment: 18-8812 Issued TIF SIPCA Report (2016 : Audits 2018 Sikich)



TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER
FINANCIAL STATEMENTS

For the Fiscal Year Ended April 30, 2018

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Attachment: 18-8820 Issued TPCCC Report (2016 : Audits 2018 Sikich)

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER
TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	1-3
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	4
Statement of Revenues, Expenses and Changes in Net Position	5
Statement of Cash Flows	6
Notes to Financial Statements	7-16
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Employer Contributions	17
Schedule of Changes in Employer’s Net Pension	
Liability and Related Ratios	18

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Tazewell/Pekin Consolidated
Communications Center

We have audited the accompanying financial statements of Tazewell/Pekin Consolidated Communications Center (the Center), a component unit of the City of Pekin, Illinois (the City), as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The Center has not adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Benefits Other Than Pensions*. In accordance with GASB Statement No. 45, accounting principles generally accepted in the United States of America requires accrual-basis measurement and recognition of OPEB cost (expense) over a period that approximates employees' years of service and provides information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. The amount by which this departure would affect the liabilities, net position, and expense of the Center has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of April 30, 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Substantial Doubt about the Center's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Center will continue as a going concern. As discussed in Note 8 to the financial statements, the State of Illinois passed a public act requiring the County of Tazewell to reduce the number of public safety answering points (PSAPs) by at least 50% or 2 PSAPs, whichever is greater. In an effort to reduce the number of public safety answering points in the County of Tazewell from four to two the Center dissolved effective June 30, 2018. The financial statements do not include any adjustments that result from the outcome of this matter. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Management has omitted the management's discussion and analysis, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Restatement

The financial statements of the Center as of and for the year ended April 30, 2017, were audited by other auditors whose report dated October 31, 2017, expressed an unmodified opinion on those financial statements. As discussed in Note 7 to the financial statements, the Center has restated its fiscal year 2017 financial statements during the current year to properly report the net pension liability, pension related deferred inflows and outflows of resources, and notes payable, in accordance with accounting principles generally accepted in the United States of America. The other auditors reported on the financial statements before the restatement. As part of our audit of the 2018 financial statements, we also audited the adjustments described in Note 7 that were applied to restate the 2017 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2017 financial statements of the Center other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2017 financial statements as a whole.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Tazewell/Pekin Consolidated Communications Center and do not purport and do not, present fairly the financial position of the City of Pekin, Illinois as of April 30, 2018, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich LLP

Springfield, Illinois
January 27, 2020

BASIC FINANCIAL STATEMENTS

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER

STATEMENT OF NET POSITION

April 30, 2018

	2018
ASSETS	
Current Assets:	
Cash	\$ 656,154
Accounts receivable	2,250
Total current assets	<u>658,404</u>
Noncurrent assets:	
Capital Assets	
Building improvements	44,357
Office equipment	182,336
Communications equipment	1,592,519
Less accumulated depreciation	<u>(1,693,442)</u>
Net capital assets	<u>125,770</u>
Net pension asset	<u>862,191</u>
Total noncurrent assets	<u>987,961</u>
Total assets	<u>1,646,365</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow, pensions	<u>163,167</u>
Total deferred outflows of resources	<u>163,167</u>
Total assets and deferred outflows of resources	<u>1,809,532</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	73,599
Accrued wages	24,931
Total current liabilities	<u>98,530</u>
Total liabilities	<u>98,530</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow, pensions	<u>741,614</u>
Total deferred inflows of resources	<u>741,614</u>
NET POSITION	
Net investment in capital assets	125,770
Unrestricted	843,618
Total net position	<u>\$ 969,388</u>

See accompanying notes to financial statements.

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended April 30, 2018

	2018
OPERATING REVENUES	
City of Pekin	\$ 883,364
Tazewell County	496,068
Other governmental entities	361,500
Private business	52,824
Other revenues	22,161
Total operating revenues	<u>1,815,917</u>
OPERATING EXPENSES	
Salaries and employees benefits	1,367,772
Administrative and equipment costs	147,499
Depreciation	27,068
Total operating expenses	<u>1,542,339</u>
Net operating income	<u>273,578</u>
NON-OPERATING REVENUE (EXPENSES)	
Interest earnings	8,716
Interest expense	(1,251)
Total non-operating revenue (expenses)	<u>7,465</u>
CHANGE IN NET POSITION	<u>281,043</u>
NET POSITION, BEGINNING OF YEAR	580,512
PRIOR PERIOD ADJUSTMENTS	<u>107,833</u>
NET POSITION, BEGINNING OF YEAR, AS RESTATED	<u>688,345</u>
NET POSITION, END OF YEAR	<u><u>\$ 969,388</u></u>

Attachment: 18-8820 Issued TPCCC Report (2016 : Audits 2018 Sikich)

See accompanying notes to financial statements.

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER

STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2018

	2018
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from services	\$ 1,822,007
Payments for personal services	(1,540,911)
Payments to vendors and suppliers	(111,709)
Net cash from operating activities	<u>169,387</u>
CASH FLOWS FROM CAPITAL RELATED ACTIVITIES	
Principal paid on loan	(69,163)
Interest paid on loan	(1,251)
Net cash from capital related activities	<u>(70,414)</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES	
Interest income	<u>8,716</u>
Net cash from investing activities	<u>8,716</u>
Net increase (decrease) in cash	<u>107,689</u>
Cash, beginning of year	<u>548,465</u>
Cash, end of year	<u>656,154</u>
Reconciliation of operating income to net cash from operating activities:	
Net operating income	273,578
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation	27,068
Changes in operating assets and liabilities	
Accounts receivable	6,090
Net pension asset	(878,459)
Deferred outflows	348,094
Accounts payable	35,790
Accrued wages	6,772
Deferred inflows	350,454
Net cash from operating activities	<u><u>169,387</u></u>

See accompanying notes to financial statements.

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER**NOTES TO FINANCIAL STATEMENTS**

April 30, 2018

1. SUMMARY OF ACCOUNTING POLICIES

The financial statements of Tazewell/Pekin Consolidated Communications Center (the Center), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting practices. The more significant of the Center's accounting policies are described below.

A. Reporting Entity

Tazewell/Pekin Consolidated Communications Center (the "Center") is a cooperative venture established by the City of Pekin, Illinois and the County of Tazewell, Illinois established as a nonprofit corporation formed under the General Not-for-Profit Corporation Act of the State of Illinois. The Center was primarily organized for the establishment, operation, and maintenance of a joint public safety communications system for the mutual benefits of the City of Pekin and County of Tazewell. For financial reporting purposes, the City of Pekin considers the Center a discretely presented component unit and is reported in the City's financial statements.

The Board of Directors of the Center consists of the Mayor of the City of Pekin, the Chairman of the Tazewell County Board, the Sheriff of Tazewell County, and the City of Pekin Chief of Police. The Board of Directors determine the general policies of the Center and make all administrative decisions concerning the development, efforts, operations, cost sharing, expenditure approval, and utilization of personnel and equipment of the Center subject to the purposes of the Center, the policies set for the Center, and the budget limits of the Center fixed by the annual budget adopted by the Board of Directors.

B. Financial Statement Presentation

Pursuant to GASB Statement 34, Paragraph 138, Reporting by Special-purpose Governments Engaged Only in Business-type Activities, the Center presents only financial statements that are required for enterprise funds. Further required supplementary information is limited to areas appropriate in such circumstances.

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement

The economic resources measurement focus and the accrual basis of accounting are used by the Center. Under this basis of accounting, all assets and all liabilities associated with the operation of the Center are included on the statement of net position. Revenue is recognized when earned and expenses are recognized when the liability has been incurred.

D. Capital Assets

Capital assets, which include property, plant and equipment, are defined by the Center as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Improvements and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Years</u>
Building improvements	30
Office equipment	10
Communications equipment	10

E. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Center recognizes deferred outflows and inflows of resources related to the net pension liability associated with the implementation of GASB Statement No. 68.

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

F. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used for acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

G. Revenues and Expenses

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Center's principal ongoing operations. Principal Center operating revenues are from public safety communications services. Operating expenses include salaries and benefits, administrative and equipment costs, and depreciation. Nonoperating revenues and expenses include interest earning and interest expense.

H. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

2. CASH

The Center has not developed or implemented a written investment policy as of April 30, 2018.

Custodial credit risk on deposits is the risk that, in the event of the failure of a depository financial institution, the Center will not be able to recover deposits that are in the possession of an outside party. As of April 30, 2018, the Center maintained deposits in excess of \$250,000 at one financial institution. However, the Centers funds are fully FDIC insured through the financial institution's Insured Cash Sweep Account Service. The Center does not have a formal policy for custodial credit risk.

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS

Capital assets activity for the year ended April 30, 2018 is as follows:

	Balance April 30, 2017	Additions	Disposals	Balance April 30, 2018
Capital assets being depreciated:				
Building improvements	\$ 44,357	\$ -	\$ -	\$ 44,357
Office equipment	182,336	-	-	182,336
Communications equipment	1,592,519	-	-	1,592,519
Total	1,819,212	-	-	1,819,212
Less accumulated depreciation:				
Building improvements	20,864	1,479	-	22,343
Office equipment	182,336		-	182,336
Communications equipment	1,463,174	25,589	-	1,488,763
Total	1,666,374	27,068	-	1,693,442
Capital assets, net	\$ 152,838	\$ (27,068)	\$ -	125,770

4. NOTE PAYABLE

On March 4, 2017 the Center signed a promissory note with Morton Community Bank. This note finalized a previous open line of credit that was used to finance the construction of a new microwave communications tower. The loan amount was for \$92,944. The promissory note required nine monthly payments of \$4,000 each beginning April 4, 2017 and an estimated principal payment of \$49,190 due on January 4, 2018. Interest rate on the note is 4%. The note was paid in full as of April 30, 2018.

5. PENSION PLAN

Plan Description

The Center's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not for individual employers. That report may be obtained on-line at www.imrf.org.

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)

5. PENSION PLAN (Continued)

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, IMRF membership consisted of:

	2017
Retirees and beneficiaries currently receiving benefits	7
Inactive, non-retired members	11
Active plan members	18
TOTAL	36

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Contributions

As set by statute, the Center's plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar years 2018 and 2017 was 6.30% and 13.72%, respectively, of payroll. The Center also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, with supplemental retirement benefits rate being set by statute.

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)

5. PENSION PLAN (Continued)

Net Pension Liability

The Center's net pension liability was measured as of December 31, 2017. The total pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine the total pension liability as of December 31, 2017.

Actuarial valuation date	December 31, 2017
Asset valuation method	Market Value of Assets
Actuarial cost method	Entry Age Normal
Price inflation	2.50%
Salary increases	3.39% to 14.25%
Investment rate of return	7.50%

Retirement Age - Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Mortality - For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)

5. PENSION PLAN (Continued)

Single Discount Rate

A single discount rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made rates equal to the difference between actuarially determine contribution rates and the member rate. The single discount rate reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability.

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at January 1, 2017	\$ 5,501,911	\$ 5,485,643	\$ 16,268
Changes for the period:			
Service cost	89,468	-	89,468
Interest	410,639	-	410,639
Difference between expected and actual experience	(152,032)	-	(152,032)
Changes in assumptions	(134,734)	-	(134,734)
Employer contributions	-	125,482	(125,482)
Employee contributions	-	77,423	(77,423)
Net investment income	-	893,724	(893,724)
Benefit payments and refunds	(142,916)	(142,916)	-
Other	-	(4,829)	4,829
Net changes	70,425	948,884	(878,459)
Balances at December 31, 2017	\$ 5,572,336	\$ 6,434,527	\$ (862,191)

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)

5. PENSION PLAN (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Center calculated using the discount rate of 7.50% as well as what the Center's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ (60,301)	\$ (862,191)	\$ (1,516,815)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2018, the Center reported recognized pension expense of \$(72,086). At April 30, 2018, the Center reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 140,627	\$ 374,582
Changes in assumption	-	106,051
Net difference between projected and actual earnings on pension plan investments	-	260,981
Contributions made after measurement date	22,540	-
TOTAL	\$ 163,167	\$ 741,614

\$22,450 reported as deferred outflows of resources related to pensions resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2019.

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)

5. PENSION PLAN (Continued)

*Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources
(Continued)*

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year ended April 30,</u>	
2019	\$ (136,713)
2020	(155,756)
2021	(160,369)
2022	(148,149)
2023	-
Thereafter	-
	<u> </u>
TOTAL	<u><u>\$ (600,987)</u></u>

6. RISK MANAGEMENT

The Center is exposed to various risks of loss related to theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health, and natural disasters. These risks are covered by insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage during the fiscal year or the prior three fiscal years.

7. PRIOR PERIOD ADJUSTMENTS

During the fiscal year, the Center recorded prior period adjustments to recognize the effect of recording the net pension liability and related deferred inflows and outflows of resources in accordance with GASB Statement No. 68 and to restate the beginning balance of a note payable.

Net position, May 1, 2017 (as previously reported)	\$ 580,512
Restatement: GASB Statement No. 68	103,883
Restatement: Note payable	4,000
Net position, May 1, 2017 (as restated)	<u><u>\$ 688,345</u></u>

8. SUBSEQUENT EVENT/GOING CONCERN

On June 29, 2015, the State of Illinois passed Public Act 99-0006 requiring all counties with populations of less than 250,000 that have a single Emergency Telephone System Board (ETSB) and more than two public safety answering points ("PSAPs"), to reduce the number of PSAPs by at least 50% or two PSAPs, which ever is greater. There are currently four PSAPs in Tazewell County, including the Center. The ETSB receive an extension until July 1, 2019 to consolidate to two PSAPs.

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)

8. SUBSEQUENT EVENT/GOING CONCERN (Continued)

The City of Pekin, City of East Peoria, City of Washington, Village of Morton, Tazewell County, Tazewell County Sheriff, and the Tazewell County ETSB determined that it was in the best interest of each party to enter into an intergovernmental agreement to consolidate the number of PSAPs and to establish that two PSAPs shall serve all persons residing within Tazewell County. The parties further agreed that the Center be dissolved effective June 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Fiscal Years

FISCAL YEAR ENDING APRIL 30	2018	2017	2016
Actuarially determined contribution	\$ 104,863	\$ 88,443	\$ 78,025
Contributions in relation to the actuarially determined contribution	<u>104,863</u>	<u>88,443</u>	<u>78,025</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 957,801	\$ 884,888	\$ 830,856
Contributions as a percentage of covered-employee payroll	10.95%	9.99%	9.39%

Notes to schedule:

The information presented was determined as part of the actuarial valuations as of December 31 of the prior year. Information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 26 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

See accompanying notes to financial statements.

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Calendar Years

MEASUREMENT DATE DECEMBER 31	2017	2016	2015
TOTAL PENSION LIABILITY			
Service cost	\$ 89,468	\$ 93,684	\$ 78,179
Interest	410,639	421,862	367,720
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(152,032)	(527,405)	406,496
Changes of assumptions	(134,734)	-	-
Benefit payments, including refunds of member contributions	(142,916)	(128,436)	(148,076)
	70,425	(140,295)	704,319
Total pension liability - beginning	5,501,911	5,642,206	4,937,887
TOTAL PENSION LIABILITY - ENDING	\$ 5,572,336	\$ 5,501,911	\$ 5,642,206
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 125,482	\$ 66,562	\$ 93,640
Contributions - member	77,423	37,724	41,827
Net investment income	893,724	347,495	25,895
Benefit payments, including refunds of member contributions	(142,916)	(128,436)	(148,076)
Administrative expense	(4,829)	-	-
Other income (expense)	-	127,238	(163,498)
	948,884	450,583	(150,212)
Plan fiduciary net position - beginning	5,485,643	5,035,060	5,185,272
PLAN FIDUCIARY NET POSITION - ENDING	\$ 6,434,527	\$ 5,485,643	\$ 5,035,060
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ (862,191)	\$ 16,268	\$ 607,146
Plan fiduciary net position as a percentage of the total pension liability	115.47%	99.70%	89.24%
Covered payroll	\$ 914,596	\$ 838,303	\$ 926,798
Employer's net pension liability (asset) as a percentage of covered-employee payroll	(94.27%)	1.94%	65.51%

Year Ended December 31, 2017 - Changes in assumptions related to price inflation, salary increases, retirement age and mortality were made since the prior measurement date. Price inflation and salary increases decreased from 2.75% and 3.75% - 14.50% to 2.50% and 3.39% - 14.25%, respectively. Retirement age assumptions were updated from the 2014 valuation pursuant to an experience study of the period 2011-2013 to the 2017 valuation pursuant to an experience study of the period 2014-2016. Mortality assumptions were updated to include mortality improvements as stated in the most recently released MP-2017 table.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

See accompanying notes to financial statements.



CITY OF PEKIN, ILLINOIS
LIBRARY FUND
(A Special Revenue Fund of the City of Pekin, Illinois)
FINANCIAL STATEMENTS

For the Fiscal Year Ended April 30, 2018

The background of the lower half of the page features a complex, abstract geometric pattern. It consists of numerous overlapping, semi-transparent triangles and polygons in various shades of gray, creating a sense of depth and architectural structure. The pattern is most dense on the left side and fades slightly towards the right.

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CITY OF PEKIN, ILLINOIS
LIBRARY FUND
TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	1-3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Governmental Fund	
Balance Sheet.....	6
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	7
Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	9
Notes to Financial Statements	10-17
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....	18-19
Notes to Required Supplementary Information	20

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and City Council
City of Pekin, Illinois

We have audited the accompanying financial statements of the Pekin Public Library Fund (Library Fund), a Special Revenue Fund of the City of Pekin, Illinois as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the Library Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Library Fund as of April 30, 2018, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Management has omitted the management's discussion and analysis, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Restatement

The financial statements of the Library Fund as of and for the year ended April 30, 2017, were audited by other auditors whose report dated November 7, 2017, expressed an unmodified opinion on those financial statements. As discussed in Note 7 to the financial statements, the Library Fund has restated its fiscal year 2017 financial statements during the current year to properly report certain balances in accordance with accounting principles generally accepted in the United States of America. The other auditors reported on the financial statements before the restatement. As part of our audit of the 2018 financial statements, we also audited the adjustments described in Note 7 that were applied to restate the 2017 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2017 financial statements of the Library Fund other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2017 financial statements as a whole.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Library Fund and do not purport and do not, present fairly the financial position of the City of Pekin, Illinois as of April 30, 2018, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich LLP

Springfield, Illinois
January 27, 2020

BASIC FINANCIAL STATEMENTS

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
STATEMENT OF NET POSITION

April 30, 2018

ASSETS

Cash and cash equivalents	\$ 385,563
Investments	399,923
Receivables	
Property Taxes	1,106,463
Grants	27,362
Due from primary government	20,184
Capital Assets	
Capital assets not being depreciated	164,640
Capital assets being depreciated, net	<u>7,995,754</u>
 Total assets	 <u>10,099,889</u>

LIABILITIES

Current liabilities	
Accounts payable	7,292
Accrued wages	15,163
Due to primary government	<u>2,265</u>
 Total liabilities	 <u>24,720</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes	<u>1,106,463</u>
--------------------------------------	------------------

NET POSITION

Net Investment in Capital Assets	8,160,394
Restricted	<u>808,312</u>

TOTAL NET POSITION

\$ 8,968,706

Attachment: 18-8830 Issued Library Fund Report (2016 : Audits 2018 Sikich)

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT					
Governmental Activities					
Culture and recreation	\$ 1,512,843	\$ 56,577	\$ 44,456	\$ -	\$ (1,411,810)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 1,512,843	\$ 56,577	\$ 44,456	\$ -	(1,411,810)
General Revenues:					
Taxes					
Property taxes					
					1,075,054
Replacement taxes					
					93,206
Investment Income					5,344
Transfers					(15,000)
Miscellaneous					29,976
Total					1,188,580
CHANGE IN NET POSITION					(223,230)
NET POSITION, MAY 1					9,564,738
PRIOR PERIOD ADJUSTMENT					(372,802)
NET POSITION - MAY 1 -RESTATED					9,191,936
NET POSITION, APRIL 30					\$ 8,968,706

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

BALANCE SHEET
GOVERNMENTAL FUND

April 30, 2018

	General Fund
ASSETS	
Cash and cash equivalents	\$ 385,563
Investments	399,923
Receivables:	
Property taxes	1,106,463
Grants	27,362
Due from primary government	20,184
	<u> </u>
Total Assets	<u><u>\$ 1,939,495</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
LIABILITIES	
Accounts payable	7,292
Accrued wages	15,163
Due to primary government	2,265
	<u> </u>
Total liabilities	<u>24,720</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	<u>1,106,463</u>
Total deferred inflows of resources	<u>1,106,463</u>
FUND BALANCES	
Restricted	<u>808,312</u>
Total fund balances	<u>808,312</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 1,939,495</u></u>

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

April 30, 2018

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 808,312
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	<u>8,160,394</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 8,968,706</u></u>

Attachment: 18-8830 Issued Library Fund Report (2016 : Audits 2018 Sikich)

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND

For the Year Ended April 30, 2018

	General Fund
REVENUES	
Property taxes	\$ 1,075,054
Replacement taxes	93,206
Charges for services, fines, and fees	56,577
Village of South Pekin revenue	11,985
State grants	44,456
Gifts and memorials	14,999
Investment earnings	5,344
Other	2,992
Total revenues	<u>1,304,613</u>
EXPENDITURES	
Current	
Culture and recreation	<u>1,294,030</u>
Total Expenditures	<u>1,294,030</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES	 10,583
OTHER FINANCING SOURCES (USES)	
Transfer out	<u>(15,000)</u>
NET CHANGE IN FUND BALANCE	<u>(4,417)</u>
FUND BALANCE, MAY 1	785,304
PRIOR PERIOD ADJUSTMENT	<u>27,425</u>
FUND BALANCE - MAY 1 -RESTATED	<u>812,729</u>
FUND BALANCE, APRIL 30	<u><u>\$ 808,312</u></u>

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO
THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (4,417)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities:	
Capital outlay	85,500
Depreciation	<u>(304,313)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (223,230)</u></u>

Attachment: 18-8830 Issued Library Fund Report (2016 : Audits 2018 Sikich)

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Library Fund, a special revenue fund of the City of Pekin, Illinois (City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting practices. The more significant of the Library Fund's accounting policies are described below.

A. Reporting Entity

The Library Fund is a fund of the City and is classified as a Special Revenue Fund. It is included in the governmental activities in the Statement of Net Position and Statement of Activities of the City's financial statements. These financial statements present only the Library Fund and are not intended to present fairly the financial position and results of operations of the City in conformity with accounting principles generally accepted in the United States of America.

Operations of the Pekin Public Library (the "Library") are governed by nine officials, appointed by the Mayor and the City of Pekin with approval of the City Council, designated as the Board of Trustees. Because it is not a legally separate entity, the Library is reported as a fund of the City. This report represents the financial activity of the Library for the year ended April 30, 2018.

B. Government-wide and Fund Financial Statements

The Library's basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information about the Library as a whole. The Library has one major governmental fund – the General Fund. Governmental activities are generally supported by taxes, intergovernmental revenues and other non-exchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants that purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
 NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Continued)

Fund financial statements of the reporting entity are for the General Fund, which is considered to be a separate accounting entity. This fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. The General Fund is organized into one major category: library services.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. In determining when to recognize intergovernmental revenue (grants and shared revenue), the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two bases for this revenue recognition. In one, monies are virtually unrestricted as to the purpose of expenditure and are nearly irrevocable; therefore, these amounts are recognized as revenue at the time of their receipt or earlier if they meet the criteria of availability. In the other, monies must be expended on the specific purpose or project before any amounts will be paid to the Library; therefore, revenue is recognized based upon the expenditures recorded.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay current liabilities. The Library considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Revenues susceptible to accrual include property taxes, interest revenue, and charges for services. Fines are not susceptible to accrual because generally they are measurable until received.

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value, except for nonnegotiable certificates of deposits which are recorded at cost, using quoted market prices. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

E. Capital Assets

Capital assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. Capital assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received. The Library records all capital items, which are individually greater than \$5,000, with a useful life of greater than one year, as capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital asset type are as follows:

Building and improvements	50 years
Furniture	20 years
Books	10 years

F. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
 NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Fund Balance/Net Position

In the government-wide financial statements, equity is classified as net position and is displayed in three components: 1) net investment in capital assets which consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets; 2) restricted net position which consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation; and 3) Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.” It is the Library’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Governmental fund equity is classified as fund balance. In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal action of the Board of Trustees, which is considered the highest level of decision making authority. Assigned fund balance represents amounts constrained by the Library’s intent to use them for a specific purpose but are neither restricted nor committed. Any residual fund balance is reported as unassigned. The Library’s flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first.

H. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
 NOTES TO FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS

The Library follows the investment policy of the City. The City is allowed to make deposits public funds in accounts authorized by the Public Funds Deposit Act (30 ILCS 225).

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits that are in the possession of an outside party. The City's investment policy requires that deposits with financial institutions be collateralized at 100 percent of the value of the deposit in excess of federal depository insurance coverage, with collateral held by the City or third party safekeeping institution, evidenced by a written safekeeping agreement.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Authority will not be able to recover the value of its investments that are in the possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions to be conducted on a delivery versus payment (DVP) basis, whereby the securities are deposited with the third-party custodian prior to the release of funds.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the City's investment policy, the City minimizes interest rate risk by limiting the City's portfolio to investments that have an average maturity of five years or less. In addition, the City's portfolio is to be managed to enable the City to have sufficient cash flow to meet normal operating requirements.

Credit risk is the risk that an entity in which an investment is held will not be able to honor the commitment to repay debt that is held as an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy does not address credit risk, except that commercial paper must be rated within two highest classifications by two standards rating services.

Concentration of credit risk is the risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In accordance with the Authority's investment policy, the City minimizes concentration of credit risk by diversifying to avoid unreasonable risks regarding specific security types and/or concentrations in individual institutions. In addition, the amount of deposits at any institution may not exceed 75% of the capital stock and surplus of the institution.

The City categorizes its fair value measurements within the fair value established by generally accepted accounting principles. The hierarchy of inputs are used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs. As of April 30, 2018, the Library's investments consisted of non-negotiable certificate of deposits not subject to fair value measurement.

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
NOTES TO FINANCIAL STATEMENTS

3. PROPERTY TAXES

The annual tax levy ordinance for 2016 tax received during fiscal year 2018 was passed December 2016. The first installment of property taxes is due to the County Collector on July 1 and the second installment is due to the County Collector on September 1. Significant amounts of property taxes for 2016 were distributed in July, September and November of 2017 and are recorded as revenue in fiscal year 2018.

The 2017 taxes are intended to finance the 2019 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable revenue. The 2018 tax levy has not been recorded as a receivable at April 30, 2018. Although the tax attached as a lien on property as of January 1, 2018, the tax will not be levied until December 2018, and, accordingly, is not measurable at April 30, 2018.

4. CAPITAL ASSETS

Capital assets activity for the year ended April 30, 2018 is as follows:

	Balance * April 30, 2017	Additions	Disposals	Balance April 30, 2018
Capital assets not being depreciated:				
Land	\$ 164,640	\$ -	\$ -	\$ 164,640
Capital assets being depreciated:				
Buildings	9,103,172	-	-	9,103,172
Furniture and equipment	668,672	-	-	668,672
Books	2,443,410	85,500	-	2,528,910
Total	12,215,254	85,500	-	12,300,754
Less accumulated depreciation:				
Buildings	1,809,509	182,063	-	1,991,572
Furniture and equipment	225,750	31,458	-	257,208
Books	1,965,428	90,792	-	2,056,220
Total	4,000,687	304,313	-	4,305,000
Total capital assets being depreciated, net	8,214,567	(218,813)	-	7,995,754
Capital assets, net	\$ 8,379,207	\$ (218,813)	\$ -	8,160,394

*restated

\$304,313 of depreciation expense was charged to the culture and recreation function in the statement of activities.

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
NOTES TO FINANCIAL STATEMENTS

5. RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The City belongs to the Illinois Municipal League Risk Management Fund, a public entity risk pool for general liability and workers compensation. Beginning in October 2017, the City began self-insurance for its employee health insurance. The City reports claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The Library participates in the City's self-funded health insurance plan and pays a monthly premium for health insurance costs.

Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

6. EXPENDITURES FROM SPECIAL ACCOUNTS

During the year the following expenditures were charged to line items that were budgeted as purchased from Gifts and Endowments:

Books, cassettes and CD's	\$ 1,909
Program costs	5,668
Furniture and fixtures	5,364
Supplies	1,033
Computer costs	1,702
Other	791
Repairs and maintenance	3,073
Total	<u>\$ 19,540</u>

During the year the following expenditures were charged to line items that were budgeted as purchased from Grant expenditures:

Electronic resources	\$ 21,922
Program costs	14,022
Supplies	1,250
Computer costs	378
Travel	3,613
Total	<u>\$ 41,185</u>

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
NOTES TO FINANCIAL STATEMENTS

7. PRIOR PERIOD ADJUSTMENTS

During the fiscal year, the Library Fund recorded prior period adjustments in the government-wide financial statements to recognize the effect of recording the following:

- To correct the effect of replacement taxes recorded in the incorrect period
- To restate the beginning balance of accumulated depreciation account for incorrect recording of depreciation in prior periods

Net position, May 1, 2017 (as previously reported)	\$ 9,564,738
Restatement: Replacement tax	27,425
Restatement: Depreciation	<u>(400,227)</u>
Net position, May 1, 2017 (as restated)	<u><u>\$ 9,191,936</u></u>

During the fiscal year, the Library Fund recorded a prior period adjustment in the governmental fund financial statements to recognize the effect of recording the following:

- To correct the effect of replacement taxes recorded in the incorrect period

Net position, May 1, 2017 (as previously reported)	\$ 785,304
Restatement: Replacement tax	<u>27,425</u>
Net position, May 1, 2017 (as restated)	<u><u>\$ 812,729</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended April 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Property Taxes	\$ 1,076,490	\$ 1,075,054	\$ (1,436)
Replacement taxes	106,000	93,206	(12,794)
Charges for services, fines, and fees	47,700	56,577	8,877
Village of South Pekin revenue	11,885	11,985	100
State grants	29,481	44,456	14,975
Gifts and memorials	12,000	14,999	2,999
Investment earnings	4,450	5,344	894
Other	4,000	2,992	(1,008)
Total revenues	<u>1,292,006</u>	<u>1,304,613</u>	<u>12,607</u>
EXPENDITURES			
Library services:			
Salaries	622,000	611,892	(10,108)
Payroll taxes	112,925	110,094	(2,831)
Group health insurance	120,000	119,765	(235)
Worker's compensation insurance	3,500	3,657	157
Books, periodicals, cassettes, etc.	139,275	163,801	24,526
Circulation system	24,500	23,870	(630)
ISP costs	3,100	3,072	(28)
Equipment rental, supplies, postage	39,800	36,045	(3,755)
Program costs	25,030	47,073	22,043
Repairs and maintenance	51,160	61,581	10,421
Utilities	48,500	45,546	(2,954)
Telephone	3,100	3,063	(37)
Insurance	15,000	14,671	(329)
Dues and subscriptions	1,800	1,772	(28)
Travel and conferences	3,700	6,912	3,212
Outside services	500	540	40
Computer costs	6,500	10,020	3,520
Equipment purchases	4,000	8,804	4,804
Capital development	550	6,762	6,212
Miscellaneous	12,000	15,090	3,090
Grant expenditures	27,166	-	(27,166)
Purchases from gifts and endowments	12,900	-	(12,900)
Total expenditures	<u>1,277,006</u>	<u>1,294,030</u>	<u>17,024</u>

(Continued)

Attachment: 18-8830 Issued Library Fund Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended April 30, 2018

**EXCESS (DEFICIENCY) OF REVENUES OVER
EXPENDITURES BEFORE OTHER
FINANCING SOURCES**

\$	15,000	\$	10,583	\$	(4,417)
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OTHER FINANCING SOURCES (USES)

Transfers out

(15,000)	(15,000)	-
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NET CHANGE IN FUND BALANCE

\$	-	(4,417)	\$	(4,417)
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FUND BALANCE - MAY 1, 2017

785,304

PRIOR PERIOD ADJUSTMENT

27,425

FUND BALANCE - MAY - RESTATED

812,729

FUND BALANCE - APRIL 30, 2018

\$	808,312
(Concluded)	

Attachment: 18-8830 Issued Library Fund Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

APRIL 30, 2018

Budget

In 1996 the City Council adopted procedures established by law which replaced the former appropriation ordinances process. The budget is required to be adopted before the beginning of the of the fiscal year to which it applies. The City of Pekin's annual budget and appropriation ordinances cover all funds of the City, including the Library, and is prepared on the modified accrual basis. Therefore, the statement of revenues and expenditures-budget and actual has been prepared on a basis consistent with and comparable to the legally adopted budget. Unexpended budget items lapse each year.

The budget may be changed in almost any manner and without public hearings at any time during the year pursuant to a two-thirds vote of the Council members. Further, they may delegate the power, by the same vote, to make changes within an appropriation to a budget officer.



CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
(An Enterprise Fund of the City of Pekin, Illinois)
FINANCIAL STATEMENTS

For the Fiscal Year Ended April 30, 2018

The background of the lower half of the page is an abstract geometric design. It features a series of overlapping, semi-transparent triangles and polygons in shades of gray and white, creating a complex, crystalline pattern. The overall effect is modern and architectural.

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Attachment: 18-8840 Issued Sewerage Fund Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	1-3
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	4-5
Statement of Revenues, Expenses and Changes in Net Position	6
Statement of Cash Flows	7
Notes to Financial Statements.....	8-21
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Employer Contributions.....	22
Schedule of Proportionate Share of the Net Pension Liability	23
Schedule of Proportionate Share of the Total OPEB Liability	24

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and City Council
City of Pekin, Illinois

We have audited the accompanying financial statements of the Sewerage Fund, an Enterprise Fund of the City of Pekin, Illinois as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the Sewerage Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Sewerage Fund as of April 30, 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Management has omitted the management's discussion and analysis, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Restatement

The financial statements of the Sewerage Fund as of and for the year ended April 30, 2017, were audited by other auditors whose report dated October 13, 2017, expressed an unmodified opinion on those financial statements. As discussed in Note 9 to the financial statements, the Sewerage Fund has restated its fiscal year 2017 financial statements during the current year to properly report certain balances in accordance with accounting principles generally accepted in the United States of America. The other auditors reported on the financial statements before the restatement. As part of our audit of the 2018 financial statements, we also audited the adjustments described in Note 9 that were applied to restate the 2017 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2017 financial statements of the Sewerage Fund other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2017 financial statements as a whole.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Sewerage Fund and do not purport and do not, present fairly the financial position of the City of Pekin, Illinois as of April 30, 2018, and the changes in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich LLP

Springfield, Illinois
January 27, 2020

BASIC FINANCIAL STATEMENTS

CITY OF PEKIN, ILLINOIS

SEWERAGE FUND

STATEMENT OF NET POSITION

April 30, 2018

ASSETS

Current assets:

Cash and cash equivalents	\$ 5,433,075
Accounts receivable	1,239,225
Other receivables	550,000
Due from primary government	14,369
Total current assets	<u>7,236,669</u>

Capital assets:

Land	73,000
Utility plant	69,717,937
Machinery and equipment	3,723,921
Vehicles	561,099
Capitalized loan costs	666,868
Less accumulated depreciation and amortization	<u>(20,077,017)</u>
Net capital assets	<u>54,665,808</u>

Total assets	<u>61,902,477</u>
--------------	-------------------

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow, pensions	<u>28,479</u>
Total deferred outflows of resources	<u>28,479</u>

Total assets and deferred outflows of resources	<u>61,930,956</u>
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(Continued)

Attachment: 18-8840 Issued Sewage Fund Report (2016 : Audits 2018 Sikich)

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

SEWERAGE FUND

STATEMENT OF NET POSITION

April 30, 2018

LIABILITIES

Current liabilities:

Accounts payable	\$ 66,779
Accrued wages	14,724
Accrued interest	135,947
Due to primary government	392,131
Compensated absences	23,357
OPEB liability	26,955
General obligation bonds, current	320,000
IEPA loans, current	1,812,189
Total current liabilities	<u>2,792,082</u>

Noncurrent liabilities:

Compensated absences	50,650
Net pension liability	111,194
OPEB liability	660,228
General obligation bonds	4,715,000
IEPA loans	32,666,268
Total noncurrent liabilities	<u>38,203,340</u>

Total liabilities	<u>40,995,422</u>
-------------------	-------------------

DEFERRED INFLOWS OF RESOURCES

Deferred inflow, pensions	199,283
Deferred inflow, OPEB	254,867
Total deferred inflows of resources	<u>454,150</u>

NET POSITION

Net investment in capital assets	15,152,351
Unrestricted	5,329,033
Total net position	<u>\$ 20,481,384</u>
	(Concluded)

Attachment: 18-8840 Issued Sewage Fund Report (2016 : Audits 2018 Sikich)

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

SEWERAGE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended April 30, 2018

	<u>2018</u>
OPERATING REVENUES	
Wastewater service fees	\$ 7,307,714
Sewer treatment fees	57,565
Licenses and permits	1,230
Other	804
Total operating revenues	<u>7,367,313</u>
OPERATING EXPENSES:	
Sewer operation costs	787,445
Employee wages and benefits	619,308
Professional fees	81,532
Insurance	103,794
Maintenance and repairs	103,630
Billing and collection costs	11,014
Postage, office and administration	40,721
Depreciation and amortization	1,952,855
Total operating expenses	<u>3,700,299</u>
Net operating income	<u>3,667,014</u>
NONOPERATING REVENUES (EXPENSES):	
Interest earnings	138,439
Interest expense	(921,179)
Total Nonoperating revenues (expenses)	<u>(782,740)</u>
Net income before transfers	<u>2,884,274</u>
TRANSFERS IN (OUT)	
Transfers out	(289,807)
Total Transfers in (out)	<u>(289,807)</u>
NET CHANGE IN FUND BALANCE	<u>2,594,467</u>
FUND BALANCE - MAY 1, 2017	18,084,430
PRIOR PERIOD ADJUSTMENT	<u>(197,513)</u>
FUND BALANCE - MAY 1, 2017- RESTATED	<u>17,886,917</u>
FUND BALANCE - APRIL 30, 2018	<u><u>\$ 20,481,384</u></u>

Attachment: 18-8840 Issued Sewage Fund Report (2016 : Audits 2018 Sikich)

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

STATEMENT OF CASH FLOWS
SEWERAGE FUND

For the Year Ended April 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from services and fees	\$ 7,365,920
Payments to vendors and suppliers	(1,191,436)
Payments for employees and benefits	(844,511)
Net cash from operating activities	<u>5,329,973</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Transfers to primary government	(289,807)
Increase (decrease) in interfund receivables/liabilities	377,762
Net cash from non-capital financing activities	<u>87,955</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	(56,141)
Principal paid on capital debt	(2,171,348)
Interest paid on capital debt	(927,123)
Net cash from capital and related financing activities	<u>(3,154,612)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>138,439</u>
Net cash from investing activities	<u>138,439</u>

Net increase (decrease) in cash	<u>2,401,755</u>
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Cash and cash equivalents, beginning	<u>3,031,320</u>
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Cash and cash equivalents, ending	<u><u>\$ 5,433,075</u></u>
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**Reconciliation of operating income to net cash
from operating activities:**

Net operating income	\$ 3,667,014
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation	1,952,855
Changes in operating assets and liabilities	
Accounts receivable	(1,393)
Other receivable	-
Deferred outflow, pensions	108,110
Accounts payable	(63,300)
Accrued wages	2,416
Compensated absences	(3,891)
Net pension liability	(297,895)
OPEB liability	(414,664)
Deferred inflow, pensions	187,269
Deferred inflow, OPEB	193,452
Net cash provided by operating activities	<u><u>\$ 5,329,973</u></u>

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

SEWERAGE FUND

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sewerage Fund, an enterprise fund of the City of Pekin, Illinois (City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting practices. The more significant of the Sewer Fund's accounting policies are described below.

A. Fund Accounting and Financial Statement Presentation

The Sewerage Fund is a fund of the City and is classified as an Enterprise Fund (proprietary fund type). The Sewerage Fund is designed to account for and report upon specific activities or certain objectives. It is included in the business-type activities in the Statement of Net Position and Statement of Activities of the City's financial statements. Enterprise funds are generally used when fees are charged to external users for services and those fees are designed to recover the cost of providing services (including capital costs such as depreciation or debt service). These financial statements present only the Sewerage Fund and are not intended to present fairly the financial position, changes in financial position and cash flows of the City in conformity with accounting principles generally accepted in the United States of America.

B. Basis of Accounting and Measurement

The Sewerage fund is an Enterprise Fund and accordingly, employs the economic resources measurement focus and the accrual basis of accounting wherein revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred.

C. Cash and cash equivalents

The Sewerage Fund reports cash on hand, demand deposits, and short-term investments with original maturities of three months or less as cash and cash equivalents.

D. Capital Assets

Capital assets used in the operations of the Sewerage Fund are stated at cost where historical records are available and at estimated historical cost where no historical record exists. Capital assets are defined by the Sewerage Fund as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Donated capital assets are recorded at acquisition value at the date of donation.

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
 NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Years</u>
Utility plant	40
Machinery and equipment	5-20
Vehicles	5-10

E. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Sewerage Fund recognizes deferred outflows and inflows of resources related to the net pension liability associated with the implementation of GASB Statement No. 68 and related to the OPEB liability associated with the implementation of GASB Statement No. 75.

F. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used for acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Revenues and Expenses

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Sewerage Fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Principal operating revenues are from waste water service fees. Principal operating expenses include sewer operating costs, wages and benefits, maintenance costs, and depreciation.

H. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

2. CASH

The City is allowed to make deposits public funds in accounts authorized by the Public Funds Deposit Act (30 ILCS 225).

Custodial credit risk on deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits that are in the possession of an outside party. The City's investment policy requires that deposits with financial institutions be collateralized at 100 percent of the value of the deposit in excess of federal depository insurance coverage.

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
NOTES TO FINANCIAL STATEMENTS

3. CAPITAL ASSETS

Capital assets activity for the year ended April 30, 2018 is as follows:

	Balance April 30, 2017 *	Additions	Disposals	Balance April 30, 2018
Capital assets not being depreciated:				
Land	\$ 73,000	\$ -	\$ -	\$ 73,000
Capital assets being depreciated:				
Utility plant	69,684,565	33,372	-	69,717,937
Machinery and equipment	3,701,152	22,769	-	3,723,921
Vehicles	561,099	-	-	561,099
Total	73,946,816	56,141	-	74,002,957
Capital assets being amortized:				
Capitalized loan costs	666,868	-	-	666,868
Less accumulated depreciation and amortization:				
Utility plant	14,740,716	1,743,023	-	16,483,739
Machinery and equipment	2,745,119	162,355	-	2,907,474
Vehicles	546,094	14,000	-	560,094
Capitalized loan costs	92,233	33,477	-	125,710
Total	18,124,162	1,952,855	-	20,077,017
Capital assets being depreciated and amortized, net	56,489,522	(1,896,714)	-	54,592,808
Total Capital assets, net	\$ 56,562,522	\$ (1,896,714)	-	\$ 54,665,808

* restated

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
NOTES TO FINANCIAL STATEMENTS

4. LONG-TERM DEBT

Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended April 30, 2018 is as follows:

	Beginning Balance *	Additions	Retirements	Ending Balance	Due Within One Year
Bond Series 2010	\$ 5,350,000	\$ -	\$ 315,000	\$ 5,035,000	\$ 320,000
IEPA Loan-L173081	14,899,023	-	846,707	14,052,316	857,324
IEPA Loan-L173082	3,086,219	-	136,696	2,949,523	139,733
IEPA Loan-L174855	2,970,638	-	149,971	2,820,667	76,279
IEPA Loan-L174856	10,714,209	-	503,948	10,210,261	515,580
IEPA Loan-L174999	4,664,716	-	219,026	4,445,690	223,273
Net Pension Liability	409,089	-	297,895	111,194	-
Total OPEB Liability	1,101,847	-	414,664	687,183	26,955
Compensated Absences	77,898	19,466	23,357	74,007	23,357
	<u>\$ 43,273,639</u>	<u>\$ 19,466</u>	<u>\$ 2,907,264</u>	<u>\$ 40,385,841</u>	<u>\$ 2,182,501</u>

* restated

General Obligation Bonds, Series 2010

On August 23, 2010, The Pekin City Council passed Ordinance No. 2625-10/11, providing for the issuance of \$7,110,000 in general obligation bonds to pay for a portion of the costs of construction of improvements to the City's wastewater treatment plant and other improvements to the sanitary sewer system. The bonds are payable over an eighteen year period beginning in 2011 and ending in 2030. Annual principal payments range from \$285,000 to \$475,000. Interest rates range from 1.0% to 6.15%. The bonds qualify under Internal Revenue Code Section 54AA ("Qualified Build America Bonds") which provides for a 35% reduction in interest costs to the City. During the year ended April 30, 2018 the City paid \$315,000 in principal and \$276,752 in interest on the bonds.

Future principal and interest payments on the general obligation bonds are as follows:

Year Ended April 30,	Principal	Interest	Total
2019	\$ 320,000	\$ 172,149	\$ 492,149
2020	330,000	163,586	493,586
2021	335,000	153,966	488,966
2022	345,000	143,631	488,631
2023	355,000	132,537	487,537
2024-2028	1,975,000	464,139	2,439,139
2029-2031	1,375,000	83,648	1,458,648
Total	<u>\$ 5,035,000</u>	<u>\$ 1,313,656</u>	<u>\$ 6,348,656</u>

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
NOTES TO FINANCIAL STATEMENTS

4. LONG-TERM DEBT (Continued)

Capital Loans – State of Illinois Water Pollution Control Loan Program

On July 11, 2011, the City Council passed Ordinance Number 2641-11/12 authorizing the City to borrow funds from the State of Illinois Water Pollution Control Loan Program Fund for the purpose of improving the City's sewerage system. The maximum approved amount to be borrowed for phases II, III, and IV of the construction project is \$54,516,000. As of April 30, 2018, \$43,096,085 of the loans had been disbursed to the City for construction costs to the sewerage system. The loans are payable over a 19.5 to 20 year period beginning in 2014 and ending in 2036. Annual principal payments range from \$285,000 to \$475,000. Interest rates range from 1.250% to 2.295 . During the year ended April 30, 2018 the City paid \$1,856,347 in principal and \$650,368 in interest on the loans.

Future principal and interest payments on the Illinois EPA loans are a follows:

Year Ended April 30,	Principal	Interest	Total
2019	\$ 1,812,189	\$ 585,881	\$ 2,398,070
2020	1,921,189	585,527	2,506,716
2021	1,955,420	551,296	2,506,716
2022	1,990,306	516,410	2,506,716
2023	2,025,860	480,764	2,506,624
2024-2028	10,687,060	1,846,518	12,533,578
2029-2033	11,684,592	855,017	12,539,609
2024-2036	2,401,841	62,279	2,464,120
Total	<u>\$34,478,457</u>	<u>\$5,483,692</u>	<u>\$39,962,149</u>

5. DUE TO/FROM AND TRANSFERS TO/FROM PRIMARY GOVERNMENT

Interfund receivable and payable balances at April 30, 2018 consist of \$14,369 due from the City Insurance Fund due over charging the Sewerage Fund for insurance costs and \$392,131 due to the City Solid Waste Fund for fees collected by the Sewerage Fund on behalf of the Solid Waste Fund.

Interfund transfers for the year ended April 30, 2018 consist of a \$289,807 transfer to the City General Fund for administrative costs incurred by the General Fund on behalf of the Solid Waste Fund.

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
 NOTES TO FINANCIAL STATEMENTS

6. PENSION PLAN

Participating employees are covered by the Illinois Municipal Retirement Fund (IMRF) through the City. However, the Sewerage Fund's participation in IMRF is equivalent to a cost sharing multiple-employer plan since only one actuarial valuation is performed for both the City and the Sewerage Fund combined. All disclosures for an agent plan can be found in the City's annual financial report.

Plan Description

For the City as a whole the plan is as follows:

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not for individual employers. That report may be obtained on-line at www.imrf.org.

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
NOTES TO FINANCIAL STATEMENTS

6. PENSION PLAN (Continued)

Contributions

As set by statute, the regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar years 2018 and 2017 was 11.52% and 12.18%, respectively, of payroll. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, with supplemental retirement benefits rate being set by statute.

Actuarial Assumptions

The following are the methods and assumptions used to determine the total pension liability as of December 31, 2017.

Actuarial valuation date	December 31, 2017
Asset valuation method	Market Value of Assets
Actuarial cost method	Entry Age Normal
Price inflation	2.50%
Salary increases	3.39% to 14.25%
Investment rate of return	7.50%

Retirement Age - Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Mortality - For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
 NOTES TO FINANCIAL STATEMENTS

6. PENSION PLAN (Continued)

Single Discount Rate

A single discount rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made rates equal to the difference between actuarially determine contribution rates and the member rate. The single discount rate reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and the resulting single discount rate is 7.50%.

Net Pension Liability

At April 30, 2018, the Sewerage Fund reported a liability of \$111,194 for its proportionate share of the City's net pension liability. The City's net pension liability was measured as of December 31, 2017. The total pension liability was determined by an actuarial valuation as of that date. The Sewerage Fund's proportion of the net pension liability was based on the Sewerage Fund's actual contribution to the plan for the year ended April 30, 2018, relative to the actual contributions of the City as a whole. At April 30, 2018, the Sewerage Fund's proportion was 9.22% of the total contribution.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Sewerage Fund calculated using the discount rate of 7.50% as well as what the Sewerage Fund's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 437,426	\$ 111,194	\$ (160,489)

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
NOTES TO FINANCIAL STATEMENTS

6. PENSION PLAN (Continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2018, the Sewerage Fund reported recognized pension expense of \$64,348. At April 30, 2018, the Sewerage Fund reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,958	\$ 3,121
Changes in assumption	730	71,413
Net difference between projected and actual earnings on pension plan investments	-	124,749
Contributions made after measurement date	22,791	-
TOTAL	\$ 28,479	\$ 199,283

\$22,791 reported as deferred outflows of resources related to pensions resulting from Sewerage Fund contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year ended April 30,	
2019	\$ (35,340)
2020	(38,143)
2021	(65,497)
2022	(54,615)
2023	-
Thereafter	-
TOTAL	\$ (193,595)

7. OTHER POST-EMPLOYMENT BENEFITS

In addition to providing the pension benefits described, the City provides postemployment health care benefits (OPEB) for retired employees. However, the Sewerage Fund's participation is equivalent to a cost sharing multiple-employer plan since only one actuarial valuation is performed for both the City and the Sewerage Fund combined. All disclosures for the City's defined benefit plan can be found in the City's annual financial report.

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
NOTES TO FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Plan Description

For the City as a whole the plan is as follows:

The City administers a single-employer defined benefit healthcare plan. The plan provides post-employment health care for eligible retirees and their spouses through the City's group health insurance plan. To be eligible, for benefits, an employee must qualify for retirement under the City's retirement plan. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

Benefit provisions are governed by the City and can be amended the City through its personnel manual and union contracts. No contributions are made by employees or the employers to fund a reserve for payment of benefits. Accordingly, there are no assets accumulated in a GASB-compliant trust. Since no reserve is maintained for benefit payments, the plan does not issue a separate stand-alone financial report. The OPEB obligation is generally liquidated by the General Fund and each of the City's enterprise funds.

Actuarial Assumptions and Other Inputs

The Total OPEB liability at April 30, 2018, as determined by an actuarial valuation as of that date, was determined using the following actuarial methods and other inputs, applied to all periods included in the measurement unless otherwise specified

Actuarial cost method	Entry Age Normal
Assumptions	
Inflation	2.50%
Salary increases	3.50%
Discount rate	3.97%
Healthcare trend rate	5.00% to 8.50%
	5.00% Ultimate

Mortality - RPH-2018 Total Dataset Mortality Table fully generational using scale MP-2018 (RPH-2018 table is created from RPH-2014 table with 8 years of MP-2014 mortality improvement removed, projected to 2018 using scale MP-2018).

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher at April 30, 2018.

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
NOTES TO FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB Liability

At April 30, 2018, the Sewerage Fund reported a liability of \$687,183 for its proportionate share of the City's total OPEB liability. The City's total OPEB liability was measured as of April 30, 2018. The total OPEB liability was determined by an actuarial valuation as of that date. The Sewerage Fund's proportion of the total OPEB liability was based on the Sewerage Fund's actual health insurance contributions for the year ended April 30, 2018, relative to the actual contributions of the City as a whole. At April 30, 2018, the Sewerage Fund's proportion was 3.24% of the total contribution.

Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Sewerage Fund calculated using the discount rate of 3.97% as well as what the Sewerage Fund's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.97%) or 1 percentage point higher (4.97%) than the current rate.

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	\$ 770,018	\$ 687,183	\$ 617,637

The table below presents the total OPEB liability of the Sewerage Fund calculated using the healthcare cost trend rate of 5.00% to 8.5% as well as what the Sewerage Fund's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower (4.00% to 7.50%) or 1 percentage point higher (6.00% to 9.50%) than the current rate.

	1% Decrease (Varies)	Current Healthcare Rate (Varies)	1% Increase (Varies)
Total OPEB liability	\$ 605,934	\$ 687,183	\$ 786,133

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
NOTES TO FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2018, the Sewerage Fund reported recognized OPEB expense of \$(221,213). At April 30, 2018, the Sewerage Fund reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 200,318
Changes in assumption	-	54,549
TOTAL	\$ -	\$ 254,867

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

<u>Year ended April 30,</u>	
2019	\$ (37,412)
2020	(37,412)
2021	(37,412)
2022	(37,412)
2023	(37,412)
Thereafter	(67,807)
TOTAL	\$ (254,867)

8. RISK MANAGEMENT

The Sewerage Fund is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The City belongs to the Illinois Municipal League Risk Management Fund, a public entity risk pool for general liability and workers compensation. Beginning in October 2017, the City began self-insurance for its employee health insurance. The City reports claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The Sewerage Fund participates in the City's self-funded health insurance plan and pays a monthly premium for health insurance costs.

Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
NOTES TO FINANCIAL STATEMENTS

9. PRIOR PERIOD ADJUSTMENTS

During the fiscal year, the Sewerage Fund recorded prior period adjustments to recognize the effect of recording the following:

- Net pension liability and related deferred inflows and outflows of resources in accordance with GASB Statement No. 68.
- Total OPEB liability and related deferred inflows and outflows of resources in accordance with GASB Statement No. 75.
- To restate the beginning balance of compensated absences that was never recorded in the fund.
- To restate the beginning balance of accounts receivable for unbilled receivables not reported in the appropriate period.
- To restate the beginning balance of capital assets, accumulated depreciation and depreciation for incorrect recording of capital assets and related depreciation in prior periods.
- To restate the beginning balance of loans payable account for incorrect recording of principal and interest payments.
- To record unrecorded receivable and that related to a prior period.

Net position, May 1, 2017 (as previously reported)	\$ 18,084,430
Restatement: GASB Statement No. 68	(284,514)
Restatement: GASB Statement No. 75	(1,163,262)
Restatement: Compensated absences	(77,898)
Restatement: Unbilled receivables	589,008
Restatement: Capital assets	205,382
Restatement: Loan payable	(16,229)
Restatement: Unrecorded receivable	550,000
Net position, May 1, 2017 (as restated)	<u>\$ 17,886,917</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PEKIN, ILLINOIS

SEWERAGE FUND

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Fiscal Years

<u>FISCAL YEAR ENDING APRIL 30,</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 66,864	\$ 66,705	\$ 65,920
Contributions in relation to the actuarially determined contribution	<u>66,864</u>	<u>66,705</u>	<u>65,920</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 559,794	\$ 528,582	\$ 521,305
Contributions as a percentage of covered payroll	11.94%	12.62%	12.65%

Notes to schedule:

The information presented was determined as part of the actuarial valuations as of December 31 of the prior year. Information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 26 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

CITY OF PEKIN, ILLINOIS

SEWERAGE FUND

SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - IMRF

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2017	2016	2015
Sewerage Fund's proportion of net pension liability	9.22%	9.51%	9.51%
Sewerage Fund's proportionate share of net pension liability	\$ 111,194	\$ 409,089	\$ 416,657
Sewerage Fund's covered payroll	\$ 542,028	\$ 529,249	\$ 477,421
Sewerage Fund's proportionate share of net pension liability as a percentage of its covered payroll	20.51%	77.30%	87.27%
Plan fiduciary net position as a percentage of the total pension liability	95.91%	85.36%	84.56%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

CITY OF PEKIN, ILLINOIS

SEWERAGE FUND

SCHEDULE OF PROPORTIONATE SHARE
OF THE TOTAL OPEB LIABILITY - CITY

Last Two Fiscal Years

MEASUREMENT DATE APRIL 30,	2018	2017
Sewerage Fund's proportion of total OPEB liability	3.24%	3.83%
Sewerage Fund's proportionate share of total OPEB liability	\$ 687,183	\$ 1,101,847
Sewerage Fund's covered payroll	\$ 398,990	\$ 492,006
Sewerage Fund's proportionate share of total OPEB liability as a percentage of its covered payroll	172.23%	223.95%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.



CITY OF PEKIN, ILLINOIS
SOLID WASTE FUND
(An Enterprise Fund of the City of Pekin, Illinois)
FINANCIAL STATEMENTS

For the Fiscal Year Ended April 30, 2018

An abstract graphic composed of various overlapping, semi-transparent geometric shapes, primarily triangles and polygons, in shades of gray and white, creating a complex, layered effect.

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Attachment: 18-8850 Issued Solid Waste Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS
SOLID WASTE FUND
TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	1-3
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	4
Statement of Revenues, Expenses and Changes in Net Position	5
Statement of Cash Flows	6
Notes to Financial Statements.....	7-18
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Employer Contributions.....	19
Schedule of Proportionate Share of the Net Pension Liability	20
Schedule of Proportionate Share of the Total OPEB Liability	21
OTHER INFORMATION:	
Schedule of Departmental Operating Expenses.....	22
Schedule of Operating and Capital Expenses by Department	23

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and City Council
City of Pekin, Illinois

We have audited the accompanying financial statements of the Solid Waste Fund, and Enterprise Fund of the City of Pekin, Illinois as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the Solid Waste Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Solid Waste Fund as of April 30, 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Management has omitted the management's discussion and analysis, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Solid Waste Fund's basic financial statements. The other information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other information has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Restatement

The financial statements of the Solid Waste Fund as of and for the year ended April 30, 2017, were audited by other auditors whose report dated October 16, 2017, expressed an unmodified opinion on those financial statements. As discussed in Note 9 to the financial statements, the Solid Waste Fund has restated its fiscal year 2017 financial statements during the current year to properly report certain balances in accordance with accounting principles generally accepted in the United States of America. The other auditors reported on the financial statements before the restatement. As part of our audit of the 2018 financial statements, we also audited the adjustments described in Note 9 that were applied to restate the 2017 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2017 financial statements of the Solid Waste Fund other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2017 financial statements as a whole.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Solid Waste Fund and do not purport and do not, present fairly the financial position of the City of Pekin, Illinois as of April 30, 2018, and the changes in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich LLP

Springfield, Illinois
January 27, 2020

BASIC FINANCIAL STATEMENTS

CITY OF PEKIN, ILLINOIS
SOLID WASTE FUND
STATEMENT OF NET POSITION
April 30, 2018

ASSETS

Current assets:

Cash and cash equivalents	\$ 61,352
Investments	250,000
Accounts receivable	359,552
Other Receivables	37,600
Due from primary government	392,131
Total current assets	<u>1,100,635</u>

Capital assets:

Machinery and equipment	93,027
Vehicles	1,842,729
Less accumulated depreciation	(900,243)
Net capital assets	<u>1,035,513</u>

Total Assets	<u>2,136,148</u>
--------------	------------------

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow, pensions	<u>32,810</u>
Total deferred outflows of resources	<u>32,810</u>

Total assets and deferred outflows of resources	<u>2,168,958</u>
---	------------------

LIABILITIES

Current Liabilities:

Accounts payable	88,390
Accrued wages	15,281
Performance bond payable	250,000
Due to primary government	2,512,440
Compensated absences	20,169
OPEB liability	44,150
Total current liabilities	<u>2,930,430</u>

Noncurrent Liabilities:

Compensated absences	65,627
Net pension liability	128,101
OPEB liability	1,081,376
Total noncurrent liabilities	<u>1,275,104</u>

Total liabilities	<u>4,205,534</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred inflow, pensions	229,584
Deferred inflow, OPEB	417,442
Total deferred inflows of resources	<u>647,026</u>

NET POSITION (DEFICIT)

Net investment in capital assets	1,035,513
Unrestricted	(3,719,115)
Total net position (deficit)	<u>\$ (2,683,602)</u>

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

SOLID WASTE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended April 30, 2018

OPERATING REVENUES

Collection fees	\$ 2,251,706
Fees for extra and special pickups	2,100
Sale of garbage totes	44,346
Licenses	1,590
Recycling fees collected	4,151
Other	67
Total operating revenues	<u>2,303,960</u>

OPERATING EXPENSES:

Wages and payroll taxes	695,174
Employee benefits	54,332
Insurance	59,203
Vehicle expenses	373,423
Maintenance and repairs	17,435
Utilities	4,359
Disposal fees	819,607
Supplies	10,105
Other administrative expenses	42,345
Contractual services	12,169
Depreciation and amortization	144,372
Total operating expenses	<u>2,232,524</u>

Net operating income	<u>71,436</u>
----------------------	---------------

NONOPERATING REVENUES (EXPENSES):

Grants	69,010
Interest earnings	3,347
Loss on disposals	(6,749)
Total nonoperating revenues (expenses)	<u>65,608</u>

Net income before transfers	<u>137,044</u>
-----------------------------	----------------

TRANSFERS IN (OUT)

Transfers out	(199,648)
Total transfers in (out)	<u>(199,648)</u>

CHANGE IN NET POSITION

(62,604)

NET POSITION (DEFICIT), BEGINNING OF YEAR

(542,215)

PRIOR PERIOD ADJUSTMENTS

(2,078,783)

NET POSITION (DEFICIT), BEGINNING OF YEAR, AS RESTATED

(2,620,998)

NET POSITION (DEFICIT), END OF YEAR\$ (2,683,602)

Attachment: 18-8850 Issued Solid Waste Report (2016 : Audits 2018 Sikich)

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

SOLID WASTE FUND

STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from services and fees	\$ 2,236,240
Payments to vendors and suppliers	(1,306,760)
Payments for employees and benefits	(995,284)
Net cash from operating activities	(65,804)

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Grant receipts	69,010
Transfers to primary government	(199,648)
Increase (decrease) in interfund receivables/liabilities	945,854
Net cash from non-capital financing activities	815,216

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition of capital assets	(709,956)
Proceeds from disposal of capital assets	18,549
Net cash from capital and related financing activities	(691,407)

CASH FLOWS FROM INVESTMENT ACTIVITIES

Interest received	3,347
Net cash from investing activities	3,347

Net increase (decrease) in cash	61,352
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Cash and cash equivalents, beginning	-
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Cash and cash equivalents, ending	\$ 61,352
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Reconciliation of operating income to net cash from operating activities:

Net operating income	\$ 71,436
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation	144,372
Changes in operating assets and liabilities	
Accounts receivable	(67,720)
Deferred outflow, pensions	151,984
Accounts payable	31,886
Accrued wages	2,928
Compensated absences	(12,860)
Net pension liability	(425,365)
OPEB liability	(502,494)
Deferred inflow, pensions	213,330
Deferred inflow, OPEB	326,699
Net cash provided by operating activities	\$ (65,804)

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

SOLID WASTE FUND

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Solid Waste Fund, an enterprise fund of the City of Pekin, Illinois (City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting practices. The more significant of the Solid Waste Fund's accounting policies are described below.

A. Fund Accounting and Financial Statement Presentation

The Solid Waste Fund is a fund of the City and is classified as an Enterprise Fund (proprietary fund type). The Solid Waste Fund is designed to account for and report upon specific activities or certain objectives. It is included in the business-type activities in the Statement of Net Position and Statement of Activities of the City's financial statements. Enterprise funds are generally used when fees are charged to external users for services and those fees are designed to recover the cost of providing services (including capital costs such as depreciation or debt service). Prior to May 1, 2014, solid waste collection costs were reported as a department of the City's General Fund. On April 14, 2014, the City Council passed Ordinance No. 2698-13/14, which established a fee, beginning May 1, 2014, for the collection of residential solid waste, yard waste and recycling materials.

These financial statements present only the Solid Waste Fund and are not intended to present fairly the financial position, changes in financial position and cash flows of the City in conformity with accounting principles generally accepted in the United States of America.

B. Basis of Accounting and Measurement

The Solid Waste Fund is an Enterprise Fund and accordingly, employs the economic resources measurement focus and the full accrual basis of accounting wherein revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred.

C. Capital Assets

Capital assets used in the operations of the Solid Waste Fund are stated at cost where historical records are available and at estimated historical cost where no historical record exists. Capital assets are defined by the Solid Waste Fund as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Donated capital assets are recorded at acquisition value at the date of donation.

CITY OF PEKIN, ILLINOIS
SOLID WASTE FUND
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Years</u>
Machinery and equipment	10
Vehicles	5-10

D. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Solid Waste Fund recognizes deferred outflows and inflows of resources related to the net pension liability associated with the implementation of GASB Statement No. 68 and related to the OPEB liability associated with the implementation of GASB Statement No. 75.

E. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used for acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

CITY OF PEKIN, ILLINOIS
SOLID WASTE FUND
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenses

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Solid Waste Fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Principal operating revenues are from solid waste collection fees. Principal operating expenses include wages and benefits, vehicle maintenance costs, disposals costs and depreciation.

G. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

2. CASH

The City is allowed to make deposits public funds in accounts authorized by the Public Funds Deposit Act (30 ILCS 225).

Custodial credit risk on deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits that are in the possession of an outside party. The City's investment policy requires that deposits with financial institutions be collateralized at 100 percent of the value of the deposit in excess of federal depository insurance coverage.

CITY OF PEKIN, ILLINOIS
SOLID WASTE FUND
NOTES TO FINANCIAL STATEMENTS

3. CAPITAL ASSETS

Capital assets activity for the year ended April 30, 2018 is as follows:

	Balance April 30, 2017 *	Additions	Disposals	Balance April 30, 2018
Capital assets being depreciated:				
Machinery and equipment	\$ 93,027	\$ -	\$ -	\$ 93,027
Vehicles	1,633,361	709,956	(500,588)	1,842,729
Total	1,726,388	709,956	(500,588)	1,935,756
Less accumulated depreciation:				
Machinery and equipment	18,102	9,303	-	27,405
Vehicles	1,175,459	135,069	(437,690)	872,838
Total	1,193,561	144,372	(437,690)	900,243
Capital assets, net	\$ 532,827	\$ 565,584	\$ (62,898)	1,035,513

* restated

4. DUE TO/FROM AND TRANSFERS TO/FROM PRIMARY GOVERNMENT

Interfund receivable and payable balances at April 30, 2018 consist of \$392,131 due from the City Sewerage Fund for fees collected by the Sewerage Fund on behalf of the Solid Waste Fund and \$2,512,440 due to the City General Fund for operating cash needs. The City does not expect these interfund receivables/payable to be repaid within one year.

Interfund transfers for the year ended April 30, 2018 consist of a \$199,648 transfer to the City General Fund for administrative costs incurred by the General Fund on behalf of the Solid Waste Fund.

5. PENSION PLAN

Participating employees are covered by the Illinois Municipal Retirement Fund (IMRF) through the City. However, the Solid Waste Fund's participation in IMRF is equivalent to a cost sharing multiple-employer plan since only one actuarial valuation is performed for both the City and the Solid Waste Fund combined. All disclosures for an agent plan can be found in the City's annual financial report.

CITY OF PEKIN, ILLINOIS
SOLID WASTE FUND
 NOTES TO FINANCIAL STATEMENTS

5. PENSION PLAN (Continued)

Plan Description

For the City as a whole the plan is as follows:

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not for individual employers. That report may be obtained on-line at www.imrf.org.

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

CITY OF PEKIN, ILLINOIS
SOLID WASTE FUND
NOTES TO FINANCIAL STATEMENTS

5. PENSION PLAN (Continued)

Contributions

As set by statute, the regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar years 2018 and 2017 was 11.52% and 12.18%, respectively, of payroll. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, with supplemental retirement benefits rate being set by statute.

Actuarial Assumptions

The following are the methods and assumptions used to determine the total pension liability as of December 31, 2017.

Actuarial valuation date	December 31, 2017
Asset valuation method	Market Value of Assets
Actuarial cost method	Entry Age Normal
Price inflation	2.50%
Salary increases	3.39% to 14.25%
Investment rate of return	7.50%

Retirement Age - Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Mortality - For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

CITY OF PEKIN, ILLINOIS
SOLID WASTE FUND
NOTES TO FINANCIAL STATEMENTS

5. PENSION PLAN (Continued)

Single Discount Rate

A single discount rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made rates equal to the difference between actuarially determine contribution rates and the member rate. The single discount rate reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and the resulting single discount rate is 7.50%.

Net Pension Liability

At April 30, 2018, the Solid Waste Fund reported a liability of \$128,101 for its proportionate share of the City's net pension liability. The City's net pension liability was measured as of December 31, 2017. The total pension liability was determined by an actuarial valuation as of that date. The Solid Waste Fund's proportion of the net pension liability was based on the Solid Waste Fund's actual contribution to the plan for the year ended April 30, 2018, relative to the actual contributions of the City as a whole. At April 30, 2018, the Solid Waste's proportion was 10.63% of the total contribution.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Solid Waste Fund calculated using the discount rate of 7.50% as well as what the Solid Waste Fund's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 503,937	\$ 128,101	\$ (184,892)

CITY OF PEKIN, ILLINOIS
SOLID WASTE FUND
NOTES TO FINANCIAL STATEMENTS

5. PENSION PLAN (Continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2018, the Solid Waste Fund reported recognized pension expense of \$16,981. At April 30, 2018, the Solid Waste fund reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,712	\$ 3,596
Changes in assumption	842	82,271
Net difference between projected and actual earnings on pension plan investments	-	143,717
Contributions made after measurement date	26,256	-
TOTAL	\$ 32,810	\$ 229,584

\$26,256 reported as deferred outflows of resources related to pensions resulting from Solid Waste Fund contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year ended April 30,	
2019	\$ (40,713)
2020	(43,942)
2021	(75,455)
2022	(62,920)
2023	-
Thereafter	-
TOTAL	\$ (223,030)

6. OTHER POST-EMPLOYMENT BENEFITS

In addition to providing the pension benefits described, the City provides postemployment health care benefits (OPEB) for retired employees. However, the Solid Waste Fund's participation is equivalent to a cost sharing multiple-employer plan since only one actuarial valuation is performed for both the City and the Solid Waste Fund combined. All disclosures for the City's defined benefit plan can be found in the City's annual financial report.

CITY OF PEKIN, ILLINOIS
SOLID WASTE FUND
NOTES TO FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Plan Description

For the City as a whole the plan is as follows:

The City administers a single-employer defined benefit healthcare plan. The plan provides post-employment health care for eligible retirees and their spouses through the City's group health insurance plan. To be eligible, for benefits, an employee must qualify for retirement under the City's retirement plan. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

Benefit provisions are governed by the City and can be amended by the City through its personnel manual and union contracts. No contributions are made by employees or the employers to fund a reserve for payment of benefits. Accordingly, there are no assets accumulated in a GASB-compliant trust. Since no reserve is maintained for benefit payments, the plan does not issue a separate stand-alone financial report. The OPEB obligation is generally liquidated by the General Fund and each of the City's enterprise funds.

Actuarial Assumptions and Other Inputs

The Total OPEB liability at April 30, 2018, as determined by an actuarial valuation as of that date, was determined using the following actuarial methods and other inputs, applied to all periods included in the measurement unless otherwise specified

Actuarial cost method	Entry Age Normal
Assumptions	
Inflation	2.50%
Salary increases	3.50%
Discount rate	3.97%
Healthcare trend rate	5.00% to 8.50%
	5.00% Ultimate

Mortality - RPH-2018 Total Dataset Mortality Table fully generational using scale MP-2018 (RPH-2018 table is created from RPH-2014 table with 8 years of MP-2014 mortality improvement removed, projected to 2018 using scale MP-2018).

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher at April 30, 2018.

OPEB Liability

At April 30, 2018, the Solid Waste Fund reported a liability of \$1,125,526 for its proportionate share of the City's total OPEB liability. The City's total OPEB liability was measured as of April 30, 2018. The total OPEB liability was determined by an actuarial valuation as of that date.

CITY OF PEKIN, ILLINOIS
SOLID WASTE FUND
NOTES TO FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB Liability (Continued)

The Solid Waste Fund's proportion of the total OPEB liability was based on the Solid Waste Fund's actual health insurance contributions for the year ended April 30, 2018, relative to the actual contributions of the City as a whole. At April 30, 2018, the Solid Waste Fund's proportion was 5.30% of the total contribution.

Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Solid Waste Fund calculated using the discount rate of 3.97% as well as what the Solid Waste Fund's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.97%) or 1 percentage point higher (4.97%) than the current rate.

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	\$ 1,261,200	\$ 1,125,526	\$ 1,011,618

The table below presents the total OPEB liability of the Solid Waste Fund calculated using the healthcare cost trend rate of 5.00% to 8.5% as well as what the Solid Waste Fund's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower (4.00% to 7.50%) or 1 percentage point higher (6.00% to 9.50%) than the current rate.

	1% Decrease (Varies)	Current Healthcare Rate (Varies)	1% Increase (Varies)
Total OPEB liability	\$ 992,451	\$ 1,125,526	\$ 1,287,596

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2018, the Solid Waste Fund reported recognized OPEB expense of \$(175,795).

CITY OF PEKIN, ILLINOIS
SOLID WASTE FUND
NOTES TO FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

At April 30, 2018, the Solid Waste fund reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 328,098
Changes in assumption	-	89,344
TOTAL	\$ -	\$ 417,442

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

Year ended April 30,	
2019	\$ (61,277)
2020	(61,277)
2021	(61,277)
2022	(61,277)
2023	(61,277)
Thereafter	(111,057)
TOTAL	\$ (417,442)

7. SOLID WASTE FEES

Pursuant to Section 5-2A-2 of Ordinance 2698-13/14, the solid waste fee was established to cover the cost of collection and disposal of residential household garbage, yard waste and recycling materials. The monthly fee to each residential customer was \$12. On January 23, 2017 the City Council passed Ordinance 2757-16/17 which established collection fees for the succeeding five years. The ordinance included a collection fee for nonresidents.

The five-year schedule is as follows:

Effective Date	Monthly Fee for Residents	Monthly Fee for Nonresidents
May, 2017	\$ 16.00	\$ 24.00
May, 2018	18.00	27.00
May, 2019	20.00	30.00
May, 2020	22.00	33.00
May, 2021	23.00	34.50

CITY OF PEKIN, ILLINOIS
SOLID WASTE FUND
NOTES TO FINANCIAL STATEMENTS

8. RISK MANAGEMENT

The Solid Waste Fund is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The City belongs to the Illinois Municipal League Risk Management Fund, a public entity risk pool for general liability and workers compensation. Beginning in October 2017, the City began self-insurance for its employee health insurance. The City reports claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The Solid Waste Fund participates in the City's self-funded health insurance plan and pays a monthly premium for health insurance costs.

Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

9. PRIOR PERIOD ADJUSTMENTS

During the fiscal year, the Solid Waste Fund recorded prior period adjustments to recognize the effect of recording the following:

- Net pension liability and related deferred inflows and outflows of resources in accordance with GASB Statement No. 68 that was never recorded in the fund
- Total OPEB liability and related deferred inflows and outflows of resources in accordance with GASB Statement No. 75 that was never recorded in the fund
- To restate the beginning balance of compensated absences that was never recorded in the fund
- To restate the beginning balance of accounts receivable for unbilled receivables not reported in the appropriate period
- To restate the beginning balance of accumulated depreciation account for incorrect recording of depreciation in prior periods

Net position, May 1, 2017 (as previously reported)	\$ (542,215)
Restatement: GASB Statement No. 68	(384,926)
Restatement: GASB Statement No. 75	(1,718,763)
Restatement: Compensated absences	(98,656)
Restatement: Unbilled receivables	139,976
Restatement: Depreciation	(16,414)
Net position, May 1, 2017 (as restated)	<u>\$ (2,620,998)</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PEKIN, ILLINOIS

SOLID WASTE FUND

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Fiscal Years

FISCAL YEAR ENDING APRIL 30,	2018	2017	2016
Actuarially determined contribution	\$ 77,031	\$ 90,247	\$ 89,185
Contributions in relation to the actuarially determined contribution	77,031	90,247	89,185
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 644,909	\$ 715,130	\$ 705,285
Contributions as a percentage of covered payroll	11.94%	12.62%	12.65%

Notes to schedule:

The information presented was determined as part of the actuarial valuations as of December 31 of the prior year. Information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 26 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

CITY OF PEKIN, ILLINOIS

SOLID WASTE FUND

SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - IMRF

Last Three Fiscal Years

<u>MEASUREMENT DATE DECEMBER 31,</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Solid Waste Fund's proportion of net pension liability	10.63%	12.86%	12.86%
Solid Waste Fund's proportionate share of net pension liability	\$ 128,101	\$ 553,466	\$ 563,429
Solid Waste Fund's covered payroll	\$ 624,919	\$ 715,682	\$ 645,597
Solid Waste Fund's proportionate share of net pension liability as a percentage of its covered payroll	20.50%	77.33%	87.27%
Plan fiduciary net position as a percentage of the total pension liability	95.91%	85.36%	84.56%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

CITY OF PEKIN, ILLINOIS

SOLID WASTE FUND

SCHEDULE OF PROPORTIONATE SHARE
OF THE TOTAL OPEB LIABILITY - CITY

Last Two Fiscal Years

MEASUREMENT DATE APRIL 30,	2018	2017
Solid Waste Fund's proportion of total OPEB liability	5.30%	5.98%
Solid Waste Fund's proportionate share of total OPEB liability	\$ 1,125,526	\$ 1,628,020
Solid Waste Fund's covered payroll	\$ 652,668	\$ 768,197
Solid Waste Fund's proportionate share of total OPEB liability as a percentage of its covered payroll	172.45%	211.93%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

OTHER INFORMATION

CITY OF PEKIN, ILLINOIS

SOLID WASTE FUND

SCHEDULE OF DEPARTMENTAL OPERATING EXPENSES

For the Year Ended April 30, 2018

	Household Waste	Yard Waste	Recycling	Total
OPERATING EXPENSES:				
Wages and payroll taxes	\$ 469,854	\$ 99,087	\$ 126,233	\$ 695,174
Employee benefits	(35,044)	33,583	55,793	54,332
Insurance	44,696	6,949	7,558	59,203
Vehicle expenses	268,839	52,347	52,237	373,423
Maintenance and repairs	14,269	570	2,596	17,435
Utilities	3,660	-	699	4,359
Disposal fees	537,897	69,013	212,697	819,607
Supplies	6,923	1,632	1,550	10,105
Other administrative expenses	41,013	515	817	42,345
Contractual services	11,694	144	331	12,169
Depreciation	144,372	-	-	144,372
Total operating expenditures	<u>\$ 1,508,173</u>	<u>\$ 263,840</u>	<u>\$ 460,511</u>	<u>\$ 2,232,524</u>

Attachment: 18-8850 Issued Solid Waste Report (2016 : Audits 2018 Sikich)

CITY OF PEKIN, ILLINOIS

SOLID WASTE FUND

SCHEDULE OF OPERATING AND CAPITAL EXPENSES BY DEPARTMENT

For the Last Ten Fiscal Years

Fiscal Year Ended April 30,	Household Waste	Yard Waste	Recycling	Total Operating Expenses*	Capital Expenses
2018	\$ 1,363,801	\$ 263,840	\$ 460,511	\$ 2,088,152	\$ 709,956
2017	1,559,780	341,844	278,751	2,180,375	-
2016	1,598,314	321,512	327,580	2,247,406	186,615
2015	1,318,425	297,411	301,076	1,916,912	-
2014	1,281,259	271,607	337,241	1,890,107	25,404
2013	1,184,755	290,979	256,068	1,731,802	431,562
2012	1,196,640	386,566	296,469	1,879,675	194,369
2011	1,027,637	377,309	409,431	1,814,377	27,362
2010	1,209,694	320,799	381,161	1,911,654	-
2009	1,101,549	372,310	395,553	1,869,412	303,220

*Total operating expenses excludes depreciation charges.

Attachment: 18-8850 Issued Solid Waste Report (2016 : Audits 2018 Sikich)



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Matt Fick,

AGENDA ITEM: Resolution No. 50-19/20 IHSA March Madness Sponsorship

ACTION REQUESTED: Approve the Resolution.

DESCRIPTION: The Peoria area has hosted the IHSA Boy's State Basketball Tournament for over 20 years. A regional partnership with IHSA not only brings the positive impact of the boys' basketball tournament and the March Madness experience to our region, but goes well beyond with other events. Pekin has the opportunity to partner with IHSA as an event sponsor and create the potential for additional traffic from tournament attendees that stay at our hotels and frequent our restaurants and shops over the multiple weekend tournaments that will take place March 13-14 and March 20-21, 2020. The IHSA is requesting a contribution from the City of Pekin in the amount of \$5,000 to support the continued success of this tournament with the March Madness Experience exhibit and programs. The entire tournament has drawn over 65,000 attendees in prior years.

FINANCIAL IMPACT:

Requested Amount: \$5,000
 Line Item: 208-208-597700 (sponsorship)
 Budgeted Amount: \$32,500
 Remaining Funds: \$ 8,148

IMPACT IF APPROVED: City supports the IHSA Tournament.

IMPACT IF DENIED: City does not support IHSA Tournament.

ALTERNATIVES: N/A

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a "Business-Friendly" Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.

Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Mark A. Rothert

Mark A. Rothert, City Manager

2/3/2020

Date:

Resolution No. 50-19/20 Support for IHSA Basketball Tournament in the amount of \$5,000

8.1

WHEREAS, the Peoria area has hosted the IHSA Boy's State Basketball Tournament for more than 20 years and will continue to do so through the year 2020; and

WHEREAS, the entire tournament has drawn over 65,000 attendees in prior years; and

WHEREAS, a regional partnership with IHSA not only brings the positive impact of the boys' basketball tournament and the March Madness experience to our region, but goes well beyond with other events, tournaments and a conference; and

WHEREAS, Pekin has the opportunity to be a direct partner with IHSA which provides potential for additional traffic from the tournament attendees that stay at Pekin hotels and visit its restaurants and shops over the multiple weekend tournaments that will take place March 13-14 and March 20-21, 2020; and

WHEREAS, the IHSA is again requesting a \$5,000 contribution from the City of Pekin to support the continued success of this tournament with the March Madness Experience exhibit and programs.

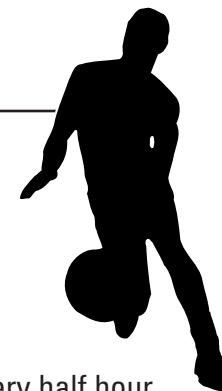
NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Pekin, Tazewell County, Illinois that the City provide a sponsorship grant in the amount \$5,000 to support the 2020 IHSA Tournament.

MAYOR

ATTEST:

CITY CLERK

2020 March Madness Experience™ Sponsorship Benefits



Item	Title	MVP	Elite Eight
In Game Event/Promotion Investment (Net)	Each Game \$30,000	No \$15,000 (+In Kind)	No \$10,000
Event Positioning	MME Center Court	Priority Event	Event Venue
Sample Product (EF)	Yes	Yes	Yes
Use of MME Logo	Yes	Yes	Yes
MME Floor Logo	At MME Center Court (VA)	No	No
MME Digital Signage	Digital scroll every half hour (Above Center Court)	Digital scroll every half hour (Above Center Court)	Digital scroll every half hour (Above Center Court)
Regular Season Tickets	24 seasons 1A & 2A, 3A & 4A	16 seasons 1A & 2A, 3A & 4A	10 seasons 1A & 2A, 3A & 4A
VIP Session Seating	16 Seats One Sat. Session 1A & 2A, 3A & 4A	No	No
VIP Room Passes	24 each 1A & 2A, 3A & 4A	16 each 1A & 2A, 3A & 4A	10 each 1A & 2A, 3A & 4A
VIP Park Passes	12 each 1A & 2A, 3A & 4A	8 each 1A & 2A, 3A & 4A	5 each 1A & 2A, 3A & 4A
Arena PA's	Each Game	Each Game	Each Session
Arena Scoreboard	Each Game	Each Game	Each Session
IHSA Web Site (*)	Exposure & Link	Exposure & Link	Exposure & Link
Boys Program Ad	Full Page/4-Color	Full Page/4-Color	Full Page/4-Color
LED Arena Signage	Yes	Yes	Yes

(EF) = Except food or beverage covered in Civic Center Contract

(VA) = Value Added as space permits

* During Calendar Year 2018-19, the IHSA Web Site received more than 38.2 million page views.



Net = net total amount of check paid to March Madness Experience (agency commissions escalate price accordingly)

2020 March Madness Experience™ Sponsorship Benefits

	Item	Sweet Sixteen	
 	In Game Event/Promotion Investment (Net) Event Positioning Sample Product (EF) Use of MME Logo MME Floor Logo MME Digital Signage	Sweet Sixteen No \$5,000 Event Venue Yes Yes No Digital scroll every half hour (Above Center Court) 6 seasons 1A & 2A, 3A & 4A No 6 each 1A & 2A, 3A & 4A 2 each 1A & 2A, 3A & 4A Exposure & Link Half Page/Black & White Yes	 
	Regular Season Tickets VIP Session Seating VIP Room Passes VIP Park Passes IHSA Web Site (*) Boys Program Ad LED Arena Signage		

(EF) = Except food or beverage covered in Civic Center Contract

(VA) = Value Added as space permits

* During Calendar Year 2018-19, the IHSA Web Site received more than 38.2 million page views.



Net = net total amount of check paid to March Madness Experience (agency commissions escalate price accordingly)



2020 Dates

Class 1A & 2A Weekend = Thursday-Saturday, March 12-14
 21st Annual Access the Experience Field Trip Day = Tuesday, March 17
 Class 3A & 4A Weekend = Thursday-Saturday, March 19-21
 18th Annual Learning from the Legends Free Clinic
 (4th-6th Grade) = Saturday, March 21



A Look At The MME Past

2019 Attendance Breakdown = Class 1A/2A weekend 30,583; 20th Annual Access The Experience Field Trip Day (for those with disabilities) 2,921; Class 3A/4A weekend 29,698, Learning From the Legends Clinic 150; Wheelchair Tournaments 574. Grand Total 63,926.

2018 Attendance Breakdown = Class 1A/2A weekend 30,658; 19th Annual Access The Experience Field Trip Day (for those with disabilities) 2,270; Class 3A/4A weekend 29,804, Learning From the Legends Clinic 160; Wheelchair Tournaments 601. Grand Total 63,493.

2017 Attendance Breakdown = Class 1A/2A weekend 31,456; 18th Annual Access The Experience Field Trip Day (for those with disabilities) 2,300; Class 3A/4A weekend 31,090, Learning From the Legends Clinic 171; Wheelchair Tournaments 611. Grand Total 65,628.

2016 Attendance Breakdown = Class 1A/2A weekend 31,754; 17th Annual Access The Experience Field Trip Day (for those with disabilities) 2,134; Class 3A/4A weekend 29,019, Learning From the Legends Clinic 263; Wheelchair Tournaments 609. Grand Total 63,779.

2015 Attendance Breakdown = Class 1A/2A weekend 31,657; 16th Annual Access The Experience Field Trip Day (for those with disabilities) 2,107; Class 3A/4A weekend 29,274, Learning From the Legends Clinic 304; Wheelchair Tournaments 604. Grand Total 63,642.

2014 Attendance Breakdown = Class 1A/2A weekend 31,238; 15th Annual Access The Experience Field Trip Day (for those with disabilities) 2,083; Class 3A/4A weekend 29,461, Learning From the Legends Clinic 238; Wheelchair Tournaments 591. Grand Total 60,699.

2013 Attendance Breakdown = Class 1A/2A weekend 29,471; 14th Annual Access The Experience Field Trip Day (for those with disabilities) 1,893; Class 3A/4A weekend 28,884, Learning From the Legends Clinic 260; Wheelchair Tournaments 587. Grand Total 58,355.

2012 Attendance Breakdown = Class 1A/2A weekend 28,451; 13th Annual Access The Experience Field Trip Day (for those with disabilities) 1,680; Class 3A/4A weekend 27,633, Learning From the Legends Clinic 350; Wheelchair Tournaments 563. Grand Total 56,084.

2011 Attendance Breakdown = Class 1A/2A weekend 30,679; 12th Annual Access The Experience Field Trip Day (for those with disabilities) 1,680; Class 3A/4A weekend 27,873, Learning From the Legends Clinic 350; Wheelchair Tournaments 527. Grand Total 61,073.

Experience March Madness



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Matt Fick,

AGENDA ITEM: Resolution No. 51-19/20 Pekin Marigold Festival Committee Sponsorship

ACTION REQUESTED: Approve the Resolution

DESCRIPTION: The Pekin Marigold Festival Committee is requesting sponsorship assistance from the City in the amount of \$6,500. The Marigold Festival was started in 1973 to honor one of Pekin's "favorite sons", Senator Everett Dirksen. It is Pekin's biggest annual festival and is held the first weekend after Labor Day in September. Activities include a carnival, music, festive foods, entertainment, kid events, parade, and Art in the Park with craft vendors that attract exhibitors from five surrounding states.

The Pekin Marigold Festival Committee coordinates the efforts of more than 1,000 volunteers for this event and involving many local participating organizations that use the financial proceeds from their concession sales to help support their own charitable not-for-profit organization.

The City has historically supported the Marigold Festival through its annual contribution to the Pekin Chamber of Commerce, however, this year the Festival Committee is asking for a direct contribution in the amount of \$6,500.

Staff recommends approval of a pledge of \$6,500 with funds to come from next year's Tourism Fund budget.

FINANCIAL IMPACT:

Requested Amount: \$6,500 from Tourism Hotel/Motel Tax Fund
 Line Item: 208-208-597700 (sponsorships)
 Budgeted Amount: Pledged item to be included in FY 20-21 Budget
 Remaining Funds: N/A

IMPACT IF APPROVED: The City supports the Marigold Festival

IMPACT IF DENIED: The City does not support the Marigold Festival

ALTERNATIVES: N/A

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.

Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.

Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a "Business-Friendly" Community.

	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES
Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Mark A. Rothert _____
Mark A. Rothert, City Manager 2/3/2020

Date:

**Resolution No. 51-19/20 Sponsorship of 2020 Pekin Marigold Festival Committee
in the Amount of \$6,500**

8.2

WHEREAS, the Pekin Marigold Festival is an annual event that has been held in the City of Pekin since 1973; and

WHEREAS, the Festival draws people from throughout the region and neighboring states who help support the local economy by buying goods and staying in hotels; and

WHEREAS, the City of Pekin has annually provided financial support for the Festival through its Chamber of Commerce contributions, but is now being asked by the Festival Committee to make a direction contribution to the event in the amount of \$6,500.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Pekin, Tazewell County, Illinois that the City provides a grant in the amount of \$6,500 from the Tourism Fund to support the 2020 Pekin Marigold Festival.

MAYOR

ATTEST:

CITY CLERK



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Mark Rothert, City Manager

AGENDA ITEM: Resolution No. 54-19/20 MOU to Extend School Bus Transportation Services with District 108

ACTION REQUESTED: Approve the Resolution.

DESCRIPTION: The City of Pekin (“City”) and the Pekin Public School District 108 (“District”) entered into an intergovernmental agreement (“Agreement”) for student transportation services on June 25, 2012. The Agreement between the City and the District for school bus transportation services automatically extends each July 1st for an additional year, unless otherwise terminated. The parties have sixty days after each automatic extension to reconsider and agree upon the levels of compensation payable by the District to the City through a memorandum of understanding (“MOU”). However, to better plan for operations of each unit of local government, the parties have traditionally come to terms on an MOU extension in January/February.

The attached resolution recommends adopting an MOU that extends the Agreement for the school years of 2020-2021, 2021-2022 and 2022-2023 and establishes the following levels of compensation payable by the District to the City:

School Year	Compensation	% Increase
2019-2020*	\$2,708,978	N/A
2020-2021	\$2,776,702	2.50%
2021-2022	\$2,846,120	2.50%
2022-2023	\$2,917,273	2.50%

*Base School Year for calculation

Charter routes are charged at different rates.

Staff is recommending approval of the MOU for the following reasons:

- Eliminating the Bus Department would require the School District to take on its own bus transportation services. This would likely result in a private company providing the service at a higher rate, thus requiring the School District to raise more funds (i.e. taxes) to pay for such costs.
- The City’s Bus Department is self-sustaining and not subsidized by the City’s General Fund.
- Lastly, the City has been providing bus transportation for a very long time and the School District has regularly indicated its happiness with the service being provided.

FINANCIAL IMPACT:

Amount: \$2,776,702 FY21
 \$2,846,120 FY22
 \$2,917,273 FY23
 Line Item: 501-501-450011

Budgeted Amount: N/A
 Remaining Funds: N/A

IMPACT IF APPROVED: The City will provide bus transportation services for District 108

IMPACT IF DENIED: The City will not provide bus transportation services for District 108

ALTERNATIVES: N/A

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.

Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.

Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.

Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness

Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.

Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Mark A. Rothert

Mark A. Rothert, City Manager

2/3/2020

Date:

WHEREAS, the City of Pekin (the “City”) and the Pekin Public School District 108 (the “District” and the City and District together referred to as the “Parties”) entered into an intergovernmental agreement for student transportation services on June 25, 2012; and

WHEREAS, the Agreement between the City and the District for school bus transportation services automatically extends each July 1st for an additional year, unless otherwise terminated; and

WHEREAS, the Parties have sixty (60) days after each automatic extension to reconsider and agree upon the levels of compensation payable by the District to the City through a memorandum of understanding (“MOU”); and

WHEREAS, the Parties wish to mutually extend their intergovernmental agreement (“Agreement”) and come to terms on levels of compensation payable by the District to the City via a new MOU; and

WHEREAS, pursuant to paragraph 13 of the existing Agreement, the Parties wish to agree to a three year compensation schedule for the school years of 2020-2021, 2021-2022 and 2022-2023 for related school bus transportation services provided by the City.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Pekin, Illinois that:

1. The findings and recitations set forth above are adopted and found to be true and correct.
2. The City and the District find that continuing the Agreement for school bus transportation services is in the best interest of each of the Parties.
3. The Mayor is authorized to execute and the City Clerk is authorized to attest to the attached MOU.

MAYOR

ATTEST:

CITY CLERK

MEMORANDUM OF UNDERSTANDING

Now comes the City of Pekin (hereinafter the “City”) and the Pekin Public School District 108 (hereinafter the “District” and the City and District together referred to as the “Parties”) whereby the Parties wish to mutually extend their intergovernmental agreement (hereinafter “Agreement”) entered into on June 25, 2012 upon mutually agreeable compensation terms.

WHEREAS, the Agreement between the City and the District for school bus transportation services automatically extends each July 1st for an additional year; and

WHEREAS, the Parties have sixty (60) days after each automatic extension to reconsider and agree upon the levels of compensation payable by the District to the City through a memorandum of understanding (hereinafter “MOU”); and

WHEREAS, pursuant to paragraph 13 of the existing Agreement, the Parties wish to agree to a three year compensation schedule for the school years of 2020-2021, 2021-2022 and 2022-2023 for related school bus transportation services provided by the City.

NOW THEREFORE BE IT AGREED UPON BY THE PARTIES THAT:

1. The findings and recitations set forth above are adopted and found to be true and correct.
2. The City and the District find that continuing the Agreement for school bus transportation services is in the best interest of each of the Parties.
3. The compensation paid to the City of Pekin by the Pekin Public School District 108 shall be in accordance with the following rate schedule:

School Year	Compensation	% Increase
2019-2020*	\$2,708,978	N/A
2020-2021	\$2,776,702	2.50%
2021-2022	\$2,846,120	2.50%
2022-2023	\$2,917,273	2.50%

*Base School Year for calculation

There shall be no decrease in the rates in any year and they shall be paid in 10 equal monthly installments beginning September 1 of each year and every month thereafter.

4. As per Exhibits A & B, attached, charges for fuel and charter trips will be billed monthly and due 30 days from invoice.
5. If additional routes are added, the Parties will mutually agree to the compensation for additional service.

6. The Parties shall also work together throughout the school year to address and develop a collaborative response to student behavior issues and student management and discipline on school buses.

CITY OF PEKIN

PEKIN PUBLIC SCHOOL DISTRICT NO. 108

By _____
Its Mayor

By _____
President, Board of Education

Dated: _____

Dated: _____

ATTEST:

ATTEST:

By _____
Its City Clerk

By _____
Secretary, Board of Education

Exhibit A
Fuel Reimbursement Policy
 Effective August 1, 2020

1. Fuel usage will be determined on a monthly basis.
2. Invoicing of the fuel will be at the cost of the fuel.
3. Invoices will be billed monthly.

Exhibit B
Bus Special Charter Price Schedule
 Effective August 1, 2020

Charters (Mon-Fri)

School Year	Per Mile	Per Hour	Minimum Charge	% Increase
2019-2020*	\$1.00	\$23.00	\$40.00	N/A
2020-2021	\$1.00	\$23.58	\$41.00	2.50%
2021-2022	\$1.00	\$24.16	\$42.03	2.50%
2022-2023	\$1.00	\$24.77	\$43.08	2.50%

*Base School Year for calculation

Charters (Sat-Sun)

School Year	Per Mile	Per Hour	Minimum Charge	% Increase
2019-2020*	\$1.00	\$34.50	\$40.00	N/A
2020-2021	\$1.00	\$35.36	\$41.00	2.50%
2021-2022	\$1.00	\$36.25	\$42.03	2.50%
2022-2023	\$1.00	\$37.15	\$43.08	2.50%

*Base School Year for calculation



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Mark Rothert, City Manager

AGENDA ITEM: Resolution No. 55-19/20 MOU to Extend School Bus Transportation Services with District 303

ACTION REQUESTED: Approve the Resolution.

DESCRIPTION: The City of Pekin (“City”) and the Pekin Community High School District 303 (“District”) entered into an intergovernmental agreement (“Agreement”) for student transportation services on June 25, 2012. The Agreement between the City and the District for school bus transportation services automatically extends each July 1st for an additional year, unless otherwise terminated. The parties have sixty days after each automatic extension to reconsider and agree upon the levels of compensation payable by the District to the City through a memorandum of understanding (“MOU”). However, to better plan for operations of each unit of local government, the parties have traditionally come to terms on an MOU extension in January/February.

The attached resolution recommends adopting an MOU that extends the Agreement for the school years of 2020-2021, 2021-2022 and 2022-2023 and establishes the following levels of compensation payable by the District to the City:

School Year	Compensation	% Increase
2019-2020*	\$1,310,198	N/A
2020-2021	\$1,342,953	2.50%
2021-2022	\$1,376,527	2.50%
2022-2023	\$1,410,940	2.50%

*Base School Year for calculation

Charter routes are charged at different rates.

Staff is recommending approval of the MOU for the following reasons:

- Eliminating the Bus Department would require the School District to take on its own bus transportation services. This would likely result in a private company providing the service at a higher rate, thus requiring the School District to raise more funds (i.e. taxes) to pay for such costs.
- The City’s Bus Department is self-sustaining and not subsidized by the City’s General Fund.
- Lastly, the City has been providing bus transportation for a very long time and the School District has regularly indicated its happiness with the service being provided.

FINANCIAL IMPACT:

Amount: \$1,342,953 FY21
 \$1,376,527 FY22
 \$1,410,940 FY23
 Line Item: 501-501-450013
 Budgeted Amount: N/A

Remaining Funds: N/A

IMPACT IF APPROVED: The City will provide bus transportation services for District 303

IMPACT IF DENIED: The City will not provide bus transportation services for District 303

ALTERNATIVES: N/A

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.

Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.

Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a "Business-Friendly" Community.

Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness

Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.

Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Mark A. Rothert

Mark A. Rothert, City Manager

2/3/2020

Mark A. Rothert

Mark A. Rothert, City Manager

2/4/2020

Date:

WHEREAS, the City of Pekin (the “City”) and the Pekin Public School District 108 (the “District” and the City and District together referred to as the “Parties”) entered into an intergovernmental agreement for student transportation services on June 25, 2012; and

WHEREAS, the Agreement between the City and the District for school bus transportation services automatically extends each July 1st for an additional year, unless otherwise terminated; and

WHEREAS, the Parties have sixty (60) days after each automatic extension to reconsider and agree upon the levels of compensation payable by the District to the City through a memorandum of understanding (“MOU”); and

WHEREAS, the Parties wish to mutually extend their intergovernmental agreement (“Agreement”) and come to terms on levels of compensation payable by the District to the City via a new MOU; and

WHEREAS, pursuant to paragraph 13 of the existing Agreement, the Parties wish to agree to a three year compensation schedule for the school years of 2020-2021, 2021-2022 and 2022-2023 for related school bus transportation services provided by the City.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Pekin, Illinois that:

1. The findings and recitations set forth above are adopted and found to be true and correct.
2. The City and the District find that continuing the Agreement for school bus transportation services is in the best interest of each of the Parties.
3. The Mayor is authorized to execute and the City Clerk is authorized to attest to the attached MOU.

MAYOR

ATTEST:

CITY CLERK

MEMORANDUM OF UNDERSTANDING

Now comes the City of Pekin (hereinafter the “City”) and the Pekin Community High School District 303 (hereinafter the “District” and the City and District together referred to as the “Parties”) whereby the Parties wish to mutually extend their intergovernmental agreement (hereinafter “Agreement”) entered into on June 25, 2012 upon mutually agreeable compensation terms.

WHEREAS, the Agreement between the City and the District for school bus transportation services automatically extends each July 1st for an additional year; and

WHEREAS, the Parties have sixty (60) days after each automatic extension to reconsider and agree upon the levels of compensation payable by the District to the City through a memorandum of understanding (hereinafter “MOU”); and

WHEREAS, pursuant to paragraph 13 of the existing Agreement, the Parties wish to agree to a three year compensation schedule for the school years of 2020-2021, 2021-2022 and 2022-2023 for related school bus transportation services provided by the City.

NOW THEREFORE BE IT AGREED UPON BY THE PARTIES THAT:

1. The findings and recitations set forth above are adopted and found to be true and correct.
2. The City and the District find that continuing the Agreement for school bus transportation services is in the best interest of each of the Parties.
3. The compensation paid to the City of Pekin by the Pekin Community High School District 303 shall be in accordance with the following rate schedule:

School Year	Compensation	% Increase
2019-2020*	\$1,310,198	N/A
2020-2021	\$1,342,953	2.50%
2021-2022	\$1,376,527	2.50%
2022-2023	\$1,410,940	2.50%

*Base School Year for calculation

There shall be no decrease in the rates in any year and they shall be paid in 10 equal monthly installments beginning September 1 of each year and every month thereafter.

4. As per Exhibits A & B, charges for fuel and charter trips will be billed monthly and due 30 days from invoice.
5. If additional routes are added, the Parties will mutually agree to the compensation for additional service.

6. The Parties shall also work together throughout the school year to address and develop a collaborative response to student behavior issues and student management and discipline on school buses.

CITY OF PEKIN

**PEKIN COMMUNITY HIGH SCHOOL
DISTRICT NO. 303**

By _____
Its Mayor

By _____
President, Board of Education

Dated: _____

Dated: _____

ATTEST:

ATTEST:

By _____
Its City Clerk

By _____
Secretary, Board of Education

Exhibit A
Fuel Reimbursement Policy
Effective August 1, 2020

1. Fuel usage will be determined on a monthly basis.
2. Invoicing of the fuel will be at the cost of the fuel.
3. Invoices will be billed monthly.

Exhibit B
Bus Special Charter Price Schedule
Effective August 1, 2020

Charters (Mon-Fri)

School Year	Per Mile	Per Hour	Minimum Charge	% Increase
2019-2020*	\$1.00	\$23.00	\$40.00	N/A
2020-2021	\$1.00	\$23.58	\$41.00	2.50%
2021-2022	\$1.00	\$24.16	\$42.03	2.50%
2022-2023	\$1.00	\$24.77	\$43.08	2.50%

*Base School Year for calculation

Charters (Sat-Sun)

School Year	Per Mile	Per Hour	Minimum Charge	% Increase
2019-2020*	\$1.00	\$34.50	\$40.00	N/A
2020-2021	\$1.00	\$35.36	\$41.00	2.50%
2021-2022	\$1.00	\$36.25	\$42.03	2.50%
2022-2023	\$1.00	\$37.15	\$43.08	2.50%

*Base School Year for calculation



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Mark Rotherth, City Manager

AGENDA ITEM: Ordinance No. 2868-19/20 CBD TIF District Amendment to Intergovernmental Agreement with District 108

ACTION REQUESTED: Adopt the Ordinance.

DESCRIPTION: On November 11, 1986, the City adopted a Redevelopment Plan and Projects and Redevelopment Area for the Pekin Central Business District TIF District (the “TIF District”), pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* (“TIF Act”). On July 15, 2004, pursuant to House Bill 1519 (Public Act 93-0747), the TIF District was legislatively extended for an additional twelve (12) years for a total of thirty-five (35) years.

The City and the Pekin Public Schools District 108 (the “Parties”) subsequently entered into an Intergovernmental Agreement (the “Original Agreement”) on August 28, 2006 to provide the School District with a reimbursement of capital improvement-related costs. The amount of reimbursements made by the City to the School District was based upon a calculation using the General State Aid Formula. However, effective beginning with Fiscal Year 2018, the distribution of General State Aid (GSA) to Illinois public schools had been sunset by the State of Illinois as a statutorily defined formula in 105 ILCS 5/18-8.05 and replaced with the Evidence-Based Funding for Student Success Act or PA 100-0465. This move away from the GSA fundamentally negated how the City could accurately calculate its reimbursement to the School District. To compensate for the change, it is recommended that the Parties agree to a flat annual reimbursement rate for Capital Costs that mimics prior payments and calculated as follows:

Commencing with tax year 2018 payable 2019 and continuing for each year during the current remaining life of the Pekin Central Business District TIF District, the City shall pay to the School District a sum equal to Eleven Percent (11%) of the gross real tax increment created from any development or increase in equalized assessed valuation within the TIF District for reimbursement of a portion of the School District’s capital costs.

Staff recommends approval of the amendment to remain consistent with the Original Agreement.

FINANCIAL IMPACT:

Requested Amount: N/A
 Line Item: N/A
 Budgeted Amount: N/A
 Remaining Funds: N/A

IMPACT IF APPROVED: Intergovernmental Agreement with District 108 is amended

IMPACT IF DENIED: Intergovernmental Agreement with District 108 is not amended

ALTERNATIVES: N/A

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.
REQUIRED SIGNATURES	
Finance Department (Certification of Availability of Funds): Date:	
City Manager:	
Mark A. Rothert Mark A. Rothert, City Manager	Mark A. Rothert Mark A. Rothert, City Manager
2/5/2020	2/5/2020
Date:	

WHEREAS, on November 11, 1986, the City adopted a Redevelopment Plan and Projects and Redevelopment Area for the Pekin Central Business District TIF District (the “TIF District”), pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* (“TIF Act”); and

WHEREAS, on July 15, 2004, pursuant to House Bill 1519 (Public Act 93-0747), the TIF District was legislatively extended for an additional twelve (12) years for a total of thirty-five (35) years; and

WHEREAS, the City and the Pekin Public Schools District 108 (the “Parties”) subsequently entered into an Intergovernmental Agreement (the “Original Agreement”) on August 28, 2006 to provide the School District with a reimbursement of capital improvement-related costs; and

WHEREAS, the amount of reimbursements made by the City to the School District was based upon a calculation using the General State Aid Formula, however, effective beginning with Fiscal Year 2018, the distribution of General State Aid (GSA) to Illinois public schools had been sunset by the State of Illinois as a statutorily defined formula in 105 ILCS 5/18-8.05 and replaced with the Evidence-Based Funding for Student Success Act or PA 100-0465; and

WHEREAS, this move away from the GSA fundamentally negated how the City could accurately calculate its reimbursement to the School District; and

WHEREAS, to compensate for the change, it is recommended that the Parties agree to a flat annual reimbursement rate for Capital Costs that mimics prior payments and calculated as follows: Commencing with tax year 2018 payable 2019 and continuing for each year during the current remaining life of the Pekin Central Business District TIF District, the City shall pay to the School District a sum equal to Eleven Percent (11%) of the gross real tax increment created from any development or increase in equalized assessed valuation within the TIF District for reimbursement of a portion of the School District’s capital costs.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Pekin, Illinois that:

1. The findings and recitations set forth above are adopted and found to be true and correct.
2. The Mayor is authorized to execute and the City Clerk is authorized to attest to the attached Amendment to the Original Agreement.

MAYOR

ATTEST:

CITY CLERK

**CITY OF PEKIN, ILLINOIS: ORDINANCE NO. 2868-19/20
PEKIN CENTRAL BUSINESS DISTRICT (CBD) TIF DISTRICT**

**AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF AN AMENDMENT
TO AN INTERGOVERNMENTAL AGREEMENT**

by and between
THE CITY OF PEKIN
and

PEKIN PUBLIC SCHOOL DISTRICT NO. 108

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF PEKIN THAT:

1. The Amendment to the Intergovernmental Agreement with Pekin Public School District No. 108 attached hereto as ***Exhibit "A"*** is hereby approved.
2. The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Amendment to the Intergovernmental Agreement and the City Clerk of the City of Pekin, an Illinois Home Rule Municipality, is hereby authorized and directed to attest such execution.
3. The Amendment to the Intergovernmental Agreement shall be effective the date of its approval.
4. This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

PASSED, APPROVED AND ADOPTED by the Corporate Authorities of the City of Pekin, Tazewell County, Illinois on the 10th day of February, 2020, and deposited and filed in the Office of the City Clerk of said City on that date.

CORPORATE AUTHORITIES	AYE VOTE	NAY VOTE	ABSTAIN / ABSENT
John Abel			
Michael Garrison			
David Nutter			
Lloyd Orrick			
Rick Hilst			
Karen Hohimer			
Mark Luft, Mayor			
TOTAL VOTES:			

APPROVED: _____, Date ____/ ____ / 2020
Mayor, City of Pekin

ATTEST: _____, Date: ____/ ____ / 2020
City Clerk, City of Pekin

EXHIBIT A

**AMENDMENT TO AN
INTERGOVERNMENTAL AGREEMENT**

by and between

THE CITY OF PEKIN

and

PEKIN PUBLIC SCHOOL DISTRICT NO. 108

**PEKIN CENTRAL BUSINESS DISTRICT TIF DISTRICT
AMENDMENT TO THE
INTERGOVERNMENTAL AGREEMENT**

by and between

**THE CITY OF PEKIN, ILLINOIS
and
PEKIN PUBLIC SCHOOLS DISTRICT NO. 108**

This Amendment to the Intergovernmental Agreement is entered into by and between the City of Pekin, an Illinois Municipal Corporation, and Pekin Public Schools District No. 108, an Illinois School District, pursuant to the 1970 Illinois Constitution and Illinois Compiled Statutes.

In consideration of their mutual promises, the parties hereto agree as follows:

1. The City of Pekin ("City") is an Illinois Municipal Corporation organized under the Constitution and Statutes of the State of Illinois.
2. The Pekin Public Schools District No. 108 ("School District") is an Illinois School District organized under the Statutes of the State of Illinois.
3. On November 11, 1986, the City adopted a Redevelopment Plan and Projects and Redevelopment Area for the Pekin Central Business District TIF District (the "TIF District"), pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* ("TIF Act").
4. On July 15, 2004, pursuant to House Bill 1519 (Public Act 93-0747), the TIF District was legislatively extended for an additional twelve (12) years for a total of thirty-five (35) years.
5. The City and the School District entered into an Intergovernmental Agreement (the "Original Agreement") on August 28, 2006 in order to reduce some of the negative impact on the real estate tax base of the School District caused by the creation of the TIF District.
6. The Parties agree that, through and including tax year 2017 payable in 2018, the City has made all reimbursements to the School District as set forth in the Original Agreement.
7. The Parties agree that the reimbursements provided for by this amendment shall be effective for tax year 2018 payable in year 2019 and shall continue through the remaining term set forth in the Original Agreement.
8. The Parties hereby acknowledge and agree that all prior reimbursements made by the

City to the School District pursuant to the Original Agreement were for capital costs incurred by the School District which were made necessary by and in furtherance of the TIF District Plan, as provided by Section 74.4-3(q)(7) of the TIF Act. The Parties further agree that all future reimbursements to be made by the City to the School District as set forth herein shall be for the reimbursement of capital costs incurred by the School District which are made necessary by and in furtherance of the TIF District Plan.

NOW, THEREFORE, the parties agree that the Original Agreement shall be amended as follows:

A. Amended Section 2.1.

The parties agree that *Section 2.1* of the Original Agreement shall be amended by replacing it, in its entirety, with the following:

2.1 Reimbursement of Capital Costs: Commencing with tax year 2018 payable 2019 and continuing for each year during the current remaining life of the Pekin Central Business District TIF District, the City shall pay to the School District a sum equal to **Eleven Percent (11%)** of the gross real tax increment created from any development or increase in equalized assessed valuation within the TIF District for reimbursement of a portion of the School District's capital costs.

B. Prior Agreement Terms Apply.

All terms of the Original Agreement and any Exhibits thereto shall apply to this Amendment and remain effective unless specifically modified by this First Amendment to the Intergovernmental Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the 10th day of February, 2020.

**PEKIN PUBLIC SCHOOLS
DISTRICT NO. 108,**
an Illinois School District

CITY OF PEKIN,
an Illinois Municipal Corporation

By: _____
President, Board of Education

By: _____
Mayor, City of Pekin

Attest: _____
Secretary

Attest: _____
City Clerk, City of Pekin



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Mark Rotherth, City Manager

AGENDA ITEM: Ordinance No. 2869-19/20 CBD TIF District Amendment to Intergovernmental Agreement with District 303

ACTION REQUESTED: Adopt the Ordinance.

DESCRIPTION: On November 11, 1986, the City adopted a Redevelopment Plan and Projects and Redevelopment Area for the Pekin Central Business District TIF District (the “TIF District”), pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* (“TIF Act”). On July 15, 2004, pursuant to House Bill 1519 (Public Act 93-0747), the TIF District was legislatively extended for an additional twelve (12) years for a total of thirty-five (35) years.

The City and the Pekin Community High School District 303 (the “Parties”) subsequently entered into an Intergovernmental Agreement (the “Original Agreement”) on August 28, 2006 to provide the School District with a reimbursement of capital improvement-related costs. The amount of reimbursements made by the City to the School District was based upon a calculation using the General State Aid Formula. However, effective beginning with Fiscal Year 2018, the distribution of General State Aid (GSA) to Illinois public schools had been sunset by the State of Illinois as a statutorily defined formula in 105 ILCS 5/18-8.05 and replaced with the Evidence-Based Funding for Student Success Act or PA 100-0465. This move away from the GSA fundamentally negated how the City could accurately calculate its reimbursement to the School District. To compensate for the change, it is recommended that the Parties agree to a flat annual reimbursement rate for Capital Costs that mimics prior payments and calculated as follows:

Commencing with tax year 2018 payable 2019 and continuing for each year during the current remaining life of the Pekin Central Business District TIF District, the City shall pay to the School District a sum equal to Thirteen Percent (13%) of the gross real tax increment created from any development or increase in equalized assessed valuation within the TIF District for reimbursement of a portion of the School District’s capital costs.

Staff recommends approval of the amendment to remain consistent with the Original Agreement.

FINANCIAL IMPACT:

Requested Amount: N/A
 Line Item: N/A
 Budgeted Amount: N/A
 Remaining Funds: N/A

IMPACT IF APPROVED: Intergovernmental Agreement with District 108 is amended

IMPACT IF DENIED: Intergovernmental Agreement with District 108 is not amended

ALTERNATIVES: N/A

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and

	future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.
REQUIRED SIGNATURES	
Finance Department (Certification of Availability of Funds): Date:	
City Manager:	
Mark A. Rothert Mark A. Rothert, City Manager	Mark A. Rothert Mark A. Rothert, City Manager
2/5/2020	2/5/2020
Date:	

**Ordinance No. 2869-19/20 Central Business District TIF District Amendment to
Intergovernmental Agreement with District 303**

8.6

MAYOR

ATTEST:

CITY CLERK

CITY OF PEKIN, ILLINOIS: ORDINANCE NO. 2869-19/20

PEKIN CENTRAL BUSINESS DISTRICT (CBD) TIF DISTRICT

AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF AN AMENDMENT
TO AN INTERGOVERNMENTAL AGREEMENTby and between
THE CITY OF PEKIN

and

PEKIN COMMUNITY HIGH SCHOOL DISTRICT NO. 303

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF
PEKIN THAT:

1. The Amendment to the Intergovernmental Agreement with Pekin Community High School District No. 303 attached hereto as ***Exhibit "A"*** is hereby approved.
2. The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Amendment to the Intergovernmental Agreement and the City Clerk of the City of Pekin, an Illinois Home Rule Municipality, is hereby authorized and directed to attest such execution.
3. The Amendment to the Intergovernmental Agreement shall be effective the date of its approval.
4. This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

PASSED, APPROVED AND ADOPTED by the Corporate Authorities of the City of Pekin, Tazewell County, Illinois on the 10th day of February, 2020, and deposited and filed in the Office of the City Clerk of said City on that date.

CORPORATE AUTHORITIES	AYE VOTE	NAY VOTE	ABSTAIN / ABSENT
John Abel			
Michael Garrison			
David Nutter			
Lloyd Orrick			
Rick Hilst			
Karen Hohimer			
Mark Luft, Mayor			
TOTAL VOTES:			

APPROVED: _____, Date ____/____/2020
Mayor, City of Pekin

ATTEST: _____, Date: ____/____/2020
City Clerk, City of Pekin

EXHIBIT A

**AMENDMENT TO AN
INTERGOVERNMENTAL AGREEMENT**

by and between

THE CITY OF PEKIN

and

PEKIN COMMUNITY HIGH SCHOOL DISTRICT NO. 303

Attachment: Pekin CBD TIF_DRAFT Amendment to IGA_Pekin Comm HS 303 (2004 : Ordinance No. 2869-19/20 CBD TIF District Amendment to

**PEKIN CENTRAL BUSINESS DISTRICT TIF DISTRICT
AMENDMENT TO THE
INTERGOVERNMENTAL AGREEMENT**

by and between

**THE CITY OF PEKIN, ILLINOIS
and
PEKIN COMMUNITY HIGH SCHOOL DISTRICT NO. 303**

This Amendment to the Intergovernmental Agreement is entered into by and between the City of Pekin, an Illinois Municipal Corporation, and Pekin Community High School District No. 303, an Illinois School District, pursuant to the 1970 Illinois Constitution and Illinois Compiled Statutes.

In consideration of their mutual promises, the parties hereto agree as follows:

1. The City of Pekin ("City") is an Illinois Home Rule Municipal Corporation organized under the Constitution and Statutes of the State of Illinois.
2. The Pekin Community High School District No. 303 ("School District") is an Illinois School District organized under the Statutes of the State of Illinois.
3. On November 11, 1986, the City adopted a Redevelopment Plan and Projects and Redevelopment Area for the Pekin Central Business District TIF District (the "TIF District"), pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* ("TIF Act").
4. On July 15, 2004, pursuant to House Bill 1519 (Public Act 93-0747), the TIF District was legislatively extended for an additional twelve (12) years for a total of thirty-five (35) years.
5. The City and the School District entered into an Intergovernmental Agreement (the "Original Agreement") on August 28, 2006 in order to reduce some of the negative impact on the real estate tax base of the School District caused by the creation of the TIF District.
6. The Parties agree that, through and including tax year 2017 payable in 2018, the City has made all reimbursements to the School District as set forth in the Original Agreement.
7. The Parties agree that the reimbursements provided for by this amendment shall be effective for tax year 2018 payable in year 2019 and shall continue through the remaining term set forth in the Original Agreement.

NOW, THEREFORE, the parties agree that the Original Agreement shall be amended as follows:

A. Amended Section 2.1.

The parties agree that *Section 2.1* of the Original Agreement shall be amended by replacing it, in its entirety, with the following:

2.1 Reimbursement of Capital Costs: Commencing with tax year 2018 payable 2019 and continuing for each year during the current remaining life of the Pekin Central Business District TIF District, the City shall pay to the School District a sum equal to **Thirteen Percent (13%)** of the gross real tax increment created from any development or increase in equalized assessed valuation within the TIF District for reimbursement of a portion of the School District's capital costs.

B. Prior Agreement Terms Apply.

All terms of the Original Agreement and any Exhibits thereto shall apply to this Amendment and remain effective unless specifically modified by this First Amendment to the Intergovernmental Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the 10th day of February, 2020.

**PEKIN COMMUNITY HIGH
SCHOOL DISTRICT NO. 303,**
an Illinois School District

CITY OF PEKIN,
an Illinois Municipal Corporation

By: _____
President, Board of Education

By: _____
Mayor, City of Pekin

Attest: _____
Secretary

Attest: _____
City Clerk, City of Pekin



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Matt Fick,

AGENDA ITEM: Ordinance No. 2861-19/20 Suds Predevelopment Agreement

ACTION REQUESTED: Adopt the Ordinance.

DESCRIPTION: This request is for the approval of a TIF Predevelopment Agreement with the SUD Family Limited Partnership (SUD), owners of an office building located at 111 N. 6th Street (Project). SUD is interested to put a substantial investment into the Project yet it requires sprinkler system improvements so that the structure meets building code requirements, and is thereby inhabitable for prospective tenants. The sprinkler system is cost prohibitive to undertake given the amount of other improvements that are needed, which is the primary reason the building has remained vacant for the last several years. The SUD owners have indicated that if funding for the sprinkler system was available it would allow them to make all the other upgrades and execute a pending lease agreement for the third floor with a tenant that would bring up to 70 employees.

This property is not currently located in a tax increment finance district (TIF) but is adjacent to the existing Central Business District (CBD) TIF and proposed to be included in the new TIF being contemplated by the City. The City's TIF legal counsel, Jacob and Klein LTD, has advised that CBD TIF funds can pay for the sprinkler improvements, upon adoption of the Predevelopment agreement, and if the City establishes a new TIF within a year and that it will be contiguous to the CBD TIF and include 111 N. 6th Street within its boundaries. If for some reason the new TIF is not established the City would be obligated to repay the CBD TIF with general fund reserves or some other source of funding.

In summary, the attached Predevelopment Agreement provides for the following financial terms:

- Support provided to SUD shall be through a 5 year forgivable loan for costs related to installation of a sprinkler system at 111 N. 6th Street.
- Upon completion of the installation of the sprinkler system and upon SUD providing the City with a bill or invoice from the contractor(s) who installed said sprinkler system, the City shall reimburse the SUD project costs related to the installation of said sprinkler system up to an amount not to exceed \$200,000.

Based upon the substantial impact that redevelopment of the SUD building will have on the community, as well as the job creation component, Staff recommends approval.

FINANCIAL IMPACT:

Requested Amount:	\$200,000
Line Item:	270-270-583000 Central Business District TIF
Budgeted Amount:	\$925,000
Remaining Funds:	\$734,785 obligated, \$190,215 remaining. \$9,785 difference from Fund Balance

IMPACT IF APPROVED: Building improvements will be made, making it leasable and thereby attracting a business that will bring up to 70 employees into the downtown area.

IMPACT IF DENIED: No improvements will be made to building and it will remain vacant.

ALTERNATIVES: NA

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Mark A. Rothert

Mark A. Rothert, City Manager

2/4/2020

Date:

**Ordinance No. 2861-19/20 Approving and Authorizing the Execution of a TIF
Predevelopment Agreement by and between the City of Pekin and Sud Family
Limited Partnership**

MAYOR

ATTEST:

CITY CLERK

CITY OF PEKIN, ILLINOIS

ORDINANCE NO. _____

**AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF A TIF PREDEVELOPMENT AGREEMENT**

BY AND BETWEEN

THE CITY OF PEKIN

AND

SUD FAMILY LIMITED PARTNERSHIP

PEKIN COURT STREET TAX INCREMENT FINANCING DISTRICT

**ADOPTED BY THE MAYOR AND CITY COUNCIL
OF THE CITY OF PEKIN, ILLINOIS
ON THE 10TH DAY OF FEBRUARY, 2020.**

CITY OF PEKIN, ILLINOIS: ORDINANCE NO. _____

**AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A TIF
PREDEVELOPMENT AGREEMENT BY AND BETWEEN:
THE CITY OF PEKIN AND
SUD FAMILY LIMITED PARTNERSHIP**

The Mayor and City Council of the City of Pekin, Tazewell County, Illinois (the "City"), have determined that this TIF Predevelopment Agreement is in the best interest of the citizens of the City of Pekin; therefore, be it ordained as follows:

SECTION ONE: The Predevelopment Agreement with Sud Family Limited Partnership attached hereto is hereby approved.

SECTION TWO: The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Predevelopment Agreement and the City Clerk of the City of Pekin is hereby authorized and directed to attest such execution.

SECTION THREE: The Predevelopment Agreement shall be effective the date of its approval on the 10th day of February, 2020.

SECTION FOUR: This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

PASSED, APPROVED & ADOPTED by the Corporate Authorities of the City of Pekin this 10th day of February, 2020 and filed in the office of the City Clerk of said City on that date.

CORPORATE AUTHORITIES	AYE VOTE	NAY VOTE	ABSTAIN / ABSENT
John Abel			
Michael Garrison			
Dave Nutter			
Lloyd Orrick			
Rick Hilst			
Karen Hohimer			
Mark Luft, Mayor			
TOTAL VOTES:			

APPROVED: _____, Date ____/____/2020
Mayor, City of Pekin

ATTEST: _____, Date: ____/____/2020
City Clerk, City of Pekin

**PEKIN, ILLINOIS
COURT STREET TAX INCREMENT FINANCING
DISTRICT**

PREDEVELOPMENT AGREEMENT

by and between

CITY OF PEKIN, ILLINOIS

and

SUD FAMILY LIMITED PARTNERSHIP

FEBRUARY 10, 2020

**PEKIN, ILLINOIS
COURT STREET TAX INCREMENT FINANCING DISTRICT
PREDEVELOPMENT AGREEMENT**

by and between
CITY OF PEKIN, ILLINOIS
and
SUD FAMILY LIMITED PARTNERSHIP

THIS PREDEVELOPMENT AGREEMENT, including Exhibits (the “Agreement”), is entered into this 10th day of February, 2020, by the CITY OF PEKIN (the “City”), an Illinois Municipal Corporation, Tazewell County, Illinois, and SUD FAMILY LIMITED PARTNERSHIP (the “Developer”) (the City and the Developer shall be collectively referred to as the “Parties”).

PREAMBLE

WHEREAS, the City has the authority to promote the health, safety, and welfare of the City and its citizens and to prevent the spread of blight and deterioration and inadequate public facilities by promoting the development of private property thereby increasing the tax base of the City and providing employment for its citizens; and

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.4 *et seq.*, as amended (the “TIF Act” or the “Act”), the City has the authority to provide incentives to owners or prospective owners of real property to develop, redevelop, and rehabilitate such property by reimbursing the owners for certain costs from resulting increases in real estate tax revenues; and

WHEREAS, recognizing the need to foster the development, expansion and revitalization of certain properties which are vacant, underutilized or undeveloped, or a combination thereof, the City is intending, subject to the requirements of the Act to establish a Tax Increment Financing Redevelopment Plan and Projects (the “Plan”), designate a Redevelopment Area, and adopt Tax Increment Financing to be known as **Pekin Tax Court Street Increment Financing District** (the “TIF District”); and

WHEREAS, pursuant to 65 ILCS 5/8-1-2.5, a municipality may appropriate and expend funds for economic development purposes, including without limitation for commercial enterprises that are deemed necessary or desirable for the promotion of economic development within the municipality; and

WHEREAS, included in the proposed TIF Redevelopment Project Area is property currently owned by the Developer located at 111 N. 6th Street, Pekin, Illinois (Real Estate PIN # 04-04-35-332-001) (the “Property”); and

WHEREAS, the Developer agrees to proceed promptly with its plans to rehabilitate and renovate the commercial building located on the Property, including installation of a sprinkler system (the “Project”), all based upon incentives made available by the City; and

WHEREAS, it is the intent of the City to encourage economic development which will increase the real estate tax base, which increased taxes will be used, in part, to finance incentives to assist this Developer's Project; and

WHEREAS, the Project is consistent with the City's land use for the Property and is in compliance with local zoning requirements; and

WHEREAS, pursuant to Section 5/11-74.4-4(b) of the Act, the City has the authority to make and enter into all contracts with property owners, developers, tenants, overlapping taxing bodies, and others necessary or incidental to the implementation and furtherance of the Redevelopment Plan; and

WHEREAS, pursuant to Section 5/11-74.4-4(j) of the Act, the City may incur project redevelopment costs and reimburse developers who incur redevelopment project costs authorized by a redevelopment agreement and further defined in Section 5/11-74.4-3(q) of the Act, including those Estimated TIF Eligible Project Costs as herein listed in the attached Exhibit "1" of this Predevelopment Agreement; and

WHEREAS, pursuant to Section 5/11-74.4-4(q) of the Act, the City may utilize revenues received from one TIF district redevelopment project area for eligible costs incurred in another redevelopment project area that is contiguous to the redevelopment project area from which the revenues are received; and

WHEREAS, the proposed redevelopment project area for Pekin Court Street TIF District is expected to be adjacent to the City of Pekin Central Business District TIF District; and

WHEREAS, the Developer requests that incentives for the development be provided by the City from incremental increases in real estate taxes that are generated from the TIF District and that such incentives include the reimbursement of TIF Eligible Project Costs; and

WHEREAS, the City has determined that this Project requires the incentives requested and that said Project will, as a part of the proposed TIF Redevelopment Plan, promote the health, safety and welfare of the City and its citizens by attracting private investment to prevent blight and deterioration, to develop underutilized property, and to provide employment for its citizens and generally to enhance the economy of the City; and

WHEREAS, the City has reviewed the conditions of the Property and has reason to believe that the costs of the necessary public and private improvements to be incurred by the Developer in furtherance of the Project as set forth in ***Exhibit 1*** are eligible project costs under the TIF Act and are consistent with the proposed TIF Redevelopment Plan of the City; and

WHEREAS, the City has agreed to provide the Developer with the funds necessary to install a sprinkler system in the commercial building located on the Property up to an amount not to exceed Two Hundred Thousand Dollars (\$200,000.00) subject to the terms set forth below; and

WHEREAS, in no event shall the total cumulative incentives provided by the City to the Developer hereunder exceed **Two Hundred Thousand Dollars (\$200,000.00)**; and

WHEREAS, the City is entering into this Agreement to induce the Developer to complete the Project on said Property; and

WHEREAS, in consideration of the execution of this Agreement and in reliance thereon, the Developer is proceeding with plans to complete the Project as set forth herein.

A. PRELIMINARY STATEMENTS AND COMMITMENTS

1. The Parties agree that the matters set forth in the recitals above are true and correct and form a part of this Agreement.
2. Any terms which are not defined in this Agreement shall have the same meaning as they do in the TIF Act unless indicated to the contrary.
3. The Developer agrees to complete the Project on or before December 31, 2020 subject to exception of Force Majeure (defined below). For the purpose of this Agreement, the Developer's Project will be deemed complete when the rehabilitation and renovation of the commercial building located on the Property, including installation of the sprinkler system, is complete and available for use by a commercial tenant.
4. Each of the Parties represents that it has taken all actions necessary to authorize its representatives to execute this Agreement.
5. The City agrees to use its best efforts to and take all actions necessary to create the Pekin Court Street TIF District for a period of 23 years in length which includes the Property.
6. The Parties agree to execute whatever other documents are necessary in furtherance of this Agreement and any exhibits hereto.
7. Upon successful establishment of the TIF District, the parties agree to enter into a TIF Redevelopment Agreement which shall contain the same essential terms and conditions as are set forth herein within sixty (60) days following creation of the TIF District by the City.

B. ADOPTION OF TAX INCREMENT FINANCING

The City plans to create a Tax Increment Financing District known as the "Pekin Court Street TIF District" which will include the Property. The City shall approve certain TIF Eligible Project Costs, including the types described in ***Exhibit 1*** for the Developer's Project which shall be hereafter known as the **"Sud Family Limited Partnership Redevelopment Project."**

C. INCENTIVES

In consideration for the Developer purchasing the Property and completing the Sud Family Limited Partnership Redevelopment Project as set forth herein, the City agrees to extend to the Developer the following incentives to assist the Developer's Project:

1. The City agrees to loan to the Developer for its cost to install a new sprinkler system in the commercial building located on the Property up to an amount not to exceed Two Hundred Thousand Dollars (\$200,000.00) as set forth below:
 - a. The full loan amount of up to \$200,000 shall be paid by the City to the Developer upon completion of the installation of the sprinkler system portion of the Project, and upon verification of such TIF Eligible Project Costs for installation of the sprinkler system as set forth in Section E below.
 - b. The interest rate for the loan shall be three percent (3%) per annum, and shall begin to accrue on the date the Loan funds are dispersed to the Developer.
 - c. The term for the loan shall expire on May 31, 2025.
 - d. One-fifth (1/5) of the principal of the loan amount, plus any accrued interest thereon shall be forgiven annually by the City commencing May 31, 2021 and continuing on May 31st of each year thereafter for the term of the Loan, provided the Developer has been at all times in full compliance with every term of this Agreement, including but not limited to the events of default set forth below.
 - e. Such loan disbursement shall be made from the City of Pekin Central Business District Special Tax Allocation Fund. In the event: (1) the City is unable to establish the Court Street TIF District; (2) the Court Street TIF District, once established, is not contiguous to the Pekin Central Business District TIF District; or (3) the Developer's Property is not located in the Pekin Court Street TIF District redevelopment project area once established, the City shall reimburse any incentives provided herein to the Pekin Central Business District TIF District Special Tax Allocation Fund from the City of Pekin's General Fund.

D. DEFAULT BY THE DEVELOPER

1. Each of the following shall constitute an event of default by the Developer under this Agreement:
 - ii. The Developer fails to cure the violation of any municipal ordinance relating to property development, property condition, zoning, subdivision or building codes within thirty (30) days upon being provided written notice of such violation by the City, except where such failure is not reasonably susceptible to cure within such 30-day period, in which case the Developer shall have such additional time to cure as is reasonably necessary, provided that the Developer has commenced

such cure within such 30-day period and continues to diligently prosecute the same to completion.

- iii. The Developer files for bankruptcy or otherwise becomes insolvent during the Term of this Agreement.
 - iv. Dissolution of the Developer's corporation during the Term of this Agreement which is not reinstated within thirty (30) days after receiving written notice from the City.
 - v. The Property becomes the subject of foreclosure proceedings during the Term of this Agreement which proceedings are not vacated within thirty (30) days following the notice of filing of such foreclosure action.
 - vi. The Developer fails to complete the Project on or before December 31, 2020, subject to extension due to Force Majeure (defined below).
 - vii. The Developer sells or otherwise conveys the Property during the term of the Agreement.
2. **Effect of Default:** If, during the Term of this Agreement, the Developer is in default of this Agreement and remains in default after the applicable notice and cure periods set forth in *Section J* below, any remaining reimbursements owed the Developer hereunder shall cease, and any reimbursements already provided to the Developer hereunder shall be returned to the City within 30 days upon written demand of the same.

E. REIMBURSEMENT OF DEVELOPER'S ELIGIBLE COSTS

1. Payment to the Developer for TIF Eligible Project Costs related to installation of the sprinkler system, shall be made by a Requisition for Verification of TIF Eligible Project Costs (***Exhibit 2***, "Requisition Form") submitted from time to time by the Developer to the City's TIF Administrators Jacob & Klein, Ltd. and The Economic Development Group, Ltd., and subject to the Administrator's approval of the costs and to the availability of the revenues set forth in *Section C(1)* above.
2. All Requisitions must be accompanied by verified bills or statements of suppliers, contractors, or professionals together with mechanic's lien waivers (whether partial or full) from each of the parties entitled to a payment that is the subject of the Requisition as required by the City.
3. The TIF Administrators shall approve or disapprove a Requisition Form by written notice to the Developer within thirty (30) business days after receipt of the Requisition. Approval of the Requisition will not be unreasonably withheld. If a Requisition is disapproved by the Administrator the reasons for disallowance will be set forth in writing and the Developer may resubmit the Requisition with such additional information as may be required and the same procedures set forth herein shall apply to such re-submittals.

4. All TIF Eligible Project Costs approved by the TIF Administrators will then be paid by the City from the revenues set forth in *Section C(1)* above to the Developer, or to others as directed by the Developer, pursuant to the Redevelopment Plan and as allowed by Illinois Law.
5. The Parties acknowledge that the determination of TIF Eligible Project Costs, and, therefore, qualification for reimbursement hereunder are subject to changes or interpretation made by amendments to the Act, administrative rules or judicial interpretation during the term of this Agreement. The City has no obligation to the Developer to attempt to modify those decisions, but will reasonably assist the Developer in obtaining approval of TIF Eligible Project Costs.

F. VERIFICATION OF REAL ESTATE TAX INCREMENT

1. It shall be the sole responsibility of the Developer or its successors in interest to provide to the City, as requested in writing, copies of all annual **PAID** real estate tax bills for the Property.
2. The failure of Developer to provide any additional information required herein after written notice from the City, including verification of TIF Eligible Project Costs, and the continued failure to provide such information within thirty (30) days after such notice shall be considered a material breach of this Agreement and shall be cause for the City to deny payments hereunder to the Developer, which payments are conditioned upon receipt of the foregoing information.

G. LIMITED OBLIGATION

The obligation of the City to reimburse the Developer for its TIF Eligible Project Costs as set forth in this Agreement is a limited obligation to be paid from certain TIF District Real Estate Tax Increment as set forth herein. Said obligation does not now and shall never constitute an indebtedness of the City within the meaning of any State of Illinois constitutional or statutory provision and shall not constitute or give rise to a pecuniary liability of the City or a charge or lien against any City fund or require the City to utilize its taxing authority to fulfill the terms of this Agreement.

H. LIMITED LIABILITY OF CITY TO OTHERS FOR DEVELOPER'S EXPENSES

There shall be no obligation by the City to make any payments to any person other than the Developer, or its authorized designee, nor shall the City be obligated to make direct payments to any contractor, subcontractor, mechanic or materialman providing services or materials to Developer for the Project.

I. COOPERATION OF THE PARTIES

1. Subject to the terms of this Agreement, the City and the Developer agree to cooperate fully with each other when requested to do so concerning the development of the Developer's Project. This includes without limitation the City assisting or sponsoring the Developer, or agreeing to jointly apply with the Developer, for any grant, award, subsidy or additional funding which may be available from other governmental sources as the result of the Developer's or City's activities. This also includes without limitation the Developer assisting or sponsoring the City, or agreeing to jointly apply with the City, for any grant, award, or subsidy which may be available as the result of the City's or Developer's activities, provided that any such action by the Developer shall be at no cost or liability of the Developer or City.
2. The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions, and certifications (and, in the City's case, the adoption of such ordinances and resolutions) in form approved by the Parties in their reasonable discretion, as may be necessary or appropriate, from time to time, to carry out the terms, provisions, and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions, and intent.
3. The Parties shall cooperate fully with each other in seeking from any or all appropriate governmental bodies all approvals (whether federal, state, county, or local) required or useful for the construction or improvement of property and facilities in and on the Property or for the provision of services to the Property, including, without limitation, wetland mitigation, gas, telephone, and electric utility services, roads, highways, and rights-of-way, water and sanitary sewage facilities, and storm water disposal facilities.

J. DEFAULT; CURE; REMEDIES

1. In the event of a default under this Agreement by any party hereto (the "Defaulting Party"), which default is not cured within the cure period provided for below, then the other party (the "Non-defaulting Party"), shall have an action for damages, or, in the event damages would not fairly compensate the Non-defaulting Party for the Defaulting Party's breach of this Agreement, the Non-defaulting Party shall have such other equity rights and remedies as are available to them at law or in equity. Any damages payable by the City hereunder shall be limited to the real estate tax increment payable to the Developer under the terms of this Agreement. Any damages payable by either party hereunder shall be limited to the other party's actual compensatory damages, and shall not include any speculative, consequential, or punitive damages.
2. In the event a Defaulting Party shall fail to perform a monetary covenant which it is required to perform under this Agreement, it shall not be deemed to be in default under this Agreement unless it shall have failed to perform such monetary covenant within thirty (30) days of its receipt of a notice from a Non-defaulting Party specifying that it has failed to perform such monetary covenant. In the event a Defaulting Party fails to perform any nonmonetary covenant as and when it is required to under this Agreement, it shall not be

deemed to be in default if it shall have cured such default within thirty (30) days of its receipt of a notice from a Non-defaulting party specifying the nature of the default, provided, however, with respect to those nonmonetary defaults which are not capable of being cured within such thirty (30) day period, a Defaulting Party shall not be deemed to be in default if it commences curing within such thirty (30) day period, and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

K. TIME; FORCE MAJEURE

For this Agreement, time is of the essence. The Developer agrees to complete construction of the Project on or before December 31, 2020, subject to extension due to Force Majeure (defined below). Failure to do so shall be cause for the City to declare the Developer in default and unilaterally terminate the Agreement after notice and the opportunity to cure as provided in *Section L*. However, Developer and City shall not be deemed in default with respect to any obligations of this Agreement on its part to be performed if Developer or City fails to timely perform the same and such failure is due in whole, or in part, to any strike, lock-out, civil disorder, inability to procure materials, weather conditions, wet soil conditions, failure or interruptions of power, condemnation, riots, insurrections, war, fuel shortages, Acts of God, default by the Landlord under the Developer's lease of the Property, acts caused directly or indirectly by the City (or City's agents, employees or invitees) when applicable to Developer or third parties, or any other cause beyond the reasonable control of Developer or City (collectively, "Force Majeure"). Force majeure shall not include delays due to lack of adequate financing for the Project.

L. ASSIGNMENT

The rights provided for under this agreement shall not be assignable.

M. WAIVER

Any party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless the party waiving such right of remedy does so in writing. No such waiver shall obligate such party to waive any right of remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party pursuant to this Agreement.

N. SEVERABILITY

If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term or provision of this Agreement or the application of same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

O. NOTICES

All notices, demands, requests, consents, approvals or other instruments required or permitted by this Agreement shall be in writing and shall be executed by the party or an officer, agent or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally or via nationally recognized overnight delivery service, or as of the third (3rd) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid addressed as follows:

TO CITY:

City of Pekin
% City Clerk
111 S. Capitol Street
Pekin, IL 61554

With copy to:

Jacob & Klein, Ltd.
Economic Development Group, Ltd.
1701 Clearwater Avenue
Bloomington, IL 61704
Ph: (309) 664-7777

TO DEVELOPER:

Sud Family Limited Partnership
% D. Gian C Sud
203 Landmark Drive, Suite C
Normal, IL 61761

With copy to:

P. SUCCESSORS IN INTEREST

Subject to the provisions of *Section L* above, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Q. NO JOINT VENTURE, AGENCY, OR PARTNERSHIP CREATED

Neither anything in this Agreement nor any acts of the parties to this Agreement shall be construed by the parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such parties.

R. TERM OF THE AGREEMENT

Notwithstanding anything contained herein or to the contrary, provided the Developer is not otherwise in default of this Agreement, this Agreement shall expire upon the receipt by the Developer of all incentives included herein, or December 31, 2020, whichever occurs later (the "Term").

S. WARRANTY OF SIGNATORIES

The signatories of the Developer warrant that they have full authority to execute this Agreement and to bind the entity for which they are signing.

T. ENTIRE AGREEMENT

The terms and conditions set forth in this Agreement and exhibits attached hereto supersede all prior oral and written understandings and constitute the entire agreement between the City and the Developer with respect to the subject matter hereof.

U. INDEMNIFICATION OF CITY

It is the understanding of the Parties that the position of the Illinois Department of Labor is that the Illinois Prevailing Wage Act does not apply to Sales Tax Reimbursements and TIF Increment received by private developers as reimbursement for private TIF Eligible Project Costs and BDD Eligible Costs. This position of the Department of Labor is stated as an answer to a FAQ on its website at: <http://www.illinois.gov/idol/FAQs/Pages/prevailing-wage-faq.aspx>. The Developer shall indemnify and hold harmless the City, and all City elected or appointed officials, officers, employees, agents, representatives, engineers, consultants and attorneys (collectively, the “Indemnified Parties”), from any and all claims that may be asserted against the Indemnified Parties or one or more of them, in connection with the Developer’s failure to comply with the Illinois Prevailing Wage Act (820 ILCS 130/0.01 *et. seq.*), the Illinois Procurement Code, and/or any similar State or Federal law or regulation. In addition, the Developer agrees to indemnify and hold harmless the Indemnified Parties for any claim asserted against them arising from the Developer’s Project or this Agreement related to any acts or omissions on the part of the Developer. This obligation to indemnify and hold harmless obligates Developer to defend any such claim and/or action, pay any liabilities and/or penalties imposed arising out of such action, and pay all reasonable and actual defense costs of the City in such action.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date at Pekin, Illinois.

CITY OF PEKIN,
an Illinois Municipal Corporation

SUD FAMILY LIMITED PARTNERSHIP,

BY:

BY:

Mayor, City of Pekin

ATTEST:

Printed Name

City Clerk, City of Pekin

Title

EXHIBIT 1

SUMMARY OF ESTIMATED TIF ELIGIBLE PROJECT COSTS

Sud Family Limited Partnership
Pekin Court Street TIF District in the City of Pekin, Tazewell County, Illinois

Project Description: The Developer agrees to proceed promptly with its plans to renovate and rehabilitate the commercial building located on the Property, including installation of a sprinkler system therein.

PIN #: 04-04-35-332-001

Street Location: 111 N. 6th Street, Pekin, Illinois

Estimated TIF Eligible Project Costs:

Rehabilitation and Renovation Costs (Installation of Sprinkler System)..... \$200,000.00

Total *Estimated* TIF Eligible Project Costs* \$200,000.00

[*NOTE: Reimbursement to the Developer for TIF Eligible Project Costs relating to installation of the sprinkler system as set forth in *Section C(1)* is capped at a total cumulative amount not to exceed **\$200,000.00**, or the cost to install the sprinkler system, whichever is less.]

**EXHIBIT 2
REQUISITION FORM
CITY OF PEKIN, ILLINOIS
PEKIN COURT STREET TAX INCREMENT FINANCING DISTRICT**

**PRIVATE PROJECT REQUEST FOR
VERIFICATION OF TIF ELIGIBLE PROJECT COSTS
by
SUD FAMILY LIMITED PARTNERSHIP**

Date: _____

Attention: TIF Administrator, City of Pekin, Illinois

Re: TIF Redevelopment Agreement, dated February 10, 2020
by and between the City of Pekin, Illinois, and
Sud Family Limited Partnership (the "Developer")

The City of Pekin is hereby requested to disburse funds from the revenues set forth in *Section C(1)* of the Redevelopment Agreement described above in the following amount(s), to the Developer and for the purpose(s) set forth in this Request. The terms used in this Request shall have the meanings given to those terms in the Redevelopment Agreement.

1. REQUEST FOR VERIFICATION NO. _____
2. PAYMENT DUE TO: Sud Family Limited Partnership
3. AMOUNTS REQUESTED TO BE DISBURSED:

Description of TIF Eligible Project Cost	Amount
Total	

4. The amount requested to be disbursed pursuant to this Request will be used to reimburse the Developer for TIF Eligible Project Costs for the Project detailed in ***Exhibit 2*** of the Redevelopment Agreement.

5. The undersigned certifies and swears under oath that the following statements are true and correct:
- (i) the amounts included in (3) above were made, incurred or financed and were necessary for the Project and were made or incurred in accordance with the construction contracts, plans and specifications heretofore in effect; and
 - (ii) the amounts paid or to be paid, as set forth in this Request for Reimbursement, represent a part of the funds due and payable for TIF Eligible Project Costs; and
 - (iii) the expenditures for which amounts are requested represent proper TIF Eligible Project Costs as identified in *Section "C(1)"* of the Redevelopment Agreement: have not been included in any previous Request for Reimbursement; have been properly recorded on the Developer's books; are set forth with invoices attached for all sums for which reimbursement is requested; and proof of payment of the invoices is attached; and
 - (iv) the amounts requested are not greater than those necessary to meet obligations due and payable or to reimburse the Developer for its funds actually advanced for TIF Eligible Project Costs; and
 - (v) the Developer is not in default under the Redevelopment Agreement and nothing has occurred to the knowledge of the Developer that would prevent the performance of its obligations under the Redevelopment Agreement.

Any violation of this oath shall constitute a default of the Redevelopment Agreement and shall be cause for the City to unilaterally terminate the Redevelopment Agreement.

6. Attached to this Request for Reimbursement is ***Exhibit 1*** of the Redevelopment Agreement, together with copies of invoices, proof of payment of the invoices, and Mechanic's Lien Waivers relating to all items for which reimbursement is being requested.

BY: _____(Developer)

TITLE: _____

CITY OF PEKIN, ILLINOIS

BY: _____

TITLE: _____ DATE: _____

JACOB & KLEIN, LTD. & THE ECONOMIC DEVELOPMENT GROUP, LTD.

BY: _____

TITLE: _____ DATE: _____



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Matt Fick,

AGENDA ITEM: Resolution No. 52-19/20 PAL Health Technology Reimbursement

ACTION REQUESTED: Approve the Resolution.

DESCRIPTION: The City of Pekin entered into an agreement with PR Manufacturing Enterprises, LLC (doing business as PAL Health Technologies II) ("PAL") on May 10, 2018 to help maintain the business operation in Pekin and reimburse the company for tax increment financing (TIF) eligible expenses. As part of this agreement, PAL Health Technologies II agreed to a reimbursement schedule if certain job creation benchmarks were achieved, receiving \$25,000 in TIF funding for each achieved benchmark. Below is a breakdown of these job creation goals:

<u>Verification Date</u>	<u>Total FTE Employees</u>	<u>Reimbursement</u>
On or before 12/31/2019	30	\$25,000
On or before 12/31/2020	45	\$25,000
On or before 12/31/2021	55	\$25,000
On or before 12/31/2022	65	\$25,000
On or before 12/31/2023	75	\$25,000

PAL achieved its 55 FTE employment benchmark in 2019 and received \$75,000 from the City. PAL has now also reached its final benchmark of 75 employees and are requesting the balance of their reimbursement in the amount of \$50,000.

Staff recommends approval of the reimbursement payment to PAL Health Technology II.

FINANCIAL IMPACT:

Requested Amount: \$50,000
 Line Item: 273-273-591200 (SIP - Loan Agreements)
 Budgeted Amount: \$500,000
 Remaining Funds: \$500,000

IMPACT IF APPROVED: City meets contractual obligations.

IMPACT IF DENIED: City does not meet contractual obligations.

ALTERNATIVES: N/A

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a "Business-Friendly" Community.

	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES
Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Mark A. Rothert _____
 Mark A. Rothert, City Manager 2/3/2020

Date:

WHEREAS, the City of Pekin ("City") entered into a redevelopment agreement ("Agreement") with PAL Health Technologies II ("Developer") on May 10, 2018 to redevelop the property commonly known as 1805 Riverway Drive, Pekin, Illinois (the "Property"), said Property being located within the Southern Industrial Park Tax Increment Finance ("TIF") District, with a project consisting of property acquisition and the renovation of existing property (altogether the "Project"), resulting in the employment of up to 75 jobs in the next five years; and

WHEREAS, the Developer, as part of the Agreement, agreed to certain job creation benchmarks and a reimbursement of TIF eligible costs if such benchmarks were achieved; and

WHEREAS, the Developer has indicated to the City that it now employs 75 employees, thus meeting job creation benchmarks laid out in the Agreement that were to be achieved on or before 12/31/2023; and

WHEREAS, the Developer is entitled to receiving a total of \$125,000 for achieving such job creation benchmarks on or before 12/31/2023.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Pekin, Illinois, as follows:

1. A reimbursement payment shall be made to the Developer by the City in the amount of \$50,000, bringing their total reimbursement amount to \$125,000, thus satisfying the conditions of the Agreement.
2. Funds from the Southern Industrial Park Tax Increment Finance District shall be used to make the reimbursement payment to the Developer.

MAYOR

ATTEST:

CITY CLERK



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Mark Rothert, City Manager

AGENDA ITEM: Ordinance No. 2862-19/20 Declaring Surplus Revenue in Southern Industrial Park TIF District

ACTION REQUESTED: Adopt the Ordinance.

DESCRIPTION: On October 22, 2012, the City of Pekin adopted Tax Increment Financing for the Pekin South Industrial Park Conservation Area Tax Increment Financing (TIF) District (the “South Industrial Park TIF District”). On October 9, 2012 the City entered into an Intergovernmental Agreement with Pekin Public School District No. 108, Rankin Elementary School District No. 98 and Pekin Community High School District No. 303 (the “School Districts”) for the Pekin South Industrial Park TIF District whereby a 25% surplus would be declared by the City.

As of December 31, 2019, the City has received \$86,684.80 in total real estate tax distributions for real estate tax increment generated by the TIF District in tax year 2018 payable 2019. Per the Intergovernmental Agreement, 25% of these distributions, or \$21,671.20, shall be declared a surplus and paid to the Tazewell County Treasurer for distribution to taxing districts in the Redevelopment Project Area in accordance with the provisions of the TIF Act.

Staff recommends approval to abide by terms of the Intergovernmental Agreement.

FINANCIAL IMPACT:

Requested Amount: \$21,671.20
 Line Item: 273-273-599000
 Budgeted Amount: \$25,0000
 Remaining Funds: \$0

IMPACT IF APPROVED: Surplus declared and City abides by terms of the Intergovernmental Agreement

IMPACT IF DENIED: Surplus not declared and City does not abide by terms of the Intergovernmental Agreement

ALTERNATIVES:

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.

Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.

Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.

	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES
Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Mark A. Rothert _____
Mark A. Rothert, City Manager 2/3/2020

Date:

MAYOR

ATTEST:

CITY CLERK

ORDINANCE NO. 2862-19/20

CITY OF PEKIN, ILLINOIS
AN ORDINANCE DECLARING SURPLUS REVENUE
IN THE PEKIN SOUTH INDUSTRIAL PARK
SPECIAL TAX ALLOCATION FUND AND AUTHORIZING PAYMENT
OF THAT SURPLUS REVENUE TO THE TAZEVELL COUNTY TREASURER
FOR DISTRIBUTION TO AFFECTED TAXING DISTRICTS
ON A PRO RATA BASIS
for
TAX YEAR 2018 PAYABLE 2019

PREAMBLE

WHEREAS, on October 22, 2012, the City of Pekin, Tazewell County, Illinois (the “City”) by its duly elected Mayor and City Council and pursuant to 65 Illinois Compiled Statutes Section 5/11-74.4 *et. seq.* (the “TIF Act”) heretofore adopted a Redevelopment Plan and Projects; designated a Redevelopment Project Area; and adopted Tax Increment Financing for the Pekin South Industrial Park Conservation Area Tax Increment Financing (TIF) District (the “South Industrial Park TIF District”); and

WHEREAS, on October 9, 2012 the City by its duly elected Mayor and City Council and pursuant to the TIF Act approved and Authorized the Execution of an Intergovernmental Agreement with Pekin Public School District No. 108, Rankin Elementary School District No. 98 and Pekin Community High School District No. 303 (the “School Districts”) for the Pekin South Industrial Park TIF District; and

WHEREAS, the City Treasurer has determined and reported that as of December 31, 2019, the City has received **\$86,684.80** in total real estate tax distributions from the Tazewell County Treasurer for real estate tax increment generated by the TIF District in tax year 2018 payable 2019 (**Exhibit 1**); and

WHEREAS, the City Treasurer has determined and reported that as of December 31, 2019, the Pekin South Industrial Park Tax Allocation Fund includes a surplus of **\$21,671.20**, which represents fifty-one percent (25%) of the tax year 2018 real estate tax increment deposited into the Fund, as defined in the Intergovernmental Agreement, which surplus amount may be paid to the Tazewell County Treasurer for distribution to taxing districts in the Redevelopment Project Area in accordance with the provisions of the TIF Act (**Exhibit 2**); and

WHEREAS, the Mayor and City Council of the City of Pekin hereby find and determine that it is appropriate to declare surplus in the amount of **\$21,671.20** and to cause that surplus to be distributed by the County Treasurer to the taxing districts as provided in the TIF Act.

**NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL
OF THE CITY OF PEKIN, TAZEWEILL COUNTY, ILLINOIS:**

1. The recitals set forth in the preamble to this Ordinance are hereby incorporated by reference as if fully set forth herein.
2. The Mayor and City Council, pursuant to Sections 4-7 and 4-9 of the TIF Act and other applicable authority, hereby declare a surplus of funds in the Pekin South Industrial Park Special Tax Allocation Fund in the amount of **\$21,671.20**, to be distributed by the Tazewell County Treasurer to all the taxing districts in the Redevelopment Project Area.
3. The City Treasurer is hereby authorized and directed to pay such funds from the Pekin South Industrial Park Special Tax Allocation Fund in the amount of **\$21,671.20** to the Tazewell County Treasurer for distribution to the taxing districts in the Redevelopment Project Area in accordance with the provisions of the TIF Act. Payment by the City Treasurer shall be made after approval of this Ordinance, but not more than 180 days after the close of the City's Fiscal Year 2020. The City Treasurer also is authorized and directed to file a certified copy of this Ordinance with the Tazewell County Treasurer.
4. This Ordinance shall be in full force and effect from and after its passage and approval as provided by law and shall take effect upon its passage as required by law.

[The remainder of this page is intentionally blank.]

PASSED, APPROVED AND ADOPTED by the Corporate Authorities of the City of Pekin, Tazewell County, Illinois, on the 10th day of February, A.D., 2020, and deposited and filed in the Office of the City Clerk of said City on that date.

MAYOR & COUNCIL MEMBERS	AYE VOTE	NAY VOTE	ABSTAIN / ABSENT
John Abel			
Michael Garrison			
Lloyd Orrick			
Dave Nutter			
Rick Hilst			
Karen Hohimer			
Mark Luft, Mayor			
TOTAL VOTES			

APPROVED:

ATTEST:

Mayor

City Clerk

ATTACHMENT:

EXHIBIT 1: Pekin South Industrial Park TIF District Real Estate Tax Increment Distributions

EXHIBIT 2: Pekin South Industrial Park TIF District Surplus Distribution Calculation

H:\PEKIN\TIF 2 South Ind Pk\Ordinances\Pekin S Ind TIF_2018 Surplus Declaration Ord_012220.wpd

EXHIBIT 1

**Streator Northpoint TIF District Real Estate Tax Increment Distributions
Received by the City of Pekin from the Tazewell County Treasurer
for tax year 2018 payable 2019**

Final Settlement Sheet

Tazewell County

VTF13 - TIF DISTRICT PEKIN II

Current Year Taxes Due

	Original Amount Due	\$86,684.80
+	Supplements	\$0.00
-	Cancellations	\$0.00
-	Abatements/Refunds	\$0.00
+	Mobile Home	\$0.00
+/-	Road & Bridge Transfer	\$0.00
+	Misc. Adjustments	\$0.00
	Adjusted Amount Due	\$86,684.80
+	Prior Year Real EstateTax	\$0.00
+	Prior Year Mobile Home Tax	\$0.00
+	Prior Year Misc. Adjustments	\$0.00
	Total Amount Due	\$86,684.80

Current Year Taxes Paid

+	Real Estate	\$86,684.80
+	Railroad	\$0.00
+	Mobile Home	\$0.00
+	Misc. Adjustments	\$0.00
+	Prior Year Real Estate	\$0.00
+	Prior Year Mobile Home	\$0.00
+	Prior Year Misc. Adjustments	\$0.00
-	Abatements/Refunds	\$0.00
	Total Collected	\$86,684.80
+	Hold Back	\$0.00
+	County Trustee	\$0.00
+	Forfeited Tax	\$0.00
	Total	\$86,684.80

Interest Distribution

	County Interest	\$124.65
	Township Interest	\$0.00
	Total Interest	\$124.65

Distribution Summary

Tax Distribution Date	Amount
07/05/2019	\$42,495.51
09/16/2019	\$7,646.14
11/18/2019	\$36,543.15
Totals: 3 Distributions	\$86,684.80
Interest Distribution Date	Amount
11/19/2019	\$124.65
Totals: 1 Distributions	\$124.65
Grand Totals: 4 Distributions	\$86,809.45

Fund Summary

Fund	Amount Collected	Previously Distributed	Current Distribution	Amount Available	Interest	PY Over Distrib
001 - CORPORATE	\$86,684.80	\$50,141.65	\$36,543.15	\$0.00	\$124.65	\$0.00
Totals	\$86,684.80	\$50,141.65	\$36,543.15	\$0.00	\$124.65	\$0.00

EXHIBIT 2

**Pekin South Industrial Park TIF District
Surplus Distribution Calculation
for tax year 2018 payable 2019**

PEKIN SOUTH INDUSTRIAL PARK TIF DISTRICT

2018 PAYABLE 2019 SURPLUS CALCULATION

TOTAL TIF R.E. TAX INCREMENT RECEIVED: \$86,684.80

TOTAL 25% SURPLUS: \$21,671.20

Tax Code 04030 25% Surplus: \$2,006.45			
Taxing District	2018 Rate	% of Total Rate	District Share of Surplus
Tazewell County	0.52722%	5.99%	\$120.12
Pekin Grade School #108	3.34628%	38.00%	\$762.38
Pekin Comm High School #303	2.25107%	25.56%	\$512.86
Illinois Central Comm College	0.48642%	5.52%	\$110.82
Pekin Library District	0.25304%	2.87%	\$57.65
Pekin Park District	0.51416%	5.84%	\$117.14
Pekin Township	0.19180%	2.18%	\$43.70
Pekin Township Road & Bridge	0.00000%	0.00%	\$0.00
City of Pekin	1.23679%	14.04%	\$281.78
Totals	8.80678%	100.00%	\$2,006.45

Tax Code 10023 25% Surplus: \$797.81			
Taxing District	2018 Rate	% of Total Rate	District Share of Surplus
Tazewell County	0.52722%	5.50%	\$43.86
Rankin Grade School #98	3.94521%	41.14%	\$328.24
Pekin Comm High School #303	2.25107%	23.48%	\$187.29
Illinois Central Comm College	0.48642%	5.07%	\$40.47
Pekin Library District	0.25304%	2.64%	\$21.05
Pekin Park District	0.51416%	5.36%	\$42.78
Cincinnati Township	0.18143%	1.89%	\$15.09
Cincinnati Township Road & Bridge	0.19370%	2.02%	\$16.12
City of Pekin	1.23679%	12.90%	\$102.90
Totals	9.58904%	100.00%	\$797.81

Tax Code 10026 25% Surplus: \$125.42			
Taxing District	2018 Rate	% of Total Rate	District Share of Surplus
Tazewell County	0.52722%	5.86%	\$7.36
Pekin Grade School #108	3.34628%	37.22%	\$46.68
Pekin Comm High School #303	2.25107%	25.04%	\$31.40
Illinois Central Comm College	0.48642%	5.41%	\$6.79
Pekin Library District	0.25304%	2.81%	\$3.53
Pekin Park District	0.51416%	5.72%	\$7.17
Cincinnati Township	0.18143%	2.02%	\$2.53
Cincinnati Township Road & Bridge	0.19370%	2.15%	\$2.70
City of Pekin	1.23679%	13.76%	\$17.25
Totals	8.99011%	100.00%	\$125.42

Tax Code 10027 25% Surplus:			\$18,617.68
Taxing District	2018 Rate	% of Total Rate	District Share of Surplus
Tazewell County	0.52722%	5.49%	\$1,021.42
Rankin Grade School #98	3.94521%	41.05%	\$7,643.36
Pekin Comm High School #303	2.25107%	23.42%	\$4,361.17
Illinois Central Comm College	0.48642%	5.06%	\$942.38
Pekin Library District	0.25304%	2.63%	\$490.23
Pekin Park District	0.51416%	5.35%	\$996.12
Cincinnati Township	0.18143%	1.89%	\$351.50
Cincinnati Township Road & Bridge	0.19370%	2.02%	\$375.27
Imperial Valley Water	0.02069%	0.22%	\$40.08
City of Pekin	1.23679%	12.87%	\$2,396.13
Totals	9.60973%	100.00%	\$18,617.68

Tax Code 10029 25% Surplus:			\$123.85
Taxing District	2018 Rate	% of Total Rate	District Share of Surplus
Tazewell County	0.52722%	7.22%	\$8.94
Pekin Grade School #108	3.34628%	45.80%	\$56.72
Pekin Comm High School #303	2.25107%	30.81%	\$38.16
Illinois Central Comm College	0.48642%	6.66%	\$8.24
Cincinnati Township	0.18143%	2.48%	\$3.08
Cincinnati Township Road & Bridge	0.19370%	2.65%	\$3.28
Imperial Valley Water	0.02069%	0.28%	\$0.35
Powerton Fire District	0.30000%	4.11%	\$5.08
Totals	7.30681%	100.00%	\$123.85

PEKIN SOUTH INDUSTRIAL PARK TIF DISTRICT	
2018 PAYABLE 2019	
SUMMARY OF SURPLUS CALCULATIONS	
Taxing District	Total Share of Surplus
Tazewell County	\$1,201.70
Pekin Grade School #108	\$865.78
Rankin Grade School #98	\$7,971.60
Pekin Comm High School #303	\$5,130.88
Illinois Central Comm College	\$1,108.70
Pekin Library District	\$572.47
Pekin Park District	\$1,163.21
Cincinnati Township	\$372.20
Cincinnati Township Road & Bridge	\$397.37
Pekin Township	\$43.70
Pekin Township Road & Bridge	\$0.00
Imperial Valley Water	\$40.44
City of Pekin	\$2,798.06
Powerton Fire District	\$5.08
Total Surplus: \$21,671.20	



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Mark Rothert, City Manager

AGENDA ITEM: Ordinance No. 2867-19/20 Professional Services Agreement for TIF District Creation

ACTION REQUESTED: Adopt the Ordinance.

DESCRIPTION: The City is interested to foster economic growth; address deteriorating infrastructure; support residential development; and stabilize declining neighborhoods within the community. To address these issues, the City has options to implement both a Tax Increment Financing District (TIF) and Business Development District (BDD) to incentivize growth, development and revitalization of key areas of the community that include:

- Court Street;
- Derby Street;
- Broadway Road;
- Downtown;
- East Court Village mall;
- The north business park; and
- Key areas for residential growth.

Attachment A is a map of a Study Area for potentially developable areas in the City where a TIF and BDD District could be beneficial.

ABOUT TIFs and BDDs

Tax Increment Finance Districts - Tax Increment Financing (TIF) is a development financing tool by which cities, towns, and villages may develop and revitalize their community. A TIF District's revenues ("tax increment") come from the increased assessed value of property and improvements that occur within the District. Once a TIF District is established, the "base" assessed value is determined. As vacant land and dilapidated properties develop with TIF assistance, the equalized assessed valuation (EAV) of those properties increases. New property taxes resulting from the increased assessed valuation above the base value create an incremental increase in tax revenues generated within the TIF District.

The "tax increment" created between the "base" and the new EAV is captured, deposited into a special city TIF account and used solely for reinvestment into the TIF District. The real estate tax increment can be used as a source of revenue to reimburse certain costs for public and private redevelopment projects either by issuing TIF Revenue Bonds or by reimbursing developers on a "pay-as-you-go" basis. All of the other overlapping taxing bodies continue to receive real estate tax revenue from the "base" assessed valuation, so there is no loss of revenue to those local taxing bodies.

The maximum life of a TIF District is 23 years. When the TIF ends and the City's investments in both public and private redevelopment projects within the TIF redevelopment area are fully repaid, property tax revenues are again shared by all the taxing bodies. All taxing bodies then share the expanded tax base – the growth which would not have been possible without the utilization of Tax Increment Financing. The majority of TIF Districts in Illinois are established and annually administered pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 et. seq.).

Business Development Districts - A BDD is a special financing program created by a

municipality to encourage the development of new businesses in targeted geographical areas of the community. This program enables municipalities to attract development on vacant properties and redevelop existing properties within a designated BDD Area. New business development will increase local services and amenities, increase employment opportunities, and increase sales and property tax revenues to the municipality and other taxing bodies. To help fund public infrastructure or private development projects that benefit the BDD and City, the district may impose and collect up to 1.0% additional retail sales tax and hotel/motel taxes to invest in such projects.

Municipalities generally have the same powers in the BDD as with a TIF district that include:

- installing, repairing, constructing, reconstructing, or relocating public streets, public utilities, and other public site improvements;
- constructing public improvements, including but not limited to buildings, structures, works, utilities, or fixtures;
- renovating, rehabilitating, reconstructing, relocating, repairing, or remodeling any existing buildings, structures, works, utilities, or fixtures;
- acquiring, managing, conveying or otherwise disposing of real and personal property for the purposes of a development or redevelopment plan;
- clearing any area within a business district by demolition or removal of any existing buildings, structures, fixtures, utilities, or improvements, and to clear and grade land;

BDD's generally have the same "eligible project costs" to which BDD funds can be applied to support on public or private projects. These costs include plans and studies; land acquisition; site preparation; public infrastructure; renovations to existing buildings; and relocation costs. One notable difference from TIF Districts is that a BDD can help pay for costs related to new construction.

BDD are different from a TIF District in that the statutory process to establish a BDD is less complicated than creating a TIF District, because a BDD does not affect the collection or distribution of real estate taxes. The BDD Fund receives increased retail sales taxes and/or hotel taxes generated by commercial-retail development occurring within the BDD Area. As is the case with TIF, a BDD Area must be a contiguous boundary, the municipality must prepare a BDD Redevelopment Plan and hold a public hearing. A BDD can usually be established within 60-90 days by a simple majority vote of the municipality's corporate authority. A BDD may be established for a period not exceeding twenty-three (23) years.

RESPONSE TO REQUEST FOR QUALIFICATIONS/PROPOSALS

In order to establish a TIF and BDD, the City issued a request for qualifications and proposals from interested firms that could provide professional services to plan for and help create such districts. Proposals were submitted from the following firms:

- Crowe, a public accounting, consulting and technology firm headquartered in Chicago, IL
- The Economic Development Group LTD / Jacob & Klein, Ltd. (J&K/EDG), two firms based in Bloomington, IL working together to specialize as a single service provider for the creation and administration of Tax Increment Financing (TIF) Districts and other innovative business incentives such as Business Development Districts.

RECOMMENDATION

Upon review of the submitted proposals, staff is recommending awarding of a professional services agreement to The Economic Development Group Ltd. and Jacob & Klein, Ltd. The firms have demonstrated effectiveness in helping municipalities manage the ongoing complexities of TIF Districts, Business Development Districts, and other incentive programs. J&K/EDG currently administers the City of Pekin's existing TIF districts and has established more than 220 TIF Districts and numerous Business Development Districts throughout

Illinois. They also annually administer hundreds of intergovernmental agreements and private redevelopment agreements for more than 80 Illinois municipalities. The firm also holds a competitive advantage with over 30 years of Illinois TIF experience and undertaking the difficult tasks and responsibilities of complying with a multitude of statutory requirements; offering easy-to-understand analyses; and taking care of the nuanced details of TIF/BDD administration.

The accompanying ordinance therefore authorizes and directs the Mayor to enter into the Professional Services Agreement and execute on behalf of the City and generally provides for the following services and costs:

TIF DISTRICT ESTABLISHMENT	FEE	NOTE
TIF District establishment fee	\$57,600	Combined, unduplicated J&K/EDG fee, plus a per parcel surcharge of \$15 per additional parcel after the first 1,000 parcels (or +\$14,295)
Estimated reimbursable costs of J&K/EDG relating to TIF establishment	\$5,000	Quoted amount exclusive of mailings & publications and not to be exceeded without City's prior consent
	\$62,600	

BDD ESTABLISHMENT	FEE	NOTE
BDD establishment fee	\$22,500	Combined, unduplicated J&K/EDG fee
Estimated reimbursable costs relating to BDD establishment	\$2,500	Quoted amount exclusive of mailings & publications and not to be exceeded without City's prior consent
	\$25,000	

TIF DISTRICT ANNUAL ADMINISTRATION	FEE	NOTE
TIF District annual administrative fee (combined, unduplicated J&K/EDG fee)	\$8,500	Note that the annual fee is adjusted for change in Consumer Price Index or CPI
Estimated reimbursable costs relating to annual TIF administrative services	\$2,500	Quoted amount not to be exceeded without City's prior consent
	\$11,000	

BDD ANNUAL ADMINISTRATION	FEE	NOTE
BDD annual administrative fee (combined, unduplicated J&K/EDG fee)	\$3,500	Plus \$750 per year per BDD Redevelopment Agreement >\$10,000; annual fee adjusted for change in CPI

Estimated reimbursable costs relating to annual BDD administrative services	\$1,500	Quoted amount exclusive of mailings & publications and not to be exceeded without City's prior consent
	\$5,000	

Total establishment fees equal \$87,600. Because TIFs and BDD each have a life of 23 years, the total establishment costs can be annually calculated at an average rate of \$2,504 for TIFs and \$1,087 for BDDs.

TIMELINE

Proposed TIF District Schedule:		Target Date
City engages J&K/EDG1		02/10
City approves ordinance to create Interested Parties Registries (IPR) and announce date, place and time for Public Meeting		03/20
EDG prepares and mails notices for Public Meeting		04/10
Public Meeting		04/20
J&K/EDG submit first draft TIF Redevelopment Plan to City		05/01
City approves ordinance to set date for Public Hearing		05/15
EDG prepares and notices via certified mail to taxing districts for the Joint Review Board Meeting and Public Hearing		05/15
EDG prepares and mails notices of Public Hearing to taxpayers (certified) and residents (regular mail) within the proposed TIF Area		05/20
EDG prepares and mails notices of Public Hearing to IPR registrants and residential addresses within 750 ft. of proposed TIF Area (regular mail)		05/20
Joint Review Board Meeting		06/01
EDG prepares and arranges for first newspaper publication of the notice of the Public Hearing		06/10
EDG prepares and arranges for second newspaper publication of the notice of the Public Hearing		06/17
Public Hearing		06/20
City approves final three (3) ordinances to establish the TIF District		07/13
EDG requests certification of initial TIF base values from Tazewell County		07/20
Proposed BDD Schedule:		Target Date
City engages J&K/EDG2		02/10
City approves ordinance proposing the approval of a BDD Redevelopment Plan and designation of a BDD; and sets a date for a Public Hearing		05/15
EDG prepares and arranges for first newspaper publication of the notice of the Public Hearing		06/10
EDG prepares and arranges for second newspaper publication of the notice of the Public Hearing		06/17
Public Hearing		06/20
City approves ordinance to approve the BDD Redevelopment Plan designate the BDD Area and impose applicable BDD taxes		07/13

FINANCIAL IMPACT:

Amount:	TIF District Establishment Fees =	Up to \$72,000 depending on
number of parcels	BDD Establishment Fees =	\$25,000

Line Item:	TIF District Annual Admin Fees = \$11,000 BDD Annual Admin Fees = \$ 5,000 It is recommended to use unused CBD TIF fund balance. Some FY20 line items, like 270-270-520273 (Transfer to SIP TIF) budgeted at \$500,000 have been unused to date because there is a lack of need for such funds at the moment. These remaining funds will go back into the fund balance at the end of the year. Use of Fund Balance in this instance would therefore be appropriate as the Fund Balance will be replenished by underutilized line items at the end of the fiscal year.
Budgeted Amount:	N/A
Remaining Funds:	N/A
IMPACT IF APPROVED: The City will support the creation of a new TIF and BDD	
IMPACT IF DENIED: The City will not support the creation of a new TIF and BDD	
ALTERNATIVES: N/A	
RELATED TO THE 2019-2021 CITY COUNCIL GOALS:	
	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a "Business-Friendly" Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES**Finance Department** (Certification of Availability of Funds):

Date:

City Manager:**Mark A. Rothert**

Mark A. Rothert, City Manager

2/5/2020

Date:

MAYOR

ATTEST:

CITY CLERK

ORDINANCE NO. 2867-19/20

CITY OF PEKIN, ILLINOIS

**AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT**

for the

**ESTABLISHMENT AND ANNUAL ADMINISTRATION OF
PEKIN COURT STREET TAX INCREMENT FINANCING
(TIF) DISTRICT**

by and between

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS

and

JACOB & KLEIN, LTD.

and

THE ECONOMIC DEVELOPMENT GROUP, LTD.

**ADOPTED BY THE MAYOR AND CITY COUNCIL
OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS,
ON THE 10TH DAY OF FEBRUARY, 2020.**

ORDINANCE NO. 2867-19/20

CITY OF PEKIN, ILLINOIS
 AN ORDINANCE APPROVING AND AUTHORIZING
 THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT
 for the
 ESTABLISHMENT AND ANNUAL ADMINISTRATION OF
 PEKIN COURT STREET TAX INCREMENT FINANCING (TIF) DISTRICT
 by and between
 THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
 and
 JACOB & KLEIN, LTD.
 and
 THE ECONOMIC DEVELOPMENT GROUP, LTD.

PREAMBLE

WHEREAS, the City of Pekin, Tazewell County, Illinois, a Home Rule Municipality (the “City”) wishes to establish a Tax Increment Financing (TIF) District pursuant to the Tax Increment Allocation Redevelopment Act (the “Act”), 65 ILCS 5/11-74.4-1 *et. seq.*; and

WHEREAS, the City desires to engage the professional services of Jacob & Klein, Ltd. to render administrative services and legal advice and The Economic Development Group, Ltd. to render technical advice to assist the City in establishing and administering the **Pekin Court Street TIF District**.

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS THAT:

1. The Professional Services Agreement by and between the City of Pekin, Jacob & Klein, Ltd. and The Economic Development Group, Ltd. (*Exhibit A* attached) is hereby approved.
2. The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Professional Services Agreement and the City Clerk of the City of Pekin is hereby authorized and directed to attest such execution.
3. The Professional Services Agreement shall be effective on the date of its approval, on the 10th day of February, 2020.
4. This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

PASSED, APPROVED AND ADOPTED by the Mayor and City Council of the City of Pekin, Tazewell County, Illinois, this 10th day of February, 2020.

CORPORATE AUTHORITIES	AYES	NAYS	ABSTAIN	ABSENT
John Abel				
Michael Garrison				
David Nutter				
Lloyd Orrick				
Rick Hilst				
Karen Hohimer				
Mark Luft, Mayor				
TOTALS:				

APPROVE:

Mayor

ATTEST:

City Clerk

EXHIBIT A is attached: Professional Services Agreement by and between the City of Pekin, Tazewell County, Illinois and Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

EXHIBIT A

**Professional Services Agreement
by and between
The City of Pekin, Tazewell County, Illinois
and
Jacob & Klein, Ltd.
and
The Economic Development Group, Ltd.**

PROFESSIONAL SERVICES AGREEMENT

for the

**ESTABLISHMENT AND ANNUAL ADMINISTRATION OF
PEKIN COURT STREET TAX INCREMENT FINANCING
(TIF) DISTRICT**

by and between

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS

and

JACOB & KLEIN, LTD.

and

THE ECONOMIC DEVELOPMENT GROUP, LTD.

FEBRUARY 2020

PROFESSIONAL SERVICES AGREEMENT
 for the
ESTABLISHMENT AND ANNUAL ADMINISTRATION OF
PEKIN COURT STREET TAX INCREMENT FINANCING (TIF) DISTRICT
 by and between
THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
 and
JACOB & KLEIN, LTD.
 and
THE ECONOMIC DEVELOPMENT GROUP, LTD.

THIS AGREEMENT is entered into this 10th day of February, 2020, by and between the **CITY OF PEKIN, ILLINOIS**, an Illinois Home Rule Municipal Corporation (the “City”); and **JACOB & KLEIN, LTD.**, Bloomington, Illinois, an Illinois Professional Service Corporation (“J&K”); and **THE ECONOMIC DEVELOPMENT GROUP, LTD.**, Bloomington, Illinois, and Illinois Corporation (“EDG”). The City, J&K and EDG may hereinafter be referred to as the “Parties” to this Agreement.

WHEREAS, the City wishes to establish a Tax Increment Financing (TIF) District within the City pursuant to the Tax Increment Allocation Redevelopment Act (the “Act”), 65 ILCS 5/11-74.4-1 *et. seq.*; and

WHEREAS, the City desires to engage the professional services of J&K to render legal advice and EDG to render technical advice to assist the City in Establishing and Annually Administering a Tax Increment Financing Redevelopment Plan, Area and Projects to be known as **PEKIN COURT STREET TIF DISTRICT** (the “TIF District”).

NOW, THEREFORE, the Parties agree as follows:

1. **City to Engage J&K and EDG.** The City agrees hereby to engage the services of J&K and EDG for the purposes set forth herein and J&K agrees to provide all legal advice to EDG and the City to prepare or coordinate the preparation of Reports, the TIF District Redevelopment Plan, Notices and Documentation (including those reports prepared by other professionals) necessary to complete the Establishment and the Annual Administration of the TIF District Redevelopment Plan, Area and Projects as required pursuant to State Statutes and as outlined in *Exhibit 1. Professional Services Relating to the Establishment of the TIF District* and *Exhibit 2. Professional Services Relating to the Annual Administration of the TIF District*.
 - a. The Parties agree that J&K, as Attorneys, will undertake those responsibilities that require legal advice or preparation under this Agreement on behalf of the City or EDG. EDG is a separate corporate entity established by Thomas N. Jacob (of counsel) and is owned in whole by Herbert J. Klein. Mr. Klein is also the principal owner of Jacob & Klein, Ltd. (J&K). The City is entering into this Agreement voluntarily and with informed consent after the opportunity to consult with independent counsel as to the ownership of both entities by Herbert J. Klein.

- b. J&K may, in addition, be retained by the City as its special attorney to perform other professional services outside the Scope of Services set forth herein, including representation of the City before State agencies or the Illinois Legislature. Such representation shall be at the Attorney's then current hourly rate for similar services or as otherwise agreed. Any such representation shall be pursuant to a written agreement between the Parties.
 - i. Legal services provided by J&K and/or consulting services provided by EDG relating to financing, including the issuance of Bonds involving the TIF District, will be billed separately from this Agreement and subject to the terms of any agreements related to such financing or Bonds.
 - ii. If retained as a Registered Municipal Advisor through a separate Letter of Engagement, EDG will analyze the potential use of TIF Revenue Bonds, Developer Notes and other financing alternatives, as well as arrange for Bond Counsel when required by the City.
 - iii. This Agreement does not include representation in any Court case resulting from the establishment of the TIF District Redevelopment Plan, Area or Projects or the Annual Administration of the TIF District.
- c. The total Fees and Reimbursable Costs to be paid hereunder by the City to J&K and EDG, when billed by each of the separate entities, will not be duplicated and will not exceed the total Fees and Reimbursable Costs provided for herein.
- d. The Parties agree that pursuant to *Section 5/11-74.4-3(q)(1)* of the Act, all Professional Fees and related Costs incurred by the City for Establishing and Annually Administering the TIF District are TIF eligible project costs and are fully reimbursable to the City from the real estate tax increment generated by the TIF District.
- e. The City hereby acknowledges that J&K and EDG are not responsible for monitoring and documenting matters relating to compliance with the Illinois Prevailing Wage Act, the Illinois Procurement Code, and any other wage and/or employment laws, to the extent such are applicable to any public or private project undertaken within the TIF District Redevelopment Project Area or the Area as may be amended in the future.

2. Establishment of the TIF District.

- a. **Services.** J&K and EDG will provide services as outlined in *Exhibit 1* to Establish the TIF District.
- b. **Term.** This Professional Services Agreement for the Establishment the TIF District shall commence immediately and shall continue until the presentation of the TIF District Redevelopment Plan and appropriate ordinances to the City Council for the Establishment of the TIF District. It is anticipated that the TIF District will be established on or before **July 13, 2020**, barring unexpected complications.

- c. **Payment of Fees and Reimbursable Costs.** The total Base Professional Fee to be paid to J&K and EDG for the Establishment of the TIF District shall be **Fifty-Seven Thousand Six-Hundred and 00/100 Dollars (\$57,600.00)**, plus a Per Parcel Surcharge and Costs, and are to be paid by the City as follows:
- i. J&K and EDG shall be paid a total sum of **Nineteen-Thousand Two-Hundred and 00/100 Dollars (\$19,200)** upon execution of this Agreement.
 - ii. J&K and EDG shall be paid an additional total sum of **Nineteen-Thousand Two-Hundred and 00/100 Dollars (\$19,200)** and Costs incurred to date, upon delivery of the proposed TIF Redevelopment Plan to the City.
 - iii. The balance of the Professional Fee, of **Nineteen-Thousand Two-Hundred and 00/100 Dollars (\$19,200)**, and the remaining Costs for the Establishment of the TIF District, shall be paid when the Plan and final Ordinances are presented to the City Council for passage.
 - iv. All Reimbursable Costs incurred by J&K and EDG as part of the Establishment of the TIF District shall be reimbursed to J&K and EDG by the City, including all reasonable travel and subsistence expenses while away from Bloomington or Peru, Illinois, all photocopying, report binding, mailings, postage, and staff costs. For purposes of this Agreement, staff costs do not include the time of Attorneys Thomas N. Jacob, Nic Nelson or Herb Klein (J&K), or the time of Steven Kline (EDG) while performing said Professional Services described in *Exhibit 1* subject to the following conditions:
 1. All travel will be reimbursed for mileage at the maximum rate permitted by Internal Revenue Service Rules and Regulations at the time of service. All other costs which are incidental to the establishment of the TIF District, including staff costs, photocopying and report binding, mailings, postage, and telecommunication charges, shall be reimbursed at the current rates then charged by J&K and EDG.
 2. The total Reimbursable Costs incurred by J&K and EDG as part of the Establishment of the TIF District (other than costs of mailings and publications) shall not exceed **Five-Thousand and 00/100 Dollars (\$5,000.00)** without consent of the City in advance of such additional services being performed.
 - v. The City understands and acknowledges that J&K and EDG will rely on the work of other professionals, including the City's Engineers and Attorney, to prepare reports and documentation needed for the TIF District Redevelopment Plan, Projects and Reports and other necessary documents; and that J&K and EDG shall rely on their professional expertise to prepare the TIF District Redevelopment Plan and present material and information necessary to the Establishment of the District. The City further understands that it may directly incur additional fees and costs for the Establishment of the

TIF District which result from the involvement of other (i.e., non-J&K/EDG) professionals.

- vi. **Per Parcel Surcharge:** In addition to the Base Professional Fee described above, a \$15.00 per parcel surcharge in excess of the first one-thousand (1,000) parcels included in the District shall be paid by the City to J&K and EDG for the establishment of the District. The per parcel surcharge shall be paid as follows:
 - 1. The per parcel surcharge for parcels in excess of the first 1,000 parcels included in the TIF District, less a five percent (5%) early payment discount, shall be billed to the City and paid to J&K and EDG when the final TIF Plan and Ordinances are presented to the City Council for passage; or
 - 2. Payment of the total per parcel surcharge may be deferred until which time the City has received sufficient real estate tax increment in its Special Tax Allocation Fund and paid prior to reimbursing any other TIF eligible public and private project costs.

3. **Annual Administration of the TIF District.**

- a. **Services.** J&K and EDG will provide services as outlined in *Exhibit 2* to annually administer the TIF District.
 - i. On an annual basis, all of the legal review of documents and matters relating to the statutory compliance of public and private development activities occurring within the TIF District are provided by J&K in the Annual Administrative Fee. Other administrative functions will be provided by EDG. EDG will also provide financial feasibility analyses for new proposed private developments. J&K will provide legal services required in the preparation of new Redevelopment Agreements and other legal documents and legal opinions.
 - ii. To the extent possible, J&K and EDG will attempt to include in Private Redevelopment Agreements provisions allocating a portion of the Annual Administrative Fees, Annual Costs and other fees to those Private Developments on a pro-rata basis determined by the increment generated by those Developments which have Redevelopment Agreements.
- b. **Term.** The term of the Annual Administrative Services provided in this Agreement shall be for three (3) years and shall commence immediately following the establishment of the TIF District. Thereafter, this Agreement shall automatically renew at the end of each three-year period during the life of the District as a roll-over, for a new period of three years, absent notice of non-renewal as provided herein. This Agreement as it relates to annual administrative services may be terminated by written notice of non-renewal from the City to J&K and EDG no later than one (1) year prior to the end of each contract period. If the City provides J&K and EDG written notice

of non-renewal less than one (1) year prior to the end of a contract period, then J&K and EDG shall not be responsible for preparing and filing the TIF District Annual Report relating to the current fiscal year in which notice of non-renewal is received. Upon receiving written notice of non-renewal, J&K and EDG is to provide to the City a final invoice for professional fees and costs incurred as of the date of the termination.

c. Payment of Annual Administrative Fee and Reimbursable Costs.

- i. The Annual Administrative Fee to be paid by the City to J&K and EDG for the Annual Administration of the TIF District shall be **Eight-Thousand Five-Hundred and 00/100 Dollars (\$8,500.00)**. This Annual Fee shall be adjusted annually for the *Consumer Price Index - All Urban Consumers IL-IN-WI*, using **2020** as the base year.
- ii. In addition to the Annual Administrative Fee, all Reimbursable Costs incurred by J&K and EDG as part of the Annual Administration of the TIF District shall be reimbursed to J&K and EDG by the City, including all reasonable travel and subsistence expenses while away from Bloomington or Peru, Illinois, all photocopying, report binding, mailings, postage, and staff costs. Such are to be reimbursed at customary rates charged by J&K or EDG. For purposes of this Agreement, staff costs do not include the time of Attorneys Thomas N. Jacob, Herb Klein or Nic Nelson (J&K) or Steven Kline (EDG) while performing said Professional Services described in **Exhibit 2** and subject to the following conditions:
 1. All travel will be reimbursed for mileage at the maximum rate permitted by Internal Revenue Service Rules and Regulations at the time of service. All other costs which are incidental to the administration of the TIF District, including staff costs, photocopying and report binding, mailings, postage, and telecommunication charges, shall be reimbursed at the current rates then charged by J&K and EDG.
 2. The total Reimbursable Costs incurred by J&K and EDG as part of the Annual Administration of the TIF District (other than costs of mailings and publications) shall not exceed **Two-Thousand Five-Hundred and 00/100 Dollars (\$2,500.00)** without consent of the City in advance of such additional services being performed.
- iii. For Annual Administrative Fees, and Annual Administrative Costs, J&K and EDG shall bill the City on a quarterly basis. For the purpose of this Agreement, Quarterly Billings shall occur as follows:

Service Period	Billing Month
January, February, March	April
April, May, June	July
July, August, September	October
October, November, December	December

- iv. Annual Administrative Fees shall be adjusted annually for the *Consumer Price Index - All Urban Consumers IL-IN-WI*, using **2020** as the base year and prorated in equal installments for purposes of determining quarterly billings.
 - d. The City understands that J&K and EDG shall rely on the work of others, including the City's Administrator, City Engineer, Clerk, Auditors and Attorney; the Tazewell County Assessor and County Clerk; the Illinois Department of Revenue (IDOR); the Illinois Department of Commerce and Economic Opportunity (DCEO); the Illinois Comptroller's Office and the Illinois State Board of Education for information and documentation necessary for the Annual Administration of the TIF District. The City further understands that it may directly incur additional fees and costs for the Annual Administration of the TIF District which result from the involvement of other (non-J&K/EDG) professionals.
 - e. To the extent possible, J&K and EDG will attempt to include in Private Redevelopment Agreements provisions allocating a portion of the Annual Administrative Fees and Annual Costs to those Private Developments on a *pro-rata* basis determined by the increment generated by those Developments which have Redevelopment Agreements within the TIF District.
4. **Drafting Ambiguities.** The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether, or not, to seek advice of counsel with respect to the Agreement is a decision which is the sole responsibility of each Party. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of this Agreement. Titles of the several parts, paragraphs, sections or articles of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any provisions hereof.
 5. **Titles of Paragraphs.** Titles of the several parts, paragraphs, sections or articles of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any provisions hereof.
 6. **Amendments to this Agreement.** J&K/EDG and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required by the Parties hereto for carrying out the intention of or facilitating the performance of this Agreement. The Parties hereto may therefore amend this Agreement at any time by their mutual consent which amendment must be in writing and executed by the Parties.
 7. **Entire Agreement.** The Terms and Conditions set forth in this Agreement supersede all prior oral and written understanding and constitute the entire Agreement between the Parties with respect to the subject matter hereof.
 8. **Binding Upon Successors in Interest.** This Agreement shall be binding upon all the Parties hereto and their respective heirs, successors, administrators, assigns, or other successors in interest.

9. **Notices.** Notices or demands hereunder shall be in writing and shall be served by (a) personal delivery, or (b) certified mail, return receipt requested to the following addresses, or to the last known address of either party or to the address provided by any assignee if such address has been given in writing. In the event said notice is mailed, the date of service of such notice shall be deemed to be three (3) business days after the date of delivery of said notice to the United States Post Office.

City of Pekin
% City Clerk
111 S. Capitol Street
Pekin, IL 61554
Ph: (309) 478-5371

Jacob & Klein, Ltd. and
The Economic Development Group, Ltd.
1701 Clearwater Avenue
Bloomington, IL 61704
Ph: (309) 664-7777

10. **Severability.** If any provision of this Agreement is held to be invalid, the remainder of this Agreement shall not be affected thereby.
11. **Choice of Law/Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois with venue lying in the Circuit Court of McLean County, Illinois.
12. **Warranty of Signatories.** The signatories of this Agreement warrant that they have full authority to execute this Agreement and to bind the entity for which they are signing and agree to hold the other Party or Parties hereto harmless if it is later determined that such authority does not exist.
13. **Counterparts.** This Agreement may be executed in counterparts, which when taken together shall constitute a single signed original as though all Parties had executed the same page.

IN WITNESS WHEREOF, the City, J&K, and EDG have executed this Professional Services Agreement on the day and year above written.

THE CITY OF PEKIN, an Illinois
Municipal Corporation:

By: _____
Mayor

Attest: _____
City Clerk

JACOB & KLEIN, LTD., an Illinois
Professional Service Corporation:

By: _____
President

**THE ECONOMIC DEVELOPMENT
GROUP, LTD.**, an Illinois Corporation:

By: _____
President

EXHIBIT 1

PROFESSIONAL SERVICES RELATING TO THE ESTABLISHMENT OF THE TIF DISTRICT

Services to be provided to the City by J&K and EDG relating to the Establishment of the TIF District are set forth as follows:

1. J&K shall provide City with legal advice regarding the establishment of the TIF District on an on-call, as needed basis.
2. EDG shall provide City with technical consulting regarding the establishment of the TIF District on an on-call, as needed basis.
3. Create an estimated schedule and timeline for completing the required procedure to establish the TIF District.
4. Work with local elected officials, City staff and engineers to define the Redevelopment Project Area (TIF District Boundary).
5. Consult on any necessary Annexation Agreement(s) with City Attorney and Private Developer(s), if any.
6. Prepare the TIF District Redevelopment Plan. EDG will collect a variety of information from the City and, with J&K, draft the TIF Redevelopment Plan. Local officials will provide historical information, access to legal descriptions, street maps/aerial tax maps, engineering opinion letters, descriptions and estimated costs of potential public and private projects, potential private development build-out rates, property tax bills, assessment data, and identification of officials' properties and other City records as necessary to establish the TIF District.
 - a. Evaluate the statutory and financial feasibility of creating the TIF District and incorporate such findings in the Redevelopment Plan. The City has indicated it does not intend to displace ten (10) or more inhabited residential units for any redevelopment projects occurring within the TIF District. Therefore, this Agreement does not provide for the preparation of a separate Feasibility Study or Housing Impact Study. If conditions change, thereby requiring a separate Feasibility Study or Housing Impact Study, such services shall be provided by J&K and EDG per *Section 2(c)(iv)* above, unless this Agreement is otherwise amended per *Section 4*.
7. Organize and conduct the first meeting of the Joint Review Board.

8. Consult with the School District to determine and analyze the potential impact, evaluate alternative approaches for assisting the school district and prepare necessary Intergovernmental Agreements, if required.
9. Assist the City with negotiating Private Redevelopment Agreements with potential Developers.
10. Assist the City with creating Interested Parties Registries as required.
11. Prepare and send all Notices to taxing bodies, taxpayers, residences within 750 feet of the proposed TIF District, and to those individuals or organizations listed on the Interested Parties Registries.
12. Prepare and arrange for the City Clerk all publications required of the City.
13. Moderate Public Meeting(s) as required or necessary.
14. Conduct Public Hearing to review the proposed TIF District with the public.
15. Draft and present to the City all required Ordinances to create the TIF District.

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EXHIBIT 2

PROFESSIONAL SERVICES RELATING TO THE ANNUAL ADMINISTRATION OF THE TIF DISTRICT

Services to be provided to the City by J&K and EDG relating to the Annual Administration of the TIF District are set forth as follows:

1. Provide the City with on-call legal and consulting services on matters relating to the TIF District as needed.
2. Consult with and coordinate administrative activities with City's Administrator, City Clerk, City Engineer, CPA, Mayor and other officials as required.
3. Track and monitor the growth of annual Real Estate and Sales Tax (if appropriate) Increments within the TIF District.
4. Negotiate terms of TIF Reimbursements and prepare Redevelopment Agreements with Developers.
5. Consult with Developers regarding TIF Redevelopment Agreements and Reimbursements.
6. Communicate with Developers and the County Supervisor of Assessments to review improvements, paid tax bills and changes in Equalized Assessed Valuations.
7. Advise City on matters relating to Developer Reimbursements (e.g., verify paid property tax bills and eligible project costs, and advise the municipality to make payments).
8. Provide City with a Public Requisition/Payment Approval process.
9. Advise City on matters relating to payments to other taxing bodies under Intergovernmental Agreements.
10. Prepare, certify, and submit Annual TIF District Reports to the Office of the Illinois Comptroller.
11. Provide legal opinion (J&K) on matters relating to Annual Reports to State Comptroller as required by the TIF Act.
12. Prepare TIF District Annual Reports for submission to City and other taxing districts.
13. Conduct City's Annual Joint Review Board Meetings with Taxing Bodies as required by the TIF Act.

14. Work with the School District to determine and analyze potential financial impacts, evaluate alternative approaches for assisting the school district and prepare necessary Intergovernmental Agreements.
15. Prepare TIF Increment Projections for City and Reimbursement Estimates for Developers.
16. If retained as a Registered Municipal Advisor per a separate Letter of Engagement, EDG will analyze the potential use of TIF Revenue Bonds, Developer Notes and other financing alternatives, as well as arrange for Bond Counsel when required by City or Developer. All professional services related to the issuance of Bonds will be additional, subject to separate agreements and billed at the then applicable rates.

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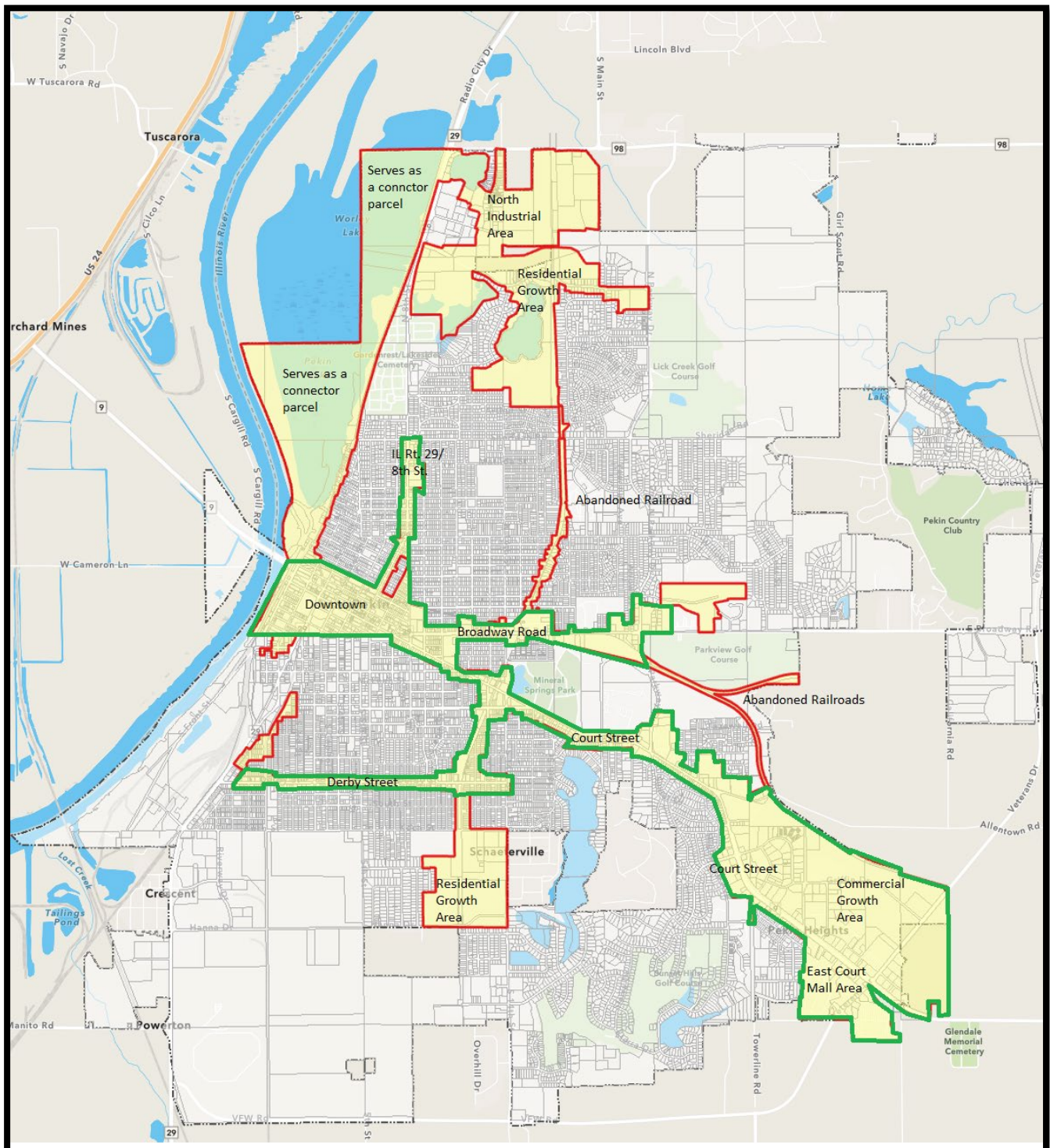
Attachment A

Study Area of All Potentially Developable Areas in the City of Pekin

Green Border = Approximate Business Development District (BDD) Boundary

Red Border = Approximate Tax Increment Finance District (TIF) Boundary

Note: the proposed BDD area overlays with the proposed TIF District area



Attachment B
TIF FREQUENTLY ASKED QUESTIONS
Source: <https://www.tifillinois.com/tif-basics.html>

How long does it take to establish a TIF district?

The preliminary planning and statutory process to establish a TIF District will typically require 4-6 months. If annexations are required, the timeline is usually a couple of months longer.

Who controls the use of TIF Funds?

Municipal officials control the allocation and disbursement of funds from a Special Tax Allocation (TIF) Fund. TIF is the only economic development tool with which local leaders may have some control over the type of development occurring in the community. No two private redevelopment agreements are necessarily alike.

Can a TIF district successfully co-exist with a school district?

Yes. TIF Districts can actually generate new money for Schools. In Illinois, school districts continue to receive all the tax revenue they were entitled to before the creation of a TIF District. Although schools usually lose State funding when assessed valuations increase, the incremental growth in property values within a TIF District is by law excluded from the property tax base when the State of Illinois calculates the amount of aid it awards to a school district. Therefore, the “poorer” a school district is, the more it stands to gain from having a TIF District. Here are 8 ways for a TIF district to cooperate with school districts:

- Design TIF Redevelopment Plan with Cooperative Options: Incorporate a thoughtful impact analysis and anticipate some future assistance to other taxing bodies in the TIF Redevelopment Plan and Projects.
- Count New Students from TIF Projects: The TIF Act has a default method for assisting school districts by reimbursing a portion of TIF increment for a resulting “net increase” in student enrollment.
- Annual Capital Cost Reimbursement: It may be possible to design a method based on an annual flat percentage or formula amount to reimburse capital costs. Some capital cost reimbursements are “triggered” by certain events, such as the occurrence of new residential development.
- Periodic, Lump-Sum Reimbursement: Municipalities may agree to periodic reimbursement of TIF funds for specific capital projects, such as building improvements or repairs, purchase of equipment, or other capital expenditures.
- In-Kind Assistance: If located within the TIF District Redevelopment Project Area, municipality could repair or construct public infrastructure (e.g., roads, sidewalks, storm drains, etc.).
- Return TIF Increment per Bond Referendum Rate: Municipality could agree to return TIF increment derived from a tax rate resulting from a taxing body’s bond referendum. Taxing body should then adjust annual levy.
- Surplus Funds: Municipalities may declare TIF surplus funds if unobligated TIF funds exist or such surplus was anticipated when the TIF Redevelopment Plan was designed. Such TIF funds are returned to County Treasurer who then re-distributes the money to taxing bodies based on current real estate tax rates.
- Payment in Lieu of Taxes: Payment of estimated tax revenues from property in a TIF Area that that is derived from property acquired by the municipality which, per the TIF Plan, is to be used for private use. Such funds are paid to County Collector who then distributes the money to taxing bodies.

What conditions qualify an area to be designated as a TIF district?

In addition to being located within the municipal boundaries or annexed to the municipality, the TIF Act includes three sets of conditions for qualifying an area as a TIF District:

- (i) Blighted Conditions – examples include dilapidation, obsolescence, deterioration, inadequate utilities, declining assessed valuations;
- (ii) Conservation Conditions whereby at least 50% of the structures in the proposed redevelopment area are 35 years of age or older; and
- (iii) Industrial Park Conservation Areas, which are based largely on a relatively high unemployment rate.

Within these categories, there are numerous characteristics evaluated for both vacant and improved properties. Although not every individual property must qualify, the municipality must find that at least 51% of the properties within a proposed TIF Redevelopment Project Area exhibit sufficient qualifying factors and such characteristics are evident throughout the proposed area as a whole.

How may TIF funds be used?

The use of TIF Funds must comply with both the TIF Act and the anticipated uses described within the TIF District Redevelopment Plan. Generally, there are two broad categories of TIF eligible costs: Public Redevelopment Projects; and Private Redevelopment Projects. Most any expense incurred for the acquisition and preparation of sites, including public infrastructure, are TIF eligible. The vertical construction costs associated with the construction of new private buildings are not TIF eligible. Virtually all costs relating to the rehabilitation, renovation and repair of an existing structure is TIF eligible for public or private buildings located within the TIF Redevelopment Project Area. For a brief categorical list of TIF eligible project costs, [click here](#). Contact Jacob & Klein and The Economic Development Group for details.

Are properties within a TIF district taxed differently?

TIF Area properties are assessed and taxed the same as in non-TIF areas. The only change is that during the life of the TIF District, the property tax revenue is distributed differently. Incremental increases in real estate taxes go to the municipality to help finance TIF eligible project costs within the TIF Redevelopment Project Area.

Why offer TIF incentives to private developers?

Property tax revenue generated from private development within a TIF District is new money. Without TIF, the development would not have occurred and the tax increment would not have been produced. Not only would new tax money not be generated, but the area itself would have remained economically stagnant. One of the fundamental requirements when establishing a TIF District is that the municipality must make a finding in the TIF Redevelopment Plan that the anticipated redevelopment projects would not occur, "but for" the availability of TIF. After a TIF District is established, private developers should understand that TIF IS NOT AN ENTITLEMENT PROGRAM and decisions relating to specific TIF incentives, if any, are determined by city councils and village boards on a project-by-project basis.

Why does a TIF district have a life of 23 years?

The Illinois TIF Act permits a TIF District to exist for a maximum of 23 years. If a project is undertaken in year 1 and assessed for real estate tax in year two, it will begin generating new real estate tax increment in year 3. The TIF District then has a full 20 years to amortize and reimburse the TIF eligible project costs, either on an annual "pay-as-you-go" basis or through the issuance of a debt obligation for which the TIF revenue will repay. A TIF District may be terminated earlier if all financial obligations are paid-off and the municipality decides to end the District, however there are often several additional public improvements

within the TIF Redevelopment Project Area that can then be accelerated when the TIF eligible costs relating to the private redevelopment projects have been reimbursed and there are a few years remaining in the TIF District.

Can the life of a TIF District be extended?

Yes. With the support of the overlapping taxing bodies, an Extension of time, typically for up to an additional 12 years, is possible if then approved by the Illinois Legislature.

What happens when a TIF district ends?

The full tax base, including the new TIF (equalized assessed valuation) growth, becomes available to all of the overlapping taxing bodies to levy against after the TIF District ends. Until then, all major taxing bodies meet annually with the municipality to review the progress of the District and the most recent TIF Annual Report filed with the Illinois Comptroller.

Are TIF Annual reports available on-line?

Yes. TIF Annual Reports for all TIF Districts within the State of Illinois are filed annually with the Illinois Comptroller. To search the most recent three (3) years of TIF Annual Reports for any municipality, see the Comptroller's Data Warehouse at <http://www.warehouse.illinoiscomptroller.com/>

Are projects funded through TIF financing covered by the prevailing wage Act?

The Illinois Department of Labor (IDOL) addresses this question on line in its Prevailing Wage FAQs. As of January 18, 2019, IDOL's position was stated as follows: "Funds received from Tax Increment Financing do not qualify as "public funds". A private project that is funded by means of TIF financing, whether via credits, reimbursement of eligible expenses through a TIF, or direct payments from the TIF, is not covered by the Prevailing Wage Act unless it also receives funding from another source which does qualify as public funds. However, if a project is undertaken by a public body, whether it is a governmental body or an institution supported in whole or in part with public funds, it will be subject to the Act."

Can a TIF district be created for residential development?

Yes. The TIF Act in Illinois prescribes certain characteristics of the land that must be present for an area to qualify as a TIF District. There are no special or unique qualifying factors required for residential development to be undertaken in a TIF District. The majority of our TIF Districts are mixed-use redevelopment areas capable of inviting commercial, industrial and residential projects. As in every case, the potential impacts that a TIF District may have on other taxing bodies should be evaluated carefully.

Can undeveloped vacant land be included in a TIF District?

Yes, undeveloped vacant land may be included in a TIF District to the extent the TIF Redevelopment Project Area as a whole will still meet or exceed the minimum qualifying characteristics required by the TIF Act.

Does a TIF District affect local zoning?

No. TIF Redevelopment Project Areas must comply with all local zoning and subdivision ordinances in effect. Creating a TIF District does not itself change zoning law, however certain redevelopment projects may request zoning changes or variances.

Do individual property owners have to give consent to include their property in a TIF district?

No. Municipalities may include any qualified parcel as long as it is within the municipal boundary or is annexed, is in furtherance of the TIF Redevelopment Plan and the land is contiguous with the rest of the proposed TIF District Area.

Can a municipality use TIF funds to buy and sell property?

Yes. Within a redevelopment project area, a municipality may acquire by purchase, donation, lease or eminent domain; own, convey, lease, mortgage or dispose of land and other property, real or personal, or rights or interests therein, and grant or acquire licenses, easements and options with respect thereto, all in the manner and at such price the municipality determines is reasonably necessary to achieve the objectives of the redevelopment plan and project. The process by which a municipality may sell municipal-owned property within a TIF District is guided by the TIF Act, which provides a different procedure than the usual Surplus Property requirements found elsewhere in the Municipal Code. A Request for Proposal (RFP) is required in each instance, but the municipality is allowed to convey property it owns within a TIF District based on whichever proposal, if any, it deems to be in the best interest of the TIF Redevelopment Plan.

Does the TIF Act provide direction relating to conflicts of interest?

Yes. Any member of the corporate authority, a member of a commission established to manage the TIF District, or an employee or consultant of the municipality involved in the planning and preparation of the redevelopment plan, or project for a redevelopment project area or proposed redevelopment project area who owns or controls an interest, direct or indirect, in any property within the TIF District is required to disclose such interest to the municipal clerk, as well as the dates, terms and conditions of any disposition of any such interest. Any individual holding such an interest in a property within the TIF District is to refrain from any further official involvement in regard to the TIF District. No such member or employee shall acquire an interest, direct or indirect, in any property within the TIF District after obtaining knowledge of the TIF District or the first public notice of the TIF plan, project or area, whichever occurs first. We recommend our clients contact us for appropriate direction and documentation to address potential TIF District conflicts of interest.

CAN TIF BE USED FOR HISTORIC PRESERVATION PROJECTS?

Yes, the TIF Act addresses the use of TIF funds for redeveloping historic resources. Specifically, the TIF Act provides that no cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove or substantially modify a historic resource after August 26, 2008 (the effective date of Public Act 95-934), unless no prudent and feasible alternative exists. "Historic resource" for the purpose of this provision means: (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places; or (ii) a contributing structure in a district on the National Register of Historic Places. The TIF Act's direction regarding historic resources does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency or a Certified Local Government designated as such by the National Park Services of the United States Department of the Interior.

CAN TIF DISTRICTS AND ENTERPRISE ZONES CO-EXIST?

Yes. Although incentives relating to real estate tax are controlled by TIF (i.e., real estate taxes cannot both be abated and reimbursed), an Enterprise Zone may still provide valuable sales tax exemptions on building materials and applicable income tax credits.



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Mark Rothert, City Manager

AGENDA ITEM: Ordinance No. 2866-19/20 Professional Services Agreement for Business Development District Creation

ACTION REQUESTED: Adopt the Ordinance.

DESCRIPTION: The City is interested to foster economic growth; address deteriorating infrastructure; support residential development; and stabilize declining neighborhoods within the community. To address these issues, the City has options to implement both a Tax Increment Financing District (TIF) and Business Development District (BDD) to incentivize growth, development and revitalization of key areas of the community that include:

- Court Street;
- Derby Street;
- Broadway Road;
- Downtown;
- East Court Village mall;
- The north business park; and
- Key areas for residential growth.

Attachment A is a map of a Study Area for potentially developable areas in the City where a TIF and BDD District could be beneficial.

ABOUT TIFs and BDDs

Tax Increment Finance Districts - Tax Increment Financing (TIF) is a development financing tool by which cities, towns, and villages may develop and revitalize their community. A TIF District's revenues ("tax increment") come from the increased assessed value of property and improvements that occur within the District. Once a TIF District is established, the "base" assessed value is determined. As vacant land and dilapidated properties develop with TIF assistance, the equalized assessed valuation (EAV) of those properties increases. New property taxes resulting from the increased assessed valuation above the base value create an incremental increase in tax revenues generated within the TIF District.

The "tax increment" created between the "base" and the new EAV is captured, deposited into a special city TIF account and used solely for reinvestment into the TIF District. The real estate tax increment can be used as a source of revenue to reimburse certain costs for public and private redevelopment projects either by issuing TIF Revenue Bonds or by reimbursing developers on a "pay-as-you-go" basis. All of the other overlapping taxing bodies continue to receive real estate tax revenue from the "base" assessed valuation, so there is no loss of revenue to those local taxing bodies.

The maximum life of a TIF District is 23 years. When the TIF ends and the City's investments in both public and private redevelopment projects within the TIF redevelopment area are fully repaid, property tax revenues are again shared by all the taxing bodies. All taxing bodies then share the expanded tax base – the growth which would not have been possible without the utilization of Tax Increment Financing. The majority of TIF Districts in Illinois are established and annually administered pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 et. seq.).

Business Development Districts - A BDD is a special financing program created by a

municipality to encourage the development of new businesses in targeted geographical areas of the community. This program enables municipalities to attract development on vacant properties and redevelop existing properties within a designated BDD Area. New business development will increase local services and amenities, increase employment opportunities, and increase sales and property tax revenues to the municipality and other taxing bodies. To help fund public infrastructure or private development projects that benefit the BDD and City, the district may impose and collect up to 1.0% additional retail sales tax and hotel/motel taxes to invest in such projects.

Municipalities generally have the same powers in the BDD as with a TIF district that include:

- installing, repairing, constructing, reconstructing, or relocating public streets, public utilities, and other public site improvements;
- constructing public improvements, including but not limited to buildings, structures, works, utilities, or fixtures;
- renovating, rehabilitating, reconstructing, relocating, repairing, or remodeling any existing buildings, structures, works, utilities, or fixtures;
- acquiring, managing, conveying or otherwise disposing of real and personal property for the purposes of a development or redevelopment plan;
- clearing any area within a business district by demolition or removal of any existing buildings, structures, fixtures, utilities, or improvements, and to clear and grade land;

BDD's generally have the same "eligible project costs" to which BDD funds can be applied to support on public or private projects. These costs include plans and studies; land acquisition; site preparation; public infrastructure; renovations to existing buildings; and relocation costs. One notable difference from TIF Districts is that a BDD can help pay for costs related to new construction.

BDD are different from a TIF District in that the statutory process to establish a BDD is less complicated than creating a TIF District, because a BDD does not affect the collection or distribution of real estate taxes. The BDD Fund receives increased retail sales taxes and/or hotel taxes generated by commercial-retail development occurring within the BDD Area. As is the case with TIF, a BDD Area must be a contiguous boundary, the municipality must prepare a BDD Redevelopment Plan and hold a public hearing. A BDD can usually be established within 60-90 days by a simple majority vote of the municipality's corporate authority. A BDD may be established for a period not exceeding twenty-three (23) years.

RESPONSE TO REQUEST FOR QUALIFICATIONS/PROPOSALS

In order to establish a TIF and BDD, the City issued a request for qualifications and proposals from interested firms that could provide professional services to plan for and help create such districts. Proposals were submitted from the following firms:

- Crowe, a public accounting, consulting and technology firm headquartered in Chicago, IL
- The Economic Development Group LTD / Jacob & Klein, Ltd. (J&K/EDG), two firms based in Bloomington, IL working together to specialize as a single service provider for the creation and administration of Tax Increment Financing (TIF) Districts and other innovative business incentives such as Business Development Districts.

RECOMMENDATION

Upon review of the submitted proposals, staff is recommending awarding of a professional services agreement to The Economic Development Group Ltd. and Jacob & Klein, Ltd. The firms have demonstrated effectiveness in helping municipalities manage the ongoing complexities of TIF Districts, Business Development Districts, and other incentive programs. J&K/EDG currently administers the City of Pekin's existing TIF districts and has established more than 220 TIF Districts and numerous Business Development Districts throughout

Illinois. They also annually administer hundreds of intergovernmental agreements and private redevelopment agreements for more than 80 Illinois municipalities. The firm also holds a competitive advantage with over 30 years of Illinois TIF experience and undertaking the difficult tasks and responsibilities of complying with a multitude of statutory requirements; offering easy-to-understand analyses; and taking care of the nuanced details of TIF/BDD administration.

The accompanying ordinance therefore authorizes and directs the Mayor to enter into the Professional Services Agreement and execute on behalf of the City and generally provides for the following services and costs:

TIF DISTRICT ESTABLISHMENT	FEE	NOTE
TIF District establishment fee	\$57,600	Combined, unduplicated J&K/EDG fee, plus a per parcel surcharge of \$15 per additional parcel after the first 1,000 parcels (or +\$14,295)
Estimated reimbursable costs of J&K/EDG relating to TIF establishment	\$5,000	Quoted amount exclusive of mailings & publications and not to be exceeded without City's prior consent
	\$62,600	

BDD ESTABLISHMENT	FEE	NOTE
BDD establishment fee	\$22,500	Combined, unduplicated J&K/EDG fee
Estimated reimbursable costs relating to BDD establishment	\$2,500	Quoted amount exclusive of mailings & publications and not to be exceeded without City's prior consent
	\$25,000	

TIF DISTRICT ANNUAL ADMINISTRATION	FEE	NOTE
TIF District annual administrative fee (combined, unduplicated J&K/EDG fee)	\$8,500	Note that the annual fee is adjusted for change in Consumer Price Index or CPI
Estimated reimbursable costs relating to annual TIF administrative services	\$2,500	Quoted amount not to be exceeded without City's prior consent
	\$11,000	

BDD ANNUAL ADMINISTRATION	FEE	NOTE
BDD annual administrative fee (combined, unduplicated J&K/EDG fee)	\$3,500	Plus \$750 per year per BDD Redevelopment Agreement >\$10,000; annual fee adjusted for change in CPI

Estimated reimbursable costs relating to annual BDD administrative services	\$1,500	Quoted amount exclusive of mailings & publications and not to be exceeded without City's prior consent
	\$5,000	

Total establishment fees equal \$87,600. Because TIFs and BDD each have a life of 23 years, the total establishment costs can be annually calculated at an average rate of \$2,504 for TIFs and \$1,087 for BDDs.

TIMELINE

Proposed TIF District Schedule:		Target Date
City engages J&K/EDG1		02/10
City approves ordinance to create Interested Parties Registries (IPR) and announce date, place and time for Public Meeting		03/20
EDG prepares and mails notices for Public Meeting		04/10
Public Meeting		04/20
J&K/EDG submit first draft TIF Redevelopment Plan to City		05/01
City approves ordinance to set date for Public Hearing		05/15
EDG prepares and notices via certified mail to taxing districts for the Joint Review Board Meeting and Public Hearing		05/15
EDG prepares and mails notices of Public Hearing to taxpayers (certified) and residents (regular mail) within the proposed TIF Area		05/20
EDG prepares and mails notices of Public Hearing to IPR registrants and residential addresses within 750 ft. of proposed TIF Area (regular mail)		05/20
Joint Review Board Meeting		06/01
EDG prepares and arranges for first newspaper publication of the notice of the Public Hearing		06/10
EDG prepares and arranges for second newspaper publication of the notice of the Public Hearing		06/17
Public Hearing		06/20
City approves final three (3) ordinances to establish the TIF District		07/13
EDG requests certification of initial TIF base values from Tazewell County		07/20
Proposed BDD Schedule:		Target Date
City engages J&K/EDG2		02/10
City approves ordinance proposing the approval of a BDD Redevelopment Plan and designation of a BDD; and sets a date for a Public Hearing		05/15
EDG prepares and arranges for first newspaper publication of the notice of the Public Hearing		06/10
EDG prepares and arranges for second newspaper publication of the notice of the Public Hearing		06/17
Public Hearing		06/20
City approves ordinance to approve the BDD Redevelopment Plan designate the BDD Area and impose applicable BDD taxes		07/13

FINANCIAL IMPACT:

Amount:	TIF District Establishment Fees =	Up to \$72,000 depending on
number of parcels	BDD Establishment Fees =	\$25,000

Line Item:	TIF District Annual Admin Fees = \$11,000 BDD Annual Admin Fees = \$ 5,000 It is recommended to use unused CBD TIF fund balance. Some FY20 line items, like 270-270-520273 (Transfer to SIP TIF) budgeted at \$500,000 have been unused to date because there is a lack of need for such funds at the moment. These remaining funds will go back into the fund balance at the end of the year. Use of Fund Balance in this instance would therefore be appropriate as the Fund Balance will be replenished by underutilized line items at the end of the fiscal year. Budgeted Amount: N/A Remaining Funds: N/A
IMPACT IF APPROVED:	The City will support the creation of a new TIF and BDD
IMPACT IF DENIED:	The City will not support the creation of a new TIF and BDD
ALTERNATIVES:	N/A
RELATED TO THE 2019-2021 CITY COUNCIL GOALS:	
	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES**Finance Department** (Certification of Availability of Funds):

Date:

City Manager:**Mark A. Rothert**

Mark A. Rothert, City Manager

2/5/2020

Date:

**Ordinance No. 2866-19/20 Professional Services Agreement for Business
Development District Creation**

8.11

MAYOR

ATTEST:

CITY CLERK

ORDINANCE NO. 2866-19/20

CITY OF PEKIN, ILLINOIS

**AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF A PROFESSIONAL SERVICES
AGREEMENT**

for the

**ESTABLISHMENT AND ANNUAL ADMINISTRATION OF PEKIN
BUSINESS DEVELOPMENT DISTRICT NO. 1**

by and between

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS

and

JACOB & KLEIN, LTD.

and

THE ECONOMIC DEVELOPMENT GROUP, LTD.

**ADOPTED BY THE MAYOR AND CITY COUNCIL
OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS,
ON THE 10TH DAY OF FEBRUARY, 2020.**

ORDINANCE NO. 2866-19/20

CITY OF PEKIN, ILLINOIS
AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT
 for the
ESTABLISHMENT AND ANNUAL ADMINISTRATION OF
PEKIN BUSINESS DEVELOPMENT DISTRICT NO. 1
 by and between
THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
 and
JACOB & KLEIN, LTD.
 and
THE ECONOMIC DEVELOPMENT GROUP, LTD.

PREAMBLE

WHEREAS, the City of Pekin, Tazewell County, Illinois, an Illinois Home Rule Municipal Corporation (the “City”) wishes to establish a Business Development District pursuant to the Business District Development and Redevelopment Act (65 ILCS 5/11-74.3-1 *et. seq.*, the “Act”) in order to attract new retail businesses to the City, provide for the retention and expansion of existing retail businesses located in the City, and make public infrastructure improvements in support of such businesses; and

WHEREAS, the City desires to engage the professional services of Jacob & Klein, Ltd. to render administrative services and legal advice and The Economic Development Group, Ltd. to render technical advice to assist the City in establishing and administering the **Pekin Business Development District No. 1** (the “BDD” or “BDD No. 1”).

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS THAT:

1. The Professional Services Agreement by and between the City of Pekin, Jacob & Klein, Ltd. and The Economic Development Group, Ltd. (*Exhibit A* attached) is hereby approved.
2. The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Professional Services Agreement and the City Clerk of the City of Pekin is hereby authorized and directed to attest such execution.
3. The Professional Services Agreement shall be effective on the date of its approval, on the 10th day of February, 2020.
4. This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

PASSED, APPROVED AND ADOPTED by the Mayor and City Council of the City of Pekin, Tazewell County, Illinois, this 10th day of February, 2020.

CORPORATE AUTHORITIES	AYES	NAYS	ABSTAIN	ABSENT
John Abel				
Michael Garrison				
David Nutter				
Lloyd Orrick				
Rick Hilst				
Karen Hohimer				
Mark Luft, Mayor				
TOTALS:				

APPROVE:

Mayor

ATTEST:

City Clerk

EXHIBIT A is attached: Professional Services Agreement by and between the City of Pekin, Tazewell County, Illinois and Jacob & Klein, Ltd. and The Economic Development Group, Ltd.

EXHIBIT A

**Professional Services Agreement
by and between
The City of Pekin, Tazewell County, Illinois
and
Jacob & Klein, Ltd.
and
The Economic Development Group, Ltd.**

PROFESSIONAL SERVICES AGREEMENT

for the

**ESTABLISHMENT AND ANNUAL ADMINISTRATION OF
PEKIN BUSINESS DEVELOPMENT DISTRICT NO. 1**

by and between

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS

and

JACOB & KLEIN, LTD.

and

THE ECONOMIC DEVELOPMENT GROUP, LTD.

FEBRUARY 10, 2020

PROFESSIONAL SERVICES AGREEMENT
for the
ESTABLISHMENT AND ANNUAL ADMINISTRATION OF
PEKIN BUSINESS DEVELOPMENT DISTRICT NO. 1
by and between
THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
and
JACOB & KLEIN, LTD.
and
THE ECONOMIC DEVELOPMENT GROUP, LTD.

THIS AGREEMENT is entered into this 10th day of February, 2020, by and between the **CITY OF PEKIN, ILLINOIS**, an Illinois Home Rule Municipal Corporation (the “City”); and **JACOB & KLEIN, LTD.**, Bloomington, Illinois, an Illinois Professional Service Corporation (“J&K”); and **THE ECONOMIC DEVELOPMENT GROUP, LTD.**, Bloomington, Illinois, and Illinois Corporation (“EDG”). The City, J&K and EDG may hereinafter be referred to as the “Parties” to this Agreement.

WHEREAS, the City of Pekin, Tazewell County, Illinois (the “City”) wishes to establish a Business Development District pursuant to the Business District Development and Redevelopment Act (65 ILCS 5/11-74.3-1 *et. seq.*, the “Act”) in order to attract new retail businesses to the City, provide for the retention and expansion of existing retail businesses located in the City, and make public infrastructure improvements in support of such businesses; and

WHEREAS, the City desires to engage the professional services of Jacob & Klein, Ltd. to render administrative services and legal advice and The Economic Development Group, Ltd. to render technical advice to assist the City in establishing and administering the **Pekin Business Development District No. 1** (the “BDD” or “Pekin BDD No. 1”); and

WHEREAS, the Parties acknowledge that for scheduling and cost-containment purposes, this Agreement shall be null and void unless approved and executed on or before December 2, 2019 and in concurrence with the approval and execution by the Parties of a Professional Services Agreement for the Establishment and Annual Administration of the Pekin Main Street TIF District.

NOW, THEREFORE, the Parties agree as follows:

1. **City to Engage J&K and EDG.** The City agrees hereby to engage the services of J&K and EDG for the purposes set forth herein and J&K agrees to provide all legal advice to EDG and the City to prepare or coordinate the preparation of Reports, the BDD Redevelopment Plan, Notices and Documentation (including those reports prepared by other professionals) necessary to complete the Establishment and the Annual Administration of the BDD Plan, Area and Projects as required pursuant to State Statutes and as outlined in ***Exhibit 1. Professional Services Relating to the Establishment of the BDD*** and ***Exhibit 2. Professional Services Relating to the Annual Administration of the BDD.***
 - a. The Parties agree that J&K, as Attorneys, will undertake those responsibilities that require legal advice or preparation under this Agreement on behalf of the City or EDG. EDG is a separate corporate entity established by Thomas N. Jacob (of

counsel) and is owned in whole by Herbert J. Klein. Mr. Klein is also the principal owner of Jacob & Klein, Ltd. (J&K). The City is entering into this Agreement voluntarily and with informed consent after the opportunity to consult with independent counsel as to the ownership of both entities by Herbert J. Klein.

- b. J&K may, in addition, be retained by the City as its special attorney to perform other professional services outside the Scope of Services set forth herein, including representation of the City before State agencies or the Illinois Legislature. Such representation shall be at the Attorney's then current hourly rate for similar services or as otherwise agreed. Any such representation shall be pursuant to a written agreement between the Parties.
 - i. Legal services provided by J&K and/or consulting services provided by EDG relating to financing, including the issuance of Bonds involving the BDD, will be billed separately from this Agreement and subject to the terms of any agreements related to such financing or Bonds.
 - ii. If retained as a Registered Municipal Advisor through a separate Letter of Engagement, EDG will analyze the potential use of BDD Revenue Bonds, Developer Notes and other financing alternatives, as well as arrange for Bond Counsel when required by the City.
 - iii. This Agreement does not include representation in any Court case resulting from the establishment of the BDD Redevelopment Plan, Area or Projects or the Annual Administration of the BDD.
- c. The total Fees and Reimbursable Costs to be paid hereunder by the City to J&K and EDG, when billed by each of the separate entities, will not be duplicated and will not exceed the total Fees and Reimbursable Costs provided for herein.
- d. The Parties agree that pursuant to the Act, all Professional Fees and related Costs incurred by the City for Establishing and Annually Administering the BDD are BDD eligible project costs and are fully reimbursable to the City from the BDD sales tax revenues generated by the BDD.
- e. The City hereby acknowledges that J&K and EDG are not responsible for monitoring and documenting matters relating to compliance with the Illinois Prevailing Wage Act, the Illinois Procurement Code, and any other wage and/or employment laws, to the extent such are applicable to any public or private project undertaken within the BDD Redevelopment Project Area or the Area as may be amended in the future.

2. Establishment of the BDD.

- a. **Services.** J&K and EDG will provide services as outlined in *Exhibit 1* to Establish the BDD.
- b. **Term.** This Professional Services Agreement for the Establishment the BDD shall commence immediately and shall continue until the presentation of the BDD

Redevelopment Plan and appropriate ordinances to the City Council for the Establishment of the BDD. It is anticipated that the BDD will be established on or before July 13, 2020, barring unexpected complications.

- c. **Payment of Fees and Reimbursable Costs.** The total Base Professional Fee to be paid to J&K and EDG for the Establishment of the BDD shall be **Twenty-Two Thousand Five-Hundred and 00/100 Dollars (\$22,500.00)**, plus Reimbursable Costs, and are to be paid by the City as follows:
- i. J&K and EDG shall be paid a total sum of **Eleven-Thousand Two Hundred Fifty and 00/100 Dollars (\$11,250.00)** within fourteen (14) days upon execution of this Agreement.
 - ii. The balance of the Fee, **Eleven-Thousand Two Hundred Fifty and 00/100 Dollars (\$11,250.00)**, and Reimbursable Costs for the establishment of the BDD shall be paid when the final Ordinances are presented to the City Council for passage.
 - iii. All Reimbursable Costs incurred by J&K and EDG as part of the Establishment of the BDD shall be reimbursed to J&K and EDG by the City, including all reasonable travel and subsistence expenses while away from Bloomington or Peru, Illinois, all photocopying, report binding, mailings, postage, and staff costs. For purposes of this Agreement, staff costs do not include the time of Attorneys Thomas N. Jacob, Nic Nelson or Herb Klein (J&K), or the time of Steven Kline (EDG) while performing said Professional Services described in *Exhibit 1* subject to the following conditions:
 1. All travel will be reimbursed for mileage at the maximum rate permitted by Internal Revenue Service Rules and Regulations at the time of service. All other costs which are incidental to the establishment of the BDD, including staff costs, photocopying and report binding, mailings, postage, and telecommunication charges, shall be reimbursed at the current rates then charged by J&K and EDG.
 2. The total Reimbursable Costs incurred by J&K and EDG as part of the Establishment of the BDD (other than costs of mailings and publications) shall not exceed **Two-Thousand Five-Hundred and 00/100 Dollars (\$2,500.00)** without consent of the City in advance of such additional services being performed.
 - iv. The City understands and acknowledges that J&K and EDG will rely on the work of other professionals, including the City's Engineers and Attorney, to prepare reports and documentation needed for the BDD Redevelopment Plan, Projects and Reports and other necessary documents; and that J&K and EDG shall rely on their professional expertise to prepare the BDD Redevelopment Plan and present material and information necessary to the Establishment of the District. The City further understands that it may directly incur additional

fees and costs for the Establishment of the BDD which result from the involvement of other (i.e., non-J&K/EDG) professionals.

3. Annual Administration of the BDD.

- a. **Services.** J&K and EDG will provide services as outlined in *Exhibit 2* to annually administer the BDD.
 - i. On an annual basis, all of the legal review of documents and matters relating to the statutory compliance of public and private development activities occurring within the BDD are provided by J&K in the Annual Administrative Fee. Other administrative functions will be provided by EDG. EDG will also provide financial feasibility analyses for new proposed private developments. J&K will provide legal services required in the preparation of new Redevelopment Agreements and other legal documents and legal opinions.
 - ii. To the extent possible, J&K and EDG will attempt to include in Private Redevelopment Agreements provisions allocating a portion of the Annual Administrative Fees, Annual Costs and other fees to those Private Developments on a pro-rata basis determined by the increment generated by those Developments which have Redevelopment Agreements.
- b. **Term.** The term of the Annual Administrative Services for the City of Pekin BDD No. 1 shall be for one (1) year and shall commence upon the Establishment of the BDD. Thereafter, this Agreement shall automatically renew at the end of each year during the life of the BDD as a roll-over, for a new period of one (1) year, absent notice of non-renewal as provided herein. This Agreement as it relates to Annual Administrative Services may be terminated by written notice of non-renewal from the City to J&K and EDG no later than ninety (90) days prior to the end of each contract period. Upon receiving written notice of non-renewal, J&K and EDG are to provide the City a final invoice for professional fees and costs incurred as of the date of the termination.
- c. **Payment of Annual Administrative Fee and Reimbursable Costs.**
 - i. The Annual Administrative Fee to be paid by the City to J&K and EDG for the Annual Administration of the BDD shall be an annual fee of **Three-Thousand Five-Hundred and 00/100 Dollars (\$3,500.00)**. This Annual Fee shall be adjusted annually for the *Consumer Price Index - All Urban Consumers IL-IN-WI*, using 2020 as the base year.
 - ii. There shall be an additional Annual Administrative Fee of **Seven-Hundred Fifty and 00/100 Dollars (\$750.00)** plus the annual increase in the Consumer Price Index using 2019 as the base year for each BDD Redevelopment Agreement the City enters into for any projects located within the BDD and for which the total cumulative BDD eligible project costs estimated to be reimbursed per the terms of said BDD Redevelopment Agreement amount to \$10,000 or more.

1. If said additional Annual Administrative Fee for each BDD Redevelopment Agreement includes incentives relating to a Pekin TIF District, if any, such additional Annual Administrative Fee shall not be duplicated in J&K and EDG billings for annual administrative services relating to such TIF District.
- iii. In addition to the Annual Administrative Fee, all Reimbursable Costs incurred by J&K and EDG as part of the Annual Administration of the BDD shall be reimbursed to J&K and EDG by the City, including all reasonable travel and subsistence expenses while away from Bloomington or Peru, Illinois, all photocopying, report binding, mailings, postage, and staff costs. Such are to be reimbursed at customary rates charged by J&K or EDG. For purposes of this Agreement, staff costs do not include the time of Attorneys Thomas N. Jacob, Herb Klein or Nic Nelson (J&K) or Steven Kline (EDG) while performing said Professional Services described in *Exhibit 2* and subject to the following conditions:
 1. All travel will be reimbursed for mileage at the maximum rate permitted by Internal Revenue Service Rules and Regulations at the time of service. All other costs which are incidental to the administration of the BDD, including staff costs, photocopying and report binding, mailings, postage, and telecommunication charges, shall be reimbursed at the current rates then charged by J&K and EDG.
 2. The total Reimbursable Costs incurred by J&K and EDG as part of the Annual Administration of the BDD (other than costs of mailings and publications) shall not exceed **One-Thousand Five-Hundred and 00/100 Dollars (\$1,500.00)** without consent of the City in advance of such additional services being performed.
- iv. For Annual Administrative Fees, and Annual Administrative Costs, J&K and EDG shall bill the City on a quarterly basis. For the purpose of this Agreement, Quarterly Billings shall occur as follows:

Service Period	Billing Month
January, February, March	April
April, May, June	July
July, August, September	October
October, November, December	December
- v. Annual Administrative Fees shall be adjusted annually for the *Consumer Price Index - All Urban Consumers IL-IN-WI*, using **2020** as the base year and prorated in equal installments for purposes of determining quarterly billings.

- d. The City understands that J&K and EDG shall rely on the work of others, including the City's Administrator, City Engineer, Clerk, Auditors and Attorney; the Tazewell County Assessor and County Clerk; the Illinois Department of Revenue (IDOR); the Illinois Department of Commerce and Economic Opportunity (DCEO); the Illinois Comptroller's Office and the Illinois State Board of Education for information and documentation necessary for the Annual Administration of the BDD. The City further understands that it may directly incur additional fees and costs for the Annual Administration of the BDD which result from the involvement of other (non-J&K/EDG) professionals.
 - e. To the extent possible, J&K and EDG will attempt to include in Private Redevelopment Agreements provisions allocating a portion of the Annual Administrative Fees and Annual Costs to those Private Developments on a *pro-rata* basis determined by the increment generated by those Developments which have Redevelopment Agreements within the BDD.
4. **Drafting Ambiguities.** The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether, or not, to seek advice of counsel with respect to the Agreement is a decision which is the sole responsibility of each Party. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of this Agreement. Titles of the several parts, paragraphs, sections or articles of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any provisions hereof.
 5. **Titles of Paragraphs.** Titles of the several parts, paragraphs, sections or articles of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any provisions hereof.
 6. **Amendments to this Agreement.** J&K/EDG and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required by the Parties hereto for carrying out the intention of or facilitating the performance of this Agreement. The Parties hereto may therefore amend this Agreement at any time by their mutual consent which amendment must be in writing and executed by the Parties.
 7. **Entire Agreement.** The Terms and Conditions set forth in this Agreement supersede all prior oral and written understanding and constitute the entire Agreement between the Parties with respect to the subject matter hereof.
 8. **Binding Upon Successors in Interest.** This Agreement shall be binding upon all the Parties hereto and their respective heirs, successors, administrators, assigns, or other successors in interest.

(The remainder of this page is intentionally blank.)

9. **Notices.** Notices or demands hereunder shall be in writing and shall be served by (a) personal delivery, or (b) certified mail, return receipt requested to the following addresses, or to the last known address of either party or to the address provided by any assignee if such address has been given in writing. In the event said notice is mailed, the date of service of such notice shall be deemed to be three (3) business days after the date of delivery of said notice to the United States Post Office.

City of Pekin
% City Clerk
111 S. Capitol Street
Pekin, IL 61554
Ph: (309) 478-5371

Jacob & Klein, Ltd. and
The Economic Development Group, Ltd.
1701 Clearwater Avenue
Bloomington, IL 61704
Ph: (309) 664-7777

10. **Severability.** If any provision of this Agreement is held to be invalid, the remainder of this Agreement shall not be affected thereby.
11. **Choice of Law/Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois with venue lying in the Circuit Court of McLean County, Illinois.
12. **Warranty of Signatories.** The signatories of this Agreement warrant that they have full authority to execute this Agreement and to bind the entity for which they are signing and agree to hold the other Party or Parties hereto harmless if it is later determined that such authority does not exist.
13. **Counterparts.** This Agreement may be executed in counterparts, which when taken together shall constitute a single signed original as though all Parties had executed the same page.

IN WITNESS WHEREOF, the City, J&K, and EDG have executed this Professional Services Agreement on the day and year above written.

THE CITY OF PEKIN, an Illinois Home
Rule Municipal Corporation:

By: _____
Mayor

Attest: _____
City Clerk

JACOB & KLEIN, LTD., an Illinois
Professional Service Corporation:

By: _____
President

**THE ECONOMIC DEVELOPMENT
GROUP, LTD.**, an Illinois Corporation:

By: _____
President

EXHIBIT 1

PROFESSIONAL SERVICES RELATING TO THE ESTABLISHMENT OF THE BDD

Services to be provided to the City by J&K and EDG relating to the Establishment of the BDD are set forth as follows:

1. J&K shall provide City with legal advice regarding the establishment of the BDD on an on-call, as needed basis.
2. EDG shall provide City with technical consulting regarding the establishment of the BDD on an on-call, as needed basis.
3. Create an estimated schedule and timeline for completing the required procedure to establish the BDD.
4. Work with local elected officials, City staff and engineers to define the Redevelopment Project Area (BDD Boundary).
5. Consult on any necessary Annexation Agreement(s) with City Attorney and Private Developer(s), if any.
6. Prepare all required studies and reports to establish the BDD, the scope of which will include field surveys and studies in sufficient detail for the City to:
 - a. Make a formal finding that the business district is a 'blighted area' as that term is defined by the Act; and
 - b. Make a formal finding that the business district is a 'blighted area' as that term is defined by the Act; and
7. Assist the City with the preparation of a Business District Development and Redevelopment Plan (the "Plan") which sets forth the following:
 - a. A specific description of the proposed boundaries of the district, including a map illustrating the boundaries, and each address in the business district in such a way that the Department of Revenue can determine by its address whether a business is located in the business district.
 - b. A general description of each project proposed to be undertaken over the life of the business district that is to be located within the business district, including a description of the approximate location of each project.

- c. The name of the proposed business district.
 - d. The estimated business district project costs.
 - e. The anticipated source of funds to pay business district project costs.
 - f. The anticipated type(s) and terms of any obligations that could be issued.
 - g. The rate of any tax to be imposed pursuant to the Act and the period of time for which the tax shall be imposed.
- 8. Prepare and present to the City the required Ordinances or Resolutions for designating the BDD and approving the BDD Redevelopment Plan.
 - 9. Assist the City with preparing requisite publications and notices as well as conduct and moderate a Public Hearing, for which Notice is published in a newspaper of general circulation within the City.
 - 10. Assist the City with negotiating Private Redevelopment Agreements with potential Developers.

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EXHIBIT 2

PROFESSIONAL SERVICES RELATING TO THE ANNUAL ADMINISTRATION OF THE BDD

Services to be provided to the City by J&K and EDG relating to the Annual Administration of the BDD are set forth as follows:

1. Provide the City with on-call legal and consulting services on matters relating to the BDD as needed.
2. Consult with and coordinate administrative activities with City's Administrator, City Clerk, City Engineer, CPA, Mayor and other officials as required.
3. Provide to the Illinois Department of Revenue the boundary of the Business District and a list of each address located within the Business District in such a way that the Department of Revenue can determine by its address whether a business is located in the Business District.
4. Assist the City in establishing the Special Business District Tax Allocation Fund.
5. On behalf of the City, negotiate terms of BDD Reimbursements and prepare Redevelopment Agreements with Developers.
6. Consult with Developers regarding BDD Redevelopment Agreements and Reimbursements.
7. Advise City on matters relating to Developer Reimbursements (e.g., verify eligible project costs, and advise the municipality to make payments).
8. Consult with City officials regarding the use of BDD Funds for public projects contained in the Plan and establish a Requisition Program to approve BDD Project Costs.
9. Analyze the potential use of Business Development District Revenue Bonds, Developer Notes and other financing alternatives. Arrange for Bond Counsel when required by the City. All professional services related to the issuance of specific Bonds or obligations will be additional, subject to separate agreements and billed at the then applicable rates. EDG may be designated as the City's Municipal Advisor pursuant to a separate agreement.
10. Assist the City in administering the Business Development District Plan and remaining in compliance with the Act.

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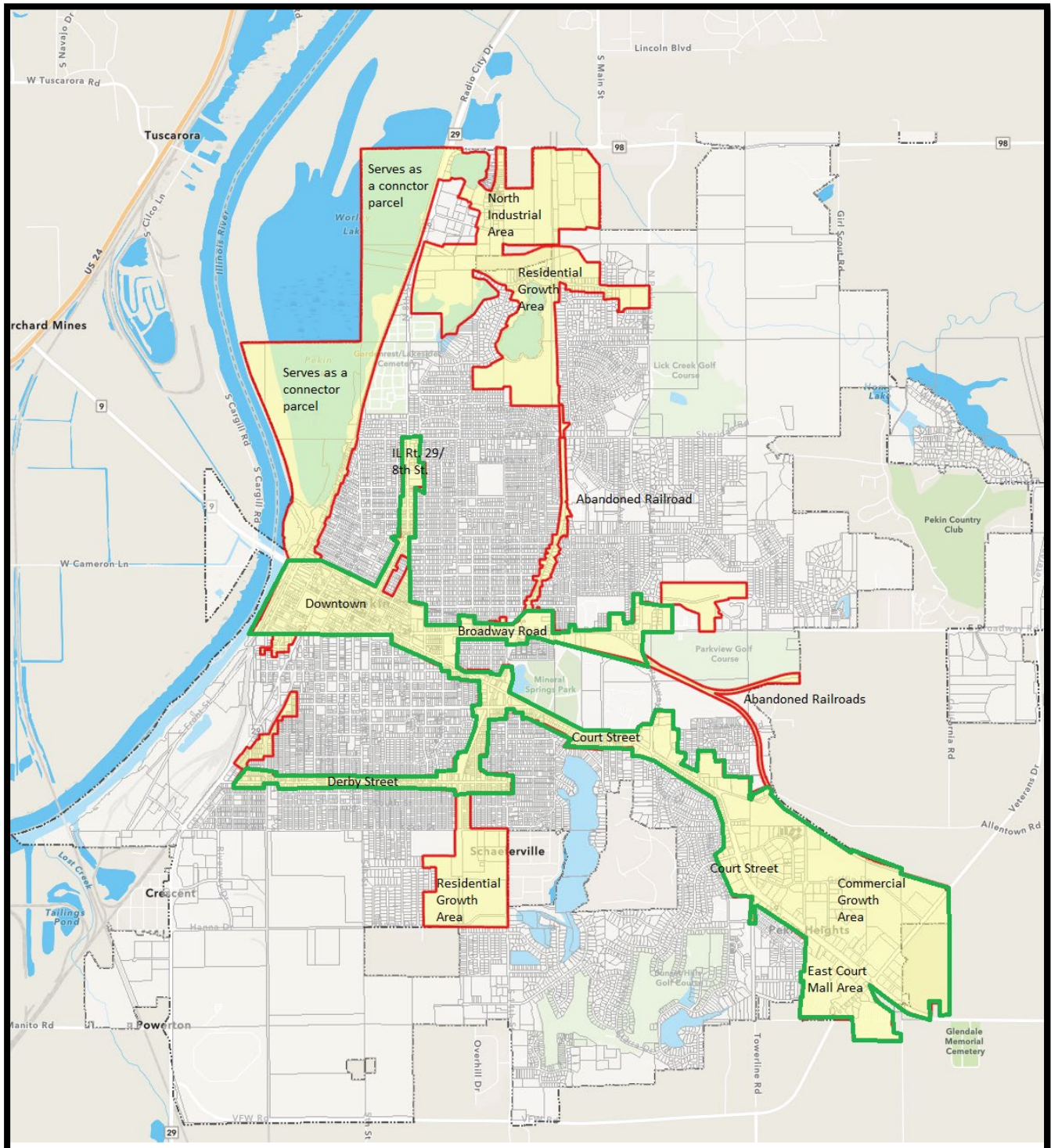
Attachment A

Study Area of All Potentially Developable Areas in the City of Pekin

Green Border = Approximate Business Development District (BDD) Boundary

Red Border = Approximate Tax Increment Finance District (TIF) Boundary

Note: the proposed BDD area overlays with the proposed TIF District area





REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Todd Dugan,

AGENDA ITEM: Resolution No. 53-19/20 Authorization for Financing Airport Expansion

ACTION REQUESTED: Approve the Resolution.

DESCRIPTION: Over the past 3 years the airport has completed big infrastructure projects to bring the airfield up to date. These projects include new taxiway lights, new runway lights, a new electrical vault for the airfield, and last summer a new runway. These projects have been funded 90% Federally, 5% by the State, and with a 5% local match. Now that the airfield is considered “up to date” by the State, we can turn our attention to revenue generating projects.

The airport receives an annual entitlement of \$150,000 to use towards projects. This money can be used towards a revenue generating project if the rest of the airfield is determined to be up to date. We are in a great position to use this money as our major infrastructure needs have been met and we currently have 17 people on our hangar waitlist along with a maintenance shop that can no longer grow without more space.

What is being proposed is a 3 stage project. The first stage is building a row of storage hangars or t-hangars. There would be 10 hangars in the row. This would alleviate our waitlist and bring in approximately \$27,000 per year in additional revenue. These hangars would be put on the west side of the ramp.

The next project would be to move the back half of the terminal hangar (or Hangar B) and move it to another spot on the airfield. This would allow for expansion of the maintenance shop without losing any space in the process. This hangar could then either be rented out or used by the airport to house our equipment.

The final part of this project would be the addition onto the maintenance shop. This would be a 100 x 119 foot building with an 80 foot door. This would allow for larger jet aircraft to be worked on. This hangar would provide the necessary space for Keith Aero to continue to grow and bring more business to the airport. All projects would also increase our operations and our fuel sales. The expansion for Keith Aero would help to increase our Jet A fuel sales.

Together these projects would bring in at least an additional \$50,000 per year. The airport since 2011 has averaged a \$60,000 subsidy from the City’s General Fund to cover operations. This project would help to bring that number close to \$0.

The project is estimated to cost between \$1.5 to \$2 million and will be paid for with our annual entitlement of \$150,000 over a 12 year term. To cover the total costs of the project up front, the City will have to undertake a means of financing it through a loan or bond issuance. With a dedicated funding source identified through the annual entitlement funding, staff is therefore seeking permission to proceed with the initial phases of the project (project engineering), once a method of financing is decided upon.

FINANCIAL IMPACT:

Requested Amount: \$2,000,000
 Line Item: N/A
 Budgeted Amount: N/A
 Remaining Funds: N/A

IMPACT IF APPROVED: Airport will proceed with expansion.

IMPACT IF DENIED: Airport will not proceed with expansion.

ALTERNATIVES: None

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Mark A. Rothert

Mark A. Rothert, City Manager

2/3/2020

Date:

WHEREAS, over the past 3 years the airport has completed big infrastructure projects to bring the airfield up to date; and

WHEREAS, these projects include new taxiway lights, new runway lights, a new electrical vault for the airfield, and last summer a new runway; and

WHEREAS, these projects have been federally funded at 90%, 5% by the State of Illinois, and with a 5% local match from the City of Pekin; and

WHEREAS, the Pekin Municipal Airport is considered “up to date” by the State of Illinois Division of Aeronautics; and

WHEREAS, the City can now turn its attention to revenue generating projects at the airport; and

WHEREAS, the City receives an annual entitlement of \$150,000 to use towards projects that can include revenue generating projects; and

WHEREAS, there is a need to build additional storage hangars and the relocation of terminal hangar space for expansion of the maintenance shop; and

WHEREAS, the expansion of the airport would increase operations and fuel sales; and

WHEREAS, the expansion is estimated to cost between \$1.5 to \$2 million dollars; and

WHEREAS, the city could use its annual entitlement of \$150,000 over a 12 year term to finance the project through a loan or bond issuance.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Pekin that with a dedicated funding source identified through the annual entitlement funding, the City shall proceed with the initial phases of the airport expansion project (i.e. project engineering), once a method of financing is decided upon.

MAYOR

ATTEST:

CITY CLERK

Todd:

Illinois is a part of the FAA Block Grant program for funding of their airports through the federal Airport Improvement Program (AIP). The block grant program is designed to give the state an entire block of funds to program and administer as they see fit. As such, each public-use, public-owned General Aviation airport designated by the State to be in the block grant receives a set amount of entitlement each year through that grant. In addition, the state receives a varying amount of apportionment funds that can be used at the state's discretion to supplement projects if the amount of entitlement cannot cover the cost of improvement projects. For larger dollar projects typically above \$1 million, the states can apply for discretionary funding from FAA HQ in Washington to compete with projects on a national level for those funds. Each type of funding has certain requirements as far as the projects that can qualify for that funding. (Hangars and buildings only qualify for entitlement funds at this time). The amount of entitlement is set by law by the federal government since 2004, and has remained the same at \$150,000 per eligible airport. Illinois currently has 65 airports in the block grant and each one receives \$150,000 each year in that grant that can be used for eligible and justified projects as defined in the AIP Handbook. Unless federal legislation changes that amount or the entitlement program in general, this amount will continue to be issued to each GA airport accordingly. The grants that contain these funds contain assurances that each airport must adhere to in exchange for accepting the funding. In addition, the grant funds have an expiration date of 4 years from when the grant is received by the state, and must be returned if unspent after that 4 year window.

Currently, the Pekin Municipal Airport does not have their 2019 or 2020 entitlement committed to any projects. The State is currently in the programming process of dedicating funds for the 2021 block grant, as the program must be submitted to the FAA before the start of their federal fiscal year, which starts on 10/1/20 for the ensuing 2021 calendar year. Pekin has available 3 years' worth of entitlement including the 2021 program season to utilize, which amounts to \$450,000. Of that amount, the 2019 grant funds are already received, the 2020 block grant will be received before 9/30/20, which is the end of the federal fiscal year, and the 2021 will be received prior to 9/30/21. There is no set date that the FAA issues their grants, which could come any time within their fiscal year, but traditionally have been received during the last 2 months (August or September).

<u>Airport</u>	<u>#</u>	<u>Project</u>	<u>GA</u> <u>Entitlement</u>	<u>State</u> <u>Apport.</u>	<u>Disc</u>	<u>Total</u>	<u>Disc</u> <u>Source</u>	<u>NPE</u> <u>Source</u>	<u>Apport.</u> <u>Source</u>	
Pekin	4264	Rehab west apron	\$150,000.00	\$ 92,267.00		\$ 242,267.00		105-13N	105-13A	20
Pekin	4329	Repl. Subgrade Drainage Syst & Inst. Drainage	\$150,000.00	\$199,911.88		\$ 349,911.88		111-14N	111-14A	20
Pekin	4446	Taxiway Lighting replacement (1 of 2)	\$150,000.00			\$ 150,000.00		120-15N		20
Pekin	4446	Taxiway Lighting replacement (2 of 2)	\$106,752.00			\$ 106,752.00		133-16N		20
Pekin	4578	Replace runway lighting & electrical vault (1 of 2)	\$ 43,248.00	\$337,876.44		\$ 381,124.44		133-16N	111-14A	20
Pekin	4578	Replace runway lighting & electrical vault (2 of 2)	\$150,000.00	\$308,463.56		\$ 458,463.56		139-17N	120-15A	20
Pekin	4685	Rehab Ruwnay 9-27	\$150,000.00	\$608,337.76	\$1,805,470.00	\$2,563,807.76	149-18D	144-18N	133-16A	20
Pekin		Carryover	\$150,000.00			\$ 150,000.00		156-19N		20
Pekin		Carryover	\$150,000.00			\$ 150,000.00				20

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Richard A. Borus, P.E.

Airport Program Engineer
Airport Programming, Planning, & Environment Section
I.D.O.T. Div. of Aeronautics
(217) 785-0056
Richard.Borus@illinois.gov



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Sue McMillan, City Clerk

AGENDA ITEM: Resolution No. 59-19/20 Intergovernmental Recycling Grant Agreement

ACTION REQUESTED: Approve the Resolution.

DESCRIPTION: Tazewell County has historically provided grant funding to support recycling efforts of the City of Pekin. Such funding each year is established through an intergovernmental agreement between the two units of local government. The funding allocation in FY20 is for \$71,010.00 requested for equipment repairs, tipping fees and educationally purposes, and an additional \$1000.00 to help with the purchase of recycling carts for the City of Pekin as outlined in the application submitted. Reporting guidelines are required so that the County can determine the diversion rate of recycled materials from the landfill. A midyear budget and report must be submitted by July 30th, 2020.

FINANCIAL IMPACT:

Amount: \$72,010
 Line Item: 223-026-442700
 Budgeted Amount: \$71,000
 Remaining Funds: \$71,000

IMPACT IF APPROVED: Enhancement of recycling program in Pekin

IMPACT IF DENIED: Loss of anticipated/budgeted recycling revenues

ALTERNATIVES: N/A

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.

Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.

Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.

Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness

Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.

Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Nicole L. Stewart

Nicole L. Stewart, Deputy Clerk

2/5/2020

Date:

Resolution No. 59-19/20 A Resolution Authorizing the Mayor to Execute an Intergovernmental Agreement between the City of Pekin and Tazewell County to Receive Recycling Grants Funds for 2020

8.13

WHEREAS, Tazewell County has historically provided grant funding to support recycling efforts of the City of Pekin; and

WHEREAS, grant funding each year is established through an intergovernmental agreement between the two units of local government; and

WHEREAS, the grant funding allocation in FY20 is for \$72,010 for equipment repairs, tipping fees and educationally purposes, and an additional \$1,000.00 to help with the purchase of recycling carts for the City of Pekin; and

WHEREAS, the parties are agreeable to the intergovernmental agreement.

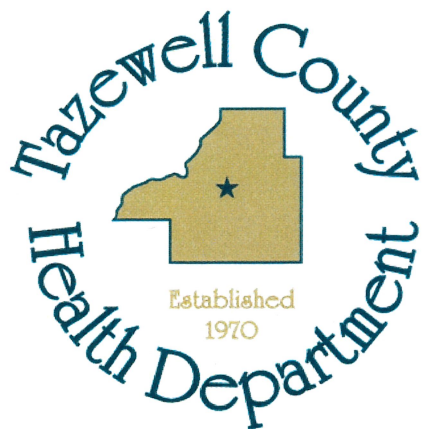
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS, AS FOLLOWS:

In the exercise of its home rule powers, that the Mayor of the City of Pekin is authorized to execute and enter into an Intergovernmental Agreement between the City of Pekin and Tazewell County for grant funding to support recycling efforts of the City of Pekin in its 2020 fiscal year.

MAYOR

ATTEST:

CITY CLERK



January 26, 2020

Mayor Mark Luft
City of Pekin
111 S. Capitol St.
Pekin, IL 61554

Dear Mayor Luft;

Enclosed, please find two copies of the 2020 recycling grant intergovernmental agreement. Please sign and return both copies to this office by February 21, 2020. A fully signed and executed contract will be returned to you along with the grant check.

Please feel free to contact me if you have any questions at 309-929-0250 or eneavear@tchd.net.

Sincerely,
TAZEWELL COUNTY HEALTH DEPARTMENT

Evelyn Neavear, BS, LEHP
Director of Environmental Health

Enclosures

RECEIVED
FEB - 4 2020
CITY CLERK

TAZEWELL COUNTY HEALTH DEPARTMENT
21306 Illinois Route 9
Tremont, IL 61568-9252 309/929-0250

CONTRACT

THIS AGREEMENT is entered into by and between the **CITY OF PEKIN** (hereinafter referred to as GRANTEE), and the COUNTY OF TAZEWELL, a body politic and corporate, (hereinafter referred to as the COUNTY).

COUNTY OBLIGATIONS

The COUNTY agrees to provide a grant in the amount of **\$72,010**. Payment shall be made in full and shall be authorized upon execution of this Agreement. Payment shall be made in full and shall be authorized upon execution of this Agreement. The grant shall commence on **1/01/2020** and end on **12/31/2020**. All funds that have not been expended or legally obligated by the expiration or termination of this Agreement will have to be returned to the COUNTY within 45 days following the expiration or termination of the Agreement.

GRANTEE OBLIGATIONS

The Grantee agrees that all grant monies will be used in support of and in connection with the COUNTY approved recycling collection program. The COUNTY will monitor the recycling program to ensure it remains in compliance with the COUNTY'S IEPA approved Solid Waste Management Plan. Failure of Grantee to comply with this Plan will require forfeiture of all unused grant funds.

A midyear budget and report must be submitted by July 30, 2020 and a final project report, to be made on a form provided by the County, shall be completed and submitted no later than March 30, 2021. The final report shall provide the quantity (in pounds or tons) of waste reduced, reused or recycled, that was diverted from the waste stream.

Any modifications from the original grant application must be submitted to the County for review a minimum of 10 days prior to acting on the changes. Modification requests may be sent to eneavear@tchd.net.

IN WITNESS THEREOF, the undersigned governmental units have caused this Agreement to be duly executed.

TAZEWELL COUNTY

By: _____
County Chairman

ATTEST: _____
County Clerk

Dated: _____

GRANTEE

By: _____
Mayor/Supervisor/President

ATTEST: _____
City Clerk

Dated: _____

Revised Intergovernmental Agreement 1/22/2020

Attachment: 2020 County Recycling Agreement (2017 : Resolution No. 59-19/20 Intergovernmental Recycling Grant Agreement)



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Bruce Marston, Finance Director

AGENDA ITEM: Ordinance No. 2870 G.O. 2010 Bond Refinance

ACTION REQUESTED: Adopt the Ordinance.

DESCRIPTION: This Ordinance is providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay the bonds, authorizing the sale of the bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

Since the issuance of our G.O. 2010 Bonds, market interest rates have become progressively favorable for their re-financing. Based on current market rates, the amount of interest savings that could be realized from a re-finance would exceed \$200,000 over the remaining term of the bonds. The bonds term ends in 2030. The 2010 bonds are the only bonds we currently hold that are eligible for re-finance due to their classification as Build America Bonds. The bonds were issued to finance improvements to our waste water treatment plant and the bond payments are made out of the Sewer Fund.

FINANCIAL IMPACT: The city could recognize interest savings, net of fees of over \$200,000 over the next ten years

Requested Amount:
 Line Item:
 Budgeted Amount:
 Remaining Funds:

IMPACT IF APPROVED: The city could recognize interest savings, net of fees of over \$200,00 over the next ten years

IMPACT IF DENIED: The City would continue to make bond principle and interest payments under the current terms and depending on market interest, could end up paying over \$200,000 more than would if the bonds were re-financed at current market rates.

ALTERNATIVES: N/A

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a "Business-Friendly" Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship

	over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES**Finance Department** (Certification of Availability of Funds):**Bruce Q Marston**

Bruce Q Marston, Finance Director

2/5/2020

Date:

City Manager:**Mark A. Rothert**

Mark A. Rothert, City Manager

2/6/2020

Date:

**Ordinance No. 2870-19/20 Providing for the issuance of not to exceed \$4,385,000
General Obligation Refunding Bonds**

8.14

MAYOR

ATTEST:

CITY CLERK

MINUTES of a regular public meeting of the City Council of the City of Pekin, Tazewell and Peoria Counties, Illinois, held at the City Hall, 111 South Capitol Street, in said City at 5:30 o'clock P.M., on the ~~22nd~~10th day of ~~July~~February, ~~2019~~2020.

* * *

The Mayor called the meeting to order and directed the City Clerk to call the roll. Upon the roll being called, Mark Luft, the Mayor, and the following City Council members were physically present at said location: _____

The following City 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: _____

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

The following City Council members were absent and did not participate in the meeting in any manner or to any extent whatsoever: _____

The Mayor announced that the next item for consideration was the issuance of not to exceed \$4,385,000 general obligation refunding bonds to be issued by the City pursuant to its home rule powers for the purpose of refunding certain outstanding bonds of the City, and in connection therewith, it may be necessary for the City to enter into an escrow agreement, and that the City Council would consider the adoption of an ordinance providing for the issue of said bonds, the levy of a direct annual tax sufficient to pay the principal and interest on said bonds and the sale of said bonds to the purchaser thereof and authorizing and directing the execution of said escrow agreement. The Mayor then explained that the ordinance sets forth the parameters

for the issuance of said bonds and the sale thereof by designated officials of the City and summarized the pertinent terms of said ordinance, including the specific parameters governing the manner of sale, length of maturity, rates of interest, purchase price and tax levy for said bonds.

WHEREUPON, City Council member _____ presented, and the City Clerk read by title and made available to each City Council member and all interested members of the public, complete copies of an ordinance entitled:

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

(the “*Bond Ordinance*”).

City Council member _____ moved and City Council member _____ seconded the motion that the Bond Ordinance as presented and read by title be adopted.

After a full discussion thereof, the Mayor directed that the roll be called for a vote upon the motion to adopt the Bond Ordinance.

Upon the roll being called, the following City Council members voted AYE: _____

WHEREUPON, the Mayor declared the motion carried and the Bond Ordinance adopted, and henceforth did approve and sign the same in open meeting, and did direct the City Clerk to record the same in full in the records of the City Council of the City of Pekin, Tazewell and Peoria Counties, Illinois.

Other business was duly transacted at said meeting.

Upon motion duly made and carried, the meeting adjourned.

City Clerk

ORDINANCE NUMBER _____

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

Adopted by the City Council on the
~~22nd~~10th day of ~~July~~February, ~~2019~~2020.

Published in Pamphlet Form by Authority of
the City Council on the ~~22nd~~10th day of
~~July~~February, ~~2019~~2020.

TABLE OF CONTENTS

SECTION	HEADING	PAGE
SECTION 1.	DEFINITIONS	3
SECTION 2.	INCORPORATION OF PREAMBLES.....	6
SECTION 3.	DETERMINATION TO ISSUE BONDS	6
SECTION 4.	BOND DETAILS	7
SECTION 5.	BOOK ENTRY FORM	8
SECTION 6.	EXECUTION; AUTHENTICATION	10
SECTION 7.	REGISTRATION OF BONDS; PERSONS TREATED AS OWNERS	11
SECTION 8.	REDEMPTION.....	12
SECTION 9.	REDEMPTION PROCEDURE	14
SECTION 10.	FORM OF BOND	15
SECTION 11.	SALE OF BONDS; BOND NOTIFICATION; BOND SERIES	22
SECTION 12.	SECURITY FOR THE BONDS.....	24
SECTION 13.	TAX LEVY; ABATEMENT	24
SECTION 14.	FILING OF ORDINANCE	26
SECTION 15.	TAXES PREVIOUSLY LEVIED	27
SECTION 16.	CREATION OF FUNDS AND APPROPRIATIONS AND APPROVAL OF ESCROW AGREEMENT	27
SECTION 17.	CONTINUING DISCLOSURE UNDERTAKING.....	28
SECTION 18.	NON-ARBITRAGE AND TAX-EXEMPTION	29
SECTION 19.	DESIGNATION OF TAX-EXEMPT BONDS	30
SECTION 20.	REGISTERED FORM	31 <u>30</u>
SECTION 21.	THIS ORDINANCE A CONTRACT	31 <u>30</u>
SECTION 22.	DUTIES OF BOND REGISTRAR.....	31 <u>30</u>
SECTION 23.	MUNICIPAL BOND INSURANCE.....	31
SECTION 24.	RECORD-KEEPING POLICY AND POST-ISSUANCE COMPLIANCE MATTERS	32 <u>31</u>
SECTION 25.	DEFEASANCE	35
SECTION 26.	CALL OF REFUNDED BONDS.....	36 <u>35</u>
SECTION 27.	PUBLICATION OF ORDINANCE	36 <u>35</u>
SECTION 28.	SUPERSEDER AND EFFECTIVE DATE.....	37 <u>36</u>

LIST OF EXHIBITS:

A — Form of Escrow Agreement

ORDINANCE NUMBER _____

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

WHEREAS, the City of Pekin, Tazewell and Peoria Counties, Illinois (the “City”), is a duly organized municipality under the laws of the State of Illinois, operating generally under the Illinois Municipal Code, as amended; has a population of more than 25,000, and in accordance with the provisions of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the “*Illinois Constitution*”), the City is a home rule unit of government and, as such, may exercise any power or perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and to incur debt; and

WHEREAS, pursuant to the provisions of said Section 6 of the Illinois Constitution, the City has the power to incur debt payable from ad valorem property tax receipts or from any other lawful source and maturing within 40 years from the time it is incurred without prior referendum approval; and

WHEREAS, the City Council of the City (the “*Corporate Authorities*”) has adopted no ordinances, resolutions, orders or motions or provided any City Code provisions which restrict or limit the exercise of the home rule powers of the City in the issuance of general obligation bonds without referendum or which provide any special rules or procedures for the exercise of such power; and

WHEREAS, the City has heretofore issued the following outstanding and validly subsisting and unpaid general obligation bonds (the “*Prior Bonds*”):

TAXABLE GENERAL OBLIGATION BONDS, SERIES 2010

Original principal amount: \$7,110,000

Dated: September 1, 2010

Originally due serially: 2011-2030

Amount outstanding: ~~\$4,715,000~~ 4,385,000

Due on August 1, and described as follows:

YEAR	AMOUNT (\$) OUTSTANDING	RATE OF INTEREST (%)
2019	330,000	4.30
2020	335,000	4.60
2021	345,000	4.75
2022	355,000	5.00
2023	370,000	5.20
2024	380,000	5.40
2025	395,000	5.60
2026	405,000	5.70
2027	425,000	6.00
2030	1,375,000	6.15

which bonds due on or after August 1, 2021, are subject to redemption prior to maturity at the option of the City, from any available funds, on any date on or after August 1, 2020, at the redemption price of par plus accrued interest to the redemption date; and

WHEREAS, the Prior Bonds are Qualified Build America Bonds under Section 54AA of the Internal Revenue Code of 1986, as amended (the “*Code*”); and

WHEREAS, for the amounts and maturities of the Prior Bonds to be refunded (the “*Refunded Bonds*”), interest rates are now more favorable in the market than they were at the time the Prior Bonds were issued; and it is possible to refund the Refunded Bonds to realize net debt service savings, net of the amount of subsidy payments which the City expected to receive from the U.S. Treasury with respect to interest payments due on the Refunded Bonds (the “*Subsidy Payments*”); and

WHEREAS, the Refunded Bonds shall be fully described in the Bond Notification (as hereinafter defined) or Escrow Agreement (as hereinafter defined); and

WHEREAS, pursuant to the provisions of the Act (as hereinafter defined), the City is authorized to borrow money and to issue its general obligation refunding bonds to accomplish the refunding (the “*Refunding*”) of the Refunded Bonds, which Refunding is defined to include the payment of related costs of issuance of the Refunding; and it is necessary and desirable to provide for the issuance of not to exceed \$4,385,000 principal amount general obligation refunding bonds, in one or more series (collectively, the “*Bonds*”), for such purpose and for the purpose of realizing such net debt service savings; and

WHEREAS, in accordance with the terms of the Prior Bonds, the Refunded Bonds may be called for redemption in advance of their maturity, and it is necessary and desirable to make such call for the redemption of the Refunded Bonds on August 1, 2020, and provide for the giving of proper notice to the registered owners of such Refunded Bonds:

NOW THEREFORE BE IT AND IT IS HEREBY ORDAINED by the City Council of the City of Pekin, Tazewell and Peoria Counties, Illinois, in the exercise of its home rule powers, as follows:

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

A. The following words and terms are as defined in the preambles.

Bonds
City
Code
Corporate Authorities
Illinois Constitution
Prior Bonds
Refunded Bonds
Refunding
Subsidy Payments

B. The following words and terms are defined as set forth.

“*Act*” means the Illinois Municipal Code, as amended, the Reform Act, as supplemental authority, and also the home rule powers of the City under Section 6 of Article VII of the Illinois Constitution; and in the event of conflict between the provisions of said code and home rule powers, the home rule powers shall be deemed to supersede the provisions of said code.

“*Bond Fund*” means the Bond Fund established and defined in (Section 16 of) this Ordinance.

“*Bond Notification*” means the Bond Notification as authorized to be executed by the Designated Officials in (Section 11 of) this Ordinance and by which the final terms of each series of Bonds will be established.

“*Bond Purchase Contract*” means each contract for the sale of Bonds by and between the City and the Purchaser of such Bonds.

“*Bond Register*” means the books of the City kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

“*Bond Registrar*” means the bond registrar and paying agent for the Bonds (which shall be a bank or trust company authorized to do business in the State of Illinois) as set forth in the Bond Notification therefor, with the powers and duties as set forth herein, or a successor thereto.

“*Book Entry Form*” means the form of the Bonds as fully registered and available in

physical form only to the Depository.

“*City Clerk*” means the City Clerk of the City.

“*Counties*” means The Counties of Tazewell and Peoria, Illinois, within which the corporate limits of the City exist.

“*County Clerks*” means the County Clerks of the Counties.

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

“*Designated Officials*” means the Mayor and the Treasurer.

“*Escrow Agent*” means escrow agent under the Escrow Agreement (which shall be a bank or trust company authorized to do business in the State of Illinois) as set forth in the Escrow Agreement, with the powers and duties set forth therein, or successor as therein provided.

“*Escrow Agreement*” means the Escrow Agreement by and between the City and the Escrow Agent as authorized in (Section 16 of) this Ordinance, substantially in the form attached hereto as *Exhibit A* and made a part hereof by this reference, or with such changes therein as shall be approved by the officers of the City executing the Escrow Agreement, such execution to constitute evidence of the approval of such changes.

“*IRS*” means the Internal Revenue Service.

“*Letter of Representations*” means the agreement (letter of representations or blanket letter of representations or other) between the City and the Depository accommodating the Book Entry Form of the Bonds.

“*Mayor*” means the Mayor of the City.

“*Purchase Price*” means the price to be paid by the Purchaser for each series Bonds as set forth in the Bond Notification.

“*Purchaser*” means the purchaser of each series of Bonds and as further described in (Section 11 of) this Ordinance.

“*Rate Lock Agreement*” means a rate lock agreement entered into between the City and the Purchaser as set forth in the Bond Notification.

“*Record Date*” means the 15th day of the month next preceding any regular or other interest payment date occurring on the 1st day of any month and the 15th day next preceding any interest payment date occasioned by the redemption of Bonds on other than the 1st day of a month.

“*Reform Act*” means the Local Government Debt Reform Act of the State of Illinois, as amended.

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

“*Treasurer*” means the City Treasurer of the City, the same being the Finance Director of the City.

C. Definitions also appear in the above preambles or in specific sections, as appearing below.

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

Section 3. Determination to Issue Bonds. It is necessary and in the best interests of the City to provide for the Refunding and to borrow money and issue the Bonds for such purpose. It is hereby found and determined that such borrowing of money is for a proper public purpose and is in the public interest and is authorized pursuant to the Act; and these findings and

determinations shall be deemed conclusive.

Section 4. Bond Details. There be borrowed on the credit of and for and on behalf of the City an amount not to exceed \$4,385,000 for the purpose aforesaid; and that the Bonds shall be issued to said amount, in one or more series, as tax-exempt bonds (the “*Tax-Exempt Bonds*”), or initially taxable convertible bonds (the “*Initially Taxable Convertible Bonds*”), as set forth in the Bond Notification. The Tax-Exempt Bonds, if issued, shall be designated as “General Obligation Refunding Bonds,” with such series descriptors as may be appropriate and as set forth in the Bond Notification. The Initially Taxable Convertible Bonds, if issued, shall be designated as “Initially Taxable Convertible General Obligation Refunding Bonds,” with such series descriptors as may be appropriate and as set forth in the Bond Notification. The Bonds shall be dated such date (not prior to ~~July~~February 22~~10, 2019~~2020, and not later than ~~September~~August 1, 2020) as set forth in the Bond Notification therefor, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each or authorized integral multiples thereof (but no single Bond in any series shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward.

The Tax-Exempt Bonds, if issued, shall become due and payable serially or be subject to mandatory redemption (subject to prior redemption as hereinafter described) on August 1 of each of the years (not later than 2030), in the amounts (not exceeding \$500,000 per year) and bearing interest at the rates per annum (not exceeding 4.50% per annum) as set forth in the Bond Notification. The Initially Taxable Convertible Bonds, if issued, shall become due and payable serially or be subject to mandatory redemption (subject to prior redemption as hereinafter described) on August 1 of each of the years (not later than 2030) and in the amounts (not exceeding \$500,000 per year) as set forth in the Bond Notification. The Initially Taxable Convertible Bonds are subject to conversion as set forth in the Bond Notification (on a date on or

after August 1, 2020) (the “*Conversion Date*”). Prior to the Conversion Date, the Initially Taxable Convertible Bonds will bear interest at the rates per annum- (not exceeding 4.50% per annum) as set forth in the Bond Notification. On and after the Conversion Date, the City has the right, subject to the satisfaction of certain conditions, to convert the interest rate on the Initially Taxable Convertible Bonds to the tax-exempt interest rates as set forth in the Bond Notification (not exceeding 4.50% per annum).

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

Interest on each Bond shall be paid by check or draft of 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 the Record Date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

Section 5. Book Entry Form. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in such name as may be provided by the Depository (the “*Book Entry Owner*”) and, accordingly, in Book Entry Form as provided and defined herein. The City Clerk or the Treasurer is authorized to execute a Letter of Representations or to utilize the provisions of an existing Letter of Representations. Without limiting the generality of the authority given with respect to entering into the Letter of Representations for the Bonds, it may contain provisions relating to (a)

payment procedures, (b) transfers of the Bonds or of beneficial interests therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices. With respect to Bonds registered in the Bond Register in the name of the Book Entry Owner, neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank, or other financial institution being referred to herein as a “*Depository Participant*”) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, neither the City nor the Bond Registrar shall have any responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Book Entry Owner, or any Depository Participant with respect to any ownership interest in the Bonds; (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register or as expressly provided in the Letter of Representations, of any notice with respect to the Bonds, including any notice of redemption; or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. In the event that (a) the City determines that the Depository is incapable of discharging its responsibilities described herein or in the Letter of Representations, (b) the agreement among the City and the Depository evidenced by the Letter of Representations shall be terminated for any reason, or (c) the City determines that it is in the best interests of the City or of the beneficial owners of the Bonds that they be able to obtain certificated Bonds; the City

shall notify the Depository of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register to the Book Entry Owner. The City may determine at such time that the Bonds shall be registered in the name of and deposited with a successor depository operating a book entry only system, as may be acceptable to the City, or such depository's agent or designee, but if the City does not select such successor depository, then the Bonds shall be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

Section 6. Execution; Authentication. The Bonds shall be executed on behalf of the City by the manual or duly authorized facsimile signature of the Mayor and attested by the manual or duly authorized facsimile signature of the City Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the City. In case any such officer whose signature shall appear on any 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 it if signed by an authorized signatory of the Bond Registrar, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder.

Section 7. Registration of Bonds; Persons Treated as Owners. The City shall cause books (the “*Bond Register*”) for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the office of the Bond Registrar maintained for such purpose, which is hereby constituted and appointed the registrar of the City for the Bonds. The City is authorized to prepare, and the Bond Registrar or such other agent as the City may designate shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds. Subject to the provisions of this Ordinance relating to the Bonds in Book Entry Form, any Bond may be transferred or exchanged, but only in the manner, subject to the limitations and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the designated office of the Bond Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner 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 or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the same series and maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount. The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an interest payment to the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds. The 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,* that the principal amount of Bonds of each series and maturity authenticated by the

Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such maturity less the amount of such Bonds which have been paid. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. No service charge shall be made to any registered owner of Bonds for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption, 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 8. Redemption. (a) Optional Redemption. All or a portion of the Bonds, if any, due on and after the date, if any, specified in the Bond Notification therefor shall be subject to redemption prior to maturity at the option of the City from any available funds, as a whole or in part, and if in part in integral multiples of \$5,000 in any order of their maturity as determined by the City (less than all of the Bonds of a single series and maturity to be selected by the Bond Registrar), on the date specified in said Bond Notification (not later than 10-1/2 years after the date of delivery of said Bonds), and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date. If the City elects to convert the Initially Taxable Convertible Bonds, owners of the Initially Taxable Convertible Bonds shall each select one of the optional redemption features as set forth in the Bond Notification.

(b) *Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated

in the Bond Notification therefor shall be subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on August 1 of the years, if any, and in the principal amounts, if any, as indicated in said Bond Notification.

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the City may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Bond Registrar may, and if directed by the Corporate Authorities shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

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

such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

The Bond Registrar shall promptly notify the City in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 9. Redemption Procedure. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All notices of redemption shall state:

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

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the

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

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

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

Section 10. Form of Bond. The Bonds shall be in substantially the form hereinafter set

forth; *provided, however*, that if the text of the Bonds is to be printed in its entirety on the front side of the Bonds, then the second paragraph on the front side and the legend “See Reverse Side for Additional Provisions” shall be omitted and the text of paragraphs set forth for the reverse side shall be inserted immediately after the first paragraph on the front side.

[FORM OF BOND - FRONT SIDE]

REGISTERED
NO. _____REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTIES OF TAZEWELL AND PEORIA
CITY OF PEKIN

[INITIALLY TAXABLE CONVERTIBLE] GENERAL OBLIGATION REFUNDING BOND, SERIES
~~201~~—2020

See Reverse Side for
Additional Provisions.

Interest Maturity Dated
Rate: [____%] Date: August 1, 20____ Date: _____, ~~20~~—2020 CUSIP: 705591 ____
[Variable]

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the City of Pekin, Tazewell and Peoria Counties, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, such interest to be payable on February 1 and August 1 of each year, commencing _____, 20____, until said Principal Amount is paid or duly provided for except as the hereinafter stated provisions for redemption prior to maturity may be and become applicable hereto. The principal of or redemption price on this Bond is payable in lawful money of the United States of America upon presentation hereof at _____, with offices

Attachment: Blackline (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

maintained for the purpose located in _____, _____, as paying agent and bond registrar (the “*Bond Registrar*”). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Bond Registrar at the close of business on the Record Date for each interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation at the Bond Registrar 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 as otherwise agreed to by the City and the Depository if holding this Bond in Book Entry Only Form, as provided for same. “*Record Date*” means the 15th day of the month next preceding any regular or other interest payment date occurring on the 1st day of any month and the 15th day next preceding any interest payment date occasioned by the redemption of Bonds on other than the 1st day of a month.

Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof, and such further provisions shall for all purposes have the same effect as if set forth at this place.

The full faith and credit of the City are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds shall be direct and general obligations of the City.

It is hereby certified and recited that all conditions, acts, and things required by the Constitution and Laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, including the Act, have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the City, represented by the Bonds, and including all other indebtedness of the City, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the collection of a direct annual tax, in addition

to all other taxes, on all of the taxable property in the City sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

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 the City of Pekin, Tazewell and Peoria Counties, Illinois, by its City Council, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

SPECIMEN

Mayor, City of Pekin,
Tazewell and Peoria Counties, Illinois

ATTEST:

SPECIMEN

City Clerk, City of Pekin,
Tazewell and Peoria Counties, Illinois

[SEAL]

Attachment: Blackline (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the [Initially Taxable Convertible] General Obligation Refunding Bonds, Series ~~201~~2020, having a Dated Date of _____, 20__, of the City of Pekin, Tazewell and Peoria Counties, Illinois.

Date of Authentication:

as Bond Registrar

_____, ~~201~~2020

By _____ SPECIMEN
Authorized Officer

Attachment: Blackline (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

[FORM OF BOND - REVERSE SIDE]

UNITED STATES OF AMERICA
 STATE OF ILLINOIS
 COUNTIES OF TAZEWELL AND PEORIA
 [INITIALLY TAXABLE CONVERTIBLE] GENERAL OBLIGATION REFUNDING BOND, SERIES
~~201~~2020

This Bond is one of a series of bonds (the “*Bonds*”) in the aggregate principal amount of \$_____ issued by the City for the purpose of refunding certain of the City’s outstanding general obligation bonds and of paying expenses incidental thereto, all as described and defined in Ordinance Number _____ of the City, passed by the City Council on the ~~22nd~~10th day of ~~July~~February, ~~2019~~2020, authorizing the Bonds (the “*Ordinance*”), pursuant to and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as amended; as further supplemented and, where necessary, superseded, by the powers of the City as a home rule unit under the provisions of Section 6 of Article VII of the Constitution of the State of Illinois; and as further supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended (collectively, such Illinois Municipal Code, constitutional home rule powers, and Debt Reform Act being the “*Act*”), and with the Ordinance, which has been duly approved by the Mayor, and published, in all respects as by law required.

This Bond is subject to provisions relating to registration, transfer, and exchange and such other terms and provisions relating to security and payment as are set forth in the Ordinance, to which reference is hereby expressly made, and to all the terms of which the registered owner hereof is hereby notified and shall be subject.

[Optional and Mandatory redemption provisions, as applicable, will be inserted here].

The Bonds are issued in fully registered form in the denomination of \$5,000 or authorized integral multiples thereof. Subject to the provisions relating to this Bond remaining in Book Entry Only Form, this Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Ordinance.

The City and the Bond Registrar may deem and treat the person in whose name any Bond shall be registered in the Bond Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of or on account of the principal of or interest thereon and for all other purposes whatsoever; all such payments so made to any such Registered Owner or upon such Owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid; and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

[THE CITY HAS DESIGNATED THIS BOND AS A "QUALIFIED TAX-EXEMPT OBLIGATION" PURSUANT TO SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.]

ASSIGNMENT

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

Here insert Social Security Number,
Employer Identification Number or
other Identifying Number

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____

Signature guaranteed: _____

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

[Interest Rate Addendum, as applicable, will be inserted here].

Section 11. Sale of Bonds; Bond Notification; Bond Series. The Designated Officials are hereby authorized to proceed not later than the ~~22nd~~^{1st} day of ~~January~~^{August}, 2020, without any further authorization or direction whatsoever from the Corporate Authorities, to sell and deliver the Bonds upon the terms as prescribed in this Section, pursuant to one or more Bond Notifications. Each series of Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the delivery of a Bond Notification therefor as may be, and thereupon be deposited with the Treasurer, and, after authentication thereof by the Bond Registrar, be by said Treasurer delivered to the Bernardi Securities, Inc., the purchaser thereof ("*Bernardi*"), upon receipt of the Purchase Price therefor, the same being not less than 97.0% of the principal amount of the Bonds, exclusive of original issue discount, if any, plus accrued interest, if any, to the date of delivery; it being hereby found and determined that no person holding any office of the City, either by election or appointment, is in any manner interested, directly or indirectly, in his or her own name or in the name of any other person, association, trust or corporation, in the sale of the Bonds to Bernardi. Alternatively, if deemed in the best interest of the City by the Designated Officials, Bernardi may serve as placement agent in connection with the sale of the Bonds on a private placement basis to the purchaser thereof (which shall be a bank or financial institution authorized to do business in the State of Illinois), upon receipt of the purchase price therefor, the same being not less than 97.0% of the principal amount of the Bonds, plus accrued interest, if any, to the date of delivery.

Prior to the sale of any series of Bonds, the Designated Officials and any other officers of the City are each hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to further secure such Bonds, as long as the present value of the fee to be paid for the Municipal Bond Insurance Policy (using as a discount rate the expected yield on such Bonds treating the fee paid as interest on such Bonds) is

less than the present value of the interest reasonably expected to be saved on such Bonds over the term of such Bonds as a result of the Municipal Bond Insurance Policy.

Upon the sale of any series of the Bonds, the Designated Officials shall prepare a Bond Notification. In each Bond Notification, the Designated Officials shall find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Bonds does not exceed the maximum rate otherwise authorized by applicable law and that the net present value debt service savings to the City as a result of the issuance of the Bonds and the refunding of the Refunded Bonds is not less than 3.00% of the principal amount of the Refunded Bonds net of the Subsidy Payments. Each Bond Notification shall be entered into the records of the City and made available to the Corporate Authorities at the next regular meeting thereof; but such action shall be for information purposes only, and the Corporate Authorities shall have no right or authority at such time to approve or reject such sale as evidenced in said Bond Notification.

Upon the sale of any series of the Bonds, the Designated Officials and any other officers of the City as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, the Bond Notification therefor, Bond Purchase Contract, a Rate Lock Agreement and closing documents. The Designated Officials must find and determine in each Bond Notification that no person holding any office of the City either by election or appointment, is in any manner financially interested either directly, in his or her own name, or indirectly in the name of any other person, association, trust or corporation in said Bond Purchase Contract with the Purchaser for the purchase of such Bonds or the Rate Lock Agreement.

The use by any Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (the “*Official Statement*”) is hereby ratified, approved and

authorized; the execution and delivery of the Official Statement is hereby authorized; and the Designated Officials are hereby authorized to take any action as may be required on the part of the City to consummate the transactions contemplated by the Bond Purchase Contract, the Rate Lock Agreement, this Ordinance, said Preliminary Official Statement, the Official Statement and the Bonds.

Section 12. Security for the Bonds. The Bonds are a general obligation of the City, for which the full faith and credit of the City are irrevocably pledged, and are payable from the levy of taxes on all of the taxable property in the City, without limitation as to rate or amount.

Section 13. Tax Levy; Abatement. For the purpose of providing necessary funds to pay the principal of and interest on the Bonds, there is hereby levied upon all of the taxable property within the City, in the years for which any of the Bonds are outstanding, a direct annual tax in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the City, in addition to all other taxes of the City, the following direct annual taxes, for the Bonds, to-wit:

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:	
2019	\$515,000 <u>0</u>	for interest and principal up to and including February 1, 2021
2020	\$515,000	for interest and principal
2021	\$515,000	for interest and principal
2022	\$515,000	for interest and principal
2023	\$515,000	for interest and principal
2024	\$515,000	for interest and principal
2025	\$515,000	for interest and principal
2026	\$515,000	for interest and principal
2027	\$515,000	for interest and principal
2028	\$515,000	for interest and principal
2029	\$515,000	for interest and principal

(the “Pledged Taxes”).

The Pledged Taxes and other moneys on deposit in the Bond Fund from time to time

shall be applied to pay principal of and interest on the Bonds when due. Interest on or principal of the Bonds coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Taxes; and when the Pledged Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced. The City covenants and agrees with the Purchaser and registered owners 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, except as set forth below. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be levied, extended and collected as provided in this Ordinance and deposited into the Bond Fund, except as set forth below.

In the event that funds from any other lawful source are made available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the Pledged Taxes levied herein for the payment of same, the Corporate Authorities shall, by proper proceedings, direct the transfer of such funds to the Bond Fund, and shall then direct the abatement of the taxes by the amount so deposited. The City covenants and agrees that it will not direct the abatement of Pledged Taxes until money has been deposited into the Bond Fund in the amount of such abatement. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerks in a timely manner to effect such abatement.

To the extent that the Pledged Taxes levied above exceed the amount necessary to pay debt service on the Bonds as set forth in the Bond Notification therefor, the Mayor, City Clerk and Treasurer are hereby authorized to direct the abatement of such taxes to the extent of the excess of such levy in each year over the amount necessary to pay debt service on the Bonds in

the following bond year. Proper notice of such abatement shall be filed with the County Clerks in a timely manner to effect such abatement.

Section 14. Filing of Ordinance. After this Ordinance becomes effective, a copy hereof, certified by the City Clerk, shall be filed with the County Clerks. The County Clerks shall in and for each of the years required ascertain the rate percent required to produce the aggregate Pledged Taxes hereinbefore levied in each of said years; and the County Clerks shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the City for general corporate purposes of the City; and in said years the Pledged Taxes shall be levied and collected by and for and on behalf of the City in like manner as taxes for general corporate purposes of the City for said years are levied and collected, and in addition to and in excess of all other taxes. The Pledged Taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying principal of and interest on the Bonds.

Pursuant to Section 13 of the Reform Act, the moneys deposited or to be deposited into the Bond Fund, including any tax receipts derived from the Pledged Taxes, are pledged as security for the payment of the Bonds. While any Bonds remain outstanding and unpaid, the Pledged Taxes are for the sole benefit of the owners of the outstanding Bonds and such owners shall have and are granted a security interest in, and a lien upon, all rights, claims and interests of the City arising pursuant to those levies and all present and future proceeds of such levies. The security interest in and lien upon those rights, claims and interests are immediately valid and binding from the time the Bonds are issued, and shall immediately attach to (a) the tax receipts of the Pledged Taxes wherever held, and (b) amounts held in the Bond Fund, without any physical delivery or further act and the lien of such pledge shall be immediately valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City or against the funds, rights, claims or interests pledged hereby irrespective of whether such parties

have notice thereof. The pledge is an agreement between the City and the Bondholders to provide security for the Bonds in addition to any statutory lien.

Section 15. Taxes Previously Levied. The Mayor, City Clerk and Treasurer are hereby directed to prepare and file with the County Clerks a Certificate of Reduction of Taxes showing the Refunded Bonds and directing the abatement of taxes heretofore levied to pay the Refunded Bonds. Notwithstanding such direction, all proceeds received or to be received from any taxes levied to pay the Refunded Bonds, including the proceeds received or to be received from the taxes levied for the year ~~2018~~2019 for such purposes, shall be used to pay the Refunded Bonds and to the extent that such proceeds are not needed for such purpose, the same shall be deposited into the Bond Fund and used to pay principal and interest on the Bonds in accordance with the provisions of this Ordinance.

Section 16. Creation of Funds and Appropriations and Approval of Escrow Agreement. There is hereby created a special fund of the City known as the “Bond and Interest Fund of ~~2019~~2020” (the “*Bond Fund*”), with such other or additional descriptors as may be appropriate and as set forth in the Bond Notification, which fund is hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds. The Pledged Taxes shall be set aside as collected and deposited into the Bond Fund, which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the City by this Ordinance. The Bonds are secured by the pledge of all moneys in the Bond Fund, and such pledge is irrevocable until the Bonds have been paid in full or the obligations of the City are discharged under this Ordinance.

Simultaneously with the delivery of any Bonds, the principal proceeds of such Bonds, together with any premium received from the sale and delivery of such Bonds and such additional amounts as may be necessary from the general funds of the City, are hereby appropriated to pay the costs of issuance of such Bonds and refund the Refunded Bonds, and that

portion thereof not needed to pay such costs of issuance is hereby ordered deposited either (a) with The Bank of New York Mellon Trust Company, National Association, St. Louis, Missouri, the prior paying agent for the Prior Bonds, or (b) in escrow with the Escrow Agent pursuant to the Escrow Agreement, for the purpose of paying the principal of and interest on the Refunded Bonds upon redemption prior to maturity. The Corporate Authorities approve the form, terms and provisions of the Escrow Agreement and directs the Mayor and the City Clerk to execute, attest, seal and deliver the Escrow Agreement in the name and on behalf of the City. Amounts in the escrow may be used to purchase Government Securities (as defined in the Escrow Agreement) to provide for the principal and interest payable on the Refunded Bonds upon redemption prior to maturity. The Escrow Agent and each Purchaser are each hereby authorized to act as agent for the City in the purchase of the Government Securities.

At the time of the issuance of any series of Bonds, the costs of issuance of such Bonds may be paid by the Purchaser on behalf of the City from the proceeds of such Bonds.

Section 17. Continuing Disclosure Undertaking. Each of the Designated Officials is hereby authorized, empowered and directed to execute and deliver one or more Continuing Disclosure Undertakings under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the “*Continuing Disclosure Undertaking*”). When each Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, each Continuing Disclosure Undertaking will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of each Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with a Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any

Bond to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under such Continuing Disclosure Undertaking.

Section 18. Non-Arbitrage and Tax-Exemption. The City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Tax-Exempt Bonds or the Initially Taxable Convertible Bonds after conversion (the “*Converted Bonds*”)) if taking, permitting or omitting to take such action would cause any of the Tax-Exempt Bonds or the Converted Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code, or would otherwise cause the interest on the Tax-Exempt Bonds or the Converted 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 IRS of the exemption from federal income taxation for interest paid on the Tax-Exempt Bonds or the Converted Bonds, under present rules, the City may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination.

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

The Corporate Authorities hereby authorize the officials of the City responsible for issuing the Tax-Exempt Bonds or the Converted Bonds, the same being the Mayor, City Clerk and Treasurer, to make such further covenants and certifications regarding the specific use of the proceeds of the Tax-Exempt Bonds or the Converted Bonds as approved by the Corporate Authorities and as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Tax-Exempt Bonds or the Converted 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 the Tax-Exempt Bonds or the Converted 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 Tax-Exempt Bonds or the Converted 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 19. Designation of Tax-Exempt Bonds. All or a portion of the Tax-Exempt Bonds (in an aggregate amount not to exceed \$10,000,000) may be issued as “bank qualified bonds” (the “*BQ Bonds*”) as set forth in the Bond Notification. Each of the BQ Bonds is designated as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code.

Section 20. Registered Form. 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.

Section 21. This Ordinance a Contract. The provisions of this Ordinance shall constitute a contract between the City and the registered owners of the Bonds, in accordance with the terms hereof; and no changes, additions or alterations of any kind shall be made hereto.

Section 22. Duties of Bond Registrar. If requested by the Bond Registrar, the Mayor, City Clerk, or City Attorney are authorized to execute the Bond Registrar’s standard form of agreement between the City and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent and transfer

agent as provided herein;

(b) to maintain a list of Bondholders as set forth herein and to furnish such list to the City upon request, but otherwise to keep such list confidential;

(c) to give notice of redemption of Bonds as provided herein;

(d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

(e) to furnish the City at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(f) to furnish the City at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

Section 23. Municipal Bond Insurance. In the event the payment of principal of and interest on the Bonds is insured pursuant to a municipal bond insurance policy (a “*Municipal Bond Insurance Policy*”) issued by a bond insurer (a “*Bond Insurer*”), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the City and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer when holding Bonds, amendment hereof, or other terms, as approved by either of the Designated Officials on advice of counsel, his, her or their approval to constitute full and complete acceptance by the City of such terms and provisions under authority of this Section.

Section 24. Record-Keeping Policy and Post-Issuance Compliance Matters. It is necessary and in the best interest of the City to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Tax-Exempt Bonds, the Converted Bonds and other debt obligations of the City, the interest on which is excludable from “gross income” for federal income tax purposes or which enable the City or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds (the “*Tax Advantaged Obligations*”). Further, it is

necessary and in the best interest of the City that (i) the Corporate Authorities adopt policies with respect to record-keeping and post issuance compliance with the City's covenants related to its Tax Advantaged Obligations and (ii) the Compliance Officer (as hereinafter defined) at least annually review the City's Contracts (as hereinafter defined) to determine whether the Tax Advantaged Obligations comply with the federal tax requirements applicable to each issue of the Tax Advantaged Obligations. The Corporate Authorities and the City hereby adopt the following Record-Keeping Policy and, in doing so, amend any similar Record-Keeping Policy or Policies heretofore adopted:

(a) *Compliance Officer is Responsible for Records.* The Treasurer (the "Compliance Officer") is hereby designated as the keeper of all records of the City with respect to each issue of the Tax Advantaged Obligations, and such officer shall report to the Corporate Authorities at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

(b) *Closing Transcripts.* For each issue of Tax Advantaged Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax Advantaged Obligations, including without limitation (i) the proceedings of the City authorizing the Tax Advantaged Obligations, (ii) any offering document with respect to the offer and sale of the Tax Advantaged Obligations, (iii) any legal opinions with respect to the Tax Advantaged Obligations delivered by any lawyers, and (iv) all written representations of any person delivered in connection with the issuance and initial sale of the Tax Advantaged Obligations.

(c) *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the City with respect to each issue of Tax Advantaged Obligations and shall prepare a report for the Corporate Authorities stating whether or not the City has any rebate liability to the United States Treasury, and setting forth any applicable exemptions that each issue of Tax Advantaged Obligations may have from rebate liability. Such report shall be updated annually and delivered to the Corporate Authorities.

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax Advantaged Obligations and shall determine what requirements the City must meet in order to maintain the tax-exemption of interest paid on its Tax Advantaged Obligations, its entitlement to direct payments by the United States Treasury of the applicable percentages of each interest payment due and owing on its Tax Advantaged Obligations, and applicable tax credits or other tax benefits arising

from its Tax Advantaged Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax Advantaged Obligations is entitled to be excluded from “gross income” for federal income tax purposes, that the City is entitled to receive from the United States Treasury direct payments of the applicable percentages of interest payments coming due and owing on its Tax Advantaged Obligations, and the entitlement of holders of any Tax Advantaged Obligations to any tax credits or other tax benefits, respectively. Notwithstanding any other policy of the City, such retained records shall be kept for as long as the Tax Advantaged Obligations relating to such records (and any obligations issued to refund the Tax Advantaged Obligations) are outstanding, plus three years, and shall at least include:

(i) complete copies of the transcripts delivered when any issue of Tax Advantaged Obligations is initially issued and sold;

(ii) copies of account statements showing the disbursements of all Tax Advantaged Obligation proceeds for their intended purposes, and records showing the assets and other property financed by such disbursements;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax Advantaged Obligations has been held or in which funds to be used for the payment of principal of or interest on any Tax Advantaged Obligations has been held, or which has provided security to the holders or credit enhancers of any Tax Advantaged Obligations;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax Advantaged Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at *fair market value*;

(v) copies of any subscriptions to the United States Treasury for the purchase of State and Local Government Series (SLGS) obligations;

(vi) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of Tax Advantaged Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the United States Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the City, including any leases (the “*Contracts*”), with respect to the use of any property owned by the City and acquired, constructed or otherwise financed or refinanced with the proceeds of the Tax Advantaged Obligations effective at any time when such Tax

Advantaged Obligations are, will or have been outstanding. Copies of contracts covering no more than 50 days of use and contracts related to City employees need not be retained.

(e) *IRS Examinations or Inquiries.* In the event the IRS commences an examination of any issue of Tax Advantaged Obligations or requests a response to a compliance check, questionnaire or other inquiry, the Compliance Officer shall inform the Corporate Authorities of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination or inquiry.

(f) *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax Advantaged Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the Corporate Authorities, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2008-31 or similar program instituted by the IRS.

(g) *Training.* The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the City has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the City's staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Ordinance and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax Advantaged Obligations then currently outstanding (the "*Tax Agreements*") to staff members who may be responsible for taking actions described in such documents. The Compliance Officer should assist in the education of any new Compliance Officer and the transition of the duties under these procedures. The Compliance Officer will review this Ordinance and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

(h) *Amendment and Waiver.* The procedures described in this Section are only for the benefit of the City. No other person (including an owner of a Tax Advantaged Obligation) may rely on the procedures included in this Section. The City may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax Advantaged Obligations and as authorized by passage of an ordinance by the Corporate Authorities. Additional procedures may be required for Tax Advantaged Obligations the proceeds of which are used for purposes other than capital governmentally owned projects or refundings of such, including tax increment financing bonds, bonds financing output facilities, bonds financing working capital, or private activity bonds. The City also recognizes that these procedures may need to be revised in the event the City enters into any derivative products with respect to its Tax Advantaged Obligations.

Section 25. Defeasance. Any Bond or Bonds which (a) are paid and cancelled, (b) which have matured and for which sufficient sums been deposited with the Bond Registrar to pay all principal and interest due thereon, or (c) for which sufficient U.S. funds and direct U.S. Treasury obligations have been deposited with the Bond Registrar or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on or right to receive or be paid from the Pledged Taxes hereunder and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein as such relates to lien and security of the outstanding Bonds. All covenants relative to payment, registration, transfer, and exchange are expressly continued for all Bonds whether outstanding Bonds or not.

Section 26. Call of Refunded Bonds. In accordance with the redemption provisions of the bond ordinance authorizing the Prior Bonds, the City by the Corporate Authorities does hereby make provision for the payment of and does hereby call (subject only to the delivery of the Refunding Bonds) the Refunded Bonds for redemption and payment prior to maturity on the earliest practical call date therefor, the same being the date set forth in the Escrow Agreement.

Section 27. Publication of Ordinance. A full, true and complete copy of this Ordinance shall be published within ten days after passage in pamphlet form by authority of the Corporate

Authorities.

Section 28. *Superseder and Effective Date.* All ordinances, resolutions, and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage, approval and publication.

ADOPTED: ~~July~~February 22~~10~~, ~~2019~~2020

AYES: _____

NAYS: _____

ABSENT: _____

Approved: ~~July~~February 22~~10~~, ~~2019~~2020

Mayor, City of Pekin,
Tazewell and Peoria Counties, Illinois

Recorded in the City Records on ~~July~~February 22~~10~~, ~~2019~~2020.

Published in pamphlet form by authority of the City Council on ~~July~~February 22~~10~~,
~~2019~~2020.

ATTEST:

City Clerk, City of Pekin,
Tazewell and Peoria Counties, Illinois

Attachment: Blackline (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

EXHIBIT A**FORM OF ESCROW AGREEMENT**

This Escrow Agreement, dated as of _____, ~~20~~2020, but actually executed on the date witnessed hereinbelow, by and between the City of Pekin, Tazewell and Peoria Counties, Illinois (the “City”), and _____, _____, _____, having trust powers, organized and operating under the laws of the _____, located in _____, _____ (the “Escrow Agent”), in consideration of the mutual promises and agreements herein set forth:

WITNESSETH:**ARTICLE I****DEFINITIONS**

The following words and terms used in this Agreement shall have the following meanings unless the context or use clearly indicates another or different meaning:

Section 1.01. “Agreement” means this Agreement between the City and the Escrow Agent.

Section 1.02. “City Council” means the City Council of the City.

Section 1.03. “Bonds” means the \$_____ [Initially Taxable Convertible] General Obligation Refunding Bonds, Series 201__, dated _____, 201__, authorized to be issued by the Bond Ordinance.

Section 1.04. “Bond Ordinance” means the ordinance adopted on the ~~22nd~~10th day of ~~July~~February, ~~2019~~2020, by the City Council entitled:

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax

sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

authorizing the issuance of the Bonds.

Section 1.05. “Code” means Section 148 of the Internal Revenue Code of 1986, and all lawful regulations promulgated thereunder.

Section 1.06. “City” means City of Pekin, Tazewell and Peoria Counties, Illinois.

Section 1.07. “Escrow Account” means the trust account established under this Agreement by the deposit of the Government Securities and the beginning cash.

Section 1.08. “Escrow Agent” means _____, a _____ having trust powers, organized and operating under the laws of the _____, located in _____, _____, not individually but in the capacity for the uses and purposes hereinafter mentioned, or any successor thereto.

Section 1.09. “Government Securities” means the non-callable direct obligations of or non-callable obligations guaranteed by the full faith and credit of the United States of America as to principal and interest deposited hereunder as more particularly described in *Exhibit A* to this Agreement and also including any direct obligations purchased pursuant to Section 3.02.

Section 1.10. “Paying Agent” means The Bank of New York Mellon Trust Company, National Association, St. Louis, Missouri, as bond registrar and paying agent for the Refunded Bonds, and any successor thereto.

Section 1.11. “Refunded Bonds” means the outstanding bonds of the City as follows:

(a) \$_____ General Obligation Bonds, Series 2010, dated September 1, 2010, being a portion of the bonds outstanding from an issue in the original principal amount of \$7,110,000, fully registered and without coupons, due serially on August 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
20__	\$,000	%
20__	,000	%
20__	,000	%
20__	,000	%
20__	,000	%

Section 1.12. “*Treasurer*” means the City Treasurer of the City, the same being the Finance Director of the City.

ARTICLE II

CREATION OF ESCROW

Section 2.01. The City by the Bond Ordinance has authorized the issue and delivery of the Bonds, proceeds of which, together with certain funds of the City on hand and legally available for such purpose, are to be used to refund the Refunded Bonds by the deposit on demand and to purchase on behalf of the City the Government Securities. Such deposit and securities will provide all moneys necessary to pay the principal of and interest on the Refunded Bonds upon redemption prior to maturity.

Section 2.02. The City deposits \$_____ from the proceeds of the Bonds, \$_____ from the proceeds of the Refunded Bonds and \$_____ from funds on hand and legally available for the purchase of Government Securities and the funding of a beginning cash escrow deposit on demand in the amount of \$_____. The beginning deposit and the Government Securities are held in an irrevocable trust fund account for the City to the benefit of the holders of the Refunded Bonds to pay the principal of and interest on the Refunded Bonds upon redemption prior to maturity.

Section 2.03. The Escrow Agent and the City have each received the report of _____, _____, _____, attached hereto as *Exhibit B* (the “*Verification Report*”), that the principal of and income and profit to be received from the Government Securities, when paid at maturity, and the cash held in accordance with Section 2.02 hereof, will be sufficient, at all times pending the final payment of the Refunded Bonds, to pay all interest on and all principal of the Refunded Bonds upon redemption prior to maturity as evidenced by said Report.

ARTICLE III

COVENANTS OF ESCROW AGENT

The Escrow Agent covenants and agrees with the City as follows:

Section 3.01. The Escrow Agent will hold the Government Securities and all interest income or profit derived therefrom and all uninvested cash in an irrevocable segregated and separate trust fund account for the sole and exclusive benefit of the holders of the Refunded Bonds until final payment thereof.

Section 3.02. The beginning cash escrow deposit shall not be invested by the Escrow Agent. Otherwise, the Escrow Agent will reinvest all available uninvested balances (except for an amount under \$1,000 or as explicitly provided in this Section) in the Escrow Account on deposit from time to time, whenever said balances exceed \$1,000 unless said balance is needed to pay principal of or interest on refunded bonds within 14 days, and acknowledges that the schedule of amounts available for reinvestment appears in the cash flow tables in the Verification Report and in *Exhibit C*. Investments so made shall be in direct obligations of the United States of America and shall be scheduled to mature on or prior to the interest payment date on the Refunded Bonds on which such proceeds will be needed to pay the principal of or interest on the Refunded Bonds. Such investments shall, to the extent possible, be in zero-yield obligations

issued directly by the Bureau of Fiscal Service of the United States Treasury (currently designated “*U. S. Treasury Securities—State and Local Government Series Certificates of Indebtedness, Notes or Bonds*”) (“*SLGS*”). Such investments shall be made only to the extent permitted by, and shall be made in accordance with, the applicable statutes, rules and regulations governing such investments issued by the Bureau of Fiscal Service. The Escrow Agent expressly recognizes that under current regulations all SLGS must be subscribed for not less than 5 days (7 days for amounts of \$10,000,000 or more) nor more than 60 days prior to date of issuance.

Exhibit C contains a list of scheduled reinvestments. The Escrow Agent is instructed to subscribe for and take delivery of SLGS as described in *Exhibit C*.

If the Department of the Treasury (or the Bureau of Fiscal Service) of the United States suspends the sale of SLGS causing the Escrow Agent to be unable to purchase SLGS, then the Escrow Agent will take the following actions. On the date it would have purchased SLGS had it been able to do so, the Escrow Agent will purchase direct obligations of the United States (the “*Alternate Investment*”) maturing no more than 90 days after the date of purchase and no later than the scheduled maturity date of such SLGS as shown on *Exhibit C*. The purchase price of the Alternate Investment shall be as close as possible but not more than to the principal amount of the SLGS that would have been purchased on such date if they had been available for purchase and also not more than the total of all principal and interest to be received on such investment. The maturity date of the Alternate Investment shall be the latest possible date that (i) is not more than 90 days after the purchase date and (ii) is not after the scheduled maturity date for the SLGS that would have been purchased if available as shown on *Exhibit C*. The Escrow Agent will purchase each Alternate Investment in the customary manner for such investments (in the secondary market or in a Treasury auction) at a price no higher than the fair

market value of the Alternate Investment and will maintain records demonstrating compliance with this requirement. If the Escrow Agent is unable to purchase any investment satisfying all of these requirements, then the Escrow Agent will leave the balance uninvested and shall notify the City that it has been unable to purchase such an Alternate Investment, providing the reason for such inability to the City. On the maturity of each Alternate Investment, the Escrow Agent shall pay the difference between the total of the receipts (principal and interest) on the Alternate Investment and the purchase price of the Alternate Investment to the City with a notice to the City that such amount may need to be paid to the Internal Revenue Service pursuant to Rev. Proc. 95-47 or successor provisions including any finalized version of Prop. Treas. Reg. Section 1.148-5(c). If the Alternate Investment matures more than 14 days prior to the next succeeding interest payment date on the Refunded Bonds on which such proceeds will be needed to pay principal of or interest on the Refunded Bonds, the Escrow Agent shall treat such amounts as an uninvested balance available for reinvestment and shall take all reasonable steps to invest such amounts in SLGS (or additional Alternate Investments as provided in this Section).

The Escrow Agent shall hold balances not so invested in the Escrow Account on demand and in trust for the purposes hereof and shall secure same in accordance with applicable Illinois law for the securing of public funds.

Section 3.03. The Escrow Agent will take no action in the investment or securing of the proceeds of the Government Securities which would cause the Bonds to be classified as “arbitrage bonds” under the Code, *provided*, it shall be under no duty to affirmatively inquire whether the Government Securities as deposited are properly invested under the Code; and, *provided, further*, it may rely on all specific directions in this Agreement in the investment or reinvestment of balances held hereunder.

Section 3.04. The Escrow Agent will promptly collect the principal, interest or profit

from the Government Securities and promptly apply the same as necessary to the payment of principal and interest on the Refunded Bonds upon redemption prior to maturity as herein provided.

Section 3.05. The Escrow Agent will remit to the Paying Agent, in good funds on or before each principal or interest payment or redemption date on the Refunded Bonds, moneys sufficient to pay such principal, interest and redemption price as will meet the requirements for the retirement of the Refunded Bonds, and such remittances shall fully release and discharge the Escrow Agent from any further duty or obligation thereto under this Agreement.

Section 3.06. The Escrow Agent will make no payment of fees, charges or expenses due or to become due, of the Paying Agent or the bond registrar and paying agent on the Bonds, and the City either paid such fees, charges and expenses in advance as set forth in Section 3.07 hereof or covenants to pay the same as they become due.

Section 3.07. The charges, fees and expenses of the Escrow Agent (other than any charges, fees and expenses incurred pursuant to Section 3.08 hereof) have been paid in advance, and all charges, fees or expenses of the Escrow Agent in carrying out any of the duties, terms or provisions of this Agreement shall be paid solely therefrom. The Escrow Agent is also providing bond registrar and paying agent services for the Bonds, and the acceptance fee and first annual fee of the Escrow Agent for such bond registrar and paying agent services have been paid in advance, and all remaining charges, fees or expenses of the Escrow Agent for such services shall be paid by the City upon receipt of invoices therefor.

Section 3.08. The City has called the Refunded Bonds due on and after August 1, 20__, for redemption and payment prior to maturity on _____, 20__. The Escrow Agent will cause the Paying Agent to provide for and give timely notice of the call for redemption of such Refunded Bonds. In the event the Escrow Agent determines that the Paying Agent will not give

such timely notice, the Escrow Agent will give such notice. The form and time of the giving of such notice regarding such Refunded Bonds shall be as specified in the ordinance authorizing the issuance of the Refunded Bonds. The City shall reimburse the Escrow Agent for any actual out of pocket expenses incurred in the giving of such notice, but the failure of the City to make such payment shall not in any respect whatsoever relieve the Escrow Agent from carrying out any of the duties, terms or provisions of this Agreement.

The Escrow Agent shall also give, or shall cause the Paying Agent to give, notice of the call of the Refunded Bonds, on or before the date the notice of such redemption is given to the holders of the Refunded Bonds, to the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Information with respect to procedures for submitting notice can be found at <https://msrb.org>.

Section 3.09. The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful breach of trust, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the City to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

Section 3.10. The Escrow Agent may in good faith buy, sell or hold and deal in any of the Bonds or the Refunded Bonds.

Section 3.11. The Escrow Agent will submit to the Treasurer a statement within forty-five (45) days after _____ 2 and _____ 2 of each calendar year, commencing _____ 2, 201__, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement during the preceding six (6) month period (or, for the first period, from the date of delivery of the Bonds to _____ 2, ~~2012~~20), and also listing the Government Securities on deposit therewith on the date of said report, including all moneys held by it received as interest on or profit from the collection of the Government Securities.

Section 3.12. If at any time it shall appear to the Escrow Agent that the available proceeds of the Government Securities and deposits on demand in the Escrow Account will not be sufficient to make any payment due to the holders of any of the Refunded Bonds, the Escrow Agent shall notify the Treasurer and the City Council, not less than five (5) days prior to such date, and the City agrees that it will from any funds legally available for such purpose make up the anticipated deficit so that no default in the making of any such payment will occur.

ARTICLE IV

COVENANTS OF CITY

The City covenants and agrees with the Escrow Agent as follows:

Section 4.01. The Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals of the City herein, (b) the performance of or compliance with any covenant, condition, term or provision of the Bond Ordinance, and (c) any undertaking or statement of the City hereunder or under the Bond Ordinance.

Section 4.02. All payments to be made by, and all acts and duties required to be done by, the Escrow Agent under the terms and provisions of this Agreement, shall be made and done by

the Escrow Agent without any further direction or authority of the City or the Treasurer.

Section 4.03. The City will take no action regarding the proceeds of the Bonds which would cause the Bonds to be classified as “arbitrage bonds” under the Code, and the City will take any and all further action necessary to ensure that adequate provision is made for the payment of the Refunded Bonds and that neither the Refunded Bonds nor the Bonds are classified as “arbitrage bonds” under the Code.

ARTICLE V

AMENDMENTS, REINVESTMENT OF FUNDS, IRREVOCABILITY OF AGREEMENT

Section 5.01. Except as provided in Section 5.04 hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

Section 5.02. Except as provided in Section 5.04 hereof, all of the rights, powers, duties and obligations of the City hereunder shall be irrevocable and shall not be subject to amendment by the City and shall be binding on any successor to the officials now comprising the City Council during the term of this Agreement.

Section 5.03. Except as provided in Section 5.04 hereof, all of the rights, powers, duties and obligations of the Treasurer hereunder shall be irrevocable and shall not be subject to amendment by the Treasurer and shall be binding on any successor to said official now in office during the term of this Agreement.

Section 5.04. This Agreement may be amended or supplemented, and the Government Securities or any portion thereof may be sold, redeemed, invested or reinvested, in any manner provided (any such amendment, supplement, or direction to sell, redeem, invest or reinvest to be referred to as a “*Subsequent Action*”), upon submission to the Escrow Agent of each of the

following:

(1) Certified copy of proceedings of the City Council authorizing the Subsequent Action and copy of the document effecting the Subsequent Action signed by duly designated officers of the City.

(2) An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds that the Subsequent Action has been duly authorized by the City Council and will not adversely affect the tax-exempt status of the interest on the Bonds or the Refunded Bonds nor violate the covenants of the City not to cause the Bonds or the Refunded Bonds to become “arbitrage bonds” under the Code, and that the Subsequent Action does not materially adversely affect the legal rights of the holders of the Bonds and the Refunded Bonds.

(3) An opinion of a firm of nationally recognized independent certified public accountants or consultants nationally recognized as having an expertise in the area of refunding escrows that the amounts (which will consist of cash or deposits on demand held in trust or receipts from non-callable direct obligations of or non-callable obligations guaranteed by the full faith and credit of the United States of America, all of which shall be held hereunder) available or to be available for payment of the Refunded Bonds will remain sufficient to pay when due all principal and interest on the Refunded Bonds after the taking of the Subsequent Action.

ARTICLE VI

MERGER, CONSOLIDATION OR RESIGNATION OF ESCROW AGENT

Any banking association or corporation into which the Escrow Agent may be merged, converted or with which the Escrow Agent may be consolidated, or any corporation resulting

from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Agent shall be transferred, shall succeed to all the Escrow Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. The Escrow Agent may at any time resign as Escrow Agent under this Agreement by giving 30 days' written notice to the City, and such resignation shall take effect upon the appointment of a successor Escrow Agent by the City. The City may select as successor Escrow Agent any financial institution with capital, surplus and undivided profits of at least \$75,000,000 and having a corporate trust office within the State of Illinois, and which is authorized to maintain trust accounts for municipal corporations in Illinois under applicable law.

ARTICLE VII

NOTICES TO THE CITY, THE TREASURER AND THE ESCROW AGENT

Section 7.01. All notices and communications to the City and the City Council shall be addressed in writing to: City Council, City of Pekin, 111 South Capitol Street, Pekin, Illinois 61554.

Section 7.02. All notices and communications to the Treasurer shall be addressed in writing to: City Treasurer/Finance Director, City of Pekin, 111 South Capitol Street, Pekin, Illinois 61554.

Section 7.03. All notices and communications to the Escrow Agent shall be addressed in writing to: Corporate Trust Department, _____, _____, _____, _____.

ARTICLE VIII

TERMINATION OF AGREEMENT

Section 8.01. That, upon final disbursement of funds sufficient to pay the principal and interest of the Refunded Bonds as hereinabove provided for, the Escrow Agent will transfer any balance remaining in the Escrow Account to the Treasurer with due notice thereof mailed to the City Council, and thereupon this Agreement shall terminate.

IN WITNESS WHEREOF, the City of Pekin, Tazewell and Peoria Counties, Illinois, has caused this Agreement to be signed in its name by the Mayor and to be attested by the City Clerk of the City; and _____, _____, _____, not individually, but in the capacity as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its officers and attested by one of its officers under its corporate seal hereunto affixed, all as of the ____ day of _____, ~~201~~2020.

CITY OF PEKIN,
TAZEWELL AND PEORIA COUNTIES, ILLINOIS

By _____
Mayor

Attest:

City Clerk

[SEAL]

_____, _____

By _____
Its _____

Attest:

Its _____

[BANK SEAL]

This Escrow Agreement received and acknowledged by me this ____ day of _____, ~~201~~2020.

Treasurer, City of Pekin,
Tazewell and Peoria Counties, Illinois

Attachment: Blackline (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

STATE OF ILLINOIS)
) SS
 COUNTY OF TAZEWELL)

CERTIFICATION OF AGENDA, MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Pekin, Tazewell and Peoria Counties, Illinois (the “City”), and as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the City and of the City Council (the “Corporate Authorities”) thereof.

I do further certify that the foregoing is a full, true, and complete transcript of that portion of the minutes of the meeting (the “Meeting”) of the Corporate Authorities held on the ~~22nd~~^{10th} day of ~~July~~^{February}, ~~2019~~²⁰²⁰ insofar as the same relates to the adoption of an ordinance, numbered _____ entitled:

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

(the “Ordinance”) a true, correct, and complete copy of which Ordinance as adopted at the Meeting appears in the foregoing transcript of the minutes of the Meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of the Ordinance were taken openly; that the vote on the adoption of the Ordinance was taken openly; that the Meeting was held at a specified time and place convenient to the public; that notice of the Meeting was duly given to all newspapers, radio or television stations, and other news media requesting such notice; that an agenda (the “Agenda”) for the Meeting was posted at the location where the Meeting was held and at the principal office of the Corporate Authorities at least 72 hours in advance of the holding of the Meeting and also not later than 5:00 p.m. on

Attachment: Blackline (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

Friday, ~~July~~February ~~19~~7, ~~2019~~2020; that the Agenda remained continuously posted until the adjournment of the Meeting; that the Agenda contained a separate specific item concerning the proposed adoption of the Ordinance; **that a true, correct and complete copy of the Agenda as so posted is attached to this certificate**; and that the Meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Corporate Authorities in the adoption of the Ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the City this ~~22nd~~10th day of ~~July~~February, ~~2019~~2020.

City Clerk

[SEAL]

Attachment: Blackline (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

STATE OF ILLINOIS)
) SS
 COUNTY OF TAZEWELL)

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Pekin, Tazewell and Peoria Counties, Illinois (the “City”), and as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the City and of the City Council (the “Corporate Authorities”) thereof.

I do further certify that on the ~~22nd~~10th day of ~~July~~February, ~~2019~~2020 there was published in pamphlet form, by authority of the Corporate Authorities, a true, correct, and complete copy of Ordinance Number _____ of the City entitled:

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

as adopted by the Corporate Authorities on the ~~22nd~~10th day of ~~July~~February, ~~2019~~2020 and providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City and that said ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at my office as City Clerk located in the City.

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of the City this ~~22nd~~10th day of ~~July~~February, ~~2019~~2020.

 City Clerk

[SEAL]

Attachment: Blackline (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

STATE OF ILLINOIS)
) SS
 COUNTY OF TAZEWELL)

CERTIFICATE OF FILING

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Tazewell, Illinois, and as such official I do further certify that on the ____ day of _____, ~~2019~~2020, there was filed in my office a duly certified copy of an ordinance numbered _____ and entitled:

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

duly adopted by the City Council of the City of Pekin, Tazewell and Peoria Counties, Illinois, on the ~~22nd~~10th day of ~~July~~February, ~~2019~~2020, and approved by the Mayor, and that the same has been deposited in (and all as appearing from) the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of The County of Tazewell, Illinois, at Pekin, Illinois, this ____ day of _____, ~~2019~~2020.

 County Clerk of
 The County of Tazewell, Illinois

[SEAL]

Attachment: Blackline (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

STATE OF ILLINOIS)
) SS
 COUNTY OF PEORIA)

CERTIFICATE OF FILING

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Peoria, Illinois, and as such official I do further certify that on the ____ day of _____, ~~2019~~2020, there was filed in my office a duly certified copy of an ordinance numbered _____ and entitled:

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

duly adopted by the City Council of the City of Pekin, Tazewell and Peoria Counties, Illinois, on the ~~22nd~~10th day of ~~July~~February, ~~2019~~2020, and approved by the Mayor, and that the same has been deposited in (and all as appearing from) the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of The County of Peoria, Illinois, at Peoria, Illinois, this ____ day of _____, ~~2019~~2020.

 County Clerk of
 The County of Peoria, Illinois

[SEAL]

Attachment: Blackline (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

MINUTES of a regular public meeting of the City Council of the City of Pekin, Tazewell and Peoria Counties, Illinois, held at the City Hall, 111 South Capitol Street, in said City at 5:30 o'clock P.M., on the 10th day of February, 2020.

* * *

The Mayor called the meeting to order and directed the City Clerk to call the roll. Upon the roll being called, Mark Luft, the Mayor, and the following City Council members were physically present at said location: _____

The following City 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: _____

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

The following City Council members were absent and did not participate in the meeting in any manner or to any extent whatsoever: _____

The Mayor announced that the next item for consideration was the issuance of not to exceed \$4,385,000 general obligation refunding bonds to be issued by the City pursuant to its home rule powers for the purpose of refunding certain outstanding bonds of the City, and in connection therewith, it may be necessary for the City to enter into an escrow agreement, and that the City Council would consider the adoption of an ordinance providing for the issue of said bonds, the levy of a direct annual tax sufficient to pay the principal and interest on said bonds and the sale of said bonds to the purchaser thereof and authorizing and directing the execution of said escrow agreement. The Mayor then explained that the ordinance sets forth the parameters for the issuance

of said bonds and the sale thereof by designated officials of the City and summarized the pertinent terms of said ordinance, including the specific parameters governing the manner of sale, length of maturity, rates of interest, purchase price and tax levy for said bonds.

WHEREUPON, City Council member _____ presented, and the City Clerk read by title and made available to each City Council member and all interested members of the public, complete copies of an ordinance entitled:

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

(the “*Bond Ordinance*”).

City Council member _____ moved and City Council member _____ seconded the motion that the Bond Ordinance as presented and read by title be adopted.

After a full discussion thereof, the Mayor directed that the roll be called for a vote upon the motion to adopt the Bond Ordinance.

Upon the roll being called, the following City Council members voted AYE: _____

WHEREUPON, the Mayor declared the motion carried and the Bond Ordinance adopted, and henceforth did approve and sign the same in open meeting, and did direct the City Clerk to record the same in full in the records of the City Council of the City of Pekin, Tazewell and Peoria Counties, Illinois.

Other business was duly transacted at said meeting.

Upon motion duly made and carried, the meeting adjourned.

City Clerk

ORDINANCE NUMBER _____

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

Adopted by the City Council on the 10th day
of February, 2020.

Published in Pamphlet Form by Authority of
the City Council on the 10th day of February,
2020.

TABLE OF CONTENTS

SECTION	HEADING	PAGE
SECTION 1.	DEFINITIONS	3
SECTION 2.	INCORPORATION OF PREAMBLES.....	6
SECTION 3.	DETERMINATION TO ISSUE BONDS	6
SECTION 4.	BOND DETAILS	7
SECTION 5.	BOOK ENTRY FORM	8
SECTION 6.	EXECUTION; AUTHENTICATION	10
SECTION 7.	REGISTRATION OF BONDS; PERSONS TREATED AS OWNERS	11
SECTION 8.	REDEMPTION.....	12
SECTION 9.	REDEMPTION PROCEDURE	14
SECTION 10.	FORM OF BOND	15
SECTION 11.	SALE OF BONDS; BOND NOTIFICATION; BOND SERIES	22
SECTION 12.	SECURITY FOR THE BONDS.....	24
SECTION 13.	TAX LEVY; ABATEMENT	24
SECTION 14.	FILING OF ORDINANCE	26
SECTION 15.	TAXES PREVIOUSLY LEVIED	27
SECTION 16.	CREATION OF FUNDS AND APPROPRIATIONS AND APPROVAL OF ESCROW AGREEMENT	27
SECTION 17.	CONTINUING DISCLOSURE UNDERTAKING.....	28
SECTION 18.	NON-ARBITRAGE AND TAX-EXEMPTION	29
SECTION 19.	DESIGNATION OF TAX-EXEMPT BONDS	30
SECTION 20.	REGISTERED FORM	30
SECTION 21.	THIS ORDINANCE A CONTRACT	30
SECTION 22.	DUTIES OF BOND REGISTRAR.....	30
SECTION 23.	MUNICIPAL BOND INSURANCE.....	31
SECTION 24.	RECORD-KEEPING POLICY AND POST-ISSUANCE COMPLIANCE MATTERS	31
SECTION 25.	DEFEASANCE	35
SECTION 26.	CALL OF REFUNDED BONDS.....	35
SECTION 27.	PUBLICATION OF ORDINANCE	35
SECTION 28.	SUPERSEDER AND EFFECTIVE DATE.....	36

LIST OF EXHIBITS:

A — Form of Escrow Agreement

ORDINANCE NUMBER _____

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

WHEREAS, the City of Pekin, Tazewell and Peoria Counties, Illinois (the “City”), is a duly organized municipality under the laws of the State of Illinois, operating generally under the Illinois Municipal Code, as amended; has a population of more than 25,000, and in accordance with the provisions of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the “*Illinois Constitution*”), the City is a home rule unit of government and, as such, may exercise any power or perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and to incur debt; and

WHEREAS, pursuant to the provisions of said Section 6 of the Illinois Constitution, the City has the power to incur debt payable from ad valorem property tax receipts or from any other lawful source and maturing within 40 years from the time it is incurred without prior referendum approval; and

WHEREAS, the City Council of the City (the “*Corporate Authorities*”) has adopted no ordinances, resolutions, orders or motions or provided any City Code provisions which restrict or limit the exercise of the home rule powers of the City in the issuance of general obligation bonds without referendum or which provide any special rules or procedures for the exercise of such power; and

WHEREAS, the City has heretofore issued the following outstanding and validly subsisting and unpaid general obligation bonds (the “*Prior Bonds*”):

TAXABLE GENERAL OBLIGATION BONDS, SERIES 2010

Original principal amount: \$7,110,000

Dated: September 1, 2010

Originally due serially: 2011-2030

Amount outstanding: \$4,385,000

Due on August 1, and described as follows:

YEAR	AMOUNT (\$) OUTSTANDING	RATE OF INTEREST (%)
2020	335,000	4.60
2021	345,000	4.75
2022	355,000	5.00
2023	370,000	5.20
2024	380,000	5.40
2025	395,000	5.60
2026	405,000	5.70
2027	425,000	6.00
2030	1,375,000	6.15

which bonds due on or after August 1, 2021, are subject to redemption prior to maturity at the option of the City, from any available funds, on any date on or after August 1, 2020, at the redemption price of par plus accrued interest to the redemption date; and

WHEREAS, the Prior Bonds are Qualified Build America Bonds under Section 54AA of the Internal Revenue Code of 1986, as amended (the “*Code*”); and

WHEREAS, for the amounts and maturities of the Prior Bonds to be refunded (the “*Refunded Bonds*”), interest rates are now more favorable in the market than they were at the time the Prior Bonds were issued; and it is possible to refund the Refunded Bonds to realize net debt service savings, net of the amount of subsidy payments which the City expected to receive from the U.S. Treasury with respect to interest payments due on the Refunded Bonds (the “*Subsidy Payments*”); and

WHEREAS, the Refunded Bonds shall be fully described in the Bond Notification (as hereinafter defined) or Escrow Agreement (as hereinafter defined); and

WHEREAS, pursuant to the provisions of the Act (as hereinafter defined), the City is authorized to borrow money and to issue its general obligation refunding bonds to accomplish the refunding (the “*Refunding*”) of the Refunded Bonds, which Refunding is defined to include the payment of related costs of issuance of the Refunding; and it is necessary and desirable to provide for the issuance of not to exceed \$4,385,000 principal amount general obligation refunding bonds, in one or more series (collectively, the “*Bonds*”), for such purpose and for the purpose of realizing such net debt service savings; and

WHEREAS, in accordance with the terms of the Prior Bonds, the Refunded Bonds may be called for redemption in advance of their maturity, and it is necessary and desirable to make such call for the redemption of the Refunded Bonds on August 1, 2020, and provide for the giving of proper notice to the registered owners of such Refunded Bonds:

NOW THEREFORE BE IT AND IT IS HEREBY ORDAINED by the City Council of the City of Pekin, Tazewell and Peoria Counties, Illinois, in the exercise of its home rule powers, as follows:

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

A. The following words and terms are as defined in the preambles.

Bonds
City
Code
Corporate Authorities
Illinois Constitution
Prior Bonds
Refunded Bonds
Refunding
Subsidy Payments

B. The following words and terms are defined as set forth.

“*Act*” means the Illinois Municipal Code, as amended, the Reform Act, as supplemental authority, and also the home rule powers of the City under Section 6 of Article VII of the Illinois Constitution; and in the event of conflict between the provisions of said code and home rule powers, the home rule powers shall be deemed to supersede the provisions of said code.

“*Bond Fund*” means the Bond Fund established and defined in (Section 16 of) this Ordinance.

“*Bond Notification*” means the Bond Notification as authorized to be executed by the Designated Officials in (Section 11 of) this Ordinance and by which the final terms of each series of Bonds will be established.

“*Bond Purchase Contract*” means each contract for the sale of Bonds by and between the City and the Purchaser of such Bonds.

“*Bond Register*” means the books of the City kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

“*Bond Registrar*” means the bond registrar and paying agent for the Bonds (which shall be a bank or trust company authorized to do business in the State of Illinois) as set forth in the Bond Notification therefor, with the powers and duties as set forth herein, or a successor thereto.

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

“City Clerk” means the City Clerk of the City.

“Counties” means The Counties of Tazewell and Peoria, Illinois, within which the corporate limits of the City exist.

“County Clerks” means the County Clerks of the Counties.

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

“Designated Officials” means the Mayor and the Treasurer.

“Escrow Agent” means escrow agent under the Escrow Agreement (which shall be a bank or trust company authorized to do business in the State of Illinois) as set forth in the Escrow Agreement, with the powers and duties set forth therein, or successor as therein provided.

“Escrow Agreement” means the Escrow Agreement by and between the City and the Escrow Agent as authorized in (Section 16 of) this Ordinance, substantially in the form attached hereto as *Exhibit A* and made a part hereof by this reference, or with such changes therein as shall be approved by the officers of the City executing the Escrow Agreement, such execution to constitute evidence of the approval of such changes.

“IRS” means the Internal Revenue Service.

“Letter of Representations” means the agreement (letter of representations or blanket letter of representations or other) between the City and the Depository accommodating the Book Entry Form of the Bonds.

“Mayor” means the Mayor of the City.

“Purchase Price” means the price to be paid by the Purchaser for each series Bonds as set forth in the Bond Notification.

“Purchaser” means the purchaser of each series of Bonds and as further described in (Section 11 of) this Ordinance.

“Rate Lock Agreement” means a rate lock agreement entered into between the City and the Purchaser as set forth in the Bond Notification.

“Record Date” means the 15th day of the month next preceding any regular or other interest payment date occurring on the 1st day of any month and the 15th day next preceding any interest payment date occasioned by the redemption of Bonds on other than the 1st day of a month.

“Reform Act” means the Local Government Debt Reform Act of the State of Illinois, as amended.

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

“Treasurer” means the City Treasurer of the City, the same being the Finance Director of the City.

C. Definitions also appear in the above preambles or in specific sections, as appearing below.

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

Section 3. Determination to Issue Bonds. It is necessary and in the best interests of the City to provide for the Refunding and to borrow money and issue the Bonds for such purpose. It is hereby found and determined that such borrowing of money is for a proper public purpose and

is in the public interest and is authorized pursuant to the Act; and these findings and determinations shall be deemed conclusive.

Section 4. Bond Details. There be borrowed on the credit of and for and on behalf of the City an amount not to exceed \$4,385,000 for the purpose aforesaid; and that the Bonds shall be issued to said amount, in one or more series, as tax-exempt bonds (the “*Tax-Exempt Bonds*”), or initially taxable convertible bonds (the “*Initially Taxable Convertible Bonds*”), as set forth in the Bond Notification. The Tax-Exempt Bonds, if issued, shall be designated as “General Obligation Refunding Bonds,” with such series descriptors as may be appropriate and as set forth in the Bond Notification. The Initially Taxable Convertible Bonds, if issued, shall be designated as “Initially Taxable Convertible General Obligation Refunding Bonds,” with such series descriptors as may be appropriate and as set forth in the Bond Notification. The Bonds shall be dated such date (not prior to February 10, 2020, and not later than August 1, 2020) as set forth in the Bond Notification therefor, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each or authorized integral multiples thereof (but no single Bond in any series shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward.

The Tax-Exempt Bonds, if issued, shall become due and payable serially or be subject to mandatory redemption (subject to prior redemption as hereinafter described) on August 1 of each of the years (not later than 2030), in the amounts (not exceeding \$500,000 per year) and bearing interest at the rates per annum (not exceeding 4.50% per annum) as set forth in the Bond Notification. The Initially Taxable Convertible Bonds, if issued, shall become due and payable serially or be subject to mandatory redemption (subject to prior redemption as hereinafter described) on August 1 of each of the years (not later than 2030) and in the amounts (not exceeding \$500,000 per year) as set forth in the Bond Notification. The Initially Taxable Convertible Bonds

are subject to conversion as set forth in the Bond Notification (on a date on or after August 1, 2020) (the “*Conversion Date*”). Prior to the Conversion Date, the Initially Taxable Convertible Bonds will bear interest at the rates per annum (not exceeding 4.50% per annum) as set forth in the Bond Notification. On and after the Conversion Date, the City has the right, subject to the satisfaction of certain conditions, to convert the interest rate on the Initially Taxable Convertible Bonds to the tax-exempt interest rates as set forth in the Bond Notification (not exceeding 4.50% per annum).

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

Interest on each Bond shall be paid by check or draft of 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 the Record Date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

Section 5. Book Entry Form. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in such name as may be provided by the Depository (the “*Book Entry Owner*”) and, accordingly, in Book Entry Form as provided and defined herein. The City Clerk or the Treasurer is authorized to execute a Letter of Representations or to utilize the provisions of an existing Letter of Representations. Without limiting the generality of the authority given with respect to entering into the Letter of

Representations for the Bonds, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interests therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices. With respect to Bonds registered in the Bond Register in the name of the Book Entry Owner, neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank, or other financial institution being referred to herein as a “*Depository Participant*”) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, neither the City nor the Bond Registrar shall have any responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Book Entry Owner, or any Depository Participant with respect to any ownership interest in the Bonds; (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register or as expressly provided in the Letter of Representations, of any notice with respect to the Bonds, including any notice of redemption; or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. In the event that (a) the City determines that the Depository is incapable of discharging its responsibilities described herein or in the Letter of Representations, (b) the agreement among the City and the Depository evidenced by the Letter of Representations shall be terminated for any reason, or (c) the City determines that it is in the best interests of the City or of the beneficial owners of the Bonds that they be able to obtain certificated

Bonds; the City shall notify the Depository of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register to the Book Entry Owner. The City may determine at such time that the Bonds shall be registered in the name of and deposited with a successor depository operating a book entry only system, as may be acceptable to the City, or such depository's agent or designee, but if the City does not select such successor depository, then the Bonds shall be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

Section 6. Execution; Authentication. The Bonds shall be executed on behalf of the City by the manual or duly authorized facsimile signature of the Mayor and attested by the manual or duly authorized facsimile signature of the City Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the City. In case any such officer whose signature shall appear on any 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 it if signed by an authorized signatory of the Bond Registrar, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder.

Section 7. Registration of Bonds; Persons Treated as Owners. The City shall cause books (the “*Bond Register*”) for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the office of the Bond Registrar maintained for such purpose, which is hereby constituted and appointed the registrar of the City for the Bonds. The City is authorized to prepare, and the Bond Registrar or such other agent as the City may designate shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds. Subject to the provisions of this Ordinance relating to the Bonds in Book Entry Form, any Bond may be transferred or exchanged, but only in the manner, subject to the limitations and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the designated office of the Bond Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner 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 or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the same series and maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount. The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an interest payment to the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds. The 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*, that the principal amount of Bonds of each series and maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized

principal amount of Bonds for such maturity less the amount of such Bonds which have been paid. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. No service charge shall be made to any registered owner of Bonds for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption, 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 8. Redemption. (a) Optional Redemption. All or a portion of the Bonds, if any, due on and after the date, if any, specified in the Bond Notification therefor shall be subject to redemption prior to maturity at the option of the City from any available funds, as a whole or in part, and if in part in integral multiples of \$5,000 in any order of their maturity as determined by the City (less than all of the Bonds of a single series and maturity to be selected by the Bond Registrar), on the date specified in said Bond Notification (not later than 10-1/2 years after the date of delivery of said Bonds), and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date. If the City elects to convert the Initially Taxable Convertible Bonds, owners of the Initially Taxable Convertible Bonds shall each select one of the optional redemption features as set forth in the Bond Notification.

(b) *Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated in the Bond Notification therefor shall be subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on August 1 of the years, if any, and in the principal amounts, if any, as indicated in said Bond Notification.

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the City may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Bond Registrar may, and if directed by the Corporate Authorities shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

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

earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

The Bond Registrar shall promptly notify the City in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 9. Redemption Procedure. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All notices of redemption shall state:

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

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the City shall have been received by the Bond Registrar prior to the giving of such notice

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

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

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

Section 10. Form of Bond. The Bonds shall be in substantially the form hereinafter set forth; *provided, however,* that if the text of the Bonds is to be printed in its entirety on the front

side of the Bonds, then the second paragraph on the front side and the legend “See Reverse Side for Additional Provisions” shall be omitted and the text of paragraphs set forth for the reverse side shall be inserted immediately after the first paragraph on the front side.

REGISTERED
No. _____

REGISTERED
\$ _____

**[INITIALLY TAXABLE CONVERTIBLE] GENERAL OBLIGATION REFUNDING BOND,
SERIES 2020_**

Interest Maturity Dated
Rate: [____%] Date: August 1, 20____ Date: _____, 2020 CUSIP: 705591 ____
[Variable]

Principal Amount:

Attachment: Bond_Ordinance (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

_____, _____, as paying agent and bond registrar (the “*Bond Registrar*”). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Bond Registrar at the close of business on the Record Date for each interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation at the Bond Registrar 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 as otherwise agreed to by the City and the Depository if holding this Bond in Book Entry Only Form, as provided for same. “*Record Date*” means the 15th day of the month next preceding any regular or other interest payment date occurring on the 1st day of any month and the 15th day next preceding any interest payment date occasioned by the redemption of Bonds on other than the 1st day of a month.

Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof, and such further provisions shall for all purposes have the same effect as if set forth at this place.

The full faith and credit of the City are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds shall be direct and general obligations of the City.

It is hereby certified and recited that all conditions, acts, and things required by the Constitution and Laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, including the Act, have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the City, represented by the Bonds, and including all other indebtedness of the City, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on

all of the taxable property in the City sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

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 the City of Pekin, Tazewell and Peoria Counties, Illinois, by its City Council, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

SPECIMEN

Mayor, City of Pekin,
Tazewell and Peoria Counties, Illinois

ATTEST:

SPECIMEN

City Clerk, City of Pekin,
Tazewell and Peoria Counties, Illinois

[SEAL]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the [Initially Taxable Convertible] General Obligation Refunding Bonds, Series 2020_, having a Dated Date of _____, 20__, of the City of Pekin, Tazewell and Peoria Counties, Illinois.

Date of Authentication:

as Bond Registrar

_____, 2020

By SPECIMEN
Authorized Officer

[FORM OF BOND - REVERSE SIDE]

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTIES OF TAZEWELL AND PEORIA
[INITIALLY TAXABLE CONVERTIBLE] GENERAL OBLIGATION REFUNDING BOND,
SERIES 2020_**

This Bond is one of a series of bonds (the “*Bonds*”) in the aggregate principal amount of \$_____ issued by the City for the purpose of refunding certain of the City’s outstanding general obligation bonds and of paying expenses incidental thereto, all as described and defined in Ordinance Number _____ of the City, passed by the City Council on the 10th day of February, 2020, authorizing the Bonds (the “*Ordinance*”), pursuant to and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as amended; as further supplemented and, where necessary, superseded, by the powers of the City as a home rule unit under the provisions of Section 6 of Article VII of the Constitution of the State of Illinois; and as further supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended (collectively, such Illinois Municipal Code, constitutional home rule powers, and Debt Reform Act being the “*Act*”), and with the Ordinance, which has been duly approved by the Mayor, and published, in all respects as by law required.

This Bond is subject to provisions relating to registration, transfer, and exchange and such other terms and provisions relating to security and payment as are set forth in the Ordinance, to which reference is hereby expressly made, and to all the terms of which the registered owner hereof is hereby notified and shall be subject.

[Optional and Mandatory redemption provisions, as applicable, will be inserted here].

The Bonds are issued in fully registered form in the denomination of \$5,000 or authorized integral multiples thereof. Subject to the provisions relating to this Bond remaining in Book Entry Only Form, this Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Ordinance.

The City and the Bond Registrar may deem and treat the person in whose name any Bond shall be registered in the Bond Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of or on account of the principal of or interest thereon and for all other purposes whatsoever; all such payments so made to any such Registered Owner or upon such Owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid; and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

[THE CITY HAS DESIGNATED THIS BOND AS A "QUALIFIED TAX-EXEMPT OBLIGATION" PURSUANT TO SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.]

ASSIGNMENT

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

Here insert Social Security Number,
Employer Identification Number or
other Identifying Number

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____

Signature guaranteed: _____

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

[Interest Rate Addendum, as applicable, will be inserted here].

Section 11. Sale of Bonds; Bond Notification; Bond Series. The Designated Officials are hereby authorized to proceed not later than the 1st day of August, 2020, without any further authorization or direction whatsoever from the Corporate Authorities, to sell and deliver the Bonds upon the terms as prescribed in this Section, pursuant to one or more Bond Notifications. Each series of Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the delivery of a Bond Notification therefor as may be, and thereupon be deposited with the Treasurer, and, after authentication thereof by the Bond Registrar, be by said Treasurer delivered to the Bernardi Securities, Inc., the purchaser thereof (“*Bernardi*”), upon receipt of the Purchase Price therefor, the same being not less than 97.0% of the principal amount of the Bonds, exclusive of original issue discount, if any, plus accrued interest, if any, to the date of delivery; it being hereby found and determined that no person holding any office of the City, either by election or appointment, is in any manner interested, directly or indirectly, in his or her own name or in the name of any other person, association, trust or corporation, in the sale of the Bonds to Bernardi. Alternatively, if deemed in the best interest of the City by the Designated Officials, Bernardi may serve as placement agent in connection with the sale of the Bonds on a private placement basis to the purchaser thereof (which shall be a bank or financial institution authorized to do business in the State of Illinois), upon receipt of the purchase price therefor, the same being not less than 97.0% of the principal amount of the Bonds, plus accrued interest, if any, to the date of delivery.

Prior to the sale of any series of Bonds, the Designated Officials and any other officers of the City are each hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to further secure such Bonds, as long as the present value of the fee to be paid for the Municipal Bond Insurance Policy (using as a discount rate the expected yield on such Bonds treating the fee paid as interest on such Bonds) is

less than the present value of the interest reasonably expected to be saved on such Bonds over the term of such Bonds as a result of the Municipal Bond Insurance Policy.

Upon the sale of any series of the Bonds, the Designated Officials shall prepare a Bond Notification. In each Bond Notification, the Designated Officials shall find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Bonds does not exceed the maximum rate otherwise authorized by applicable law and that the net present value debt service savings to the City as a result of the issuance of the Bonds and the refunding of the Refunded Bonds is not less than 3.00% of the principal amount of the Refunded Bonds net of the Subsidy Payments. Each Bond Notification shall be entered into the records of the City and made available to the Corporate Authorities at the next regular meeting thereof; but such action shall be for information purposes only, and the Corporate Authorities shall have no right or authority at such time to approve or reject such sale as evidenced in said Bond Notification.

Upon the sale of any series of the Bonds, the Designated Officials and any other officers of the City as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, the Bond Notification therefor, Bond Purchase Contract, a Rate Lock Agreement and closing documents. The Designated Officials must find and determine in each Bond Notification that no person holding any office of the City either by election or appointment, is in any manner financially interested either directly, in his or her own name, or indirectly in the name of any other person, association, trust or corporation in said Bond Purchase Contract with the Purchaser for the purchase of such Bonds or the Rate Lock Agreement.

The use by any Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (the "*Official Statement*") is hereby ratified, approved and

authorized; the execution and delivery of the Official Statement is hereby authorized; and the Designated Officials are hereby authorized to take any action as may be required on the part of the City to consummate the transactions contemplated by the Bond Purchase Contract, the Rate Lock Agreement, this Ordinance, said Preliminary Official Statement, the Official Statement and the Bonds.

Section 12. Security for the Bonds. The Bonds are a general obligation of the City, for which the full faith and credit of the City are irrevocably pledged, and are payable from the levy of taxes on all of the taxable property in the City, without limitation as to rate or amount.

Section 13. Tax Levy; Abatement. For the purpose of providing necessary funds to pay the principal of and interest on the Bonds, there is hereby levied upon all of the taxable property within the City, in the years for which any of the Bonds are outstanding, a direct annual tax in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the City, in addition to all other taxes of the City, the following direct annual taxes, for the Bonds, to-wit:

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:	
2019	\$ 0	for interest and principal up to and including February 1, 2021
2020	\$515,000	for interest and principal
2021	\$515,000	for interest and principal
2022	\$515,000	for interest and principal
2023	\$515,000	for interest and principal
2024	\$515,000	for interest and principal
2025	\$515,000	for interest and principal
2026	\$515,000	for interest and principal
2027	\$515,000	for interest and principal
2028	\$515,000	for interest and principal
2029	\$515,000	for interest and principal

(the “Pledged Taxes”).

The Pledged Taxes and other moneys on deposit in the Bond Fund from time to time shall be applied to pay principal of and interest on the Bonds when due. Interest on or principal of the Bonds coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Taxes; and when the Pledged Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced. The City covenants and agrees with the Purchaser and registered owners 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, except as set forth below. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be levied, extended and collected as provided in this Ordinance and deposited into the Bond Fund, except as set forth below.

In the event that funds from any other lawful source are made available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the Pledged Taxes levied herein for the payment of same, the Corporate Authorities shall, by proper proceedings, direct the transfer of such funds to the Bond Fund, and shall then direct the abatement of the taxes by the amount so deposited. The City covenants and agrees that it will not direct the abatement of Pledged Taxes until money has been deposited into the Bond Fund in the amount of such abatement. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerks in a timely manner to effect such abatement.

To the extent that the Pledged Taxes levied above exceed the amount necessary to pay debt service on the Bonds as set forth in the Bond Notification therefor, the Mayor, City Clerk and Treasurer are hereby authorized to direct the abatement of such taxes to the extent of the excess of such levy in each year over the amount necessary to pay debt service on the Bonds in the following

bond year. Proper notice of such abatement shall be filed with the County Clerks in a timely manner to effect such abatement.

Section 14. Filing of Ordinance. After this Ordinance becomes effective, a copy hereof, certified by the City Clerk, shall be filed with the County Clerks. The County Clerks shall in and for each of the years required ascertain the rate percent required to produce the aggregate Pledged Taxes hereinbefore levied in each of said years; and the County Clerks shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the City for general corporate purposes of the City; and in said years the Pledged Taxes shall be levied and collected by and for and on behalf of the City in like manner as taxes for general corporate purposes of the City for said years are levied and collected, and in addition to and in excess of all other taxes. The Pledged Taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying principal of and interest on the Bonds.

Pursuant to Section 13 of the Reform Act, the moneys deposited or to be deposited into the Bond Fund, including any tax receipts derived from the Pledged Taxes, are pledged as security for the payment of the Bonds. While any Bonds remain outstanding and unpaid, the Pledged Taxes are for the sole benefit of the owners of the outstanding Bonds and such owners shall have and are granted a security interest in, and a lien upon, all rights, claims and interests of the City arising pursuant to those levies and all present and future proceeds of such levies. The security interest in and lien upon those rights, claims and interests are immediately valid and binding from the time the Bonds are issued, and shall immediately attach to (a) the tax receipts of the Pledged Taxes wherever held, and (b) amounts held in the Bond Fund, without any physical delivery or further act and the lien of such pledge shall be immediately valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City or against the funds, rights, claims or interests pledged hereby irrespective of whether such parties have notice thereof. The pledge is

an agreement between the City and the Bondholders to provide security for the Bonds in addition to any statutory lien.

Section 15. Taxes Previously Levied. The Mayor, City Clerk and Treasurer are hereby directed to prepare and file with the County Clerks a Certificate of Reduction of Taxes showing the Refunded Bonds and directing the abatement of taxes heretofore levied to pay the Refunded Bonds. Notwithstanding such direction, all proceeds received or to be received from any taxes levied to pay the Refunded Bonds, including the proceeds received or to be received from the taxes levied for the year 2019 for such purposes, shall be used to pay the Refunded Bonds and to the extent that such proceeds are not needed for such purpose, the same shall be deposited into the Bond Fund and used to pay principal and interest on the Bonds in accordance with the provisions of this Ordinance.

Section 16. Creation of Funds and Appropriations and Approval of Escrow Agreement. There is hereby created a special fund of the City known as the “Bond and Interest Fund of 2020” (the “*Bond Fund*”), with such other or additional descriptors as may be appropriate and as set forth in the Bond Notification, which fund is hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds. The Pledged Taxes shall be set aside as collected and deposited into the Bond Fund, which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the City by this Ordinance. The Bonds are secured by the pledge of all moneys in the Bond Fund, and such pledge is irrevocable until the Bonds have been paid in full or the obligations of the City are discharged under this Ordinance.

Simultaneously with the delivery of any Bonds, the principal proceeds of such Bonds, together with any premium received from the sale and delivery of such Bonds and such additional amounts as may be necessary from the general funds of the City, are hereby appropriated to pay the costs of issuance of such Bonds and refund the Refunded Bonds, and that portion thereof not

needed to pay such costs of issuance is hereby ordered deposited either (a) with The Bank of New York Mellon Trust Company, National Association, St. Louis, Missouri, the prior paying agent for the Prior Bonds, or (b) in escrow with the Escrow Agent pursuant to the Escrow Agreement, for the purpose of paying the principal of and interest on the Refunded Bonds upon redemption prior to maturity. The Corporate Authorities approve the form, terms and provisions of the Escrow Agreement and directs the Mayor and the City Clerk to execute, attest, seal and deliver the Escrow Agreement in the name and on behalf of the City. Amounts in the escrow may be used to purchase Government Securities (as defined in the Escrow Agreement) to provide for the principal and interest payable on the Refunded Bonds upon redemption prior to maturity. The Escrow Agent and each Purchaser are each hereby authorized to act as agent for the City in the purchase of the Government Securities.

At the time of the issuance of any series of Bonds, the costs of issuance of such Bonds may be paid by the Purchaser on behalf of the City from the proceeds of such Bonds.

Section 17. Continuing Disclosure Undertaking. Each of the Designated Officials is hereby authorized, empowered and directed to execute and deliver one or more Continuing Disclosure Undertakings under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the “*Continuing Disclosure Undertaking*”). When each Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, each Continuing Disclosure Undertaking will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of each Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with a Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond

to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under such Continuing Disclosure Undertaking.

Section 18. Non-Arbitrage and Tax-Exemption. The City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Tax-Exempt Bonds or the Initially Taxable Convertible Bonds after conversion (the “*Converted Bonds*”)) if taking, permitting or omitting to take such action would cause any of the Tax-Exempt Bonds or the Converted Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code, or would otherwise cause the interest on the Tax-Exempt Bonds or the Converted 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 IRS of the exemption from federal income taxation for interest paid on the Tax-Exempt Bonds or the Converted Bonds, under present rules, the City may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination.

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

The Corporate Authorities hereby authorize the officials of the City responsible for issuing the Tax-Exempt Bonds or the Converted Bonds, the same being the Mayor, City Clerk and Treasurer, to make such further covenants and certifications regarding the specific use of the proceeds of the Tax-Exempt Bonds or the Converted Bonds as approved by the Corporate Authorities and as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Tax-Exempt Bonds or the Converted 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 the Tax-Exempt Bonds or the Converted 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 Tax-Exempt Bonds or the Converted 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 19. Designation of Tax-Exempt Bonds. All or a portion of the Tax-Exempt Bonds (in an aggregate amount not to exceed \$10,000,000) may be issued as “bank qualified bonds” (the “BQ Bonds”) as set forth in the Bond Notification. Each of the BQ Bonds is designated as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code.

Section 20. Registered Form. 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.

Section 21. This Ordinance a Contract. The provisions of this Ordinance shall constitute a contract between the City and the registered owners of the Bonds, in accordance with the terms hereof; and no changes, additions or alterations of any kind shall be made hereto.

Section 22. Duties of Bond Registrar. If requested by the Bond Registrar, the Mayor, City Clerk, or City Attorney are authorized to execute the Bond Registrar’s standard form of agreement between the City and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

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

Section 23. Municipal Bond Insurance. In the event the payment of principal of and interest on the Bonds is insured pursuant to a municipal bond insurance policy (a “*Municipal Bond Insurance Policy*”) issued by a bond insurer (a “*Bond Insurer*”), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the City and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer when holding Bonds, amendment hereof, or other terms, as approved by either of the Designated Officials on advice of counsel, his, her or their approval to constitute full and complete acceptance by the City of such terms and provisions under authority of this Section.

Section 24. Record-Keeping Policy and Post-Issuance Compliance Matters. It is necessary and in the best interest of the City to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Tax-Exempt Bonds, the Converted Bonds and other debt obligations of the City, the interest on which is excludable from “gross income” for federal income tax purposes or which enable the City or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds (the “*Tax Advantaged Obligations*”). Further, it is necessary

and in the best interest of the City that (i) the Corporate Authorities adopt policies with respect to record-keeping and post issuance compliance with the City's covenants related to its Tax Advantaged Obligations and (ii) the Compliance Officer (as hereinafter defined) at least annually review the City's Contracts (as hereinafter defined) to determine whether the Tax Advantaged Obligations comply with the federal tax requirements applicable to each issue of the Tax Advantaged Obligations. The Corporate Authorities and the City hereby adopt the following Record-Keeping Policy and, in doing so, amend any similar Record-Keeping Policy or Policies heretofore adopted:

(a) *Compliance Officer is Responsible for Records.* The Treasurer (the "Compliance Officer") is hereby designated as the keeper of all records of the City with respect to each issue of the Tax Advantaged Obligations, and such officer shall report to the Corporate Authorities at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

(b) *Closing Transcripts.* For each issue of Tax Advantaged Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax Advantaged Obligations, including without limitation (i) the proceedings of the City authorizing the Tax Advantaged Obligations, (ii) any offering document with respect to the offer and sale of the Tax Advantaged Obligations, (iii) any legal opinions with respect to the Tax Advantaged Obligations delivered by any lawyers, and (iv) all written representations of any person delivered in connection with the issuance and initial sale of the Tax Advantaged Obligations.

(c) *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the City with respect to each issue of Tax Advantaged Obligations and shall prepare a report for the Corporate Authorities stating whether or not the City has any rebate liability to the United States Treasury, and setting forth any applicable exemptions that each issue of Tax Advantaged Obligations may have from rebate liability. Such report shall be updated annually and delivered to the Corporate Authorities.

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax Advantaged Obligations and shall determine what requirements the City must meet in order to maintain the tax-exemption of interest paid on its Tax Advantaged Obligations, its entitlement to direct payments by the United States Treasury of the applicable percentages of each interest payment due and owing on its Tax Advantaged Obligations, and applicable tax credits or other tax benefits arising from its Tax Advantaged Obligations. The Compliance Officer shall then prepare a list of the

contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax Advantaged Obligations is entitled to be excluded from “gross income” for federal income tax purposes, that the City is entitled to receive from the United States Treasury direct payments of the applicable percentages of interest payments coming due and owing on its Tax Advantaged Obligations, and the entitlement of holders of any Tax Advantaged Obligations to any tax credits or other tax benefits, respectively. Notwithstanding any other policy of the City, such retained records shall be kept for as long as the Tax Advantaged Obligations relating to such records (and any obligations issued to refund the Tax Advantaged Obligations) are outstanding, plus three years, and shall at least include:

(i) complete copies of the transcripts delivered when any issue of Tax Advantaged Obligations is initially issued and sold;

(ii) copies of account statements showing the disbursements of all Tax Advantaged Obligation proceeds for their intended purposes, and records showing the assets and other property financed by such disbursements;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax Advantaged Obligations has been held or in which funds to be used for the payment of principal of or interest on any Tax Advantaged Obligations has been held, or which has provided security to the holders or credit enhancers of any Tax Advantaged Obligations;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax Advantaged Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at *fair market value*;

(v) copies of any subscriptions to the United States Treasury for the purchase of State and Local Government Series (SLGS) obligations;

(vi) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of Tax Advantaged Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the United States Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the City, including any leases (the “*Contracts*”), with respect to the use of any property owned by the City and acquired, constructed or otherwise financed or refinanced with the proceeds of the Tax Advantaged Obligations effective at any time when such Tax Advantaged Obligations are, will or have been outstanding. Copies of contracts covering no more than 50 days of use and contracts related to City employees need not be retained.

(e) *IRS Examinations or Inquiries.* In the event the IRS commences an examination of any issue of Tax Advantaged Obligations or requests a response to a compliance check, questionnaire or other inquiry, the Compliance Officer shall inform the Corporate Authorities of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination or inquiry.

(f) *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax Advantaged Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the Corporate Authorities, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2008-31 or similar program instituted by the IRS.

(g) *Training.* The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the City has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the City's staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Ordinance and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax Advantaged Obligations then currently outstanding (the "*Tax Agreements*") to staff members who may be responsible for taking actions described in such documents. The Compliance Officer should assist in the education of any new Compliance Officer and the transition of the duties under these procedures. The Compliance Officer will review this Ordinance and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

(h) *Amendment and Waiver.* The procedures described in this Section are only for the benefit of the City. No other person (including an owner of a Tax Advantaged Obligation) may rely on the procedures included in this Section. The City may amend this Section and any provision of this Section may be waived, without the consent of the holders

of any Tax Advantaged Obligations and as authorized by passage of an ordinance by the Corporate Authorities. Additional procedures may be required for Tax Advantaged Obligations the proceeds of which are used for purposes other than capital governmentally owned projects or refundings of such, including tax increment financing bonds, bonds financing output facilities, bonds financing working capital, or private activity bonds. The City also recognizes that these procedures may need to be revised in the event the City enters into any derivative products with respect to its Tax Advantaged Obligations.

Section 25. Defeasance. Any Bond or Bonds which (a) are paid and cancelled, (b) which have matured and for which sufficient sums been deposited with the Bond Registrar to pay all principal and interest due thereon, or (c) for which sufficient U.S. funds and direct U.S. Treasury obligations have been deposited with the Bond Registrar or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on or right to receive or be paid from the Pledged Taxes hereunder and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein as such relates to lien and security of the outstanding Bonds. All covenants relative to payment, registration, transfer, and exchange are expressly continued for all Bonds whether outstanding Bonds or not.

Section 26. Call of Refunded Bonds. In accordance with the redemption provisions of the bond ordinance authorizing the Prior Bonds, the City by the Corporate Authorities does hereby make provision for the payment of and does hereby call (subject only to the delivery of the Refunding Bonds) the Refunded Bonds for redemption and payment prior to maturity on the earliest practical call date therefor, the same being the date set forth in the Escrow Agreement.

Section 27. Publication of Ordinance. A full, true and complete copy of this Ordinance shall be published within ten days after passage in pamphlet form by authority of the Corporate Authorities.

Section 28. *Superseder and Effective Date.* All ordinances, resolutions, and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage, approval and publication.

ADOPTED: February 10, 2020

AYES: _____

NAYS: _____

ABSENT: _____

Approved: February 10, 2020

Mayor, City of Pekin,
Tazewell and Peoria Counties, Illinois

Recorded in the City Records on February 10, 2020.

Published in pamphlet form by authority of the City Council on February 10, 2020.

ATTEST:

City Clerk, City of Pekin,
Tazewell and Peoria Counties, Illinois

Attachment: Bond_ Ordinance (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

EXHIBIT A**FORM OF ESCROW AGREEMENT**

This Escrow Agreement, dated as of _____, 2020, but actually executed on the date witnessed hereinbelow, by and between the City of Pekin, Tazewell and Peoria Counties, Illinois (the “City”), and _____, _____, _____, having trust powers, organized and operating under the laws of the _____, located in _____, _____ (the “Escrow Agent”), in consideration of the mutual promises and agreements herein set forth:

WITNESSETH:**ARTICLE I****DEFINITIONS**

The following words and terms used in this Agreement shall have the following meanings unless the context or use clearly indicates another or different meaning:

Section 1.01. “Agreement” means this Agreement between the City and the Escrow Agent.

Section 1.02. “City Council” means the City Council of the City.

Section 1.03. “Bonds” means the \$_____ [Initially Taxable Convertible] General Obligation Refunding Bonds, Series 201____, dated _____, 201____, authorized to be issued by the Bond Ordinance.

Section 1.04. “Bond Ordinance” means the ordinance adopted on the 10th day of February, 2020, by the City Council entitled:

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser

thereof, and providing for the execution of an escrow agreement in connection with such issuance.

authorizing the issuance of the Bonds.

Section 1.05. “Code” means Section 148 of the Internal Revenue Code of 1986, and all lawful regulations promulgated thereunder.

Section 1.06. “City” means City of Pekin, Tazewell and Peoria Counties, Illinois.

Section 1.07. “Escrow Account” means the trust account established under this Agreement by the deposit of the Government Securities and the beginning cash.

Section 1.08. “Escrow Agent” means _____, a _____ having trust powers, organized and operating under the laws of the _____, located in _____, _____, not individually but in the capacity for the uses and purposes hereinafter mentioned, or any successor thereto.

Section 1.09. “Government Securities” means the non-callable direct obligations of or non-callable obligations guaranteed by the full faith and credit of the United States of America as to principal and interest deposited hereunder as more particularly described in *Exhibit A* to this Agreement and also including any direct obligations purchased pursuant to Section 3.02.

Section 1.10. “Paying Agent” means The Bank of New York Mellon Trust Company, National Association, St. Louis, Missouri, as bond registrar and paying agent for the Refunded Bonds, and any successor thereto.

Section 1.11. “Refunded Bonds” means the outstanding bonds of the City as follows:

- (a) \$_____ General Obligation Bonds, Series 2010, dated September 1, 2010, being a portion of the bonds outstanding from an issue in the original principal

amount of \$7,110,000, fully registered and without coupons, due serially on August 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
20__	\$,000	%
20__	,000	%
20__	,000	%
20__	,000	%
20__	,000	%

Section 1.12. “*Treasurer*” means the City Treasurer of the City, the same being the Finance Director of the City.

ARTICLE II

CREATION OF ESCROW

Section 2.01. The City by the Bond Ordinance has authorized the issue and delivery of the Bonds, proceeds of which, together with certain funds of the City on hand and legally available for such purpose, are to be used to refund the Refunded Bonds by the deposit on demand and to purchase on behalf of the City the Government Securities. Such deposit and securities will provide all moneys necessary to pay the principal of and interest on the Refunded Bonds upon redemption prior to maturity.

Section 2.02. The City deposits \$_____ from the proceeds of the Bonds, \$_____ from the proceeds of the Refunded Bonds and \$_____ from funds on hand and legally available for the purchase of Government Securities and the funding of a beginning cash escrow deposit on demand in the amount of \$_____. The beginning deposit and the Government Securities are held in an irrevocable trust fund account for the City to the benefit of the holders of the Refunded Bonds to pay the principal of and interest on the Refunded Bonds upon redemption prior to maturity.

Section 2.03. The Escrow Agent and the City have each received the report of _____, _____, _____, attached hereto as *Exhibit B* (the “*Verification Report*”), that the principal of and income and profit to be received from the Government Securities, when paid at maturity, and the cash held in accordance with Section 2.02 hereof, will be sufficient, at all times pending the final payment of the Refunded Bonds, to pay all interest on and all principal of the Refunded Bonds upon redemption prior to maturity as evidenced by said Report.

ARTICLE III

COVENANTS OF ESCROW AGENT

The Escrow Agent covenants and agrees with the City as follows:

Section 3.01. The Escrow Agent will hold the Government Securities and all interest income or profit derived therefrom and all uninvested cash in an irrevocable segregated and separate trust fund account for the sole and exclusive benefit of the holders of the Refunded Bonds until final payment thereof.

Section 3.02. The beginning cash escrow deposit shall not be invested by the Escrow Agent. Otherwise, the Escrow Agent will reinvest all available uninvested balances (except for an amount under \$1,000 or as explicitly provided in this Section) in the Escrow Account on deposit from time to time, whenever said balances exceed \$1,000 unless said balance is needed to pay principal of or interest on refunded bonds within 14 days, and acknowledges that the schedule of amounts available for reinvestment appears in the cash flow tables in the Verification Report and in *Exhibit C*. Investments so made shall be in direct obligations of the United States of America and shall be scheduled to mature on or prior to the interest payment date on the Refunded Bonds on which such proceeds will be needed to pay the principal of or interest on the Refunded Bonds. Such investments shall, to the extent possible, be in zero-yield obligations issued directly by the

Bureau of Fiscal Service of the United States Treasury (currently designated “*U. S. Treasury Securities—State and Local Government Series Certificates of Indebtedness, Notes or Bonds*”) (“*SLGS*”). Such investments shall be made only to the extent permitted by, and shall be made in accordance with, the applicable statutes, rules and regulations governing such investments issued by the Bureau of Fiscal Service. The Escrow Agent expressly recognizes that under current regulations all SLGS must be subscribed for not less than 5 days (7 days for amounts of \$10,000,000 or more) nor more than 60 days prior to date of issuance.

Exhibit C contains a list of scheduled reinvestments. The Escrow Agent is instructed to subscribe for and take delivery of SLGS as described in *Exhibit C*.

If the Department of the Treasury (or the Bureau of Fiscal Service) of the United States suspends the sale of SLGS causing the Escrow Agent to be unable to purchase SLGS, then the Escrow Agent will take the following actions. On the date it would have purchased SLGS had it been able to do so, the Escrow Agent will purchase direct obligations of the United States (the “*Alternate Investment*”) maturing no more than 90 days after the date of purchase and no later than the scheduled maturity date of such SLGS as shown on *Exhibit C*. The purchase price of the Alternate Investment shall be as close as possible but not more than to the principal amount of the SLGS that would have been purchased on such date if they had been available for purchase and also not more than the total of all principal and interest to be received on such investment. The maturity date of the Alternate Investment shall be the latest possible date that (i) is not more than 90 days after the purchase date and (ii) is not after the scheduled maturity date for the SLGS that would have been purchased if available as shown on *Exhibit C*. The Escrow Agent will purchase each Alternate Investment in the customary manner for such investments (in the secondary market or in a Treasury auction) at a price no higher than the fair market value of the Alternate Investment and will maintain records demonstrating compliance with this requirement. If the Escrow Agent

is unable to purchase any investment satisfying all of these requirements, then the Escrow Agent will leave the balance uninvested and shall notify the City that it has been unable to purchase such an Alternate Investment, providing the reason for such inability to the City. On the maturity of each Alternate Investment, the Escrow Agent shall pay the difference between the total of the receipts (principal and interest) on the Alternate Investment and the purchase price of the Alternate Investment to the City with a notice to the City that such amount may need to be paid to the Internal Revenue Service pursuant to Rev. Proc. 95-47 or successor provisions including any finalized version of Prop. Treas. Reg. Section 1.148-5(c). If the Alternate Investment matures more than 14 days prior to the next succeeding interest payment date on the Refunded Bonds on which such proceeds will be needed to pay principal of or interest on the Refunded Bonds, the Escrow Agent shall treat such amounts as an uninvested balance available for reinvestment and shall take all reasonable steps to invest such amounts in SLGS (or additional Alternate Investments as provided in this Section).

The Escrow Agent shall hold balances not so invested in the Escrow Account on demand and in trust for the purposes hereof and shall secure same in accordance with applicable Illinois law for the securing of public funds.

Section 3.03. The Escrow Agent will take no action in the investment or securing of the proceeds of the Government Securities which would cause the Bonds to be classified as “arbitrage bonds” under the Code, *provided*, it shall be under no duty to affirmatively inquire whether the Government Securities as deposited are properly invested under the Code; and, *provided, further*, it may rely on all specific directions in this Agreement in the investment or reinvestment of balances held hereunder.

Section 3.04. The Escrow Agent will promptly collect the principal, interest or profit from the Government Securities and promptly apply the same as necessary to the payment of principal and interest on the Refunded Bonds upon redemption prior to maturity as herein provided.

Section 3.05. The Escrow Agent will remit to the Paying Agent, in good funds on or before each principal or interest payment or redemption date on the Refunded Bonds, moneys sufficient to pay such principal, interest and redemption price as will meet the requirements for the retirement of the Refunded Bonds, and such remittances shall fully release and discharge the Escrow Agent from any further duty or obligation thereto under this Agreement.

Section 3.06. The Escrow Agent will make no payment of fees, charges or expenses due or to become due, of the Paying Agent or the bond registrar and paying agent on the Bonds, and the City either paid such fees, charges and expenses in advance as set forth in Section 3.07 hereof or covenants to pay the same as they become due.

Section 3.07. The charges, fees and expenses of the Escrow Agent (other than any charges, fees and expenses incurred pursuant to Section 3.08 hereof) have been paid in advance, and all charges, fees or expenses of the Escrow Agent in carrying out any of the duties, terms or provisions of this Agreement shall be paid solely therefrom. The Escrow Agent is also providing bond registrar and paying agent services for the Bonds, and the acceptance fee and first annual fee of the Escrow Agent for such bond registrar and paying agent services have been paid in advance, and all remaining charges, fees or expenses of the Escrow Agent for such services shall be paid by the City upon receipt of invoices therefor.

Section 3.08. The City has called the Refunded Bonds due on and after August 1, 20__, for redemption and payment prior to maturity on _____, 20__. The Escrow Agent will cause the Paying Agent to provide for and give timely notice of the call for redemption of such Refunded Bonds. In the event the Escrow Agent determines that the Paying Agent will not give such timely

notice, the Escrow Agent will give such notice. The form and time of the giving of such notice regarding such Refunded Bonds shall be as specified in the ordinance authorizing the issuance of the Refunded Bonds. The City shall reimburse the Escrow Agent for any actual out of pocket expenses incurred in the giving of such notice, but the failure of the City to make such payment shall not in any respect whatsoever relieve the Escrow Agent from carrying out any of the duties, terms or provisions of this Agreement.

The Escrow Agent shall also give, or shall cause the Paying Agent to give, notice of the call of the Refunded Bonds, on or before the date the notice of such redemption is given to the holders of the Refunded Bonds, to the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Information with respect to procedures for submitting notice can be found at <https://msrb.org>.

Section 3.09. The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful breach of trust, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the City to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

Section 3.10. The Escrow Agent may in good faith buy, sell or hold and deal in any of the Bonds or the Refunded Bonds.

Section 3.11. The Escrow Agent will submit to the Treasurer a statement within forty-five (45) days after _____ 2 and _____ 2 of each calendar year, commencing _____ 2, 201__, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement during the preceding six (6) month period (or, for the first period, from the date of delivery of the Bonds to _____ 2, 20__), and also listing the Government Securities on deposit therewith on the date of said report, including all moneys held by it received as interest on or profit from the collection of the Government Securities.

Section 3.12. If at any time it shall appear to the Escrow Agent that the available proceeds of the Government Securities and deposits on demand in the Escrow Account will not be sufficient to make any payment due to the holders of any of the Refunded Bonds, the Escrow Agent shall notify the Treasurer and the City Council, not less than five (5) days prior to such date, and the City agrees that it will from any funds legally available for such purpose make up the anticipated deficit so that no default in the making of any such payment will occur.

ARTICLE IV

COVENANTS OF CITY

The City covenants and agrees with the Escrow Agent as follows:

Section 4.01. The Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals of the City herein, (b) the performance of or compliance with any covenant, condition, term or provision of the Bond Ordinance, and (c) any undertaking or statement of the City hereunder or under the Bond Ordinance.

Section 4.02. All payments to be made by, and all acts and duties required to be done by, the Escrow Agent under the terms and provisions of this Agreement, shall be made and done by the Escrow Agent without any further direction or authority of the City or the Treasurer.

Section 4.03. The City will take no action regarding the proceeds of the Bonds which would cause the Bonds to be classified as “arbitrage bonds” under the Code, and the City will take any and all further action necessary to ensure that adequate provision is made for the payment of the Refunded Bonds and that neither the Refunded Bonds nor the Bonds are classified as “arbitrage bonds” under the Code.

ARTICLE V

AMENDMENTS, REINVESTMENT OF FUNDS, IRREVOCABILITY OF AGREEMENT

Section 5.01. Except as provided in Section 5.04 hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

Section 5.02. Except as provided in Section 5.04 hereof, all of the rights, powers, duties and obligations of the City hereunder shall be irrevocable and shall not be subject to amendment by the City and shall be binding on any successor to the officials now comprising the City Council during the term of this Agreement.

Section 5.03. Except as provided in Section 5.04 hereof, all of the rights, powers, duties and obligations of the Treasurer hereunder shall be irrevocable and shall not be subject to amendment by the Treasurer and shall be binding on any successor to said official now in office during the term of this Agreement.

Section 5.04. This Agreement may be amended or supplemented, and the Government Securities or any portion thereof may be sold, redeemed, invested or reinvested, in any manner

provided (any such amendment, supplement, or direction to sell, redeem, invest or reinvest to be referred to as a “*Subsequent Action*”), upon submission to the Escrow Agent of each of the following:

(1) Certified copy of proceedings of the City Council authorizing the Subsequent Action and copy of the document effecting the Subsequent Action signed by duly designated officers of the City.

(2) An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds that the Subsequent Action has been duly authorized by the City Council and will not adversely affect the tax-exempt status of the interest on the Bonds or the Refunded Bonds nor violate the covenants of the City not to cause the Bonds or the Refunded Bonds to become “arbitrage bonds” under the Code, and that the Subsequent Action does not materially adversely affect the legal rights of the holders of the Bonds and the Refunded Bonds.

(3) An opinion of a firm of nationally recognized independent certified public accountants or consultants nationally recognized as having an expertise in the area of refunding escrows that the amounts (which will consist of cash or deposits on demand held in trust or receipts from non-callable direct obligations of or non-callable obligations guaranteed by the full faith and credit of the United States of America, all of which shall be held hereunder) available or to be available for payment of the Refunded Bonds will remain sufficient to pay when due all principal and interest on the Refunded Bonds after the taking of the Subsequent Action.

ARTICLE VI

MERGER, CONSOLIDATION OR RESIGNATION OF ESCROW AGENT

Any banking association or corporation into which the Escrow Agent may be merged, converted or with which the Escrow Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Agent shall be transferred, shall succeed to all the Escrow Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. The Escrow Agent may at any time resign as Escrow Agent under this Agreement by giving 30 days' written notice to the City, and such resignation shall take effect upon the appointment of a successor Escrow Agent by the City. The City may select as successor Escrow Agent any financial institution with capital, surplus and undivided profits of at least \$75,000,000 and having a corporate trust office within the State of Illinois, and which is authorized to maintain trust accounts for municipal corporations in Illinois under applicable law.

ARTICLE VII

NOTICES TO THE CITY, THE TREASURER AND THE ESCROW AGENT

Section 7.01. All notices and communications to the City and the City Council shall be addressed in writing to: City Council, City of Pekin, 111 South Capitol Street, Pekin, Illinois 61554.

Section 7.02. All notices and communications to the Treasurer shall be addressed in writing to: City Treasurer/Finance Director, City of Pekin, 111 South Capitol Street, Pekin, Illinois 61554.

Section 7.03. All notices and communications to the Escrow Agent shall be addressed in writing to: Corporate Trust Department, _____, _____, _____, _____.

ARTICLE VIII

TERMINATION OF AGREEMENT

Section 8.01. That, upon final disbursement of funds sufficient to pay the principal and interest of the Refunded Bonds as hereinabove provided for, the Escrow Agent will transfer any balance remaining in the Escrow Account to the Treasurer with due notice thereof mailed to the City Council, and thereupon this Agreement shall terminate.

IN WITNESS WHEREOF, the City of Pekin, Tazewell and Peoria Counties, Illinois, has caused this Agreement to be signed in its name by the Mayor and to be attested by the City Clerk of the City; and _____, _____, _____, not individually, but in the capacity as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its officers and attested by one of its officers under its corporate seal hereunto affixed, all as of the ____ day of _____, 2020.

CITY OF PEKIN,
TAZEWELL AND PEORIA COUNTIES, ILLINOIS

By _____
Mayor

Attest:

City Clerk

[SEAL]

_____, _____

By _____
Its _____

Attest:

Its _____

[BANK SEAL]

This Escrow Agreement received and acknowledged by me this ____ day of _____, 2020.

Treasurer, City of Pekin,
Tazewell and Peoria Counties, Illinois

Attachment: Bond_ Ordinance (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

STATE OF ILLINOIS)
) SS
 COUNTY OF TAZEWELL)

CERTIFICATION OF AGENDA, MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Pekin, Tazewell and Peoria Counties, Illinois (the “*City*”), and as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the City and of the City Council (the “*Corporate Authorities*”) thereof.

I do further certify that the foregoing is a full, true, and complete transcript of that portion of the minutes of the meeting (the “*Meeting*”) of the Corporate Authorities held on the 10th day of February, 2020 insofar as the same relates to the adoption of an ordinance, numbered _____ entitled:

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

(the “*Ordinance*”) a true, correct, and complete copy of which Ordinance as adopted at the Meeting appears in the foregoing transcript of the minutes of the Meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of the Ordinance were taken openly; that the vote on the adoption of the Ordinance was taken openly; that the Meeting was held at a specified time and place convenient to the public; that notice of the Meeting was duly given to all newspapers, radio or television stations, and other news media requesting such notice; that an agenda (the “*Agenda*”) for the Meeting was posted at the location where the Meeting was held and at the principal office of the Corporate Authorities at least 72 hours in advance of the holding of the Meeting and also not later than 5:00 p.m. on **Friday**,

February 7, 2020; that the Agenda remained continuously posted until the adjournment of the Meeting; that the Agenda contained a separate specific item concerning the proposed adoption of the Ordinance; **that a true, correct and complete copy of the Agenda as so posted is attached to this certificate**; and that the Meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Corporate Authorities in the adoption of the Ordinance.

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

[SEAL]

City Clerk

Attachment: Bond_ Ordinance (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

STATE OF ILLINOIS)
) SS
 COUNTY OF TAZEWELL)

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Pekin, Tazewell and Peoria Counties, Illinois (the “*City*”), and as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the City and of the City Council (the “*Corporate Authorities*”) thereof.

I do further certify that on the 10th day of February, 2020 there was published in pamphlet form, by authority of the Corporate Authorities, a true, correct, and complete copy of Ordinance Number _____ of the City entitled:

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

as adopted by the Corporate Authorities on the 10th day of February, 2020 and providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City and that said ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at my office as City Clerk located in the City.

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

 City Clerk

[SEAL]

Attachment: Bond_ Ordinance (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

STATE OF ILLINOIS)
) SS
 COUNTY OF TAZEWELL)

CERTIFICATE OF FILING

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Tazewell, Illinois, and as such official I do further certify that on the ____ day of _____, 2020, there was filed in my office a duly certified copy of an ordinance numbered _____ and entitled:

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

duly adopted by the City Council of the City of Pekin, Tazewell and Peoria Counties, Illinois, on the 10th day of February, 2020, and approved by the Mayor, and that the same has been deposited in (and all as appearing from) the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of The County of Tazewell, Illinois, at Pekin, Illinois, this ____ day of _____, 2020.

 County Clerk of
 The County of Tazewell, Illinois

[SEAL]

Attachment: Bond_ Ordinance (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)

STATE OF ILLINOIS)
) SS
 COUNTY OF PEORIA)

CERTIFICATE OF FILING

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Peoria, Illinois, and as such official I do further certify that on the ____ day of _____, 2020, there was filed in my office a duly certified copy of an ordinance numbered _____ and entitled:

AN ORDINANCE providing for the issuance of not to exceed \$4,385,000 General Obligation Refunding Bonds of the City of Pekin, Tazewell and Peoria Counties, Illinois, for the purpose of refunding certain outstanding general obligation bonds of the City, providing for the levy and collection of a direct annual tax sufficient to pay said bonds, authorizing the sale of said bonds to the purchaser thereof, and providing for the execution of an escrow agreement in connection with such issuance.

duly adopted by the City Council of the City of Pekin, Tazewell and Peoria Counties, Illinois, on the 10th day of February, 2020, and approved by the Mayor, and that the same has been deposited in (and all as appearing from) the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of The County of Peoria, Illinois, at Peoria, Illinois, this ____ day of _____, 2020.

 County Clerk of
 The County of Peoria, Illinois

[SEAL]

Attachment: Bond_ Ordinance (2024 : Ordinance No. 2870 G.O. 2010 Bond Refinance)



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Bruce Marston, Finance Director

AGENDA ITEM: Resolution No. 56-19/20 CliftonLarsonAllen LLP

ACTION REQUESTED: Approve the Resolution.

DESCRIPTION: The Finance Department has a vacant position due to the departure of the Assistant Finance Director. In order to maintain the internal control structure and separation of duties required by General Accepted Accounting Principles and in order to ensure a timely start to our FY 2019 audit, the Finance Director is seeking the services of CliftonLarsonAllen to perform the duties of the Assistant Finance Director until that position is filled or FY 2019 audit preparation is complete.

The services will be funded through the savings in payroll costs from January to April 2020 for the vacant staff position and other savings within the training and education line of the Finance Department.

FINANCIAL IMPACT:

Requested Amount: \$40,000
 Line Item: various
 Budgeted Amount:
 Remaining Funds:

IMPACT IF APPROVED: The City hires additional accounting assistance through a third party

IMPACT IF DENIED: The City does not hire additional accounting assistance through a third party

ALTERNATIVES: N/A

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.

Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):

Bruce Q Marston

Bruce Q Marston, Finance Director

2/5/2020

Date:

City Manager:

Mark A. Rothert

Mark A. Rothert, City Manager

2/6/2020

Date:

WHEREAS, the City of Pekin maintains an Assistant Finance Director position within the Finance Department; and

WHEREAS, this position is vital to maintain the internal control structure and separation of duties requirements within the Finance Department; and

WHEREAS, the City of Pekin being a municipal government agency within the State of Illinois is required to follow Generally Accepted Accounting Principles (GAAP) that identify adequate internal controls and separation of duties requirements, and

WHEREAS, the City's Assistant Finance Director position is currently vacant, and

WHEREAS, in order to maintain adequate internal controls and adequate separation of duties required by GAPP; and

WHEREAS, City staff is recommending retaining the services of CliftonLarsonAllen, LLP to perform the duties of the Assistant Finance Director until the position is filled or the city's preparation for the FY19 audit is complete.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Pekin, Illinois, that the Finance Director is authorized to procure the service of CliftonLarsonAllen LLP in an amount not to exceed \$40,000 from the 2020 fiscal year budget and execute any necessary documentation to finalize the agreement.

MAYOR

ATTEST:

CITY CLERK



CliftonLarsonAllen LLP
200 West Madison Street, Suite 2240
Chicago, IL 60607
630-573-8600 | Fax 630-573-0798
CLAconnect.com

January 31, 2020

Bruce Marston
City of Pekin
111 South Capitol Street
Pekin, IL 61554

Dear Bruce:

This master service agreement ("MSA") documents the terms, objectives, and the nature and limitations of the services CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") will provide for the City of Pekin ("you," "your," or "the entity"). The terms of this MSA will apply to the initial and each subsequent statement of work ("SOW"), unless the MSA is changed in a communication that you and CLA both sign or is terminated as permitted herein.

Scope of professional services

CLA will provide services as described in one or more SOW that will reference this MSA. The SOW will describe the scope of professional services; the nature, limitations, and responsibilities related to the specific services CLA will provide; and the fees for such services.

If modifications or changes are required during CLA's performance of requested services, or if you request that we perform any additional services, we will provide you with a separate SOW for your signature. Such SOW will advise you of the additional fee and time required for such services to facilitate a clear understanding of the services.

Our services cannot be relied upon to disclose errors, fraud, or noncompliance with laws and regulations. Except as described in the scope of professional services section of this MSA or any applicable SOW, we have no responsibility to identify and communicate deficiencies in your internal control as part of any services.

Management responsibilities

Management acknowledges and understands that our role is to provide the services identified in an SOW and that management has responsibilities that are fundamental to our undertaking to perform the identified services.

For all nonattest services we may provide to you, your management agrees to assume all management responsibilities; oversee the services, evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Fees and terms

See the applicable SOW for the fees for the services.

Work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagements will be deemed to have been completed even if we have not completed the services. You will be obligated to

Attachment: CLA Agreement (2025 : Resolution No. 56-19/20 CliftonLarsonAllen LLP)

January 31, 2020
City of Pekin
Page 2

compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Payments may be made utilizing checks, Bill.com, your online banking platform, CLA's electronic payment platform, or any other client initiated payment method approved by CLA. CLA's electronic online bill pay platform claconnect.com/billpay accepts credit card and Automated Clearing House (ACH) payments. Instructions for making direct bank to bank wire transfers or ACH payments will be provided upon request.

Other fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

Mediation

These mediation provisions are applicable to any audit, examination, or agreed-upon procedures services provided to you. Such provisions are also applicable to forecast or projection services and buy-side due diligence consulting services.

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties (i.e., you and CLA). The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

Limitation of remedies

These limitation of remedies provisions are not applicable for any audit, examination, or agreed-upon procedures services provided to you.

Our role is strictly limited to the services described in an SOW, and we offer no assurance as to the results or ultimate outcomes of any services or of any decisions that you may make based on our communications with you. You agree that it is appropriate to limit the liability of CLA, its partners, principals, directors,

January 31, 2020
City of Pekin
Page 3

officers, employees, and agents (each a “CLA party”) and that this limitation of remedies provision is governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

You further agree that you will not hold CLA or any other CLA party liable for any claim, cost, or damage, whether based on warranty, tort, contract, or other law, arising from or related to this MSA, the services provided under an SOW, the work product, or for any plans, actions, or results of an SOW, except to the extent authorized by this MSA. In no event shall any CLA party be liable to you for any indirect, special, incidental, consequential, punitive, or exemplary damages, or for loss of profits or loss of goodwill, costs, or attorney fees.

The exclusive remedy available to you shall be the right to pursue claims for actual damages that are directly caused by acts or omissions that are breaches by a CLA party of our duties owed under this MSA and the specific SOW thereunder, but any recovery on any such claims shall not exceed the fees actually paid by you to CLA pursuant to the SOW that gives rise to the claim.

Indemnity

You agree to indemnify and hold harmless CLA, its successors and affiliates, officers, employees, and agents from any claims brought or asserted by any other person, third party, or governmental body for any loss, damages, liabilities, remedies, or cause of action, and from any reasonable expenses incurred in defending against any such claims or actions (including attorney fees) arising from or relating to the services performed by any CLA party.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. The parties (you and CLA) agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this MSA or the services performed under an SOW, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against any CLA party must be commenced as provided below, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. An action to recover on a dispute shall be commenced within the shorter of these periods (“Limitation Period”):

Consulting services

- For each service pursuant to an SOW, separately within twelve (12) months after the date we deliver the services or work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you under this MSA or other SOW.
- Within twelve (12) months from the date of our last billing for services performed pursuant to the SOW on which the dispute is based.
- Within twelve (12) months after the termination by either party of either this MSA or the entity’s ongoing relationship with CLA.

Tax services

- For tax return preparation, separately within thirty-six (36) months after the date when we deliver any final tax return(s) pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you under this MSA or other SOW relating to said return(s).

January 31, 2020
City of Pekin
Page 4

- For tax consulting engagements, separately within thirty-six (36) months from the date of our last billing for services pursuant to the SOW on which the dispute is based.
- For all tax return and tax consulting engagements, within twelve (12) months from the date when you terminate this MSA or the entity's ongoing relationship with CLA.

Assurance, compilation, and preparation services related to prospective financial information

- For assurance, compilation, and preparation services related to prospective financial information (i.e., forecasts and projections), separately within twelve (12) months after the dates when we deliver the work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you relating to the work product.

Assurance, compilation, and preparation services other than those related to prospective financial information

- For assurance, compilation, and preparation services, separately within twenty-four (24) months after the dates when we deliver the work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you relating to the work product.

The applicable Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a dispute.

Other provisions

Except as permitted by the "Consent" section of this MSA, CLA will not disclose any confidential, proprietary, or privileged information of the entity to any person or party, unless the entity authorizes us to do so, it is published or released by the entity, it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Pursuant to authority given by law or regulation, we may be requested to make certain workpapers available to a regulator for its regulatory oversight purposes. We will notify you of any such request, if permitted by law. Access to the requested workpapers will be provided to the regulator under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

You acknowledge and agree that this MSA and the pricing structure and billing rates of CLA are sensitive information which you shall not furnish or otherwise disclose to any third party without the prior written consent of CLA or as required by law.

We will be responsible for our own property and casualty, general liability, and workers compensation insurance, taxes, professional training, and other personnel costs related to the operation of our business.

When performing the services identified in the applicable SOWs, we will utilize the resources available at the entity to the extent practical to continue development of your personnel. During a portion of our work,

January 31, 2020
City of Pekin
Page 5

we may require the use of your computers. We will try to give you advance notice and coordinate our use so it does not interfere with your employees.

The relationship of CLA with the entity shall be solely that of an independent contractor and nothing in this MSA shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

If applicable, accounting standards and procedures will be suggested that are consistent with those normally utilized in an entity of your size and nature. Internal controls may be recommended relating to the safeguarding of the entity's assets. If fraud is initiated by your employees or other service providers, your insurance is responsible for covering any losses.

The entity agrees that CLA will not be assuming any fiduciary responsibility on your behalf during the course of this MSA, except as may be assumed in an SOW.

CLA may, at times, utilize external web applications to receive and process information from our clients; however, it is not appropriate for you to upload protected health information using such applications. All protected health information contained in a document or file that you plan to transmit to us via a web application must be redacted by you to the maximum extent possible prior to uploading the document or file. In the event that you are unable to remove or obscure all protected health information, please contact us to discuss other potential options for transmitting the document or file.

Employment provision

You agree that during the term of this agreement and for a period of one year after the expiration or termination date of this agreement, you will not solicit, hire, contract with, or engage the services of any person providing services to you on behalf of CLA without the prior written consent of CLA.

You acknowledge that:

1. CLA personnel may be subject to agreements restricting their right to contract with or solicit business from you other than their service through CLA, and
2. If you breach this non-solicitation provision, you shall pay \$100,000 to CLA as liquidated damages within two weeks of the date on which the former CLA employee or consultant begins his or her new employment with you.

You acknowledge and agree that CLA's damages resulting from violation of this section are difficult or impossible to estimate and that the sum stipulated above is a reasonable pre-estimate of the probable loss that CLA would incur based on the cost of replacement, training, lost resources for projects, and other factors and is not a penalty. Liquidated damages under this paragraph shall not limit or impair any other remedies CLA may seek for breach of this paragraph or this MSA.

Consent

Consent to use financial information

Annually, we assemble a variety of benchmarking analyses using data obtained through our client engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your

January 31, 2020
City of Pekin
Page 6

acceptance of this MSA will serve as your consent to use of City of Pekin information in these cost comparison, performance indicator, and/or benchmarking reports.

Subcontractors

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

Technology

CLA may, at times, use third-party software applications to perform services under this agreement. You authorize CLA to sign on your behalf any vendor agreements applicable to such software applications. CLA can provide a copy of the application agreement at your request. You acknowledge the software vendor may have access to your data.

Termination of MSA

Either party may terminate this MSA at any time by giving 30 days written notice to the other party. In that event, the provisions of this MSA shall continue to apply to all services rendered prior to termination.

Agreement

We appreciate the opportunity to be of service to you and believe this MSA accurately summarizes the significant terms of our relationship. This MSA, along with the applicable SOW(s), constitute the entire agreement regarding services to be performed and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our relationship as described in this MSA, please sign, date, and return.

Sincerely,

CliftonLarsonAllen LLP

DocuSigned by:



CE2A9B4FD44F446...

Dan Bender

Principal

309-495-8841

dan.bender@CLAconnect.com

Response:

This agreement correctly sets forth the understanding of the City of Pekin.

DocuSigned by:



773EAC6544894F6

Bruce Marston

City Treasurer

bqmarston@ci.pekin.il.us

309-478-5381

Attachment: CLA Agreement (2025 : Resolution No. 56-19/20 CliftonLarsonAllen LLP)

January 31, 2020
City of Pekin
Page 7

2/5/2020

Attachment: CLA Agreement (2025 : Resolution No. 56-19/20 CliftonLarsonAllen LLP)

Certificate Of Completion

Envelope Id: 8EF12B3C051343E4A8407FD8E2F262CB

Status: Completed

Subject: CLA Master Service Agreement from Icertis Inc for signature.

Client Name:

Client Number:

Source Envelope:

Document Pages: 7

Signatures: 2

Envelope Originator:

Certificate Pages: 5

Initials: 0

Srv DocuSign Icertis

AutoNav: Enabled

220 South 6th Street

Envelopeld Stamping: Enabled

Suite 300

Time Zone: (UTC-06:00) Central Time (US & Canada)

Minneapolis, MN 55402

srvcocusignicertis@claconnect.com

IP Address: 40.121.83.127

Record Tracking

Status: Original

Holder: Srv DocuSign Icertis

Location: DocuSign

2/5/2020 10:14:32 AM

srvcocusignicertis@claconnect.com

Signer Events

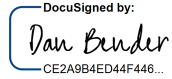
Dan Bender

dan.bender@CLAconnect.com

Security Level: Email, Account Authentication
(None)

Signature

DocuSigned by:



CE2A9B4ED44F446...

Signature Adoption: Pre-selected Style

Using IP Address: 204.156.184.154

Timestamp

Sent: 2/5/2020 10:14:33 AM

Viewed: 2/5/2020 1:21:44 PM

Signed: 2/5/2020 1:22:10 PM

Electronic Record and Signature Disclosure:

Accepted: 2/5/2020 1:21:44 PM

ID: 40433983-56b6-45ad-86e2-1c0f742f35da

Bruce Marston

bqmarston@ci.pekin.il.us

Security Level: Email, Account Authentication
(None)

DocuSigned by:



773EAC6544894F6...

Signature Adoption: Pre-selected Style

Using IP Address: 66.94.208.210

Sent: 2/5/2020 1:22:10 PM

Viewed: 2/5/2020 2:51:29 PM

Signed: 2/5/2020 2:52:37 PM

Electronic Record and Signature Disclosure:

Accepted: 2/5/2020 2:51:29 PM

ID: eaea5fac-48f2-4e68-8f5b-e6c09ff4fded

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Kristen Gray

Kristen.Gray@claconnect.com

CLA

Security Level: Email, Account Authentication
(None)

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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	2/5/2020 2:51:29 PM
Signing Complete	Security Checked	2/5/2020 2:52:37 PM
Completed	Security Checked	2/5/2020 2:52:37 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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Attachment: CLA Agreement (2025 : Resolution No. 56-19/20 CliftonLarsonAllen LLP)

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact CliftonLarsonAllen LLP:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: BusinessTechnology@CLAconnect.com

To advise CliftonLarsonAllen LLP of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at BusinessTechnology@CLAconnect.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from CliftonLarsonAllen LLP

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with CliftonLarsonAllen LLP

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.



CliftonLarsonAllen LLP
200 West Madison Street, Suite 2240
Chicago, IL 60607
630-573-8600 | Fax 630-573-0798
CLAAconnect.com

City of Pekin
CLA Statement of Work 1
Date: January 31, 2020

This agreement constitutes a Statement of Work ("SOW") to the Master Service Agreement ("MSA") made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and the City of Pekin ("you" and "your") dated January 31, 2020. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

Scope of professional services

CLA will perform the following services at the direction of the City of Pekin's Management Team:

- Perform bank reconciliations for all unreconciled months.
- Assist with audit preparation as needed.

For all services we may provide to you, your management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Schedule

We expect that your needs will require approximately 40 hours of services per week starting February 3, 2020. As the engagement progresses, we will update time estimates and engage you in conversation about the project status. If possible, we request a two-week advance notice of your intent to release the consultant back to CLA to ensure adequate time to re-schedule the consultant to another engagement.

Consultant

Adam Pulley is responsible for the services identified in this agreement. Dan Bender is responsible for the daily activities of the engagement. Mona Drake will be your consultant on this engagement.

Fees

The professional fees for services rendered for the scope of services described in this SOW will be billed at a rate of \$125 per hour for actual time spent.

Fees for travel time will be billed at one-half (1/2) the normal hourly rate. We will also bill you in arrears for reimbursement of any out-of-pocket travel expenses incurred (e.g., hotel, airfare, meals as actual or per diem, etc.) on a pass-through basis. We will also add a technology and client support fee of five percent (5%) of all professional fees billed.

Should the duration of this engagement go beyond 6 months or the scope of services change, CLA retains the right to discuss an hourly rate adjustment.

Fees, plus applicable state and local taxes, will be billed twice per month in arrears and are due upon receipt.

Attachment: CLA SOW (2025 : Resolution No. 56-19/20 CliftonLarsonAllen LLP)

January 31, 2020
City of Pekin
Page 2

Agreement and approvals

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

CliftonLarsonAllen LLP

DocuSigned by:

Dan Bender

CE2A9B4ED44F446...

Dan Bender

Principal

309-495-8841

dan.bender@CLAconnect.com

Accepted:

DocuSigned by:

Bruce Marston

773FA06544894F6

Bruce Marston

City Treasurer

309-478-5381

bqmarston@ci.pekin.il.us

2/5/2020

Attachment: CLA SOW (2025 : Resolution No. 56-19/20 CliftonLarsonAllen LLP)

Certificate Of Completion

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Subject: CAST SOW Agreement from Icertis Inc for signature.

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Client Number:

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Document Pages: 2

Signatures: 2

Envelope Originator:

Certificate Pages: 5

Initials: 0

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220 South 6th Street

Envelopeld Stamping: Enabled

Suite 300

Time Zone: (UTC-06:00) Central Time (US & Canada)

Minneapolis, MN 55402

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Signer Events

Dan Bender

dan.bender@CLAconnect.com

Security Level: Email, Account Authentication
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Signature

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Signature Adoption: Pre-selected Style

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Timestamp

Sent: 2/5/2020 10:15:47 AM

Viewed: 2/5/2020 1:22:39 PM

Signed: 2/5/2020 1:22:49 PM

Electronic Record and Signature Disclosure:

Accepted: 2/5/2020 1:22:39 PM

ID: 90147f17-ddac-49bb-879b-b7b34a3e5899

Bruce Marston

bqmarston@ci.pekin.il.us

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(None)

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Signature Adoption: Pre-selected Style

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Viewed: 2/5/2020 3:00:02 PM

Signed: 2/5/2020 3:00:34 PM

Electronic Record and Signature Disclosure:

Accepted: 2/5/2020 3:00:02 PM

ID: 52866cd9-f796-4342-8212-b557a575ffd7

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Kristen Gray

Kristen.Gray@claconnect.com

CLA

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Carbon Copy Events**Status****Timestamp**

Electronic Record and Signature Disclosure:
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Witness Events**Signature****Timestamp****Notary Events****Signature****Timestamp****Envelope Summary Events****Status****Timestamps**

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Signing Complete	Security Checked	2/5/2020 3:00:34 PM
Completed	Security Checked	2/5/2020 3:00:34 PM

Payment Events**Status****Timestamps****Electronic Record and Signature Disclosure**

Attachment: CLA SOW (2025 : Resolution No. 56-19/20 CliftonLarsonAllen LLP)

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All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact CliftonLarsonAllen LLP:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: BusinessTechnology@CLAconnect.com

To advise CliftonLarsonAllen LLP of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at BusinessTechnology@CLAconnect.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from CliftonLarsonAllen LLP

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with CliftonLarsonAllen LLP

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

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Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: David Hess, IT

AGENDA ITEM: Resolution No. 58-19/20 IT Project Purchases For Backup Software Addition & Maintenance

ACTION REQUESTED: Approve the Resolution.

DESCRIPTION: Currently the City has 9.525 terabytes (TB) of data under backup across 51 virtual servers and 11 physical platforms ranging from standalone servers to host servers for the virtual servers. These machines help run our E-mail and GIS systems, among others. The City currently maintains 10TB of backup licensing and has a temporary extension for 5TB more so that our backups maintain their integrity.

This request is to permanently purchase the additional 5TB which will allow the City to maintain backups for another 3-5 years depending on the rate of data growth. Failure to maintain current and future backups will expose the City to undue liability both legally and when items are requested by FOIA. A robust backup plan and the software required to deliver it is a requirement of many Federal and State agencies that we receive funding through. The City, for example, is required to maintain backups of certain data for a minimum period of seven years. These backups are also critical to the City should a disaster occur that results in the loss of any or all the data it keeps. This purchase is out of phase due to recent changes in network policy and the rapid growth of user drives as a result. We are requesting this out of phase expenditure to maintain continuity of operation. Delay will cause a 4 month period where approximately 2TB of data is unprotected and the resulting potential for liability exposure is avoidable.

FINANCIAL IMPACT:

Requested Amount: \$22,337.91
 Line Item: 100-009-538000
 Budgeted Amount: \$437,089.44
 Remaining Funds: \$108,404.97

IMPACT IF APPROVED: City IT systems will continue to function at peak efficiency

IMPACT IF DENIED: Some data will remain unprotected and in the event of loss be unrecoverable exposing the city to potential liabilities.

ALTERNATIVES:

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.

Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.

Business Friendly Community. The Council strives to bring new businesses to

	Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Mark A. Rothert

Mark A. Rothert, City Manager

2/5/2020

Date:

WHEREAS, The City of Pekin utilizes Commvault backup solutions to back up most of its data; and

WHEREAS, these backups are critical to the City should a disaster occur that results in the loss of any or all the data it keeps; and

WHEREAS, it is best practice for an organization to back-up its data and retain that data for retrieval should anything happen to the original data; and

WHEREAS, the City of Pekin, being a municipal government agency within the State of Illinois, is required to maintain backups of certain data for a minimum period of seven years; and

WHEREAS, some of the city's data has different requirements based on what it is; and

WHEREAS, the City's backup solution is nearing capacity and needs increased capacity to meet demand; and

WHEREAS, in order to maintain adequate backups and adequate protection of the City's data it is necessary to expand our licensing; and

WHEREAS, City staff is recommending a 5 terabyte increase that should cover our growth for the next 3 years; and

WHEREAS, the Licensing for the software will also give us access to the newest versions of the software as it is developed.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Pekin, Illinois, that the Network Support Administrator is authorized to procure additional Commvault Licensing in an amount not to exceed \$22,337.91 from the 2020 fiscal year budget and execute any necessary documentation to finalize such purchases.

MAYOR

ATTEST:

CITY CLERK



Pricing Proposal
 Quotation #: 18290169
 Created On: 1/10/2020
 Valid Until: 2/24/2020

City of Pekin

David Hess

IL
 United States
 Phone: (309) 478-5382
 Fax:
 Email: djhess@ci.pekin.il.us

Inside Account Manager

Christine Aloï

290 Davidson Ave
 Somerset, NJ, 08873
 Phone: 800-527-6389 EXT 555-xxxx
 Fax:
 Email: christine_aloi@shi.com

All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 Complete Backup & Recovery, Per Front-End TB, Perpetual CommVault Systems - Part#: CV-BR-FT Contract Name: Open Market Contract #: Open Market	5	\$3,632.18	\$18,160.90
2 Notification of software updates, product fixes and related enhancements. 24 hour access to the CommVault Technical Assistance Center (including holidays). Quarterly reports. CommVault Systems - Part#: S-PREM-23 Contract Name: Open Market Contract #: Open Market	1	\$4,177.01	\$4,177.01
Total			\$22,337.91

Additional Comments

Please Note: Commvault has a zero returns policy.

1. By issuing a purchase order or acknowledging this quote, when applicable, Customer certifies that employees at each of their locations adhere to all applicable export and re-export control laws and regulations covering the distributed products purchased and/or received by the Customer.
2. By issuing a purchase order or acknowledging this quote, and when applicable, Customer understands that the commodities, software and/or technology ("Items") it purchases or receives under this quote may be subject to export, re-export, or other restrictions. Customer agrees to comply with all applicable laws and regulations relating to the export and re-export of such Items obtained by Customer.

Thank you for choosing SHI International Corp! The pricing offered on this quote proposal is valid through the expiration date listed above. To ensure the best level of service, please provide End User Name, Phone Number, Email Address and applicable Contract Number when submitting a Purchase Order. For any additional information including Hardware, Software and Services Contracts, please contact an SHI Inside Sales Representative at (888) 744-4084.

SHI International Corp. is 100% Minority Owned, Woman Owned Business.
 TAX ID# 22-3009648; DUNS# 61-1429481; CCR# 61-243957G; CAGE 1HTF0

The products offered under this proposal are Open Market and resold in accordance with the terms and conditions at [SHI Online Customer Resale Terms and Conditions](#).



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Nicole Stewart, Deputy Clerk

AGENDA ITEM: Ordinance No. 2863-19/20 Amending Title 3 Ch 4F Regulating Video Gaming

ACTION REQUESTED: Adopt the Ordinance.

DESCRIPTION: Due to conflicting interpretation of the assessment of the fee associated with video gaming terminals between licensed establishments and terminal operators it is in the best interests of the City and its residents to clarify the application of fees for the registration of video gaming terminals within the City.

The current City code and the Video Gaming Act define “terminal operator” as the person/entity who owns, maintains, and places the gaming terminal in a licensed establishment. This ordinance amends the Definitions section of Article 4F to clarify that the operator is the person who places the terminal in the licensed establishment and that the fee is against the terminal operator who registers the video gaming machine with the City pursuant to 3-4F-3. Additional language has been updated to use the term “terminal operator” consistently throughout the ordinance, rather than using the term “owner or operator”.

A definition has also been added for a “licensed establishment” defined as “A licensed establishment, licensed fraternal establishment, licensed veterans establishment, or licensed truck stop establishment, as those terms are defined by the Act”.

FINANCIAL IMPACT:

Requested Amount: N/A
 Line Item:
 Budgeted Amount:
 Remaining Funds:

IMPACT IF APPROVED: Clarifies the language regarding the application of fees against the terminal operators owning video gaming terminals in licensed establishments.

IMPACT IF DENIED: The application of fees associated with video gaming terminals remains unclear.

ALTERNATIVES: N/A

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility

	of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.
REQUIRED SIGNATURES	
Finance Department (Certification of Availability of Funds): Date:	
City Manager:	
 Mark A. Rothert, City Manager 2/6/2020	
Date:	

MAYOR

ATTEST:

CITY CLERK

ORDINANCE NO. 2863-19/20

AN ORDINANCE AMENDING TITLE 3 CHAPTER 4F REGULATING VIDEO GAMING WITHIN THE CITY OF PEKIN

WHEREAS, the City of Pekin is a home rule municipality as described in Section 6(a), Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, the City of Pekin, as a home rule municipality, may exercise power and perform any function pertaining to its government and affairs, including, but not limited to, the power to legislate for the protection of the public health, safety, and welfare; and

WHEREAS, the City of Pekin allows video gaming within its corporate limits pursuant to the Illinois Video Gaming Act (230 ILCS 40/1 et seq.); and

WHEREAS, the City Council finds it is in the best interests of the City and its residents to clarify the application of fees for the registration of video gaming terminals within the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS, THAT:

Section 1. The findings and recitations set forth above are adopted and found to be true and correct.

Section 2. Title 3, Chapter 4, Article F, Section 1 of the City of Pekin, Illinois, Municipal Code is hereby amended as follows (additions indicated by underline, deletions by ~~striketrough~~):

3-4F-1: DEFINITIONS:

The following terms shall have the indicated meaning unless the use or context clearly indicates that a different meaning is intended:

ACT: Video Gaming Act found at 230 ILCS 40/1 *et seq.*, as from time to time amended.

LICENSED ESTABLISHMENT: A licensed establishment, licensed fraternal establishment, licensed veterans establishment, or licensed truck stop establishment, as those terms are defined by the Act.

TERMINAL OPERATOR: An individual, partnership, corporation or limited liability company that is licensed under the Act and that owns, services, and maintains video gaming terminals located for placement in licensed establishments~~within the corporate limits of the City.~~

VIDEO GAMING TERMINAL: Any electronic video game machine that, upon insertion of cash, electronic cards or vouchers, or any combination thereof, is available to play or simulate the

play of a video game, including but not limited to video poker, line up, and blackjack, as authorized by the Illinois Gaming Board utilizing a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens or is for amusement purposes only.

Section 3. Title 3, Chapter 4, Article F, Section 4 of the City of Pekin, Illinois, Municipal Code is hereby amended as follows (additions indicated by underline, deletions by ~~striketrough~~):

3-4F-4: FEE; REVENUE:

A fee of one thousand dollars (\$1,000.00) per video gaming terminal per year, or any fraction thereof, shall be assessed by the City against the terminal operator for owning or operating a for any video gaming terminal registered within the City as required by section 3-4F-3 above within the City. All revenue received pursuant to this Section shall be directed to the public safety pension funds with such proceeds being split in the following manner:

- 60% to the Fire Pension Fund
- 40% to the Police Pension Fund.

Section 4. This Ordinance is in addition to all other ordinances on the subject and shall be construed therewith excepting as to that part in direct conflict with any other ordinance, and in the event of such conflict, the provisions hereof shall govern.

Section 5. This Ordinance shall be in full force and effect from and after its passage, approval and ten (10) day period of publication in the manner provided by law.

PASSED AND APPROVED at the regular meeting of the City Council of the City of Pekin, this _____ day of _____, 20____; and upon roll call the vote was as follows:

AYES:

NAYS:

ABSENT:

ABSTAINING:

APPROVED this _____ day of _____, 20____

Mayor

ATTEST:

City Clerk

CERTIFICATE

THE UNDERSIGNED CERTIFIES THAT SHE IS THE CITY CLERK FOR THE CITY OF PEKIN, ILLINOIS, AND THAT THE CITY COUNCIL AT A REGULARLY CONSTITUTED MEETING OF SAID CITY COUNCIL OF THE CITY OF PEKIN ON THE _____DAY OF _____, 20____ ADOPTED ORDINANCE NO. _____ A TRUE AND CORRECT COPY OF WHICH IS CONTAINED IN THIS PAMPHLET

GIVEN UNDER MY HAND AND SEAL THIS _____ DAY OF _____, 20____.

(SEAL)

CITY CLERK

ORDINANCE NO. 2863-19/20**AN ORDINANCE AMENDING TITLE 3 CHAPTER 4F REGULATING
VIDEO GAMING WITHIN THE CITY OF PEKIN**

WHEREAS, the City of Pekin is a home rule municipality as described in Section 6(a), Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, the City of Pekin, as a home rule municipality, may exercise power and perform any function pertaining to its government and affairs, including, but not limited to, the power to legislate for the protection of the public health, safety, and welfare; and

WHEREAS, the City of Pekin allows video gaming within its corporate limits pursuant to the Illinois Video Gaming Act (230 ILCS 40/1 et seq.); and

WHEREAS, the City Council finds it is in the best interests of the City and its residents to clarify the application of fees for the registration of video gaming terminals within the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS, THAT:

Section 1. The findings and recitations set forth above are adopted and found to be true and correct.

Section 2. Title 3, Chapter 4, Article F, Section 1 of the City of Pekin, Illinois, Municipal Code is hereby amended as follows:

3-4F-1: DEFINITIONS:

The following terms shall have the indicated meaning unless the use or context clearly indicates that a different meaning is intended:

ACT: Video Gaming Act found at 230 ILCS 40/1 *et seq.*, as from time to time amended.

LICENSED ESTABLISHMENT: A licensed establishment, licensed fraternal establishment, licensed veterans establishment, or licensed truck stop establishment, as those terms are defined by the Act.

TERMINAL OPERATOR: An individual, partnership, corporation or limited liability company that is licensed under the Act and that owns, services, and maintains video gaming terminals for placement in licensed establishments.

VIDEO GAMING TERMINAL: Any electronic video game machine that, upon insertion of cash, electronic cards or vouchers, or any combination thereof, is available to play or simulate the play of a video game, including but not limited to video poker, line up, and blackjack, as

authorized by the Illinois Gaming Board utilizing a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens or is for amusement purposes only.

Section 3. Title 3, Chapter 4, Article F, Section 4 of the City of Pekin, Illinois, Municipal Code is hereby amended as follows:

3-4F-4: FEE; REVENUE:

A fee of one thousand dollars (\$1,000.00) per video gaming terminal per year, or any fraction thereof, shall be assessed by the City against the terminal operator for any video gaming terminal registered within the City as required by section 3-4F-3 above. All revenue received pursuant to this Section shall be directed to the public safety pension funds with such proceeds being split in the following manner:

- 60% to the Fire Pension Fund
- 40% to the Police Pension Fund.

Section 4. This Ordinance is in addition to all other ordinances on the subject and shall be construed therewith excepting as to that part in direct conflict with any other ordinance, and in the event of such conflict, the provisions hereof shall govern.

Section 5. This Ordinance shall be in full force and effect from and after its passage, approval and ten (10) day period of publication in the manner provided by law.

PASSED AND APPROVED at the regular meeting of the City Council of the City of Pekin, this _____ day of _____, 20____; and upon roll call the vote was as follows:

AYES:

NAYS:

ABSENT:

ABSTAINING:

APPROVED this _____ day of _____, 20____

Mayor

ATTEST:

City Clerk

CERTIFICATE

THE UNDERSIGNED CERTIFIES THAT SHE IS THE CITY CLERK FOR THE CITY OF PEKIN, ILLINOIS, AND THAT THE CITY COUNCIL AT A REGULARLY CONSTITUTED MEETING OF SAID CITY COUNCIL OF THE CITY OF PEKIN ON THE _____ DAY OF _____, 20____ ADOPTED ORDINANCE NO. _____ A TRUE AND CORRECT COPY OF WHICH IS CONTAINED IN THIS PAMPHLET

GIVEN UNDER MY HAND AND SEAL THIS _____ DAY OF _____, 20____.

(SEAL)

CITY CLERK



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: John Lebegue, Building & Inspections

AGENDA ITEM: Ordinance No. 2860-19/20 Amending Zoning Code Regulations on Cannabis Businesses in the PUD District

ACTION REQUESTED: Adopt the Ordinance.

DESCRIPTION: At the January 13, 2020 regular meeting, the Pekin City Council approved Resolution #49-19/20 directing the Pekin Plan Commission to hold a special meeting to conduct a public hearing and make a recommendation regarding an amendment to the Zoning Code of the City of Pekin to authorize Cannabis Business Establishments as a Special Use in the PUD, Planned Unit Development Zoning District and to consider applications for Special Uses for a the establishment of an adult-use cannabis craft growing facility and an adult-use cannabis dispensary use at a property located within the PUD, Planned Unit Development District.

Pursuant to the Cannabis Regulation and Tax Act and Compassionate Use of Medical Cannabis Program Act, the City has previously adopted Ordinance No. 1568-A212-19/20, to regulate the time, place, manner, and number of adult-use and medical cannabis business establishments within the City. A local business has recently expressed interest in establishing an adult-use cannabis craft grower and dispensary use at 1805 Riverway Drive in the Riverway Business Park in the City of Pekin, which is located in a PUD zoning district. Applications for craft grower licenses may be filed with the State of Illinois beginning on February 14, 2020. In anticipation of this date, it would be in the best interests of the City for the Planning Commission to hold a public hearing to consider whether the Zoning Code for the City of Pekin should be amended to specifically permit and regulate adult-use cannabis business establishments within the PUD zoning districts within the City.

A draft ordinance for the amendment of the Zoning Code has been prepared by the City Attorney and is attached for review and consideration. The draft ordinance would amend Title 9, Chapter 8A, Section 3 of the City Code by adding language to allow cannabis business establishments as a Special Use in the PUD, Planned Unit Development District as follows:

9-8A-3: **SPECIAL USES:** The following uses may be permitted, subject to the review and approval of the City Council after a public hearing and recommendation of the Planning and Zoning commission, and subject to any conditions imposed for each use(s).

- A. Commercial retail uses that serve the permitted uses in the PUD-Business Park, including food and kindred products, eating places, drug and proprietary, and automotive gasoline, tires, batteries and accessories, gift shop and florist. (Ord. No. 2494-06/07 10-09-06)
- B. Service establishments and businesses for financial institutions and credit unions, health/fitness clubs and day care centers, meeting the requirements of Section 9-4A-3-D-2.
- C. Service establishments for pick-up laundry and dry cleaning, photographs, postal facilities, shoe repair, barber shop, beauty shop and mechanical repair for automobiles, vans and four wheel trucks (exclusive of body work and engine repair).
- D. Motel and hotel.

- E. Public utility service buildings and uses (without storage yards) when operation requirements necessitate the location of said utility facilities within the district to serve the immediate vicinity.
- F. Accessory buildings and uses, customarily incidental to any of the above permitted uses.
- G. Cannabis Business Establishments, subject to the conditions and procedures set forth in Chapter 10C of this Title.

Upon consideration of the proposed ordinance amending the Zoning Code to impose regulations regarding the establishment of adult-use and medical cannabis business establishments as a Special Use in the PUD, Planned Unit Development District, the members of the Plan Commission found the ordinance amending the Zoning Code to be reasonable and further found that the PUD, Planned Unit Development District is an appropriate district for the establishment of cannabis business establishments.

Pekin resident Alan White appeared before the members of the Plan Commission and expressed concerns in regard to the proposed amendment and stated that the City of Pekin should be ashamed of itself for allowing cannabis businesses in the City and that it sets a bad example for the children.

Upon completion of discussion, by a unanimous vote, the members of the Plan Commission recommended approval of the ordinance amending the Zoning Code to impose regulations regarding the establishment of adult-use and medical cannabis businesses in the PUD, Planned Unit Development District.

FINANCIAL IMPACT: N/A

Requested Amount:
Line Item:
Budgeted Amount:
Remaining Funds:

IMPACT IF APPROVED: The Zoning Code of the City of Pekin would be amended to include regulations regarding the establishment of adult-use and medical cannabis businesses in the PUD, Planned Unit Development District.

IMPACT IF DENIED: The Zoning Code of the City of Pekin would not be amended to include regulations regarding the establishment of adult-use and medical cannabis businesses in the PUD, Planned Unit Development District and no cannabis related businesses would be allowed in the PUD District in the City of Pekin.

ALTERNATIVES:

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness

	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.
REQUIRED SIGNATURES	
Finance Department (Certification of Availability of Funds): Date:	
City Manager: Date:	

MAYOR

ATTEST:

CITY CLERK

ORDINANCE NO. 2860 – 19/20**AN ORDINANCE AMENDING THE ZONING CODE OF THE CITY OF PEKIN TO
IMPOSE REGULATIONS REGARDING THE ESTABLISHMENT OF
ADULT-USE AND MEDICAL CANNABIS BUSINESSES IN PUD DISTRICTS**

WHEREAS, the City of Pekin is a home rule municipality as described in Section 6(a), Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, the City of Pekin, as a home rule municipality, may exercise power and perform any function pertaining to its government and affairs, including, but not limited to, the power to legislate for the protection of the public health, safety, and welfare; and

WHEREAS, the City of Pekin has enacted a Zoning Code for establishing municipal zoning regulations for the purpose of improving and protecting the public health, safety, comfort, convenience, and general welfare of the people and its citizens; and

WHEREAS, Pursuant to the Cannabis Regulation and Tax Act and Compassionate Use of Medical Cannabis Program Act, the City has previously adopted Ordinance No. 1568-A212-19/20, to regulate the time, place, manner, and number of adult-use and medical cannabis business establishments within the City; and

WHEREAS, the City has initiated an amendment to the City's Zoning Code (Title 9 of the City Code) to regulate the use of adult-use, recreational cannabis at businesses and facilities in designated PUD zones within the City, to the extent such zones constitute a separate and distinct zoning classification; and

WHEREAS, the Planning Commission for the City of Pekin conducted a public hearing, as required by law, on February 5, 2020, regarding the proposed amendments to the City's Zoning Code pertaining to adult-use recreational cannabis and medical cannabis businesses in PUD zones; and

WHEREAS, the Planning Commission has recommended approval of the proposed amendments to the City's Zoning Code after holding the required public hearing and then considering the proposed amendments to the City's Zoning Code as set forth herein; and

WHEREAS, the City Council hereby finds that it is in the best interests of the City and its citizens that the Zoning Code regulations set forth herein be established for regulating adult-use recreational cannabis and medical cannabis businesses and the use of adult-use recreational cannabis in PUD zones;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS, THAT:

Section 1. The findings and recitations set forth above are adopted and found to be true and correct.

Section 2. Title 9, Chapter 8A, Section 3 of the City of Pekin, Illinois, Municipal Code is amended by the addition of a new subsection G, as follows:

G. Cannabis Business Establishments, subject to the conditions and procedures set forth in Chapter 10C of this Title.

Section 3. This Ordinance is in addition to all other ordinances on the subject and shall be construed therewith excepting as to that part in direct conflict with any other ordinance, and in the event of such conflict, the provisions hereof shall govern.

Section 4. This Ordinance shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED at the regular meeting of the City Council of the City of Pekin, this _____ day of _____, 2020; and upon roll call the vote was as follows:

AYES:

NAYS:

ABSENT:

ABSTAINING:

APPROVED this _____ day of _____, 20____

Mayor

ATTEST:

City Clerk

CERTIFICATE

THE UNDERSIGNED CERTIFIES THAT SHE IS THE CITY CLERK FOR THE CITY OF PEKIN, ILLINOIS, AND THAT THE CITY COUNCIL AT A REGULARLY CONSTITUTED MEETING OF SAID CITY COUNCIL OF THE CITY OF PEKIN ON THE _____DAY OF _____, 20____ ADOPTED ORDINANCE NO. _____ A TRUE AND CORRECT COPY OF WHICH IS CONTAINED IN THIS PAMPHLET

GIVEN UNDER MY HAND AND SEAL THIS _____ DAY OF _____, 20____.

(SEAL)

CITY CLERK

ORDINANCE NO. 2860 – 19/20**AN ORDINANCE AMENDING THE ZONING CODE OF THE CITY OF PEKIN TO IMPOSE REGULATIONS REGARDING THE ESTABLISHMENT OF ADULT-USE AND MEDICAL CANNABIS BUSINESSES IN PUD DISTRICTS**

WHEREAS, the City of Pekin is a home rule municipality as described in Section 6(a), Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, the City of Pekin, as a home rule municipality, may exercise power and perform any function pertaining to its government and affairs, including, but not limited to, the power to legislate for the protection of the public health, safety, and welfare; and

WHEREAS, the City of Pekin has enacted a Zoning Code for establishing municipal zoning regulations for the purpose of improving and protecting the public health, safety, comfort, convenience, and general welfare of the people and its citizens; and

WHEREAS, Pursuant to the Cannabis Regulation and Tax Act and Compassionate Use of Medical Cannabis Program Act, the City has previously adopted Ordinance No. 1568-A212-19/20, to regulate the time, place, manner, and number of adult-use and medical cannabis business establishments within the City; and

WHEREAS, the City has initiated an amendment to the City's Zoning Code (Title 9 of the City Code) to regulate the use of adult-use, recreational cannabis at businesses and facilities in designated PUD zones within the City, to the extent such zones constitute a separate and distinct zoning classification; and

WHEREAS, the Planning Commission for the City of Pekin conducted a public hearing, as required by law, on February 5, 2020, regarding the proposed amendments to the City's Zoning Code pertaining to adult-use recreational cannabis and medical cannabis businesses in PUD zones; and

WHEREAS, the Planning Commission has recommended approval of the proposed amendments to the City's Zoning Code after holding the required public hearing and then considering the proposed amendments to the City's Zoning Code as set forth herein; and

WHEREAS, the City Council hereby finds that it is in the best interests of the City and its citizens that the Zoning Code regulations set forth herein be established for regulating adult-use recreational cannabis and medical cannabis businesses and the use of adult-use recreational cannabis in PUD zones;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS, THAT:

Section 1. The findings and recitations set forth above are adopted and found to be true and correct.

Section 2. Title 9, Chapter 8A, Section 3 of the City of Pekin, Illinois, Municipal Code is amended by the addition of a new subsection G, as follows:

- G. Cannabis Business Establishments, subject to the conditions and procedures set forth in Chapter 10C of this Title.

Section 3. This Ordinance is in addition to all other ordinances on the subject and shall be construed therewith excepting as to that part in direct conflict with any other ordinance, and in the event of such conflict, the provisions hereof shall govern.

Section 4. This Ordinance shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED at the regular meeting of the City Council of the City of Pekin, this _____ day of _____, 2020; and upon roll call the vote was as follows:

AYES:

NAYS:

ABSENT:

ABSTAINING:

APPROVED this _____ day of _____, 20____

Mayor

ATTEST:

City Clerk

CERTIFICATE

THE UNDERSIGNED CERTIFIES THAT SHE IS THE CITY CLERK FOR THE CITY OF PEKIN, ILLINOIS, AND THAT THE CITY COUNCIL AT A REGULARLY CONSTITUTED MEETING OF SAID CITY COUNCIL OF THE CITY OF PEKIN ON THE _____DAY OF _____, 20____ ADOPTED ORDINANCE NO. _____ A TRUE AND CORRECT COPY OF WHICH IS CONTAINED IN THIS PAMPHLET

GIVEN UNDER MY HAND AND SEAL THIS _____ DAY OF _____, 20____.

(SEAL)

CITY CLERK



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: John Lebegue, Building & Inspections

AGENDA ITEM: Special Use Ordinance No. 2865-19/20 for a Cannabis Craft Grower Use at 1805 Riverway Dr.

ACTION REQUESTED: Approval of Ordinance No. 2865 – 19/20 for the establishment of an adult-use cannabis craft grower use at 1805 Riverway Drive.

DESCRIPTION: Riverway Craft Laboratories, LLC has submitted a Special Use petition for the establishment of an adult-use cannabis craft grower facility use at the property located at 1805 Riverway Drive. The property at 1805 Riverway Drive is located in the Riverway Business Park and is zoned PUD, Planned Unit Development. Riverway Craft Laboratories, LLC is seeking Special Use approval to establish an adult-use cannabis craft grower facility on a newly platted 2.319 acre parcel at the south of the property at 1805 Riverway Drive, with the adult-use cannabis craft grower facility consisting of a 6,000 square foot operation building and a 5,000 square foot canopy craft grow area.

PROPERTY INFORMATION

Relevant Zoning Code Section: Section 9-10C-2, Special Use: A cannabis business establishment facility shall require approval as a Special Use in the respective zoning use district in which such facility is to be located, in accordance with the provision of this Title; Section 9-10C-3: Adult-Use Cannabis Craft Grower

Property Address: 1805 Riverway Drive

Current Zoning Classification: PUD, Planned Unit Development District

Current Use: Manufacturing & Office

Off-Street Parking Requirement for Cannabis Craft Grower Facility: Industrial – Five spaces plus 1 for every employees in the largest working shift.

Required # of Parking Spaces: 17 off-street parking spaces (18 Employees)

Proposed # of Parking Spaces: 18 off-street parking spaces

ANALYSIS AND DISCUSSION

Following are the relevant City Code sections of the ordinance that was recently adopted by the City Council in regard to regulations for cannabis business establishments that pertain to the Special Use petition that is being sought:

9-10C-3: ADULT-USE CANNABIS CRAFT GROWER: In those zoning use districts in which an Adult-Use Cannabis Craft Grower may be located, the proposed facility must comply with the following:

A. Facility may not be located within 400 feet of the property line of a pre-existing place of worship, public or private nursery school, preschool, primary or secondary school, college, university, community or junior college, vocational or trade school, learning center or academy, driving school, cosmetology school, day care center, licensed day care home or group day care home, part day child care facility licensed residential care home, or area zoned for residential use.

B. Facility may not conduct any sales or distribution of cannabis other than as authorized by the CRTA.

C. For purposes of determining required parking, Adult-Use Cannabis Craft Grower shall be classified as “Industrial or research establishments and related accessory offices” per Section 9-10B-1-4 (Schedule of Parking Requirements), provided, however, that the City may require that additional parking be provided as a result of the analysis completed through Section 9-10C-2.

D. No more than one (1) Adult-Use Cannabis Craft Grower shall be granted a Special Use under this Article or otherwise permitted to operate in the City.

E. Facility shall operate in compliance with all applicable state and local laws, including the CRTA and the provisions of this Title.

Pursuant to Section 9-10C-2 of the City Code: Special Use: A Cannabis Business Establishment facility shall require approval as a Special Use in the respective zoning use district in which such facility is to be located, in accordance with the provision of this Title.

A. In determining compliance with this Article and eligibility as a Special Use, the following factors shall be considered, taking into account the entirety of the circumstances affecting the particular property for which the Special Use is sought in the context of the existing and intended future use of the adjacent and nearby properties:

1. Impact of the proposed facility on existing or planned uses located within the vicinity of the subject property.
2. Proposed structure in which the facility will be located, including co-tenancy (if in a multi-tenant building), total square footage, security installations and security plan, and building code compliance.
3. Hours of operation and anticipated number of customers/employees.
4. Anticipated parking demand, available private parking supply, and parking requirements established in Article B of this Chapter 10.
5. Anticipated traffic generation in the context of adjacent roadway capacity and access to such roadways.
6. Site design, including access points and internal site circulation.
7. Proposed signage plan.
8. Compliance with all requirements of the specific section in this Article for the particular type of Cannabis Business Establishment that is being proposed, as applicable.

9. Other criteria determined to be necessary to assess compliance with the provisions of this Article.

The applicant has submitted written documentation as to how the proposed adult-use cannabis craft grower use meets all of the factors set forth in Section 9-10C-2 and have been attached for your review and consideration. A Site Plan has also been submitted for review, that details the proposed location of the new adult-use cannabis craft grower use and provides detail as to the location of the proposed driveway which would be constructed at the west side of the property to provide direct access to the proposed adult-use cannabis craft grower use.

Given that the proposed adult-use cannabis craft grower facility being proposed for development on the property at 1805 Riverway Dr. entails the construction of a building, a canopy craft grow area and a parking lot and driveway, the Riverway Business Park Review Committee will meet to review and grant approval of the proposed development. Review of the Site Plan submitted by applicant, Riverway Craft Laboratories, LLC, reveals that the applicant will be seeking variances from the required side yard setback of 25 feet for the proposed facilities. The applicant is seeking a 20.5 foot setback variance on the north and a 2.5 foot setback variance on the south. The covenants that have been established for the Riverway Business Park establish the required building setbacks for all buildings constructed within the business park and upon written application, the Review Committee, in its discretion, may grant variances from these Covenants. All variances must be in writing. No variance shall be granted that will affect the overall quality and consistency of the Riverway Business Park.

Given that an adult-use cannabis craft grower use and adult-use cannabis dispensary use are both being proposed for development at the property at 1805 Riverway Drive, the following section of recently adopted ordinance regarding cannabis business establishments applies to the co-location of the 2 cannabis business establishments.

9-10C-11: CO-LOCATION OF CANNABIS BUSINESS ESTABLISHMENTS: The City may approve the co-location of an Adult-Use Cannabis Dispensing Organization with an Adult-Use Cannabis Craft Grower Center or an Adult-Use Cannabis Infuser Organization, or both, subject to the provisions of the CRTA and the Special Use criteria set forth in this Chapter. In a co-location, the floor space requirements of Section 9-10C-5(B) and 9-10C-6(B) shall not apply, but the co-located establishments shall be the sole use of the tenant space.

David Wentworth, Attorney on behalf of Riverway Craft Laboratories, LLC, appeared before the members of the Plan Commission outlined the nature of the adult-use cannabis craft grower use that was being proposed for the property at 1805 Riverway Drive and that the Special Use was being sought to obtain City zoning approval of the cannabis craft grower use before submitting an application to the State. Mr. Wentworth described how the proposed adult-use cannabis craft grower use met all the factors outlined in Section 9-10C-2 of the City Code and how the use would expand in the future if State approval was obtained.

Upon consideration of the Special Use petition for the establishment of an adult-use cannabis craft grower facility use at the property located at 1805 Riverway Drive, the members of the Plan Commission found the use appropriate for the property at 1805 Riverway Drive and further found that the proposed adult-use cannabis craft grower use met all factors and ordinance requirement, and by a unanimous vote, recommended approval of the Special Use petition for the establishment of an adult-use cannabis craft grower facility use at the property located at 1805 Riverway Drive.

FINANCIAL IMPACT: N/A

Requested Amount:
 Line Item:
 Budgeted Amount:
 Remaining Funds:

IMPACT IF APPROVED: Riverway Craft Laboratories, LLC will be allowed to establish an adult-use cannabis craft grower use at the property at 1805 Riverway Drive.

IMPACT IF DENIED: Riverway Craft Laboratories, LLC will not be allowed to establish an adult-use cannabis craft grower use at the property at 1805 Riverway Drive.

ALTERNATIVES:

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

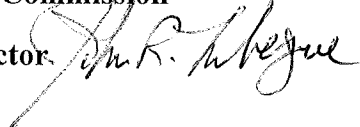
REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):
 Date:

City Manager:
 Date:

MEMORANDUM

TO: William Craig, Chairman and Members of the City of Pekin Plan Commission

FROM: John R. Lebegue, Building Inspections / Development Director. 

DATE: January 30, 2020

RE: Public Hearing to consider petitions for Special Use and Site Plan Review for the establishment of an adult-use cannabis craft grower facility and an adult-use cannabis dispensary facility at the property located at 1805 Riverway Drive.

SUMMARY AND BACKGROUND OF SUBJECT MATTER

Riverway Craft Laboratories, LLC has submitted petitions for Special Uses and Site Plan Review for the establishment of an adult-use cannabis craft grower facility and an adult-use cannabis dispensary use at the property located at 1805 Riverway Drive. The property at 1805 Riverway Drive is located in the Riverway Business Park and is zoned PUD, Planned Unit Development. Riverway Craft Laboratories, LLC is seeking Special Use approval to establish an adult-use cannabis craft grower facility on a newly platted 2.319 acre parcel at the south of the property at 1805 Riverway Drive, with the adult-use cannabis craft grower facility consisting of a 6,000 square foot operation building and a 5,000 square foot canopy craft grow area. Riverway Craft Laboratories, LLC is also seeking Special Use approval to establish a 6,000 square foot adult-use cannabis dispensary use in a portion of the existing building at 1805 Riverway Drive.

PROPERTY INFORMATION

Relevant Zoning Code Section: Section 9-10C-2, Special Use: A cannabis business establishment facility shall require approval as a Special Use in the respective zoning use district in which such facility is to be located, in accordance with the provision of this Title; Section 9-10C-3: Adult-Use Cannabis Craft Grower and Section 9-10C-5: Adult-Use Cannabis Dispensing Organization

Property Address: 1805 Riverway Drive

Current Zoning Classification: PUD, Planned Unit Development District

Current Use: Manufacturing & Office

Off-Street Parking Requirement for Cannabis Craft Grower Facility: Industrial – Five spaces plus 1 for every employees in the largest working shift.

Required # of Parking Spaces: 17 off-street parking spaces (18 Employees)

Proposed # of Parking Spaces: 18 off-street parking spaces

Off-Street Parking Requirement for Cannabis Dispensary Facility: Retail – One space for each 250 square feet of usable floor space. Existing Industrial Use - Five spaces plus 1 for every employees in the largest working shift.

Required # of Parking Spaces: Dispensary Use: 24 off-street parking spaces (6,000 square feet of usable floor space, with 16 proposed dispensary employees)

Required # of Parking Spaces: Existing Industrial Use: 59 off-street parking spaces (80 existing industrial use employees)

Proposed # of Parking Spaces for Proposed Dispensary Use and Existing Industrial Use: 180 off-street parking spaces

ANALYSIS AND DISCUSSION

Following are the relevant City Code sections of the ordinance that was recently adopted by the City Council in regard to regulations for cannabis business establishments that pertain to the Special Use petitions being sought:

9-10C-3: ADULT-USE CANNABIS CRAFT GROWER: In those zoning use districts in which an Adult-Use Cannabis Craft Grower may be located, the proposed facility must comply with the following:

- A. Facility may not be located within 400 feet of the property line of a pre-existing place of worship, public or private nursery school, preschool, primary or secondary school, college, university, community or junior college, vocational or trade school, learning center or academy, driving school, cosmetology school, day care center, licensed day care home or group day care home, part day child care facility licensed residential care home, or area zoned for residential use.
- B. Facility may not conduct any sales or distribution of cannabis other than as authorized by the CRTA.
- C. For purposes of determining required parking, Adult-Use Cannabis Craft Grower shall be classified as “Industrial or research establishments and related accessory offices” per Section 9-10B-1-4 (Schedule of Parking Requirements), provided, however, that the City may require that additional parking be provided as a result of the analysis completed through Section 9-10C-2.
- D. No more than one (1) Adult-Use Cannabis Craft Grower shall be granted a Special Use under this Article or otherwise permitted to operate in the City.
- E. Facility shall operate in compliance with all applicable state and local laws, including the CRTA and the provisions of this Title.

9-10C-5: ADULT-USE CANNABIS DISPENSING ORGANIZATION: In those zoning use districts in which an Adult-Use Cannabis Dispensing Organization may be located, the proposed facility must comply with the following:

- A. Facility may not be located within 100 feet of the property line of a pre-existing place of worship, public or private nursery school, preschool, primary or secondary school, college, university, community or junior college, vocational or trade school, learning center or academy, driving school, cosmetology school, day care center, licensed day care home, or licensed residential care home.
- B. At least 75% of the floor area of any tenant space occupied by the facility shall be devoted to the activities of the dispensing organization as authorized by the CRTA.
- C. Facility may not conduct any sales or distribution of cannabis other than as authorized by the CRTA.
- D. For purposes of determining required parking, Adult-Use Cannabis Dispensing Organization shall be classified as “retail stores, except as otherwise specified herein” per Section 9-10B-1-4 (Schedule of Parking Requirements), provided, however, that the City may require that additional parking be provided as a result of the analysis completed through Section 9-10C-2.
- E. No more than three (3) Adult-Use Cannabis Dispensing Organizations shall be granted a Special Use under this Article or otherwise permitted to operate in the City.
- F. The hours of operation for an Adult-Use Cannabis Dispensing Organization shall not be earlier than 6:00 a.m. and not later than 10:00 p.m.
- G. No person under the age of twenty-one (21) shall be allowed to enter an Adult-Use Cannabis Dispensing Organization; provided, however, that if the facility is also licensed as a Medical Cannabis Dispensing Organization, persons under the age of 21 may be permitted to enter to the extent authorized by Section 9-10C-10.
- H. No person shall reside in or permit any person to reside in an Adult-Use Cannabis Dispensing Organization.
- I. No outdoor seating areas shall be permitted.
- J. No drive-through services or sales shall be permitted.
- K. Facility shall operate in compliance with all applicable state and local laws, including the CRTA and the provisions of this Title.

Pursuant to Section 9-10C-2 of the City Code: Special Use: A Cannabis Business Establishment facility shall require approval as a Special Use in the respective zoning use district in which such facility is to be located, in accordance with the provision of this Title.

A. In determining compliance with this Article and eligibility as a Special Use, the following factors shall be considered, taking into account the entirety of the circumstances affecting the particular property for which the Special Use is sought in the context of the existing and intended future use of the adjacent and nearby properties:

1. Impact of the proposed facility on existing or planned uses located within the vicinity of the subject property.
2. Proposed structure in which the facility will be located, including co-tenancy (if in a multi-tenant building), total square footage, security installations and security plan, and building code compliance.
3. Hours of operation and anticipated number of customers/employees.
4. Anticipated parking demand, available private parking supply, and parking requirements established in Article B of this Chapter 10.
5. Anticipated traffic generation in the context of adjacent roadway capacity and access to such roadways.
6. Site design, including access points and internal site circulation.
7. Proposed signage plan.
8. Compliance with all requirements of the specific section in this Article for the particular type of Cannabis Business Establishment that is being proposed, as applicable.
9. Other criteria determined to be necessary to assess compliance with the provisions of this Article.

The applicant has submitted written documentation as to how the proposed adult-use cannabis craft grower use and adult-use cannabis dispensary use meets all of the factors set forth in Section 9-10C-2 and have been attached for your review and consideration. A Site Plan has also been submitted for review and approval, that details the proposed location of the new adult-use cannabis craft grower use and adult-use cannabis dispensary uses and provides detail as to the location of the proposed driveway which would be constructed at the west side of the property to provide direct access to the proposed adult-use cannabis craft grower use.

Given that the proposed adult-use cannabis craft grower facility being proposed for development on the property at 1805 Riverway Dr. entails the construction of a building, a canopy craft grow area and a parking lot and driveway, the Riverway Business Park Review Committee will meet to review and grant approval of the proposed development. Review of the Site Plan submitted

by applicant, Riverway Craft Laboratories, LLC, reveals that the applicant will be seeking variances from the required side yard setback of 25 feet for the proposed facilities. The applicant is seeking a 20.5 foot setback variance on the north and a 2.5 foot setback variance on the south. The covenants that have been established for the Riverway Business Park establish the required building setbacks for all buildings constructed within the business park and upon written application, the Review Committee, in its discretion, may grant variances from these Covenants. All variances must be in writing. No variance shall be granted that will affect the overall quality and consistency of the Riverway Business Park.

Given that an adult-use cannabis craft grower use and adult-use cannabis dispensary use are being proposed for development at the property at 1805 Riverway Drive, the following section of recently adopted ordinance regarding cannabis business establishments applies to the co-location of the 2 cannabis business establishments.

9-10C-11: CO-LOCATION OF CANNABIS BUSINESS ESTABLISHMENTS: The City may approve the co-location of an Adult-Use Cannabis Dispensing Organization with an Adult-Use Cannabis Craft Grower Center or an Adult-Use Cannabis Infuser Organization, or both, subject to the provisions of the CRTA and the Special Use criteria set forth in this Chapter. In a co-location, the floor space requirements of Section 9-10C-5(B) and 9-10C-6(B) shall not apply, but the co-located establishments shall be the sole use of the tenant space.

CITY OF PEKIN SPECIAL USE APPLICATION – Craft Grower Only

- A. Application Form (with site plan attached)
- B. Responses to factors listed on form
- C. Requirements of Section 9-10C-2 of Pekin City Code
- D. Compliance with Section 9-10C-3 of Pekin City Code (Craft Grower)
- E. Affidavit of William L. Blackford



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

SPECIAL USE APPLICATION

Address of Requested Special Use: Address for new parcel not yet assigned. Property lies between 1805 and 1821 Riverway Drive

The Owner is requesting the subdivision of 1805 Riverway Drive. If granted, the new parcel will be conveyed to the developer of the project, Riverway Property Management, LLC, with the same contact information

Applicant Name: RIVERWAY CRAFT LABORATORIES, LLC (will be the lessee/operator of the facility)

Address: 1805 RIVERWAY DR, PEKIN, IL 61554

Phone #: _____ Cell Phone #: (309) 550-3242 E-Mail: a.rossi@palhealth.com

Owner Name: RP BUILDING MANAGEMENT LLC (current land owner)

Address: 1805 RIVERWAY DR, PEKIN, IL 61554

Phone #: _____ Cell Phone #: (309) 981-9684 E-Mail: a.rossi@palhealth.com

Attorney: DAVID L. WENTWORTH II and WILIAM P. STREETER

Address: 401 MAIN STREET, PEORIA, IL 61602

Phone #: 309-637-1400 Cell Phone #: (309) 369-3895

Phone #: _____ Cell Phone #: _____ E-Mail: dwentworth@hgsuw.com

Property Information:

Lot Area: 2.319 acres Zoning District: PUD Present Use: Vacant

Use of Adjacent Property & Zoning: All PUD, with industrial or commercial use

North: _____ South: _____

East: _____ West: _____

Property Identification Number: Will be subdivided from 10-10-10-100-017

Legal Description: (Attach Separate Page): Final plat to be recorded.



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

Brief Summary and Reason for Request: To construct and operate an adult use cannabis craft grower facility, all pursuant to the City of Pekin Zoning Code and the CRTA.

No Special Use shall be recommended for approval by the Plan Commission unless there is a concurring vote of a majority of all members regarding findings of fact. Clearly explain how the requested Special Use meets each of the following findings of fact standards: **[SEE ATTACHED RESPONSES]**

- 1.) The proposed Special use is consistent with the intent of the Comprehensive Plan.
- 2.) The establishment. Maintenance, or operation of the Special Use will not be detrimental to or endanger the public health, safety, morals, comfort, or general welfare.
- 3.) The Special use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purpose already permitted nor substantially diminish property values within the neighborhood.
- 4.) The establishment of the Special Use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.
- 5.) Adequate utilities, access roads, drainage or necessary facilities have been or will be provided.
- 6.) Adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.
- 7.) The Special Use is necessary for public convenience at this location.

CERTIFICATION BY THE APPLICANT

Riverway Craft Laboratories LLC

I certify that all the information contained in this application form or any attachments, documents, or plans submitted herewith are true to the best of my knowledge and belief.

By: William L. Blackford
Applicant Signature: William L. Blackford, Mgr

Jan 10, 2020
Date

CERTIFICATION BY PROPERTY OWNER

RP Property Management, LLC

I certify that I am the owner of the property, which is the subject of this request. The applicant has received my approval to proceed with this request.

By: _____
Owner Signature: Aaron J. Rossi, Mgr

Date



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

Brief Summary and Reason for Request: To construct and operate an adult use cannabis craft grower facility, all pursuant to the City of Pekin Zoning Code and the CRTA.

No Special Use shall be recommended for approval by the Plan Commission unless there is a concurring vote of a majority of all members regarding findings of fact. Clearly explain how the requested Special Use meets each of the following findings of fact standards: [SEE ATTACHED RESPONSES]

- 1.) The proposed Special use is consistent with the intent of the Comprehensive Plan.
- 2.) The establishment, Maintenance, or operation of the Special Use will not be detrimental to or endanger the public health, safety, morals, comfort, or general welfare.
- 3.) The Special use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purpose already permitted nor substantially diminish property values within the neighborhood.
- 4.) The establishment of the Special Use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.
- 5.) Adequate utilities, access roads, drainage or necessary facilities have been or will be provided.
- 6.) Adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.
- 7.) The Special Use is necessary for public convenience at this location.

CERTIFICATION BY THE APPLICANT

Riverway Craft Laboratories LLC

I certify that all the information contained in this application form or any attachments, documents, or plans submitted herewith are true to the best of my knowledge and belief.

By: _____

Applicant Signature: William L. Blackford, Mgr

Date _____

CERTIFICATION BY PROPERTY OWNER

RP Property Management, LLC

I certify that I am the owner of the property, which is the subject of this request. The applicant has received my approval to proceed with this request.

By: _____

Owner Signature: Aaron J. Rossi, Mgr

1-20-20

Date _____



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

CHECKLIST OF REQUIRED SPECIAL USE ITEMS:

- ☒ One original completed Special Use application form with all required signatures.
- ☒ Payment of \$85.00 non-refundable filing fee. Checks should be made payable to "City of Pekin".
- ☒ Fifteen (15) copies of a Site Plan of the proposed development showing:
 - * A scale of not less than one inch equals fifty feet (1" = 50') if the subject property is less than three (3) acres and one inch equals one hundred feet (1" = 100') if three (3) acres or more.
 - * Date, north point and scale.
 - * The dimensions of all lot and property lines, showing the relationship of the subject property to abutting properties.
 - * The location of all existing and proposed structures on the subject property and all structures within one hundred feet (100') of the subject property.
 - * The location of all existing and proposed drives and parking areas.
 - * The location and right-of-way widths of all abutting streets and alleys.
 - * The names, addresses, and phone numbers of the architect, planner, designer, engineer or person responsible for the preparation of the site plan.
- ☒ Attachments such as landscape plan, photograph or renderings of existing and proposed site, building layouts or elevations, etc. are commended in order to provide accurate and sufficient information for review by the Development Review Committee and consideration by the Plan Commission.
- ☒ The applicant(s) or authorized agent must be present at the Planning Commission meeting to address any questions that may arise.

FOR OFFICE USE ONLY:

Filing Fee: \$85.00

Date Filed: 1/21/20

Publication Date: 1/22/20

Public Hearing Date: 2/5/20

City Council Action Date: 2/10/20

Approved: _____

Denied: _____

Ordinance #: _____

1.) The proposed Special Use is consistent with the intent of the Comprehensive Plan.

The City of Pekin "Comprehensive Plan 2006" (the "Plan") states that:

An important part of any community is its economic activity. Existing commercial and industrial uses must be kept vibrant while new commercial and industrial growth is needed to maintain and increase economic opportunities and potential. (Section IV, p. IV-1).

The Plan further recognizes the Riverway Business Park as an important economic development project (p. IV-5), and specifically identifies the continuing development of the Riverway Business Park as an economic development objective for the City (p. IV-10). Moreover, the Plan refers to the City's promotion of the Riverway Business Park for industrial development (p. IX-4).

The proposed development in the Riverway Business Park squarely fits within the Plan's objectives.

2.) The establishment, Maintenance, or operation of the Special Use will not be detrimental to or endanger the public health, safety, morals, comfort, or general welfare.

The City has specifically identified certain zoning classifications as appropriate for the proposed special use.

3.) The Special Use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purpose already permitted nor substantially diminish property values within the neighborhood.

The adjacent properties all have the same zoning classification (PUD), and are used for commercial and/or industrial uses.

4.) The establishment of the Special Use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.

The surrounding property is already developed for uses permitted in the PUD district.

5.) Adequate utilities, access roads, drainage or necessary facilities have been or will be provided.

Such facilities are a necessary element of the proposed use and will be provided.

- 6.) Adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.**

The points of ingress and egress are shown on the attached site plan.

- 7.) The Special Use is necessary for public convenience at this location.**

The City has identified this area for this type of special use.

REQUIREMENTS OF SECTION 9-10C-2 OF THE PEKIN CITY CODE:

1. **Impact of the proposed facility on existing or planned uses located within the vicinity of the subject property.**

The surrounding uses are commercial and/or industrial. The City has determined that this Special Use is appropriate in the PUD zoning district.

2. **Proposed structure in which the facility will be located, including co-tenancy (if in a multi-tenant building), total square footage, security installations and security plan, and building code compliance.**

The site plan is attached. All design and construction will be in compliance with the City's building code. The applicant will install building enhancements, such as security cameras, lighting or other improvements to ensure the safety of employees and customers of the facility. Security will be in full compliance with the CRTA and any rules and regulations promulgated by the Illinois Department of Agriculture.

3. **Hours of operation and anticipated number of customers/employees.**

Proposed hours of operation: Unknown – potentially 24 hrs/day

Number of customers: No retail customers

Number of employees: 18

4. **Anticipated parking demand, available private parking supply, and parking requirements established in Article B of this Chapter 10.**

The site plan shows the parking layout which is in compliance with this Code. Applicant anticipates parking demand will not exceed the planned parking availability.

5. **Anticipated traffic generation in the context of adjacent roadway capacity and access to such roadways.**

Access to roadways is shown on the site plan.

6. **Site design, including access points and internal site circulation.**

Please see the attached site plan.

7. **Proposed signage plan.**

Signage will be per CRTA requirements.

8. **Compliance with all requirements of the specific section in this Article for the particular type of Cannabis Business Establishment that is being proposed, as applicable.**

Please see the attached regarding compliance with Section 9-10C-3 of the Pekin City Code.

9. **Other criteria determined to be necessary to assess compliance with the provisions of this Article.**

The applicant is pleased to provide any further information the City may deem necessary to assess compliance.

COMPLIANCE WITH SECTION 9-10C-3 OF THE PEKIN CITY CODE
(CRAFT GROWER):

- A. Facility may not be located within 400 feet of the property line of a pre-existing place of worship, public or private nursery school, preschool, primary or secondary school, college, university, community or junior college, vocational or trade school, learning center or academy, driving school, cosmetology school, day care center, licensed day care home or group day care home, part day child care facility, licensed residential care home, or area zoned for residential use.

Please see attached site plan.

- B. Facility may not conduct any sales or distribution of cannabis other than as authorized by the CRTA.

The facility will be properly licensed and in full compliance with the CRTA.

- C. For purposes of determining required parking. Adult-Use Cannabis Craft Grower shall be classified as "Industrial or research establishments and related accessory offices" per Section 9-10B-1-4 (Schedule of Parking Requirements), provided, however, that the City may require that additional parking be provided as a result of the analysis completed through Section 9-10C-2.

Please see attached site plan showing parking plan, with 18 spaces (to the west) for the craft grower operation.

- D. No more than one (1) Adult-Use Cannabis Craft Grower shall be granted a Special Use under this Article or otherwise permitted to operate in the City.

Applicant is not aware of any other Craft Grower Special Uses granted by the City.

- E. Facility shall operate in compliance with all applicable state and local laws, including the CRTA and the provisions of this Title.

The facility will operate in full compliance with all applicable state and local laws, including the CRTA and Title 9 of the Pekin City Code.

STATE OF ILLINOIS)
)
 COUNTY OF TAZEWELL)

SS.

AFFIDAVIT OF WILLIAM L. BLACKFORD

WILLIAM L. BLACKFORD, being first duly sworn upon his oath, deposes and states as follows:

1. This affidavit is given pursuant to Section 9-10C-14 of the City of Pekin's City Code.
2. I am the Manager of Riverway Craft Laboratories, LLC, the applicant herein.
3. The facility proposed in the Special Use application filed herewith shall operate in compliance with:
 - (a) All applicable sections of Chapter 10 of Title 9 of the Pekin City Code, including Section 9-10C-3 (Craft Grower);
 - (b) All requirements of the Cannabis Regulation and Tax Act; and
 - (c) Any stipulations or conditions imposed during the review and approval process.

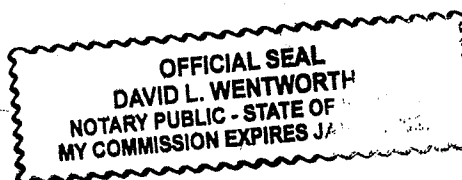
FURTHER AFFIANT SAYETH NOT.

William L. Blackford
 WILLIAM L. BLACKFORD

Subscribed and sworn to before me
 this 20th day of January, 2020.

[Signature]

NOTARY PUBLIC



		CHECK		8.19.a
DATE	DESCRIPTION	INVOICE #	AMOUNT	DEDUCTION

City of Pekin

01/20/20

Special Use Application - RP Building
Management LLC 8684

85.00

85.0

CHECK DATE	CONTROL NUMBER	TOTALS ►	Gross:	Ded:	Net:
01/20/20	50310		85.00	0.00	85.00

**HASSELBERG GREBE SNODGRASS
URBAN & WENTWORTH**

401 MAIN STREET • SUITE 1400
PEORIA, IL 61602-1258
PH: (309) 637-1400

CHASE

JPMorgan Chase Bank, N.A.
www.Chase.com

2-1/710

DATE

01/20/20

CHECK

50310

AMOUNT

*****\$85.00

PAY

TO THE
ORDER
OF

City of Pekin
111 S. Capitol
Pekin, IL 61654

*** EIGHTY-FIVE & 00/100 DOLLARS



[Handwritten Signature]

AUTHORIZED SIGNATURE

⑈050310⑈ ⑆071000013⑆

613376482⑈

Attachment: Plan Commission Packet Information for 1805 Riverway Drive (2022 : Special Use Ordinance No. 2865-19/20 for a Cannabis Craft

CITY OF PEKIN SPECIAL USE APPLICATION – Dispensing Organization

- A. Application Form (with site plan attached)
- B. Responses to factors listed on form
- C. Requirements of Section 9-10C-2 of Pekin City Code
- D. Compliance with Section 9-10C-5 of Pekin City Code (Dispensing Organization)
- E. Affidavit of William L. Blackford



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

SPECIAL USE APPLICATION

Address of Requested Special Use: 1805 Riverway Drive, Pekin, IL. A portion of the existing building will be used for an adult use cannabis dispensary, as shown on the attached site plan.

Applicant Name: RIVERWAY CRAFT LABORATORIES, LLC (will be the lessee/operator of the facility)

Address: 1805 RIVERWAY DR, PEKIN, IL 61554

Phone #: _____ Cell Phone #: (309) 550-3242 E-Mail: a.rossi@palhealth.com

Owner Name: RP BUILDING MANAGEMENT LLC

Address: 1805 RIVERWAY DR, PEKIN, IL 61554

Phone #: _____ Cell Phone #: (309) 981-9684 E-Mail: a.rossi@palhealth.com

Attorney: DAVID L. WENTWORTH II and WILIAM P. STREETER

Address: 401 MAIN STREET, PEORIA, IL 61602

Phone #: 309-637-1400 Cell Phone #: (309) 369-3895

Phone #: _____ Cell Phone #: _____ E-Mail: dwentworth@hgsuw.com

Property Information:

Lot Area: 6 acres (current) Zoning District: PUD Present Use: Vacant

Use of Adjacent Property & Zoning: All PUD, with industrial or commercial use

North: _____ South: _____

East: _____ West: _____

Property Identification Number: 10-10-10-100-017

Legal Description: (Attach Separate Page): SEC 10 T24N R5W RIVERWAY BUSINESS PARK FINAL PLAT LOT 1 BLK 2 NW 1/4



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

Brief Summary and Reason for Request: To use a portion of the existing building to operate an adult use cannabis dispensary facility, all pursuant to the City of Pekin Zoning Code and the CRTA. Please note that there are no dispensary licenses available from the State of Illinois at this time. Pursuant to the CRTA, the next dispensary licenses will be available in December, 2021.

No Special Use shall be recommended for approval by the Plan Commission unless there is a concurring vote of a majority of all members regarding findings of fact. Clearly explain how the requested Special Use meets each of the following findings of fact standards: **[SEE ATTACHED RESPONSES]**

- 1.) The proposed Special use is consistent with the intent of the Comprehensive Plan.
- 2.) The establishment, Maintenance, or operation of the Special Use will not be detrimental to or endanger the public health, safety, morals, comfort, or general welfare.
- 3.) The Special use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purpose already permitted nor substantially diminish property values within the neighborhood.
- 4.) The establishment of the Special Use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.
- 5.) Adequate utilities, access roads, drainage or necessary facilities have been or will be provided.
- 6.) Adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.
- 7.) The Special Use is necessary for public convenience at this location.

CERTIFICATION BY THE APPLICANT

Riverway Craft Laboratories LLC

I certify that all the information contained in this application form or any attachments, documents, or plans submitted herewith are true to the best of my knowledge and belief.

By: William L. Blackford
Applicant Signature: William L. Blackford, Mgr

Jan 20, 2020
Date

CERTIFICATION BY PROPERTY OWNER

RP Property Management, LLC

I certify that I am the owner of the property, which is the subject of this request. The applicant has received my approval to proceed with this request.

By: _____
Owner Signature: Aaron J. Rossi, Mgr

Date



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

Brief Summary and Reason for Request: To use a portion of the existing building to operate an adult use cannabis dispensary facility, all pursuant to the City of Pekin Zoning Code and the CRTA. Please note that there are no dispensary licenses available from the State of Illinois at this time. Pursuant to the CRTA, the next dispensary licenses will be available in December, 2021.

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- 1.) The proposed Special use is consistent with the intent of the Comprehensive Plan.
- 2.) The establishment, Maintenance, or operation of the Special Use will not be detrimental to or endanger the public health, safety, morals, comfort, or general welfare.
- 3.) The Special use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purpose already permitted nor substantially diminish property values within the neighborhood.
- 4.) The establishment of the Special Use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.
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- 6.) Adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.
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I certify that all the information contained in this application form or any attachments, documents, or plans submitted herewith are true to the best of my knowledge and belief.

By: _____

Applicant Signature: William L. Blackford, Mgr

Date

CERTIFICATION BY PROPERTY OWNER

RP Property Management, LLC

I certify that I am the owner of the property, which is the subject of this request. The applicant has received my approval to proceed with this request.

By: _____

Owner Signature: Aaron J. Rossi, Mgr

1.20 - 20

Date



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

CHECKLIST OF REQUIRED SPECIAL USE ITEMS:

- ✓ One original completed Special Use application form with all required signatures.
- ✓ Payment of \$85.00 non-refundable filing fee. Checks should be made payable to "City of Pekin".
- ✓ Fifteen (15) copies of a Site Plan of the proposed development showing:
 - * A scale of not less than one inch equals fifty feet (1" = 50') if the subject property is less than three (3) acres and one inch equals one hundred feet (1" = 100') if three (3) acres or more.
 - * Date, north point and scale.
 - * The dimensions of all lot and property lines, showing the relationship of the subject property to abutting properties.
 - * The location of all existing and proposed structures on the subject property and all structures within one hundred feet (100') of the subject property.
 - * The location of all existing and proposed drives and parking areas.
 - * The location and right-of-way widths of all abutting streets and alleys.
 - * The names, addresses, and phone numbers of the architect, planner, designer, engineer or person responsible for the preparation of the site plan.
- ✓ Attachments such as landscape plan, photograph or renderings of existing and proposed site, building layouts or elevations, etc. are commended in order to provide accurate and sufficient information for review by the Development Review Committee and consideration by the Plan Commission.
- ✓ The applicant(s) or authorized agent must be present at the Planning Commission meeting to address any questions that may arise.

FOR OFFICE USE ONLY:

Filing Fee: \$85.00

Date Filed: 1/21/20

Publication Date: 1/22/20

Public Hearing Date: 2/5/20

City Council Action Date: 2/10/20

Approved: _____

Denied: _____

Ordinance #: _____

1.) The proposed Special Use is consistent with the intent of the Comprehensive Plan.

The City of Pekin “Comprehensive Plan 2006” (the “Plan”) states that:

An important part of any community is its economic activity. Existing commercial and industrial uses must be kept vibrant while new commercial and industrial growth is needed to maintain and increase economic opportunities and potential. (Section IV, p. IV-1).

The Plan further recognizes the Riverway Business Park as an important economic development project (p. IV-5), and specifically identifies the continuing development of the Riverway Business Park as an economic development objective for the City (p. IV-10). Moreover, the Plan refers to the City’s promotion of the Riverway Business Park for industrial development (p. IX-4).

The proposed development in the Riverway Business Park squarely fits within the Plan’s objectives.

2.) The establishment, maintenance, or operation of the Special Use will not be detrimental to or endanger the public health, safety, morals, comfort, or general welfare.

The City has specifically identified certain zoning classifications as appropriate for the proposed special use.

3.) The Special Use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purpose already permitted nor substantially diminish property values within the neighborhood.

The adjacent properties all have the same zoning classification (PUD), and are used for commercial and/or industrial uses.

4.) The establishment of the Special Use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.

The surrounding property is already developed for uses permitted in the PUD district.

5.) Adequate utilities, access roads, drainage or necessary facilities have been or will be provided.

Such facilities are a necessary element of the proposed use and will be provided.

- 6.) Adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.**

The points of ingress and egress are shown on the attached site plan.

- 7.) The Special Use is necessary for public convenience at this location.**

The City has identified this area for this type of special use.

REQUIREMENTS OF SECTION 9-10C-2 OF THE PEKIN CITY CODE:

- 1. Impact of the proposed facility on existing or planned uses located within the vicinity of the subject property.**

The surrounding uses are commercial and/or industrial. The City has determined that this Special Use is appropriate in the PUD zoning district.

- 2. Proposed structure in which the facility will be located, including co-tenancy (if in a multi-tenant building), total square footage, security installations and security plan, and building code compliance.**

The site plan is attached. All design and construction will be in compliance with the City's building code. The applicant will install building enhancements, such as security cameras, lighting or other improvements to ensure the safety of employees and customers of the facility. Security will be in full compliance with the CRTA and any rules and regulations promulgated by the Illinois Department of Agriculture.

- 3. Hours of operation and anticipated number of customers/employees.**

Dispensary

Proposed hours of operation: 6am-10pm (per CRTA)

Number of customers: 80-100/day

Number of employees: 16

- 4. Anticipated parking demand, available private parking supply, and parking requirements established in Article B of this Chapter 10.**

The site plan shows the parking layout which is in compliance with this Code. Applicant anticipates parking demand will not exceed the planned parking availability.

- 5. Anticipated traffic generation in the context of adjacent roadway capacity and access to such roadways.**

Access to roadways is shown on the site plan. Applicant anticipates typical retail traffic for the proposed dispensing organization.

- 6. Site design, including access points and internal site circulation.**

Please see the attached site plan.

7. **Proposed signage plan.**

Signage will be per CRTA requirements. Pursuant to the CRTA, the dispensary is prohibited from “advertising”, as defined in the CRTA. There will be a sign on the building with the name of the organization.

8. **Compliance with all requirements of the specific section in this Article for the particular type of Cannabis Business Establishment that is being proposed, as applicable.**

Please see the attached regarding compliance with Sections 9-10C-5 of the Pekin City Code.

9. **Other criteria determined to be necessary to assess compliance with the provisions of this Article.**

The applicant is pleased to provide any further information the City may deem necessary to assess compliance.

COMPLIANCE WITH SECTION 9-10C-5 OF THE PEKIN CITY CODE
(DISPENSING ORGANIZATION):

- A. Facility may not be located within 100 feet of the property line of a pre-existing place of worship, public or private nursery school, preschool, primary or secondary school, college, university, community or junior college, vocational or trade school, learning center or academy, driving school, cosmetology school, day care center, licensed day care home, or licensed residential care home.**

Please see attached site plan.

- B. At least 75% of the floor area of any tenant space occupied by the facility shall be devoted to the activities of the dispensing organization as authorized by the CRTA.**

Please see attached site plan. The entire floor area of the dispensary will be devoted to the activities of the dispensing organization.

- C. Facility may not conduct any sales or distribution of cannabis other than as authorized by the CRTA.**

The facility will be properly licensed and in full compliance with the CRTA.

- D. For purposes of determining required parking, Adult-Use Cannabis Dispensing Organization shall be classified as “retail stores, except as otherwise specified herein” per Section 9-10-B-1-4 (Schedule of Parking Requirements), provided, however, that the City may require that additional parking be provided as a result of the analysis completed through Section 9-10C-2.**

Please see attached site plan showing parking plan, with more than 100 total spaces for the dispensing organization and the existing business.

Dispensing organization is 6000 square feet, and therefore requires 24 spaces (1 for each 250 square feet of usable floor space).

Existing use has 80 employees, and is “Industrial or research establishments and related accessory offices.” It therefore requires 59 spaces (5 plus 1 for every 1½ employee).

- E. No more than three (3) Adult-Use Cannabis Dispensing Organizations shall be granted a Special Use under this Article or otherwise permitted to operate in the City.**

Applicant is not aware of any other Dispensing Organization Special Uses granted by the City.

- F. The hours of operation for an Adult-Use Cannabis Dispensing Organization shall not be earlier than 6:00 a.m. and not later than 10:00 p.m.**

The hours of operation for the dispensing organization will be from 6:00 a.m. to 10:00 p.m.

- G. No person under the age of twenty-one (21) shall be allowed to enter an Adult-Use Cannabis Dispensing Organization; provided, however, that if the facility is also licensed as a Medical Cannabis Dispensing Organization, persons under the age of 21 may be permitted to enter to the extent authorized by Section 9-10C-10.**

No person under the age of twenty-one (21) will be allowed to enter the dispensing organization.

- H. No person shall reside in or permit any person to reside in an Adult-Use Cannabis Dispensing Organization.**

No person will reside in or permitted to reside in the facility.

- I. No outdoor seating areas shall be permitted.**

No outdoor seating areas will be used (see site plan).

- J. No drive-through services or sales shall be permitted.**

The facility will have no drive through (see site plan).

- K. Facility shall operate in compliance with all applicable state and local laws, including the CRTA and the provisions of this Title.**

The facility will operate in full compliance with all applicable state and local laws, including the CRTA and Title 9 of the Pekin City Code.

E

STATE OF ILLINOIS)
)
 COUNTY OF TAZEWELL) SS.

AFFIDAVIT OF WILLIAM L. BLACKFORD

WILLIAM L. BLACKFORD, being first duly sworn upon his oath, deposes and states as follows:

1. This affidavit is given pursuant to Section 9-10C-14 of the City of Pekin's City Code.
2. I am the Manager of Riverway Craft Laboratories, LLC, the applicant herein.
3. The facility proposed in the Special Use application filed herewith shall operate in compliance with:
 - (a) All applicable sections of Chapter 10 of Title 9 of the Pekin City Code, including Section 9-10C-5 (Dispensing Organization);
 - (b) All requirements of the Cannabis Regulation and Tax Act; and
 - (c) Any stipulations or conditions imposed during the review and approval process.

FURTHER AFFIANT SAYETH NOT.

William L. Blackford
 WILLIAM L. BLACKFORD

Subscribed and sworn to before me
 this 20th day of January, 2020.

[Signature]
 NOTARY PUBLIC

OFFICIAL SEAL
 DAVID L. WENTWORTH II
 NOTARY PUBLIC - STATE OF ILLINOIS
 MY COMMISSION EXPIRES JAN. 11, 2023

HASSELBERG GREBE SNODGRASS URBAN & WENTWORTH

50311

8.19.a

DATE	DESCRIPTION	INVOICE #	AMOUNT	DEDUCTION	NET AMOUNT
01/20/20	City of Pekin Special Use Application - RP Building Management LLC 8684		85.00		85.00

CHECK DATE	CONTROL NUMBER	TOTALS ▶	Gross:	Ded:	Net:
01/20/20	50311		85.00	0.00	85.00

HOLD TO LIGHT TO VIEW TRUE WATERMARK IN PAPER HEAT SENSITIVE RED LOCK DISAPPEARS WHEN HEATED

50311

**HASSELBERG GREBE SNODGRASS
URBAN & WENTWORTH**
401 MAIN STREET • SUITE 1400
PEORIA, IL 61602-1258
PH. (309) 637-1400

CHASE
JPMorgan Chase Bank, N.A.
www.Chase.com
2-1/710

DATE	CHECK	AMOUNT
01/20/20	50311	*****\$85.00

PAY
TO THE ORDER OF
City of Pekin
111 S. Capitol
Pekin IL 61554

*** EIGHTY-FIVE & 00/100 DOLLARS


AUTHORIZED SIGNATURE

⑈050311⑈ ⑆071000013⑆

613376482⑈

Attachment: Plan Commission Packet Information for 1805 Riverway Drive (2022 : Special Use Ordinance No. 2865-19/20 for a Cannabis Craft

For a Craft Grower:

- A. Facility may not be located within 400 feet of the property line of a pre-existing place of worship, public or private nursery school, preschool, primary or secondary school, college, university, community or junior college, vocational or trade school, learning center or academy, driving school, cosmetology school, day care center, licensed day care home or group day care home, part day child care facility, licensed residential care home, or area zoned for residential use.

For a Dispensing Organization:

- A. Facility may not be located within 100 feet of the property line of a pre-existing place of worship, public or private nursery school, preschool, primary or secondary school, college, university, community or junior college, vocational or trade school, learning center or academy, driving school, cosmetology school, day care center, licensed day care home, or licensed residential care home.

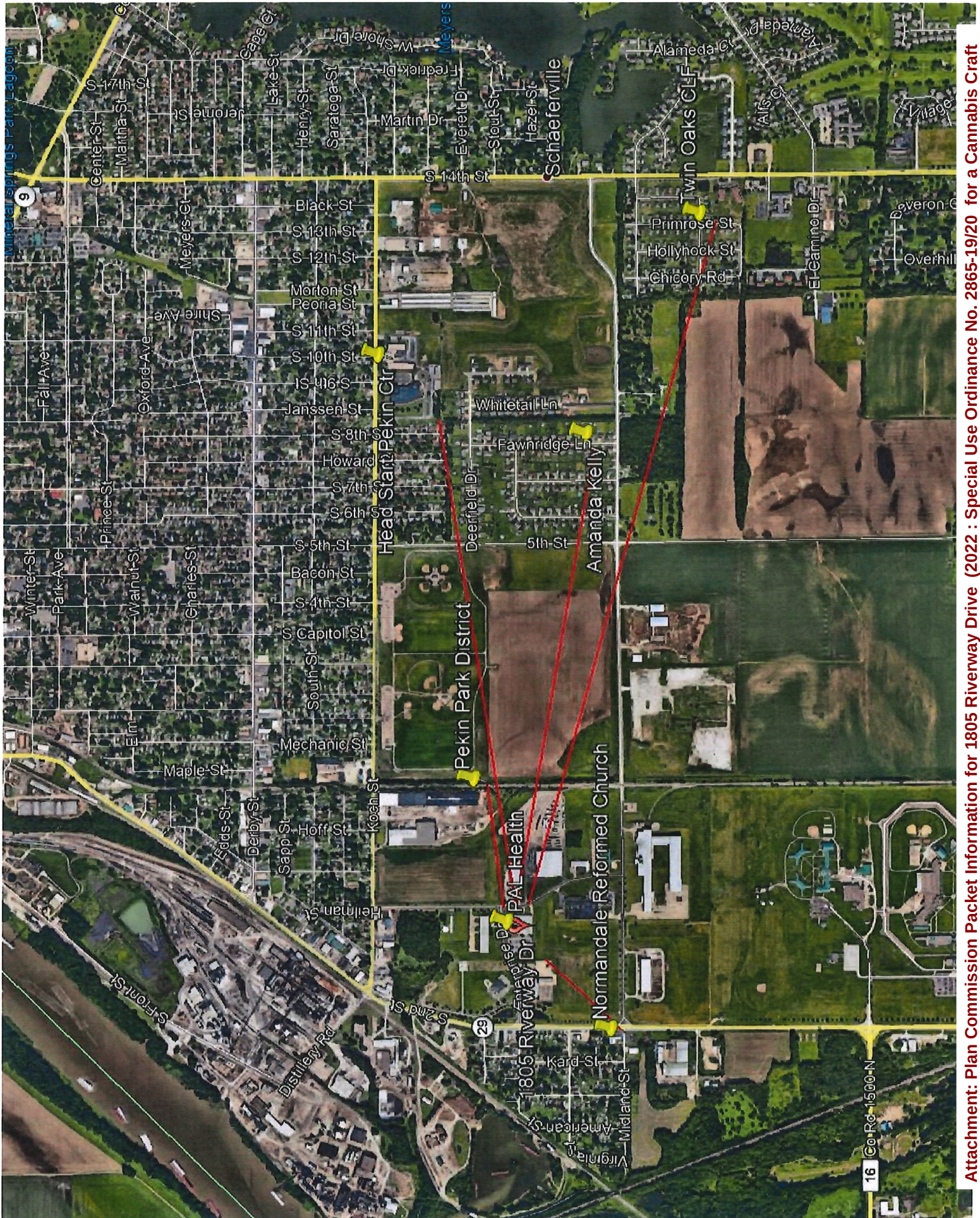
The proposed Facility is more than 400 feet away (and therefore more than 100 feet away) from any of the above pre-existing uses, measured property line to property line. The proposed Facility is more than 400 feet away from the nearest areas zoned for residential use. The nearest residentially zoned area is to the West, at 1811 S. 2nd Street, Pekin, IL 61554; PIN 10-10-09-209-017; Zoned R-1. For purposes of this analysis, the measurements were taken from the outer perimeter of the entire 6 acre lot (from which 2.3 acres will be subdivided off the South for the craft grower; and in which a dispensing organization will be located (within a portion of the existing building on the site)).

A 400 Foot Setback Exhibit Drawing is attached; none of the pre-existing uses are found or present on any property, in whole or in part, within the 400 foot setback. The uses of the property within or for which any portion of adjoining property is used include (all being part of and wholly included within the Pekin Riverway Business Park, Planned Unit Development):

- CenturyLink, 200 Enterprise Drive, Pekin, IL 61554.
- NTS Services, 205 Enterprise Drive, Pekin, IL 61554.
- DCX-CHOL Enterprises, 225 Enterprise Drive, Pekin, IL 61554.
- Kriegsman Transfer Co. (vacant property), PIN 10-10-10-100-047.
- Excalibur Seasoning, 1800 Riverway Drive, Pekin, IL 61554.
- Amerhart, 1810 Riverway Drive, Pekin, IL 61554.
- Johnson Mechanical Services, 1818 Riverway Drive, Pekin, IL 61554.
- Winpak Heat Seal, Inc., 1821 Riverway Drive, Pekin, IL 61554.

In addition, attached please find a Google Earth Map depicting the nearest respective businesses or uses to the proposed Facility, and the distances measured property line to property line (red lines on map):

- Place of Worship: Normandale Reformed Church, 2001 S. 2nd St, Pekin, IL 61554; 1,166 feet.
- To extent any school or learning/academy activities are involved at the Pekin Park District Facility, 300 Koch Street, Pekin, IL 61554: 1,367 feet.
- School of any kind: Wilson Intermediate School, 900 Koch St, Pekin, IL 61554; 5,375 feet.
- Licensed day care facility: Head Start Pekin, housed in District 108 Preschool Family Education Center, 1000 Koch Street Pekin, IL 61554; 5,375 feet.
- Licensed day care facility (private home): Amanda S. Kelly, 1838 Fawnridge Lane, Pekin, IL 61554; 5,080 feet.
- Licensed residential care home: CWTC Twin Oaks CLF, 2011 South Fourteenth Street, Pekin, IL 61554: 7,700 feet.





Official Certificate of Publication as Required by State Law and IPA By-Laws

Certificate of the Publisher

Gatehouse Media certifies that it is the publisher of the Peoria Journal Star. Peoria Journal Star a secular newspaper, has been continuously published daily for more than fifty (50) weeks prior to the first publication of the attached notice, is published in the City Peoria, County of Peoria, Township of Peoria, State of Illinois, is of general circulation throughout that county and surrounding area, and is a newspaper as defined by 715 ILCS 5/5.

A notice, a true copy of which is attached, was published 1 time in Peoria Journal Star. The publication of the notice was made in the newspaper, dated and published on January 22nd, 2020. The notice was also placed on a statewide public notice website as required by 715 ILCS 5/2.1.

In witness, the Peoria Journal Star has signed this certificate by Gatehouse Media, its publisher, at Peoria, Illinois, on January 22nd, 2020.

City of Pekin

Ad # 4695534

By:

Ashley Anderson

Ashley Anderson
Legal Notice Representative
Gatehouse Media
Publisher

(Note: Unless otherwise ordered, notarization of this document is **not** required.)

Legal Notice Legal Notice

LEGAL NOTICE for PUBLIC HEARING

Notice is hereby given that a **PUBLIC HEARING** will be held For Special Use Petitions and Site Plan Review submitted by Riverway Craft Laboratories, LLC, for the establishment of cannabis craft grower and cannabis dispensary uses at certain property located at 1805 Riverway Drive, with a Legal Description of Sec 10 T24N R5W Riverway Business Park Final Plat Lot 1 Blk 2 NW ¼ 6.00 AC in Tazewell County, Illinois, with the following P.I.N.#: 10-10-10-100-017.

Said **Public Hearing** of the above petition to be held at a **regular Meeting** of the **Pekin Planning Commission**, 111 South Capitol Street, City Hall, City of Pekin, Illinois, on the **5th day of February, 2020**, at the hour of **5:30 P.M.**

All persons having an interest there in may appear to be heard.

Dated this **21st** day of **January, 2020**.

John R. Lebegue

Building Inspections / Development Director
City of Pekin



City of Pekin- Zoning and Inspections Department
111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

Current Resident/Owner,

Notice is hereby given that a **PUBLIC HEARING** will be held for consideration of Special Use Petitions and request for Site Plan Review, submitted by Riverway Craft Laboratories, LLC, for the establishment of cannabis craft grower and cannabis dispensary uses at certain property located at 1805 Riverway Drive, with a Legal Description of Sec 10 T24N R5W Riverway Business Park Final Plat Lot 1 Blk 2 NW ¼ 6.00 AC in Tazewell County, Illinois, with the following P.I.N.#: 10-10-10-100-017.

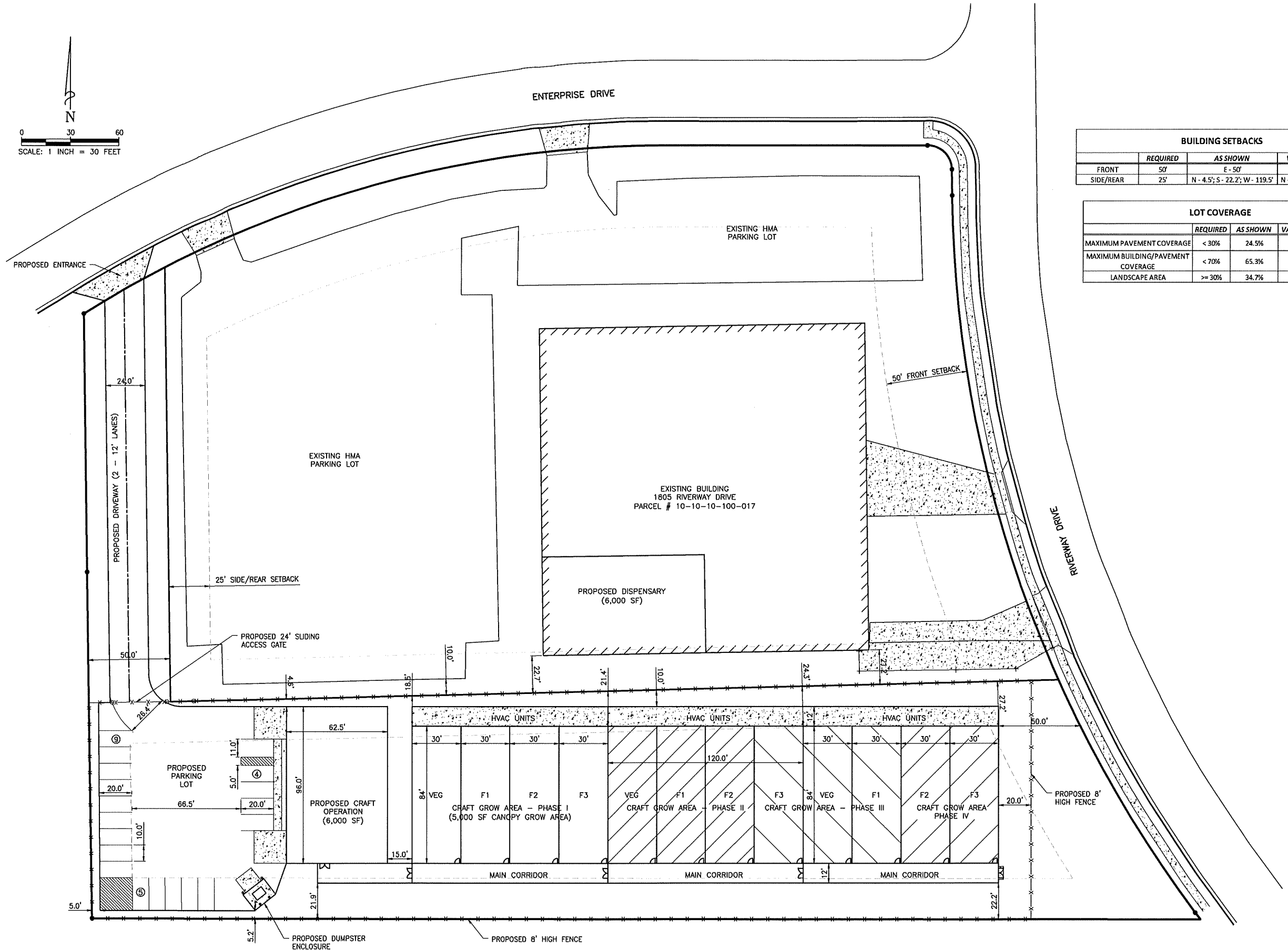
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All persons having an interest there in may appear to be heard.

John R. Lebegue
Building Inspections / Development Director
City of Pekin

John R. Lebegue
Building Inspections / Development Director
jrlebegue@ci.pekin.il.us
Office: (309) 478-5370

S:\20\Business Development\Projects\2021\23220002.00 (Review Draft Crop)Code\23220002.00.dwg



BUILDING SETBACKS			
	REQUIRED	AS SHOWN	VARIANCE REQUESTED
FRONT	50'	E - 50'	NONE
SIDE/REAR	25'	N - 4.5'; S - 22.2'; W - 119.5'	N - 20.5'; S - 2.5'; W - NONE

LOT COVERAGE			
	REQUIRED	AS SHOWN	VARIANCE REQUESTED
MAXIMUM PAVEMENT COVERAGE	< 30%	24.5%	NONE
MAXIMUM BUILDING/PAVEMENT COVERAGE	< 70%	65.3%	NONE
LANDSCAPE AREA	>= 30%	34.7%	NONE

REVISIONS	
No.	Description

MAURER-STUTZ
ENGINEERS
SURVEYORS

3116 N. SHELLEANE AVE. SUITE 100 | FORT M. IL 60064 | (708) 683-7615 | FAX (708) 683-7616

3020 EAST ASHLIBERT | CANTON, IL 60104 | (708) 445-1100 | FAX (708) 445-1101

5810 W. KILGORE AVENUE | MUNCIE, IN 47304 | (765) 273-6228 | FAX (765) 273-6229

ILLINOIS PROFESSIONAL DESIGN ENGINEER LICENSE #184-007254

www.mstutz.com *WORKING WITH YOU BY DESIGN*

Sheet Title:
PROPOSED SITE PLAN

Project:
RIVERWAY CRAFT GROW

Client:
RP BUILDING MANAGEMENT, LLC

Designed By:
KJP

Drawn By:
KDR

Reviewed By:
KJP

Date:
17 JANUARY 2020

Project No.:
23220002.00

Drawing:
1

1 OF 1

S:\200\Business Development\Proposed\2302\23020006.00 (Riverway Craft Grow)\cadd\23020006.00 - P&L.dwg

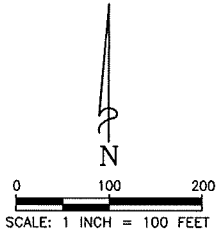
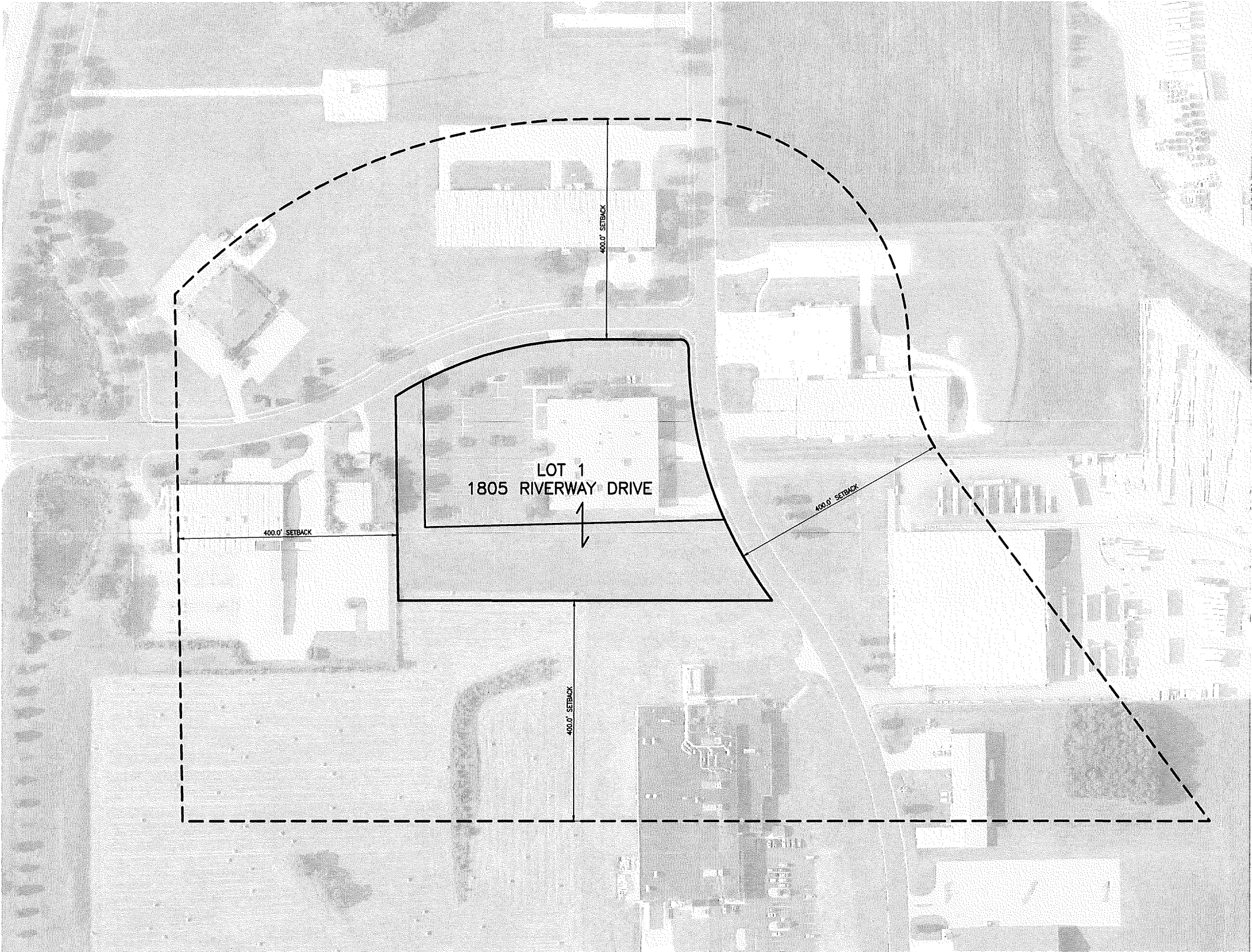
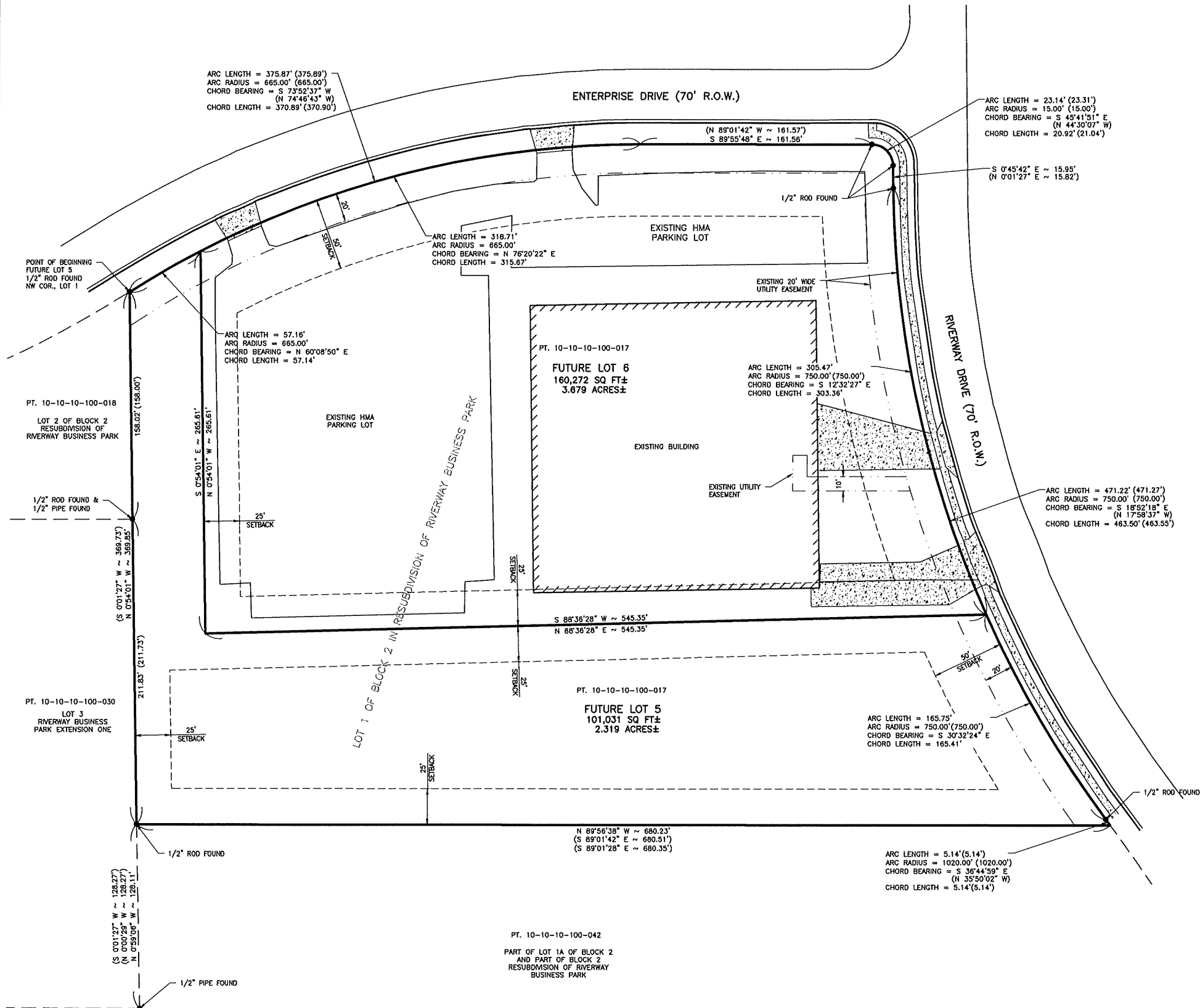


EXHIBIT DRAWING
400 FOOT SETBACK FROM LOT 1 IN BLOCK 2 IN THE RESUBDIVISION OF RIVERWAY BUSINESS PARK, A SUBDIVISION OF PART OF THE W 1/2 OF SECTION 10, TOWNSHIP 24 NORTH, RANGE 5 WEST OF THE THIRD PRINCIPAL MERIDIAN

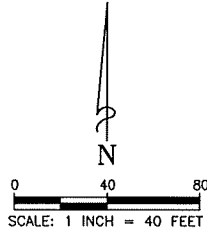
MAURER-STUTZ ENGINEERS SURVEYORS 3116 N. DRIESLAND, SUITE 100 PEORIA, IL 61604 (309) 693-7623 FAX (309) 693-7618 1870 EAST PARKWAY CAHON, IL 62503 (309) 647-9331 FAX (309) 647-9335 5505 N. HIGGINS AVENUE MOUND, IL 61754 (309) 217-9223 FAX (309) 217-9166 ILLINOIS PROFESSIONAL DESIGN RENEWAL LICENSE #184-00754 www.ms-engineers.com PEORIA AND MOUND OFFICES		REVISIONS No. Date Description	
Client: RP BUILDING MANAGEMENT, LLC		Sheet Title: 400' SETBACK	
Designed By: KJP Drawn By: KDR Reviewed By: KJP Date: January 20, 2020 Project No.: 23020006.00 Drawing: 1		Project: RIVERWAY CRAFT GROW	
1 OF X			

EXHIBIT DRAWING

LOT 1 IN BLOCK 2 IN THE RESUBDIVISION OF RIVERWAY BUSINESS PARK, A SUBDIVISION OF PART OF THE WEST 1/2 OF SECTION 10, TOWNSHIP 24 NORTH, RANGE 5 WEST OF THE THIRD PRINCIPAL MERIDIAN



LEGEND	
●	IRON ROD FOUND
○	IRON ROD SET
—	SURVEYED BOUNDARY
- - -	LOT LINE
()	RECORD OR PRIOR SURVEY DATA



FUTURE LOT 5 DESCRIPTION

A part of Lot 1 in Block 2 in the Resubdivision of Riverway Business Park as shown on a Plat of Subdivision recorded January 12, 1998 in Book 00, page 144 as Document No. 9800686, being a part of the West Half of Section 10, Township 24 North, Range 5 West of the Third Principal Meridian in the City of Pekin, Tazewell County, Illinois, more particularly described as follows:

Beginning at an iron rod at the northwest corner of said Lot 1, thence easterly along a curve to the right on an arc distance of 57.16 feet along the southerly right of way line of Enterprise Drive, said curve having a radius of 665.00 feet and a chord bearing North 60°08'50" East (bearings based on the Illinois State Plane Coordinate System, NAD83 (2011), West Zone) 57.14 feet; thence South 00°54'01" East 256.61 feet; thence North 88°36'28" East 545.35 feet to the westerly right of way line of Riverway Drive; thence southerly along a curve to the left on an arc distance of 165.75 feet along said westerly right of way line, said curve having a radius of 750.00 feet and a chord bearing South 30°32'24" East 165.41 feet; thence southerly along a curve to the right on an arc distance of 5.14 feet along said westerly right of way line, said curve having a radius of 1020.00 feet and a chord bearing South 36°-44'-59" East 5.14 feet to the southeast corner of said Lot 1; thence North 89°56'38" West along the south line of said Lot 1 a distance of 680.23 feet to the southwest corner of said Lot 1; thence North 00°54'01" West along the west line of said Lot 1 a distance of 369.85 feet to the Point of Beginning.

The above described "Future Lot 5" contains 2.319 acres, more or less.

FUTURE LOT 6 DESCRIPTION

Lot 1 in Block 2 in the Resubdivision of Riverway Business Park as shown on a Plat of Subdivision recorded January 12, 1998 in Book 00, page 144 as Document No. 9800686, being a part of the West Half of Section 10, Township 24 North, Range 5 West of the Third Principal Meridian in the City of Pekin, Tazewell County, Illinois.

EXCEPTING THEREFROM:

A part of said Lot 1 in Block 2 in the Resubdivision of Riverway Business Park, more particularly described as follows:

Beginning at an iron rod at the northwest corner of said Lot 1, thence easterly along a curve to the right on an arc distance of 57.16 feet along the southerly right of way line of Enterprise Drive, said curve having a radius of 665.00 feet and a chord bearing North 60°08'50" East (bearings based on the Illinois State Plane Coordinate System, NAD83 (2011), West Zone) 57.14 feet; thence South 00°54'01" East 256.61 feet; thence North 88°36'28" East 545.35 feet to the westerly right of way line of Riverway Drive; thence southerly along a curve to the left on an arc distance of 165.75 feet along said westerly right of way line, said curve having a radius of 750.00 feet and a chord bearing South 30°32'24" East 165.41 feet; thence southerly along a curve to the right on an arc distance of 5.14 feet along said westerly right of way line, said curve having a radius of 1020.00 feet and a chord bearing South 36°-44'-59" East 5.14 feet to the southeast corner of said Lot 1; thence North 89°56'38" West along the south line of said Lot 1 a distance of 680.23 feet to the southwest corner of said Lot 1; thence North 00°54'01" West along the west line of said Lot 1 a distance of 369.85 feet to the Point of Beginning.

The above described "Future Lot 6" contains 3.679 acres, more or less.

PROPERTY EXHIBIT

RIVERWAY CRAFT GROW

RP BUILDING MANAGEMENT, LLC

Designed By: KJP
Drawn By: KDR
Reviewed By: KJP
Date: January 20, 2020
Project No.: 23020006.00
Drawing:

X
X OF X

ORDINANCE NO. 2865-19/20

**AN ORDINANCE APPROVING APPLICATION FOR SPECIAL USE FOR
ESTABLISHMENT OF AN ADULT-USE CANNABIS CRAFT GROWER
IN RIVERWAY BUSINESS PARK**

WHEREAS, the City of Pekin is a home rule municipality as described in Section 6(a), Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, the City of Pekin, as a home rule municipality, may exercise power and perform any function pertaining to its government and affairs, including, but not limited to, the power to legislate for the protection of the public health, safety, and welfare; and

WHEREAS, a Petition was submitted to the City on January 21, 2020, by RP Building Management, LLC, for a special use permit for the operation of an adult-use cannabis craft grower in a PUD District (the "Petition"), at the property currently described as 1805 Riverway Drive, in Riverway Business Park, further described as Lot 1 of Block 2 of Riverway Business Park, a Subdivision of the City of Pekin, as shown by plat recorded in Plat Book "KK", page 181, situated in Tazewell County, Illinois, and having the parcel identification number of 10-10-10-100-017 (the "Property"); and

WHEREAS, after hearing pursuant to duly published notice, the Planning and Zoning Commission of the City of Pekin has recommended that the City grant the request for a special use, subject to the conditions set forth herein; and

WHEREAS, the City Council finds that the Petition meets all the standards set forth in the City Code for the granting of a special use, and that the Petition complies with the requirements set forth in Title 9, Chapter 10C of the City Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS, THAT:

Section 1. The findings and recitations set forth above are adopted and found to be true and correct.

Section 2. A special use is hereby authorized for the purpose of allowing the operation of an adult-use cannabis craft grower facility, subject to the following conditions:

1. Petitioner shall construct the facility in accordance with the Site Plan attached hereto as Exhibit A.
2. The facility shall at all times be operating in conformance with all City Ordinances and State laws governing the operation of adult-use cannabis craft growers.

Upon violation of or any failure to comply with the aforementioned conditions or with any provision of the City code applicable to the Property or its use, the City Council may, after appropriate notice and hearing, terminate the special use authorized herein.

Section 3. This Ordinance is in addition to all other ordinances on the subject and shall be construed therewith excepting as to that part in direct conflict with any other ordinance, and in the event of such conflict, the provisions hereof shall govern.

Section 4. This Ordinance shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED AND APPROVED at the regular meeting of the City Council of the City of Pekin, this _____ day of _____, 20____; and upon roll call the vote was as follows:

AYES:

NAYS:

ABSENT:

ABSTAINING:

APPROVED this _____ day of _____, 20____

Mayor

ATTEST:

City Clerk

CERTIFICATE

THE UNDERSIGNED CERTIFIES THAT SHE IS THE CITY CLERK FOR THE CITY OF PEKIN, ILLINOIS, AND THAT THE CITY COUNCIL AT A REGULARLY CONSTITUTED MEETING OF SAID CITY COUNCIL OF THE CITY OF PEKIN ON THE _____ DAY OF _____, 20____ ADOPTED ORDINANCE NO. _____ A TRUE AND CORRECT COPY OF WHICH IS CONTAINED IN THIS PAMPHLET

GIVEN UNDER MY HAND AND SEAL THIS _____ DAY OF _____, 20____.

(SEAL)

CITY CLERK



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: John Lebegue, Building & Inspections

AGENDA ITEM: Special Use Ordinance No. 2864 - 19/20 for Cannabis Dispensary Use at 1805 Riverway Dr.

ACTION REQUESTED: Approval of Ordinance No. 2864 – 19/20 for the establishment of an adult-use cannabis dispensary use at 1805 Riverway Drive.

DESCRIPTION: Riverway Craft Laboratories, LLC has submitted a Special Use petition for the establishment of an adult-use cannabis dispensary use at the property located at 1805 Riverway Drive. The property at 1805 Riverway Drive is located in the Riverway Business Park and is zoned PUD, Planned Unit Development. Riverway Craft Laboratories, LLC is proposing to establish a 6,000 square foot adult-use cannabis dispensary use in a portion of the existing building at 1805 Riverway Drive.

PROPERTY INFORMATION

Relevant Zoning Code Section: Section 9-10C-2, Special Use: A cannabis business establishment facility shall require approval as a Special Use in the respective zoning use district in which such facility is to be located, in accordance with the provision of this Title; Section 9-10C-5: Adult-Use Cannabis Dispensing Organization

Property Address: 1805 Riverway Drive

Current Zoning Classification: PUD, Planned Unit Development District

Current Use: Manufacturing & Office

Off-Street Parking Requirement for Cannabis Dispensary Facility: Retail – One space for each 250 square feet of usable floor space. Existing Industrial Use - Five spaces plus 1 for every employees in the largest working shift.

Required # of Parking Spaces: Dispensary Use: 24 off-street parking spaces (6,000 square feet of usable floor space, with 16 proposed dispensary employees)

Required # of Parking Spaces: Existing Industrial Use: 59 off-street parking spaces (80 existing industrial use employees)

Proposed # of Parking Spaces for Proposed Dispensary Use and Existing Industrial Use: 180 off-street parking spaces

ANALYSIS AND DISCUSSION

Following are the relevant City Code sections of the ordinance that was recently adopted by the City Council in regard to regulations for cannabis business establishments that pertain to the Special Use petitions being sought:

9-10C-5: ADULT-USE CANNABIS DISPENSING ORGANIZATION: In those zoning use districts in which an Adult-Use Cannabis Dispensing Organization may be located, the proposed facility must comply with the following:

- A. Facility may not be located within 100 feet of the property line of a pre-existing place of worship, public or private nursery school, preschool, primary or secondary school, college, university, community or junior college, vocational or trade school, learning center or academy, driving school, cosmetology school, day care center, licensed day care home, or licensed residential care home.
- B. At least 75% of the floor area of any tenant space occupied by the facility shall be devoted to the activities of the dispensing organization as authorized by the CRTA.
- C. Facility may not conduct any sales or distribution of cannabis other than as authorized by the CRTA.
- D. For purposes of determining required parking, Adult-Use Cannabis Dispensing Organization shall be classified as “retail stores, except as otherwise specified herein” per Section 9-10B-1-4 (Schedule of Parking Requirements), provided, however, that the City may require that additional parking be provided as a result of the analysis completed through Section 9-10C-2.
- E. No more than three (3) Adult-Use Cannabis Dispensing Organizations shall be granted a Special Use under this Article or otherwise permitted to operate in the City.
- F. The hours of operation for an Adult-Use Cannabis Dispensing Organization shall not be earlier than 6:00 a.m. and not later than 10:00 p.m.
- G. No person under the age of twenty-one (21) shall be allowed to enter an Adult-Use Cannabis Dispensing Organization; provided, however, that if the facility is also licensed as a Medical Cannabis Dispensing Organization, persons under the age of 21 may be permitted to enter to the extent authorized by Section 9-10C-10.
- H. No person shall reside in or permit any person to reside in an Adult-Use Cannabis Dispensing Organization.
- I. No outdoor seating areas shall be permitted.
- J. No drive-through services or sales shall be permitted.
- K. Facility shall operate in compliance with all applicable state and local laws, including the CRTA and the provisions of this Title.

Pursuant to Section 9-10C-2 of the City Code: Special Use: A Cannabis Business Establishment facility shall require approval as a Special Use in the respective zoning use district in which such facility is to be located, in accordance with the provision of this Title.

A. In determining compliance with this Article and eligibility as a Special Use, the following factors shall be considered, taking into account the entirety of the circumstances affecting the particular property for which the Special Use is sought in the context of the existing and intended future use of the adjacent and nearby properties:

1. Impact of the proposed facility on existing or planned uses located within the vicinity of the subject property.
2. Proposed structure in which the facility will be located, including co-tenancy (if in a multi-tenant building), total square footage, security installations and security plan, and building code compliance.
3. Hours of operation and anticipated number of customers/employees.
4. Anticipated parking demand, available private parking supply, and parking requirements established in Article B of this Chapter 10.
5. Anticipated traffic generation in the context of adjacent roadway capacity and access to such roadways.
6. Site design, including access points and internal site circulation.
7. Proposed signage plan.
8. Compliance with all requirements of the specific section in this Article for the particular type of Cannabis Business Establishment that is being proposed, as applicable.
9. Other criteria determined to be necessary to assess compliance with the provisions of this Article.

The applicant has submitted written documentation as to how the proposed adult-use cannabis dispensary use meets all of the factors set forth in Section 9-10C-2 and have been attached for your review and consideration. A Site Plan has also been submitted for review that details the proposed location of the new adult-use cannabis dispensary use.

Given that an adult-use cannabis craft grower facility is also being proposed for development on the property at 1805 Riverway Dr. and entails the construction of a building, a canopy craft grow area and a parking lot and driveway, the Riverway Business Park Review Committee will meet to review and grant approval of the proposed development. Review of the Site Plan submitted by applicant, Riverway Craft Laboratories, LLC, reveals that the applicant will be seeking variances from the required side yard setback of 25 feet for the proposed facilities. The applicant is seeking a 20.5 foot setback variance on the north and a 2.5 foot setback variance on the south. The covenants that have been established for the Riverway Business Park establish the required building setbacks for all buildings constructed within the business park and upon written application, the Review Committee, in its discretion, may grant variances from these Covenants. All variances must be in writing. No variance shall be granted that will affect the overall quality and consistency of the Riverway Business Park.

Given that both an adult-use cannabis dispensary use adult-use cannabis craft grower use are being proposed for development at the property at 1805 Riverway Drive, the following section of recently adopted ordinance regarding cannabis business establishments applies to the co-location of the 2 cannabis business establishments.

9-10C-11: CO-LOCATION OF CANNABIS BUSINESS ESTABLISHMENTS: The City may approve the co-location of an Adult-Use Cannabis Dispensing Organization with an Adult-Use Cannabis Craft Grower Center or an Adult-Use Cannabis Infuser Organization, or both, subject to the provisions of the CRTA and the Special Use criteria set forth in this Chapter. In a

co-location, the floor space requirements of Section 9-10C-5(B) and 9-10C-6(B) shall not apply, but the co-located establishments shall be the sole use of the tenant space.

David Wentworth, Attorney on behalf of Riverway Craft Laboratories, LLC, appeared before the members of the Plan Commission outlined the nature of the adult-use cannabis dispensary use that was being proposed for the property at 1805 Riverway Drive and that the Special Use was being sought to obtain City zoning approval of the adult-use cannabis dispensary use before submitting an application to the State. Mr. Wentworth described how the proposed adult-use cannabis dispensary use would be conducted and where on the property of 1805 Riverway Drive, the use would be conducted. Mr. Wentworth further explained how the proposed adult-use cannabis dispensary use met all the factors outlined in Section 9-10C-2 of the City Code.

Upon consideration of the Special Use petition for the establishment of an adult-use cannabis dispensary facility use at the property located at 1805 Riverway Drive, the members of the Plan Commission found the use appropriate and well-suited for the property at 1805 Riverway Drive and further found that the proposed adult-use cannabis dispensary use met all factors and ordinance requirements, and by a unanimous vote, recommended approval of the Special Use petition for the establishment of an adult-use dispensary facility use at the property located at 1805 Riverway Drive.

FINANCIAL IMPACT: N/A

Requested Amount:
Line Item:
Budgeted Amount:
Remaining Funds:

IMPACT IF APPROVED: Riverway Craft Laboratories, LLC will be allowed to establish an adult-use cannabis dispensary use at the property at 1805 Riverway Drive.

IMPACT IF DENIED: Riverway Craft Laboratories, LLC will not be allowed to establish an adult-use cannabis dispensary use at the property at 1805 Riverway Drive.

ALTERNATIVES:

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.

	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.
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REQUIRED SIGNATURES**Finance Department** (Certification of Availability of Funds):

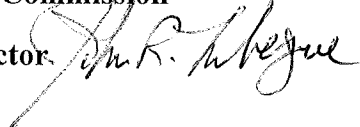
Date:

City Manager:

Date:

MEMORANDUM

TO: William Craig, Chairman and Members of the City of Pekin Plan Commission

FROM: John R. Lebegue, Building Inspections / Development Director. 

DATE: January 30, 2020

RE: Public Hearing to consider petitions for Special Use and Site Plan Review for the establishment of an adult-use cannabis craft grower facility and an adult-use cannabis dispensary facility at the property located at 1805 Riverway Drive.

SUMMARY AND BACKGROUND OF SUBJECT MATTER

Riverway Craft Laboratories, LLC has submitted petitions for Special Uses and Site Plan Review for the establishment of an adult-use cannabis craft grower facility and an adult-use cannabis dispensary use at the property located at 1805 Riverway Drive. The property at 1805 Riverway Drive is located in the Riverway Business Park and is zoned PUD, Planned Unit Development. Riverway Craft Laboratories, LLC is seeking Special Use approval to establish an adult-use cannabis craft grower facility on a newly platted 2.319 acre parcel at the south of the property at 1805 Riverway Drive, with the adult-use cannabis craft grower facility consisting of a 6,000 square foot operation building and a 5,000 square foot canopy craft grow area. Riverway Craft Laboratories, LLC is also seeking Special Use approval to establish a 6,000 square foot adult-use cannabis dispensary use in a portion of the existing building at 1805 Riverway Drive.

PROPERTY INFORMATION

Relevant Zoning Code Section: Section 9-10C-2, Special Use: A cannabis business establishment facility shall require approval as a Special Use in the respective zoning use district in which such facility is to be located, in accordance with the provision of this Title; Section 9-10C-3: Adult-Use Cannabis Craft Grower and Section 9-10C-5: Adult-Use Cannabis Dispensing Organization

Property Address: 1805 Riverway Drive

Current Zoning Classification: PUD, Planned Unit Development District

Current Use: Manufacturing & Office

Off-Street Parking Requirement for Cannabis Craft Grower Facility: Industrial – Five spaces plus 1 for every employees in the largest working shift.

Required # of Parking Spaces: 17 off-street parking spaces (18 Employees)

Proposed # of Parking Spaces: 18 off-street parking spaces

Off-Street Parking Requirement for Cannabis Dispensary Facility: Retail – One space for each 250 square feet of usable floor space. Existing Industrial Use - Five spaces plus 1 for every employees in the largest working shift.

Required # of Parking Spaces: Dispensary Use: 24 off-street parking spaces (6,000 square feet of usable floor space, with 16 proposed dispensary employees)

Required # of Parking Spaces: Existing Industrial Use: 59 off-street parking spaces (80 existing industrial use employees)

Proposed # of Parking Spaces for Proposed Dispensary Use and Existing Industrial Use: 180 off-street parking spaces

ANALYSIS AND DISCUSSION

Following are the relevant City Code sections of the ordinance that was recently adopted by the City Council in regard to regulations for cannabis business establishments that pertain to the Special Use petitions being sought:

9-10C-3: ADULT-USE CANNABIS CRAFT GROWER: In those zoning use districts in which an Adult-Use Cannabis Craft Grower may be located, the proposed facility must comply with the following:

- A. Facility may not be located within 400 feet of the property line of a pre-existing place of worship, public or private nursery school, preschool, primary or secondary school, college, university, community or junior college, vocational or trade school, learning center or academy, driving school, cosmetology school, day care center, licensed day care home or group day care home, part day child care facility licensed residential care home, or area zoned for residential use.
- B. Facility may not conduct any sales or distribution of cannabis other than as authorized by the CRTA.
- C. For purposes of determining required parking, Adult-Use Cannabis Craft Grower shall be classified as “Industrial or research establishments and related accessory offices” per Section 9-10B-1-4 (Schedule of Parking Requirements), provided, however, that the City may require that additional parking be provided as a result of the analysis completed through Section 9-10C-2.
- D. No more than one (1) Adult-Use Cannabis Craft Grower shall be granted a Special Use under this Article or otherwise permitted to operate in the City.
- E. Facility shall operate in compliance with all applicable state and local laws, including the CRTA and the provisions of this Title.

9-10C-5: ADULT-USE CANNABIS DISPENSING ORGANIZATION: In those zoning use districts in which an Adult-Use Cannabis Dispensing Organization may be located, the proposed facility must comply with the following:

- A. Facility may not be located within 100 feet of the property line of a pre-existing place of worship, public or private nursery school, preschool, primary or secondary school, college, university, community or junior college, vocational or trade school, learning center or academy, driving school, cosmetology school, day care center, licensed day care home, or licensed residential care home.
- B. At least 75% of the floor area of any tenant space occupied by the facility shall be devoted to the activities of the dispensing organization as authorized by the CRTA.
- C. Facility may not conduct any sales or distribution of cannabis other than as authorized by the CRTA.
- D. For purposes of determining required parking, Adult-Use Cannabis Dispensing Organization shall be classified as “retail stores, except as otherwise specified herein” per Section 9-10B-1-4 (Schedule of Parking Requirements), provided, however, that the City may require that additional parking be provided as a result of the analysis completed through Section 9-10C-2.
- E. No more than three (3) Adult-Use Cannabis Dispensing Organizations shall be granted a Special Use under this Article or otherwise permitted to operate in the City.
- F. The hours of operation for an Adult-Use Cannabis Dispensing Organization shall not be earlier than 6:00 a.m. and not later than 10:00 p.m.
- G. No person under the age of twenty-one (21) shall be allowed to enter an Adult-Use Cannabis Dispensing Organization; provided, however, that if the facility is also licensed as a Medical Cannabis Dispensing Organization, persons under the age of 21 may be permitted to enter to the extent authorized by Section 9-10C-10.
- H. No person shall reside in or permit any person to reside in an Adult-Use Cannabis Dispensing Organization.
- I. No outdoor seating areas shall be permitted.
- J. No drive-through services or sales shall be permitted.
- K. Facility shall operate in compliance with all applicable state and local laws, including the CRTA and the provisions of this Title.

Pursuant to Section 9-10C-2 of the City Code: Special Use: A Cannabis Business Establishment facility shall require approval as a Special Use in the respective zoning use district in which such facility is to be located, in accordance with the provision of this Title.

A. In determining compliance with this Article and eligibility as a Special Use, the following factors shall be considered, taking into account the entirety of the circumstances affecting the particular property for which the Special Use is sought in the context of the existing and intended future use of the adjacent and nearby properties:

1. Impact of the proposed facility on existing or planned uses located within the vicinity of the subject property.
2. Proposed structure in which the facility will be located, including co-tenancy (if in a multi-tenant building), total square footage, security installations and security plan, and building code compliance.
3. Hours of operation and anticipated number of customers/employees.
4. Anticipated parking demand, available private parking supply, and parking requirements established in Article B of this Chapter 10.
5. Anticipated traffic generation in the context of adjacent roadway capacity and access to such roadways.
6. Site design, including access points and internal site circulation.
7. Proposed signage plan.
8. Compliance with all requirements of the specific section in this Article for the particular type of Cannabis Business Establishment that is being proposed, as applicable.
9. Other criteria determined to be necessary to assess compliance with the provisions of this Article.

The applicant has submitted written documentation as to how the proposed adult-use cannabis craft grower use and adult-use cannabis dispensary use meets all of the factors set forth in Section 9-10C-2 and have been attached for your review and consideration. A Site Plan has also been submitted for review and approval, that details the proposed location of the new adult-use cannabis craft grower use and adult-use cannabis dispensary uses and provides detail as to the location of the proposed driveway which would be constructed at the west side of the property to provide direct access to the proposed adult-use cannabis craft grower use.

Given that the proposed adult-use cannabis craft grower facility being proposed for development on the property at 1805 Riverway Dr. entails the construction of a building, a canopy craft grow area and a parking lot and driveway, the Riverway Business Park Review Committee will meet to review and grant approval of the proposed development. Review of the Site Plan submitted

by applicant, Riverway Craft Laboratories, LLC, reveals that the applicant will be seeking variances from the required side yard setback of 25 feet for the proposed facilities. The applicant is seeking a 20.5 foot setback variance on the north and a 2.5 foot setback variance on the south. The covenants that have been established for the Riverway Business Park establish the required building setbacks for all buildings constructed within the business park and upon written application, the Review Committee, in its discretion, may grant variances from these Covenants. All variances must be in writing. No variance shall be granted that will affect the overall quality and consistency of the Riverway Business Park.

Given that an adult-use cannabis craft grower use and adult-use cannabis dispensary use are being proposed for development at the property at 1805 Riverway Drive, the following section of recently adopted ordinance regarding cannabis business establishments applies to the co-location of the 2 cannabis business establishments.

9-10C-11: CO-LOCATION OF CANNABIS BUSINESS ESTABLISHMENTS: The City may approve the co-location of an Adult-Use Cannabis Dispensing Organization with an Adult-Use Cannabis Craft Grower Center or an Adult-Use Cannabis Infuser Organization, or both, subject to the provisions of the CRTA and the Special Use criteria set forth in this Chapter. In a co-location, the floor space requirements of Section 9-10C-5(B) and 9-10C-6(B) shall not apply, but the co-located establishments shall be the sole use of the tenant space.

CITY OF PEKIN SPECIAL USE APPLICATION – Craft Grower Only

- A. Application Form (with site plan attached)
- B. Responses to factors listed on form
- C. Requirements of Section 9-10C-2 of Pekin City Code
- D. Compliance with Section 9-10C-3 of Pekin City Code (Craft Grower)
- E. Affidavit of William L. Blackford



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

SPECIAL USE APPLICATION

Address of Requested Special Use: Address for new parcel not yet assigned. Property lies between 1805 and 1821 Riverway Drive

The Owner is requesting the subdivision of 1805 Riverway Drive. If granted, the new parcel will be conveyed to the developer of the project, Riverway Property Management, LLC, with the same contact information

Applicant Name: RIVERWAY CRAFT LABORATORIES, LLC (will be the lessee/operator of the facility)

Address: 1805 RIVERWAY DR, PEKIN, IL 61554

Phone #: _____ Cell Phone #: (309) 550-3242 E-Mail: a.rossi@palhealth.com

Owner Name: RP BUILDING MANAGEMENT LLC (current land owner)

Address: 1805 RIVERWAY DR, PEKIN, IL 61554

Phone #: _____ Cell Phone #: (309) 981-9684 E-Mail: a.rossi@palhealth.com

Attorney: DAVID L. WENTWORTH II and WILIAM P. STREETER

Address: 401 MAIN STREET, PEORIA, IL 61602

Phone #: 309-637-1400 Cell Phone #: (309) 369-3895

Phone #: _____ Cell Phone #: _____ E-Mail: dwentworth@hgsuw.com

Property Information:

Lot Area: 2.319 acres Zoning District: PUD Present Use: Vacant

Use of Adjacent Property & Zoning: All PUD, with industrial or commercial use

North: _____ South: _____

East: _____ West: _____

Property Identification Number: Will be subdivided from 10-10-10-100-017

Legal Description: (Attach Separate Page): Final plat to be recorded.



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

Brief Summary and Reason for Request: To construct and operate an adult use cannabis craft grower facility, all pursuant to the City of Pekin Zoning Code and the CRTA.

No Special Use shall be recommended for approval by the Plan Commission unless there is a concurring vote of a majority of all members regarding findings of fact. Clearly explain how the requested Special Use meets each of the following findings of fact standards: **[SEE ATTACHED RESPONSES]**

- 1.) The proposed Special use is consistent with the intent of the Comprehensive Plan.
- 2.) The establishment. Maintenance, or operation of the Special Use will not be detrimental to or endanger the public health, safety, morals, comfort, or general welfare.
- 3.) The Special use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purpose already permitted nor substantially diminish property values within the neighborhood.
- 4.) The establishment of the Special Use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.
- 5.) Adequate utilities, access roads, drainage or necessary facilities have been or will be provided.
- 6.) Adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.
- 7.) The Special Use is necessary for public convenience at this location.

CERTIFICATION BY THE APPLICANT

Riverway Craft Laboratories LLC

I certify that all the information contained in this application form or any attachments, documents, or plans submitted herewith are true to the best of my knowledge and belief.

By: William L. Blackford
Applicant Signature: William L. Blackford, Mgr

Jan 10, 2020
Date

CERTIFICATION BY PROPERTY OWNER

RP Property Management, LLC

I certify that I am the owner of the property, which is the subject of this request. The applicant has received my approval to proceed with this request.

By: _____
Owner Signature: Aaron J. Rossi, Mgr

Date



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

Brief Summary and Reason for Request: To construct and operate an adult use cannabis craft grower facility, all pursuant to the City of Pekin Zoning Code and the CRTA.

No Special Use shall be recommended for approval by the Plan Commission unless there is a concurring vote of a majority of all members regarding findings of fact. Clearly explain how the requested Special Use meets each of the following findings of fact standards: [SEE ATTACHED RESPONSES]

- 1.) The proposed Special use is consistent with the intent of the Comprehensive Plan.
- 2.) The establishment, Maintenance, or operation of the Special Use will not be detrimental to or endanger the public health, safety, morals, comfort, or general welfare.
- 3.) The Special use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purpose already permitted nor substantially diminish property values within the neighborhood.
- 4.) The establishment of the Special Use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.
- 5.) Adequate utilities, access roads, drainage or necessary facilities have been or will be provided.
- 6.) Adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.
- 7.) The Special Use is necessary for public convenience at this location.

CERTIFICATION BY THE APPLICANT

Riverway Craft Laboratories LLC

I certify that all the information contained in this application form or any attachments, documents, or plans submitted herewith are true to the best of my knowledge and belief.

By: _____

Applicant Signature: William L. Blackford, Mgr

Date _____

CERTIFICATION BY PROPERTY OWNER

RP Property Management, LLC

I certify that I am the owner of the property, which is the subject of this request. The applicant has received my approval to proceed with this request.

By: _____

Owner Signature: Aaron J. Rossi, Mgr

1-20-20

Date _____



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

CHECKLIST OF REQUIRED SPECIAL USE ITEMS:

- ☒ One original completed Special Use application form with all required signatures.
- ☒ Payment of \$85.00 non-refundable filing fee. Checks should be made payable to "City of Pekin".
- ☒ Fifteen (15) copies of a Site Plan of the proposed development showing:
 - * A scale of not less than one inch equals fifty feet (1" = 50') if the subject property is less than three (3) acres and one inch equals one hundred feet (1" = 100') if three (3) acres or more.
 - * Date, north point and scale.
 - * The dimensions of all lot and property lines, showing the relationship of the subject property to abutting properties.
 - * The location of all existing and proposed structures on the subject property and all structures within one hundred feet (100') of the subject property.
 - * The location of all existing and proposed drives and parking areas.
 - * The location and right-of-way widths of all abutting streets and alleys.
 - * The names, addresses, and phone numbers of the architect, planner, designer, engineer or person responsible for the preparation of the site plan.
- ☒ Attachments such as landscape plan, photograph or renderings of existing and proposed site, building layouts or elevations, etc. are commended in order to provide accurate and sufficient information for review by the Development Review Committee and consideration by the Plan Commission.
- ☒ The applicant(s) or authorized agent must be present at the Planning Commission meeting to address any questions that may arise.

FOR OFFICE USE ONLY:

Filing Fee: \$85.00

Date Filed: 1/21/20

Publication Date: 1/22/20

Public Hearing Date: 2/5/20

City Council Action Date: 2/10/20

Approved: _____

Denied: _____

Ordinance #: _____

1.) The proposed Special Use is consistent with the intent of the Comprehensive Plan.

The City of Pekin "Comprehensive Plan 2006" (the "Plan") states that:

An important part of any community is its economic activity. Existing commercial and industrial uses must be kept vibrant while new commercial and industrial growth is needed to maintain and increase economic opportunities and potential. (Section IV, p. IV-1).

The Plan further recognizes the Riverway Business Park as an important economic development project (p. IV-5), and specifically identifies the continuing development of the Riverway Business Park as an economic development objective for the City (p. IV-10). Moreover, the Plan refers to the City's promotion of the Riverway Business Park for industrial development (p. IX-4).

The proposed development in the Riverway Business Park squarely fits within the Plan's objectives.

2.) The establishment, Maintenance, or operation of the Special Use will not be detrimental to or endanger the public health, safety, morals, comfort, or general welfare.

The City has specifically identified certain zoning classifications as appropriate for the proposed special use.

3.) The Special Use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purpose already permitted nor substantially diminish property values within the neighborhood.

The adjacent properties all have the same zoning classification (PUD), and are used for commercial and/or industrial uses.

4.) The establishment of the Special Use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.

The surrounding property is already developed for uses permitted in the PUD district.

5.) Adequate utilities, access roads, drainage or necessary facilities have been or will be provided.

Such facilities are a necessary element of the proposed use and will be provided.

- 6.) Adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.**

The points of ingress and egress are shown on the attached site plan.

- 7.) The Special Use is necessary for public convenience at this location.**

The City has identified this area for this type of special use.

REQUIREMENTS OF SECTION 9-10C-2 OF THE PEKIN CITY CODE:

1. **Impact of the proposed facility on existing or planned uses located within the vicinity of the subject property.**

The surrounding uses are commercial and/or industrial. The City has determined that this Special Use is appropriate in the PUD zoning district.

2. **Proposed structure in which the facility will be located, including co-tenancy (if in a multi-tenant building), total square footage, security installations and security plan, and building code compliance.**

The site plan is attached. All design and construction will be in compliance with the City's building code. The applicant will install building enhancements, such as security cameras, lighting or other improvements to ensure the safety of employees and customers of the facility. Security will be in full compliance with the CRTA and any rules and regulations promulgated by the Illinois Department of Agriculture.

3. **Hours of operation and anticipated number of customers/employees.**

Proposed hours of operation: Unknown – potentially 24 hrs/day

Number of customers: No retail customers

Number of employees: 18

4. **Anticipated parking demand, available private parking supply, and parking requirements established in Article B of this Chapter 10.**

The site plan shows the parking layout which is in compliance with this Code. Applicant anticipates parking demand will not exceed the planned parking availability.

5. **Anticipated traffic generation in the context of adjacent roadway capacity and access to such roadways.**

Access to roadways is shown on the site plan.

6. **Site design, including access points and internal site circulation.**

Please see the attached site plan.

7. Proposed signage plan.

Signage will be per CRTA requirements.

8. Compliance with all requirements of the specific section in this Article for the particular type of Cannabis Business Establishment that is being proposed, as applicable.

Please see the attached regarding compliance with Section 9-10C-3 of the Pekin City Code.

9. Other criteria determined to be necessary to assess compliance with the provisions of this Article.

The applicant is pleased to provide any further information the City may deem necessary to assess compliance.

COMPLIANCE WITH SECTION 9-10C-3 OF THE PEKIN CITY CODE
(CRAFT GROWER):

- A. Facility may not be located within 400 feet of the property line of a pre-existing place of worship, public or private nursery school, preschool, primary or secondary school, college, university, community or junior college, vocational or trade school, learning center or academy, driving school, cosmetology school, day care center, licensed day care home or group day care home, part day child care facility, licensed residential care home, or area zoned for residential use.

Please see attached site plan.

- B. Facility may not conduct any sales or distribution of cannabis other than as authorized by the CRTA.

The facility will be properly licensed and in full compliance with the CRTA.

- C. For purposes of determining required parking. Adult-Use Cannabis Craft Grower shall be classified as "Industrial or research establishments and related accessory offices" per Section 9-10B-1-4 (Schedule of Parking Requirements), provided, however, that the City may require that additional parking be provided as a result of the analysis completed through Section 9-10C-2.

Please see attached site plan showing parking plan, with 18 spaces (to the west) for the craft grower operation.

- D. No more than one (1) Adult-Use Cannabis Craft Grower shall be granted a Special Use under this Article or otherwise permitted to operate in the City.

Applicant is not aware of any other Craft Grower Special Uses granted by the City.

- E. Facility shall operate in compliance with all applicable state and local laws, including the CRTA and the provisions of this Title.

The facility will operate in full compliance with all applicable state and local laws, including the CRTA and Title 9 of the Pekin City Code.

STATE OF ILLINOIS)
)
 COUNTY OF TAZEWELL)

SS.

AFFIDAVIT OF WILLIAM L. BLACKFORD

WILLIAM L. BLACKFORD, being first duly sworn upon his oath, deposes and states as follows:

1. This affidavit is given pursuant to Section 9-10C-14 of the City of Pekin's City Code.
2. I am the Manager of Riverway Craft Laboratories, LLC, the applicant herein.
3. The facility proposed in the Special Use application filed herewith shall operate in compliance with:
 - (a) All applicable sections of Chapter 10 of Title 9 of the Pekin City Code, including Section 9-10C-3 (Craft Grower);
 - (b) All requirements of the Cannabis Regulation and Tax Act; and
 - (c) Any stipulations or conditions imposed during the review and approval process.

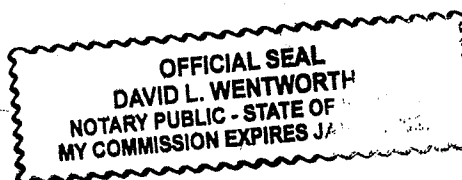
FURTHER AFFIANT SAYETH NOT.

William L. Blackford
 WILLIAM L. BLACKFORD

Subscribed and sworn to before me
 this 20th day of January, 2020.

[Signature]

NOTARY PUBLIC



		CHECK		8.20.a
DATE	DESCRIPTION	INVOICE #	AMOUNT	DEDUCTION

City of Pekin

01/20/20

Special Use Application - RP Building
Management LLC 8684

85.00

85.0

CHECK DATE	CONTROL NUMBER	TOTALS ►	Gross:	Ded:	Net:
01/20/20	50310		85.00	0.00	85.00

**HASSELBERG GREBE SNODGRASS
URBAN & WENTWORTH**

401 MAIN STREET • SUITE 1400
PEORIA, IL 61602-1258
PH: (309) 637-1400

CHASE

JPMorgan Chase Bank, N.A.
www.Chase.com

2-1/710

DATE

01/20/20

CHECK

50310

AMOUNT

*****\$85.00

PAY

TO THE
ORDER
OF

City of Pekin
111 S. Capitol
Pekin, IL 61654

*** EIGHTY-FIVE & 00/100 DOLLARS



[Handwritten Signature]

AUTHORIZED SIGNATURE

⑈050310⑈ ⑆071000013⑆

613376482⑈

Attachment: Plan Commission Packet Information for 1805 Riverway Drive (2010 : Special Use Ordinance No. 2864 - 19/20 for Cannabis

CITY OF PEKIN SPECIAL USE APPLICATION – Dispensing Organization

- A. Application Form (with site plan attached)
- B. Responses to factors listed on form
- C. Requirements of Section 9-10C-2 of Pekin City Code
- D. Compliance with Section 9-10C-5 of Pekin City Code (Dispensing Organization)
- E. Affidavit of William L. Blackford



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

SPECIAL USE APPLICATION

Address of Requested Special Use: 1805 Riverway Drive, Pekin, IL. A portion of the existing building will be used for an adult use cannabis dispensary, as shown on the attached site plan.

Applicant Name: RIVERWAY CRAFT LABORATORIES, LLC (will be the lessee/operator of the facility)

Address: 1805 RIVERWAY DR, PEKIN, IL 61554

Phone #: _____ Cell Phone #: (309) 550-3242 E-Mail: a.rossi@palhealth.com

Owner Name: RP BUILDING MANAGEMENT LLC

Address: 1805 RIVERWAY DR, PEKIN, IL 61554

Phone #: _____ Cell Phone #: (309) 981-9684 E-Mail: a.rossi@palhealth.com

Attorney: DAVID L. WENTWORTH II and WILIAM P. STREETER

Address: 401 MAIN STREET, PEORIA, IL 61602

Phone #: 309-637-1400 Cell Phone #: (309) 369-3895

Phone #: _____ Cell Phone #: _____ E-Mail: dwentworth@hgsuw.com

Property Information:

Lot Area: 6 acres (current) Zoning District: PUD Present Use: Vacant

Use of Adjacent Property & Zoning: All PUD, with industrial or commercial use

North: _____ South: _____

East: _____ West: _____

Property Identification Number: 10-10-10-100-017

Legal Description: (Attach Separate Page): SEC 10 T24N R5W RIVERWAY BUSINESS PARK FINAL PLAT LOT 1 BLK 2 NW 1/4



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

Brief Summary and Reason for Request: To use a portion of the existing building to operate an adult use cannabis dispensary facility, all pursuant to the City of Pekin Zoning Code and the CRTA. Please note that there are no dispensary licenses available from the State of Illinois at this time. Pursuant to the CRTA, the next dispensary licenses will be available in December, 2021.

No Special Use shall be recommended for approval by the Plan Commission unless there is a concurring vote of a majority of all members regarding findings of fact. Clearly explain how the requested Special Use meets each of the following findings of fact standards: [SEE ATTACHED RESPONSES]

- 1.) The proposed Special use is consistent with the intent of the Comprehensive Plan.
- 2.) The establishment, Maintenance, or operation of the Special Use will not be detrimental to or endanger the public health, safety, morals, comfort, or general welfare.
- 3.) The Special use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purpose already permitted nor substantially diminish property values within the neighborhood.
- 4.) The establishment of the Special Use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.
- 5.) Adequate utilities, access roads, drainage or necessary facilities have been or will be provided.
- 6.) Adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.
- 7.) The Special Use is necessary for public convenience at this location.

CERTIFICATION BY THE APPLICANT

Riverway Craft Laboratories LLC

I certify that all the information contained in this application form or any attachments, documents, or plans submitted herewith are true to the best of my knowledge and belief.

By: William L. Blackford
Applicant Signature: William L. Blackford, Mgr

Jan 20, 2020
Date

CERTIFICATION BY PROPERTY OWNER

RP Property Management, LLC

I certify that I am the owner of the property, which is the subject of this request. The applicant has received my approval to proceed with this request.

By: _____
Owner Signature: Aaron J. Rossi, Mgr

Date



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

Brief Summary and Reason for Request: To use a portion of the existing building to operate an adult use cannabis dispensary facility, all pursuant to the City of Pekin Zoning Code and the CRTA. Please note that there are no dispensary licenses available from the State of Illinois at this time. Pursuant to the CRTA, the next dispensary licenses will be available in December, 2021.

No Special Use shall be recommended for approval by the Plan Commission unless there is a concurring vote of a majority of all members regarding findings of fact. Clearly explain how the requested Special Use meets each of the following findings of fact standards: [SEE ATTACHED RESPONSES]

- 1.) The proposed Special use is consistent with the intent of the Comprehensive Plan.
- 2.) The establishment, Maintenance, or operation of the Special Use will not be detrimental to or endanger the public health, safety, morals, comfort, or general welfare.
- 3.) The Special use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purpose already permitted nor substantially diminish property values within the neighborhood.
- 4.) The establishment of the Special Use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.
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- 6.) Adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.
- 7.) The Special Use is necessary for public convenience at this location.

CERTIFICATION BY THE APPLICANT

Riverway Craft Laboratories LLC

I certify that all the information contained in this application form or any attachments, documents, or plans submitted herewith are true to the best of my knowledge and belief.

By: _____

Applicant Signature: William L. Blackford, Mgr

Date _____

CERTIFICATION BY PROPERTY OWNER

RP Property Management, LLC

I certify that I am the owner of the property, which is the subject of this request. The applicant has received my approval to proceed with this request.

By: _____

Owner Signature: Aaron J. Rossi, Mgr

1.20 - 20

Date _____



City of Pekin- Zoning and Inspections Department

111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

CHECKLIST OF REQUIRED SPECIAL USE ITEMS:

- ✓ One original completed Special Use application form with all required signatures.
- ✓ Payment of \$85.00 non-refundable filing fee. Checks should be made payable to "City of Pekin".
- ✓ Fifteen (15) copies of a Site Plan of the proposed development showing:
 - * A scale of not less than one inch equals fifty feet (1" = 50') if the subject property is less than three (3) acres and one inch equals one hundred feet (1" = 100') if three (3) acres or more.
 - * Date, north point and scale.
 - * The dimensions of all lot and property lines, showing the relationship of the subject property to abutting properties.
 - * The location of all existing and proposed structures on the subject property and all structures within one hundred feet (100') of the subject property.
 - * The location of all existing and proposed drives and parking areas.
 - * The location and right-of-way widths of all abutting streets and alleys.
 - * The names, addresses, and phone numbers of the architect, planner, designer, engineer or person responsible for the preparation of the site plan.
- ✓ Attachments such as landscape plan, photograph or renderings of existing and proposed site, building layouts or elevations, etc. are commended in order to provide accurate and sufficient information for review by the Development Review Committee and consideration by the Plan Commission.
- ✓ The applicant(s) or authorized agent must be present at the Planning Commission meeting to address any questions that may arise.

FOR OFFICE USE ONLY:

Filing Fee: \$85.00

Date Filed: 1/21/20

Publication Date: 1/22/20

Public Hearing Date: 2/5/20

City Council Action Date: 2/10/20

Approved: _____

Denied: _____

Ordinance #: _____

1.) The proposed Special Use is consistent with the intent of the Comprehensive Plan.

The City of Pekin "Comprehensive Plan 2006" (the "Plan") states that:

An important part of any community is its economic activity. Existing commercial and industrial uses must be kept vibrant while new commercial and industrial growth is needed to maintain and increase economic opportunities and potential. (Section IV, p. IV-1).

The Plan further recognizes the Riverway Business Park as an important economic development project (p. IV-5), and specifically identifies the continuing development of the Riverway Business Park as an economic development objective for the City (p. IV-10). Moreover, the Plan refers to the City's promotion of the Riverway Business Park for industrial development (p. IX-4).

The proposed development in the Riverway Business Park squarely fits within the Plan's objectives.

2.) The establishment, maintenance, or operation of the Special Use will not be detrimental to or endanger the public health, safety, morals, comfort, or general welfare.

The City has specifically identified certain zoning classifications as appropriate for the proposed special use.

3.) The Special Use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purpose already permitted nor substantially diminish property values within the neighborhood.

The adjacent properties all have the same zoning classification (PUD), and are used for commercial and/or industrial uses.

4.) The establishment of the Special Use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.

The surrounding property is already developed for uses permitted in the PUD district.

5.) Adequate utilities, access roads, drainage or necessary facilities have been or will be provided.

Such facilities are a necessary element of the proposed use and will be provided.

- 6.) Adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.**

The points of ingress and egress are shown on the attached site plan.

- 7.) The Special Use is necessary for public convenience at this location.**

The City has identified this area for this type of special use.

REQUIREMENTS OF SECTION 9-10C-2 OF THE PEKIN CITY CODE:

- 1. Impact of the proposed facility on existing or planned uses located within the vicinity of the subject property.**

The surrounding uses are commercial and/or industrial. The City has determined that this Special Use is appropriate in the PUD zoning district.

- 2. Proposed structure in which the facility will be located, including co-tenancy (if in a multi-tenant building), total square footage, security installations and security plan, and building code compliance.**

The site plan is attached. All design and construction will be in compliance with the City's building code. The applicant will install building enhancements, such as security cameras, lighting or other improvements to ensure the safety of employees and customers of the facility. Security will be in full compliance with the CRTA and any rules and regulations promulgated by the Illinois Department of Agriculture.

- 3. Hours of operation and anticipated number of customers/employees.**

Dispensary

Proposed hours of operation: 6am-10pm (per CRTA)

Number of customers: 80-100/day

Number of employees: 16

- 4. Anticipated parking demand, available private parking supply, and parking requirements established in Article B of this Chapter 10.**

The site plan shows the parking layout which is in compliance with this Code. Applicant anticipates parking demand will not exceed the planned parking availability.

- 5. Anticipated traffic generation in the context of adjacent roadway capacity and access to such roadways.**

Access to roadways is shown on the site plan. Applicant anticipates typical retail traffic for the proposed dispensing organization.

- 6. Site design, including access points and internal site circulation.**

Please see the attached site plan.

7. Proposed signage plan.

Signage will be per CRTA requirements. Pursuant to the CRTA, the dispensary is prohibited from “advertising”, as defined in the CRTA. There will be a sign on the building with the name of the organization.

8. Compliance with all requirements of the specific section in this Article for the particular type of Cannabis Business Establishment that is being proposed, as applicable.

Please see the attached regarding compliance with Sections 9-10C-5 of the Pekin City Code.

9. Other criteria determined to be necessary to assess compliance with the provisions of this Article.

The applicant is pleased to provide any further information the City may deem necessary to assess compliance.

COMPLIANCE WITH SECTION 9-10C-5 OF THE PEKIN CITY CODE
(DISPENSING ORGANIZATION):

- A. Facility may not be located within 100 feet of the property line of a pre-existing place of worship, public or private nursery school, preschool, primary or secondary school, college, university, community or junior college, vocational or trade school, learning center or academy, driving school, cosmetology school, day care center, licensed day care home, or licensed residential care home.**

Please see attached site plan.

- B. At least 75% of the floor area of any tenant space occupied by the facility shall be devoted to the activities of the dispensing organization as authorized by the CRTA.**

Please see attached site plan. The entire floor area of the dispensary will be devoted to the activities of the dispensing organization.

- C. Facility may not conduct any sales or distribution of cannabis other than as authorized by the CRTA.**

The facility will be properly licensed and in full compliance with the CRTA.

- D. For purposes of determining required parking, Adult-Use Cannabis Dispensing Organization shall be classified as “retail stores, except as otherwise specified herein” per Section 9-10-B-1-4 (Schedule of Parking Requirements), provided, however, that the City may require that additional parking be provided as a result of the analysis completed through Section 9-10C-2.**

Please see attached site plan showing parking plan, with more than 100 total spaces for the dispensing organization and the existing business.

Dispensing organization is 6000 square feet, and therefore requires 24 spaces (1 for each 250 square feet of usable floor space).

Existing use has 80 employees, and is “Industrial or research establishments and related accessory offices.” It therefore requires 59 spaces (5 plus 1 for every 1½ employee).

- E. No more than three (3) Adult-Use Cannabis Dispensing Organizations shall be granted a Special Use under this Article or otherwise permitted to operate in the City.**

Applicant is not aware of any other Dispensing Organization Special Uses granted by the City.

- F. The hours of operation for an Adult-Use Cannabis Dispensing Organization shall not be earlier than 6:00 a.m. and not later than 10:00 p.m.**

The hours of operation for the dispensing organization will be from 6:00 a.m. to 10:00 p.m.

- G. No person under the age of twenty-one (21) shall be allowed to enter an Adult-Use Cannabis Dispensing Organization; provided, however, that if the facility is also licensed as a Medical Cannabis Dispensing Organization, persons under the age of 21 may be permitted to enter to the extent authorized by Section 9-10C-10.**

No person under the age of twenty-one (21) will be allowed to enter the dispensing organization.

- H. No person shall reside in or permit any person to reside in an Adult-Use Cannabis Dispensing Organization.**

No person will reside in or permitted to reside in the facility.

- I. No outdoor seating areas shall be permitted.**

No outdoor seating areas will be used (see site plan).

- J. No drive-through services or sales shall be permitted.**

The facility will have no drive through (see site plan).

- K. Facility shall operate in compliance with all applicable state and local laws, including the CRTA and the provisions of this Title.**

The facility will operate in full compliance with all applicable state and local laws, including the CRTA and Title 9 of the Pekin City Code.

E

STATE OF ILLINOIS)
)
 COUNTY OF TAZEWELL) SS.

AFFIDAVIT OF WILLIAM L. BLACKFORD

WILLIAM L. BLACKFORD, being first duly sworn upon his oath, deposes and states as follows:

1. This affidavit is given pursuant to Section 9-10C-14 of the City of Pekin's City Code.
2. I am the Manager of Riverway Craft Laboratories, LLC, the applicant herein.
3. The facility proposed in the Special Use application filed herewith shall operate in compliance with:
 - (a) All applicable sections of Chapter 10 of Title 9 of the Pekin City Code, including Section 9-10C-5 (Dispensing Organization);
 - (b) All requirements of the Cannabis Regulation and Tax Act; and
 - (c) Any stipulations or conditions imposed during the review and approval process.

FURTHER AFFIANT SAYETH NOT.

William L. Blackford
 WILLIAM L. BLACKFORD

Subscribed and sworn to before me
 this 20th day of January, 2020.

[Signature]
 NOTARY PUBLIC

OFFICIAL SEAL
 DAVID L. WENTWORTH II
 NOTARY PUBLIC - STATE OF ILLINOIS
 MY COMMISSION EXPIRES JAN. 11, 2023

HASSELBERG GREBE SNODGRASS URBAN & WENTWORTH

50311

8.20.a

DATE	DESCRIPTION	INVOICE #	AMOUNT	DEDUCTION	NET AMOUNT
01/20/20	City of Pekin Special Use Application - RP Building Management LLC 8684		85.00		85.00

CHECK DATE	CONTROL NUMBER	TOTALS ▶	Gross:	Ded:	Net:
01/20/20	50311		85.00	0.00	85.00

Attachment: Plan Commission Packet Information for 1805 Riverway Drive (2010 : Special Use Ordinance No. 2864 - 19/20 for Cannabis

HOLD TO LIGHT TO VIEW TRUE WATERMARK IN PAPER HEAT SENSITIVE RED LOCK DISAPPEARS WHEN HEATED

50311

**HASSELBERG GREBE SNODGRASS
URBAN & WENTWORTH**
401 MAIN STREET • SUITE 1400
PEORIA, IL 61602-1258
PH. (309) 637-1400

CHASE
JPMorgan Chase Bank, N.A.
www.Chase.com
2-1/710

DATE	CHECK	AMOUNT
01/20/20	50311	*****\$85.00

PAY
TO THE ORDER OF
City of Pekin
111 S. Capitol
Pekin IL 61554

*** EIGHTY-FIVE & 00/100 DOLLARS


AUTHORIZED SIGNATURE

⑈050311⑈ ⑆071000013⑆

613376482⑈

For a Craft Grower:

- A. Facility may not be located within 400 feet of the property line of a pre-existing place of worship, public or private nursery school, preschool, primary or secondary school, college, university, community or junior college, vocational or trade school, learning center or academy, driving school, cosmetology school, day care center, licensed day care home or group day care home, part day child care facility, licensed residential care home, or area zoned for residential use.

For a Dispensing Organization:

- A. Facility may not be located within 100 feet of the property line of a pre-existing place of worship, public or private nursery school, preschool, primary or secondary school, college, university, community or junior college, vocational or trade school, learning center or academy, driving school, cosmetology school, day care center, licensed day care home, or licensed residential care home.

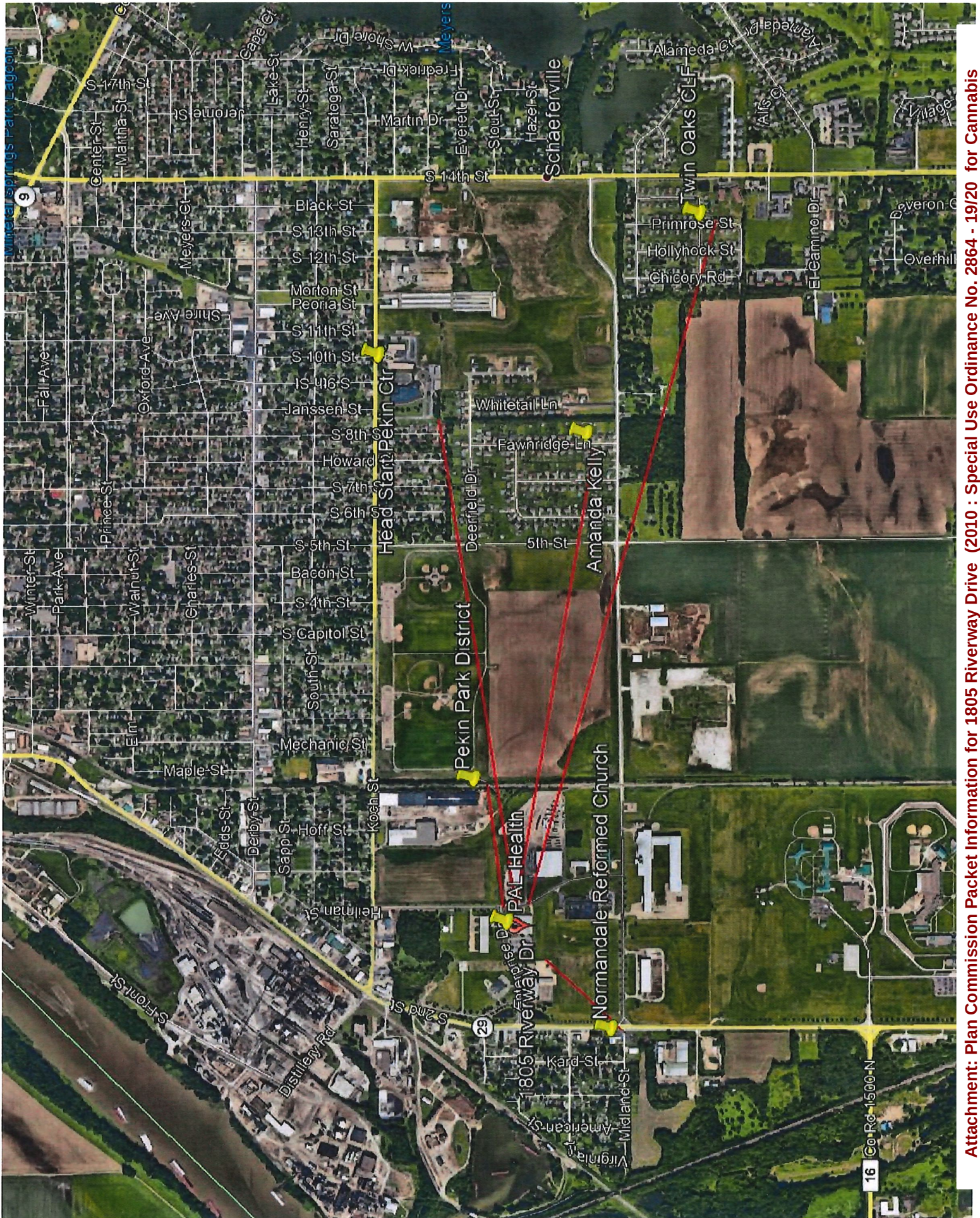
The proposed Facility is more than 400 feet away (and therefore more than 100 feet away) from any of the above pre-existing uses, measured property line to property line. The proposed Facility is more than 400 feet away from the nearest areas zoned for residential use. The nearest residentially zoned area is to the West, at 1811 S. 2nd Street, Pekin, IL 61554; PIN 10-10-09-209-017; Zoned R-1. For purposes of this analysis, the measurements were taken from the outer perimeter of the entire 6 acre lot (from which 2.3 acres will be subdivided off the South for the craft grower; and in which a dispensing organization will be located (within a portion of the existing building on the site)).

A 400 Foot Setback Exhibit Drawing is attached; none of the pre-existing uses are found or present on any property, in whole or in part, within the 400 foot setback. The uses of the property within or for which any portion of adjoining property is used include (all being part of and wholly included within the Pekin Riverway Business Park, Planned Unit Development):

- CenturyLink, 200 Enterprise Drive, Pekin, IL 61554.
- NTS Services, 205 Enterprise Drive, Pekin, IL 61554.
- DCX-CHOL Enterprises, 225 Enterprise Drive, Pekin, IL 61554.
- Kriegsman Transfer Co. (vacant property), PIN 10-10-10-100-047.
- Excalibur Seasoning, 1800 Riverway Drive, Pekin, IL 61554.
- Amerhart, 1810 Riverway Drive, Pekin, IL 61554.
- Johnson Mechanical Services, 1818 Riverway Drive, Pekin, IL 61554.
- Winpak Heat Seal, Inc., 1821 Riverway Drive, Pekin, IL 61554.

In addition, attached please find a Google Earth Map depicting the nearest respective businesses or uses to the proposed Facility, and the distances measured property line to property line (red lines on map):

- Place of Worship: Normandale Reformed Church, 2001 S. 2nd St, Pekin, IL 61554; 1,166 feet.
- To extent any school or learning/academy activities are involved at the Pekin Park District Facility, 300 Koch Street, Pekin, IL 61554: 1,367 feet.
- School of any kind: Wilson Intermediate School, 900 Koch St, Pekin, IL 61554; 5,375 feet.
- Licensed day care facility: Head Start Pekin, housed in District 108 Preschool Family Education Center, 1000 Koch Street Pekin, IL 61554; 5,375 feet.
- Licensed day care facility (private home): Amanda S. Kelly, 1838 Fawnridge Lane, Pekin, IL 61554; 5,080 feet.
- Licensed residential care home: CWTC Twin Oaks CLF, 2011 South Fourteenth Street, Pekin, IL 61554: 7,700 feet.





Official Certificate of Publication as Required by State Law and IPA By-Laws

Certificate of the Publisher

Gatehouse Media certifies that it is the publisher of the Peoria Journal Star. Peoria Journal Star a secular newspaper, has been continuously published daily for more than fifty (50) weeks prior to the first publication of the attached notice, is published in the City Peoria, County of Peoria, Township of Peoria, State of Illinois, is of general circulation throughout that county and surrounding area, and is a newspaper as defined by 715 ILCS 5/5.

A notice, a true copy of which is attached, was published 1 time in Peoria Journal Star. The publication of the notice was made in the newspaper, dated and published on January 22nd, 2020. The notice was also placed on a statewide public notice website as required by 715 ILCS 5/2.1.

In witness, the Peoria Journal Star has signed this certificate by Gatehouse Media, its publisher, at Peoria, Illinois, on January 22nd, 2020.

City of Pekin

Ad # 4695534

By:

Ashley Anderson

Ashley Anderson
Legal Notice Representative
Gatehouse Media
Publisher

(Note: Unless otherwise ordered, notarization of this document is **not** required.)

Legal Notice Legal Notice

LEGAL NOTICE for PUBLIC HEARING

Notice is hereby given that a **PUBLIC HEARING** will be held For Special Use Petitions and Site Plan Review submitted by Riverway Craft Laboratories, LLC, for the establishment of cannabis craft grower and cannabis dispensary uses at certain property located at 1805 Riverway Drive, with a Legal Description of Sec 10 T24N R5W Riverway Business Park Final Plat Lot 1 Blk 2 NW ¼ 6.00 AC in Tazewell County, Illinois, with the following P.I.N.#: 10-10-10-100-017.

Said **Public Hearing** of the above petition to be held at a **regular Meeting** of the **Pekin Planning Commission**, 111 South Capitol Street, City Hall, City of Pekin, Illinois, on the **5th day of February, 2020**, at the hour of **5:30 P.M.**

All persons having an interest there in may appear to be heard.

Dated this **21st** day of **January, 2020**.

John R. Lebegue

Building Inspections / Development Director
City of Pekin



City of Pekin- Zoning and Inspections Department
 111 S. Capitol Street, Pekin, Illinois 61554 – (309) 477-2315

Current Resident/Owner,

Notice is hereby given that a **PUBLIC HEARING** will be held for consideration of Special Use Petitions and request for Site Plan Review, submitted by Riverway Craft Laboratories, LLC, for the establishment of cannabis craft grower and cannabis dispensary uses at certain property located at 1805 Riverway Drive, with a Legal Description of Sec 10 T24N R5W Riverway Business Park Final Plat Lot 1 Blk 2 NW ¼ 6.00 AC in Tazewell County, Illinois, with the following P.I.N.#: 10-10-10-100-017.

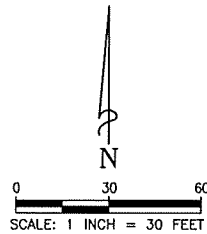
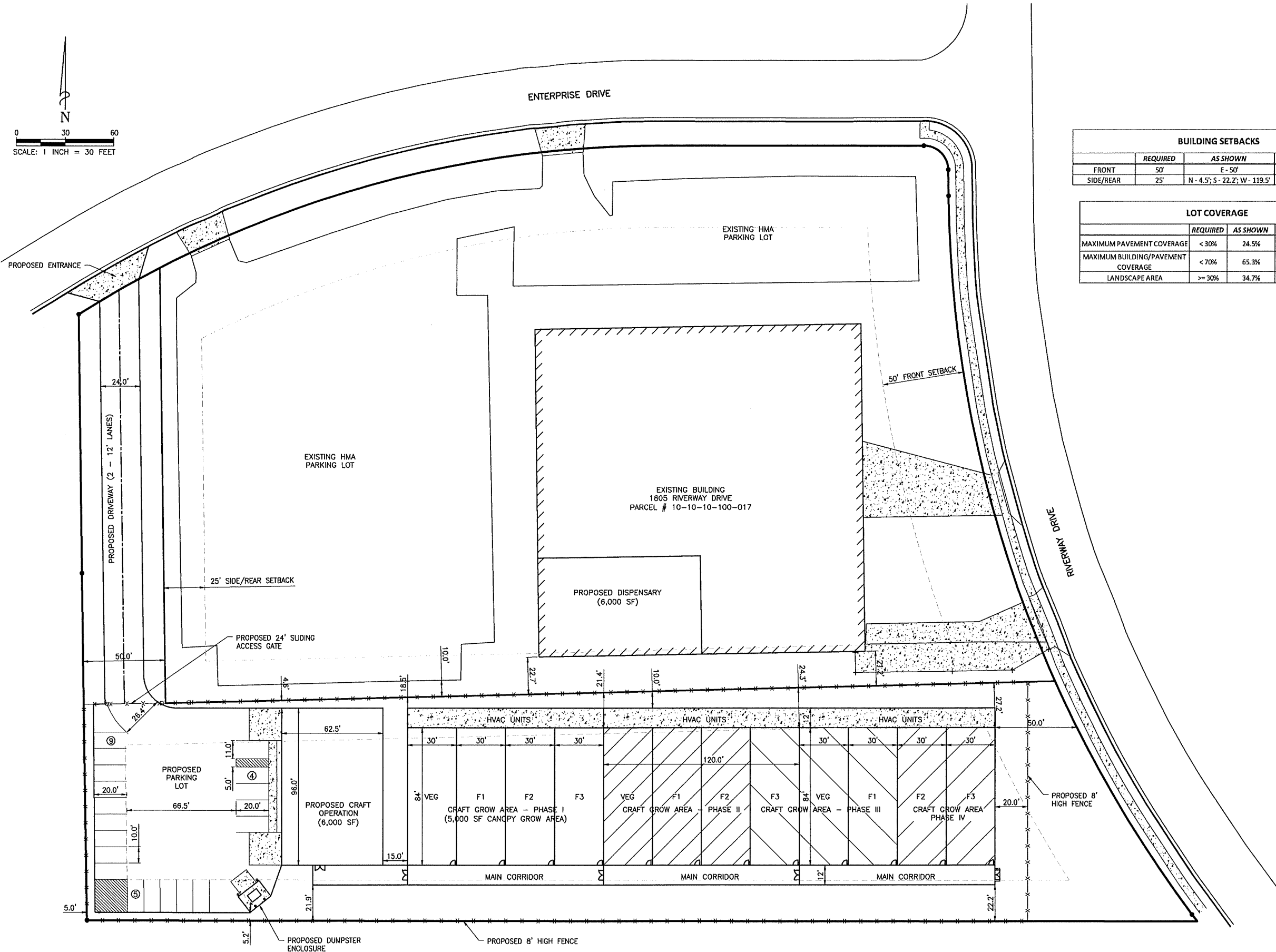
Said Public Hearing will be held at a regular Meeting of the **Pekin Plan Commission**, 111 South Capitol Street, City Hall, City of Pekin, Illinois, on the **5th** day of **February, 2020**, at the hour of **5:30 P.M.**

All persons having an interest there in may appear to be heard.

John R. Lebegue
 Building Inspections / Development Director
 City of Pekin

John R. Lebegue
 Building Inspections / Development Director
 jrlebegue@ci.pekin.il.us
 Office: (309) 478-5370

S:\20\Business Development\Proposals\2020\23220002.00 (Review Draft) 1/23/2020 08:00.am



BUILDING SETBACKS			
	REQUIRED	AS SHOWN	VARIANCE REQUESTED
FRONT	50'	E - 50'	NONE
SIDE/REAR	25'	N - 4.5'; S - 22.2'; W - 119.5'	N - 20.5'; S - 2.5'; W - NONE

LOT COVERAGE			
	REQUIRED	AS SHOWN	VARIANCE REQUESTED
MAXIMUM PAVEMENT COVERAGE	< 30%	24.5%	NONE
MAXIMUM BUILDING/PAVEMENT COVERAGE	< 70%	65.3%	NONE
LANDSCAPE AREA	>= 30%	34.7%	NONE

REVISIONS	
No.	Description

**MAURER-STUTZ**
ENGINEERS
SURVEYORS

ROBERT L. MAURER, P.E. | 1958-03-25 | 604-899-6937
CANTON, IL | 320 EAST ASHLIBERT | CANTON, IL 60429
5830 W. KILGORE AVENUE | MUNCIE, IN 47304 | (765) 273-6228 | FAX (765) 693-7616
ILLINOIS PROFESSIONAL DESIGN FIRM LICENSE #184-000754
www.mstutz.com | *WORKING WITH YOU BY DESIGN*

Sheet Title:
PROPOSED SITE PLAN

Project:
RIVERWAY CRAFT GROW

Client:
RP BUILDING MANAGEMENT, LLC

Designed By:
KJP

Drawn By:
KDR

Reviewed By:
KJP

Date:
17 JANUARY 2020

Project No.:
23220002.00

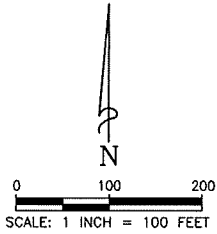
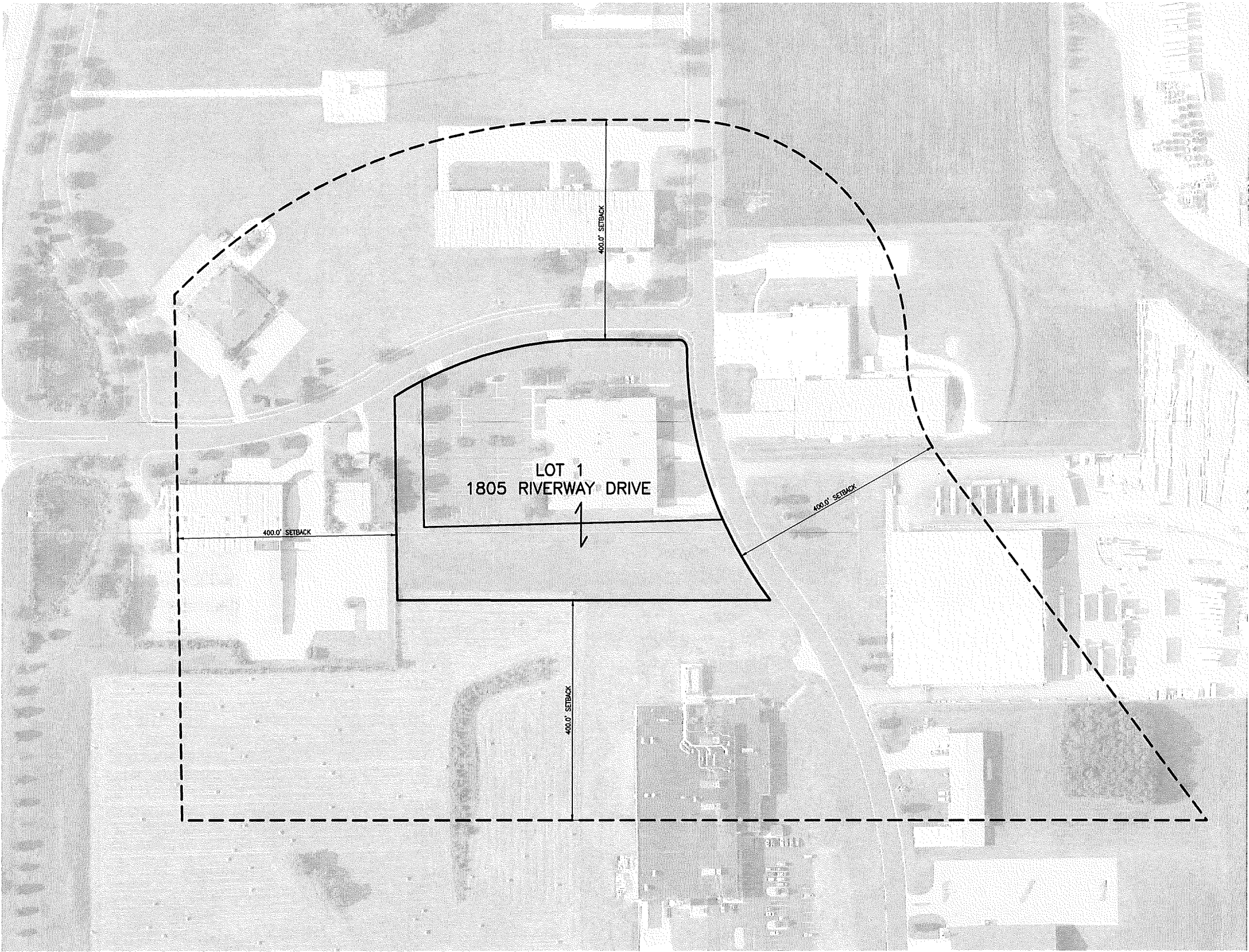
Drawing:
1

1 OF 1

S:\200\Business Development\Proposed\2302\23020006.00 (Riverway Craft Grow)\cadd\23020006.00 - P&L.dwg

EXHIBIT DRAWING

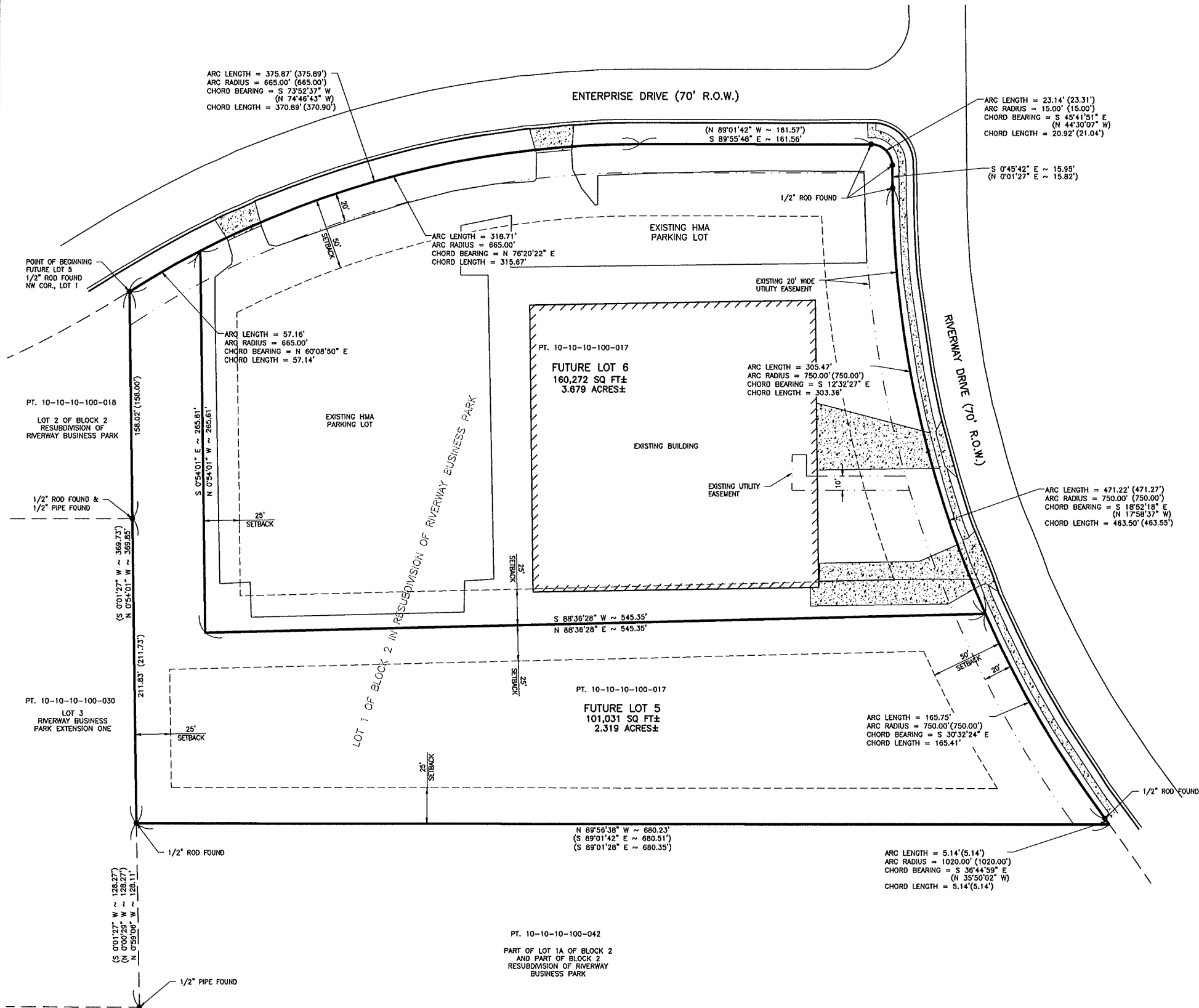
400 FOOT SETBACK FROM LOT 1 IN BLOCK 2 IN THE RESUBDIVISION OF RIVERWAY BUSINESS PARK, A SUBDIVISION OF PART OF THE W 1/2 OF SECTION 10, TOWNSHIP 24 NORTH, RANGE 5 WEST OF THE THIRD PRINCIPAL MERIDIAN



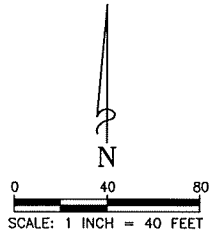
MAURER-STUTZ ENGINEERS SURVEYORS 3116 N. DRIESLAND SUITE 100 PEORIA, IL 61604 (309) 693-7623 FAX (309) 693-7618 1870 EAST ASHLAND CAIRO, IL 62501 (309) 647-9331 FAX (309) 647-9335 505 N. HIGHER AVENUE MARION, IL 62959 (309) 273-6224 FAX (309) 273-6166 ILLINOIS PROFESSIONAL DESIGN RENEWAL LICENSE #184-00754 www.ms-engineers.com PEORIA AND CAIRO OFFICES		REVISIONS No. Date Description	
RP BUILDING MANAGEMENT, LLC		400' SETBACK	
Project:		RIVERWAY CRAFT GROW	
Designed By: KJP		Sheet Title:	
Drawn By: KDR		Project:	
Reviewed By: KJP		Client:	
Date: January 20, 2020		1 OF X	
Project No.: 23020006.00			
Drawing: 1			

EXHIBIT DRAWING

LOT 1 IN BLOCK 2 IN THE RESUBDIVISION OF RIVERWAY BUSINESS PARK, A SUBDIVISION OF PART OF THE WEST 1/2 OF SECTION 10, TOWNSHIP 24 NORTH, RANGE 5 WEST OF THE THIRD PRINCIPAL MERIDIAN



LEGEND	
●	IRON ROD FOUND
○	IRON ROD SET
—	SURVEYED BOUNDARY
- - -	LOT LINE
()	RECORD OR PRIOR SURVEY DATA



FUTURE LOT 5 DESCRIPTION

A part of Lot 1 in Block 2 in the Resubdivision of Riverway Business Park as shown on a Plat of Subdivision recorded January 12, 1998 in Book 00, page 144 as Document No. 9800686, being a part of the West Half of Section 10, Township 24 North, Range 5 West of the Third Principal Meridian in the City of Pekin, Tazewell County, Illinois, more particularly described as follows:

Beginning at an iron rod at the northwest corner of said Lot 1, thence easterly along a curve to the right on an arc distance of 57.16 feet along the southerly right of way line of Enterprise Drive, said curve having a radius of 665.00 feet and a chord bearing North 60°08'50" East (bearings based on the Illinois State Plane Coordinate System, NAD83 (2011), West Zone) 57.14 feet; thence South 00°54'01" East 256.61 feet; thence North 88°36'28" East 545.35 feet to the westerly right of way line of Riverway Drive; thence southerly along a curve to the left on an arc distance of 165.75 feet along said westerly right of way line, said curve having a radius of 750.00 feet and a chord bearing South 30°32'24" East 165.41 feet; thence southerly along a curve to the right on an arc distance of 5.14 feet along said westerly right of way line, said curve having a radius of 1020.00 feet and a chord bearing South 36°-44'-59" East 5.14 feet to the southeast corner of said Lot 1; thence North 89°56'38" West along the south line of said Lot 1 a distance of 680.23 feet to the southwest corner of said Lot 1; thence North 00°54'01" West along the west line of said Lot 1 a distance of 369.85 feet to the Point of Beginning.

The above described "Future Lot 5" contains 2.319 acres, more or less.

FUTURE LOT 6 DESCRIPTION

Lot 1 in Block 2 in the Resubdivision of Riverway Business Park as shown on a Plat of Subdivision recorded January 12, 1998 in Book 00, page 144 as Document No. 9800686, being a part of the West Half of Section 10, Township 24 North, Range 5 West of the Third Principal Meridian in the City of Pekin, Tazewell County, Illinois.

EXCEPTING THEREFROM:

A part of said Lot 1 in Block 2 in the Resubdivision of Riverway Business Park, more particularly described as follows:

Beginning at an iron rod at the northwest corner of said Lot 1, thence easterly along a curve to the right on an arc distance of 57.16 feet along the southerly right of way line of Enterprise Drive, said curve having a radius of 665.00 feet and a chord bearing North 60°08'50" East (bearings based on the Illinois State Plane Coordinate System, NAD83 (2011), West Zone) 57.14 feet; thence South 00°54'01" East 256.61 feet; thence North 88°36'28" East 545.35 feet to the westerly right of way line of Riverway Drive; thence southerly along a curve to the left on an arc distance of 165.75 feet along said westerly right of way line, said curve having a radius of 750.00 feet and a chord bearing South 30°32'24" East 165.41 feet; thence southerly along a curve to the right on an arc distance of 5.14 feet along said westerly right of way line, said curve having a radius of 1020.00 feet and a chord bearing South 36°-44'-59" East 5.14 feet to the southeast corner of said Lot 1; thence North 89°56'38" West along the south line of said Lot 1 a distance of 680.23 feet to the southwest corner of said Lot 1; thence North 00°54'01" West along the west line of said Lot 1 a distance of 369.85 feet to the Point of Beginning.

The above described "Future Lot 6" contains 3.679 acres, more or less.

REVISIONS	
NO.	DATE
MAURER-STUTZ ENGINEERS SURVEYORS	
3118 N. DOWNS LANE, SUITE 100 PEORIA, IL 61604 (309) 693-7452 FAX (309) 693-7656 300 N. UNIVERSITY AVENUE PEORIA, IL 61601 FAX (309) 693-7455 300 N. UNIVERSITY AVENUE PEORIA, IL 61601 FAX (309) 693-7455 ILLINOIS PROFESSIONAL ENGINEER LICENSE #164-08254 www.ms-engineers.com	
PROPERTY EXHIBIT	
Sheet Title:	RIVERWAY CRAFT GROW
Client:	RP BUILDING MANAGEMENT, LLC
Designed By:	KJP
Drawn By:	KDR
Reviewed By:	KJP
Date:	January 20, 2020
Project No.:	23020006.00
Drawing:	X
X OF X	

ORDINANCE NO. 2864-19/20**AN ORDINANCE APPROVING APPLICATION FOR SPECIAL USE FOR
ESTABLISHMENT OF AN ADULT-USE CANNABIS DISPENSARY
IN RIVERWAY BUSINESS PARK**

WHEREAS, the City of Pekin is a home rule municipality as described in Section 6(a), Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, the City of Pekin, as a home rule municipality, may exercise power and perform any function pertaining to its government and affairs, including, but not limited to, the power to legislate for the protection of the public health, safety, and welfare; and

WHEREAS, a Petition was submitted to the City on January 21, 2020, by RB Building Management, LLC, for a special use permit for the operation of an adult-use cannabis dispensary in a PUD District (the "Petition"), at the property currently described as 1805 Riverway Drive, in Riverway Business Park, further described as Lot 1 of Block 2 of Riverway Business Park, a Subdivision of the City of Pekin, as shown by plat recorded in Plat Book "KK", page 181, situated in Tazewell County, Illinois, and having the parcel identification number of 10-10-10-100-017 (the "Property"); and

WHEREAS, after hearing pursuant to duly published notice, the Planning and Zoning Commission of the City of Pekin has recommended that the City grant the request for a special use, subject to the conditions set forth herein; and

WHEREAS, the City Council finds that the Petition meets all the standards set forth in the City Code for the granting of a special use, and that the Petition complies with the requirements set forth in Title 9, Chapter 10C of the City Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS, THAT:

Section 1. The findings and recitations set forth above are adopted and found to be true and correct.

Section 2. A special use is hereby authorized for the purpose of allowing the operation of an adult-use cannabis dispensary, subject to the following conditions:

1. Petitioner shall construct the facility in accordance with the Site Plan attached hereto as Exhibit A.
2. The facility shall at all times be operating in conformance with all City Ordinances and State laws governing the operation of adult-use cannabis dispensary organizations.

Upon violation of or any failure to comply with the aforementioned conditions or with any provision of the City code applicable to the Property or its use, the City Council may, after appropriate notice and hearing, terminate the special use authorized herein.

Section 3. This Ordinance is in addition to all other ordinances on the subject and shall be construed therewith excepting as to that part in direct conflict with any other ordinance, and in the event of such conflict, the provisions hereof shall govern.

Section 4. This Ordinance shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED AND APPROVED at the regular meeting of the City Council of the City of Pekin, this _____ day of _____, 20____; and upon roll call the vote was as follows:

AYES:

NAYS:

ABSENT:

ABSTAINING:

APPROVED this _____ day of _____, 20____

Mayor

ATTEST:

City Clerk

CERTIFICATE

THE UNDERSIGNED CERTIFIES THAT SHE IS THE CITY CLERK FOR THE CITY OF PEKIN, ILLINOIS, AND THAT THE CITY COUNCIL AT A REGULARLY CONSTITUTED MEETING OF SAID CITY COUNCIL OF THE CITY OF PEKIN ON THE _____ DAY OF _____, 20____ ADOPTED ORDINANCE NO. _____ A TRUE AND CORRECT COPY OF WHICH IS CONTAINED IN THIS PAMPHLET

GIVEN UNDER MY HAND AND SEAL THIS _____ DAY OF _____, 20____.

(SEAL)

CITY CLERK



REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Mark Rotherth, City Manager

AGENDA ITEM: Resolution No. 57-19/20 Emergency Procurement for Roof Repair at Bus Department Facility

ACTION REQUESTED: Approve and Adopt the Resolution.

DESCRIPTION: Due to a series of sudden unexpected major leaks at the Pekin Bus Department building, an emergency repair is needed to fix the roof. This emergency repair is needed to protect the people and equipment located in the building associated with the Bus Department, Fleet Maintenance and the Tazewell County Consolidated Communications (TC3) call center.

With the age of the roof (estimated at 25 years old), it is speculated that the roof's tar and gravel moisture barrier have been compromised causing complete saturation of the insulation layer. The saturated insulation is the layer between the current tar/gravel sealing layer and the steel deck. There are insulation bats on top of the ceiling tiles as well. When tiles leak, staff removes the tiles and insulation to prevent mold. Looking at the metal deck of the roof from the underside, it seems to be in good condition, however there is no way to tell for sure what might be on the other side of the metal deck. In totality, it appears that the moisture resistant membrane is failing in multiple locations across the roof. Covering the roof with a tarp has been explored but is not feasible due to the size of the roof. Staff has therefore reached out to obtain quotes for a total replacement from area roofing companies.

Staff recommends that an award be given to Kreiling Roofing with a total removal of the current roof, replacement with a new ethylene propylene diene monomer (EPDM) rubber roof, and removal/reinstallation of HVAC systems at a cost of up to \$100,000. If any repair is needed to the aforementioned metal decking, it will an additional cost on a per panel (3' x 20') basis, however, staff expects this to be minimal. The EPDM has 20 year manufacturer warranty.

Kreiling Roofing estimates they would be able to start mid next week and it would take approximately three weeks from start to finish to complete the replacement (depending upon weather).

FINANCIAL IMPACT:

Requested Amount: Up to \$ 90,000 (Bus Dept portion 90%)
 Up to \$ 10,000 (Gen Fund portion 10%)
 \$100,000 Total

Line Item: 501-501-580401 (Building Repair)
 100-068-534200 (Bldg Ground & Maint)

Budgeted Amount: \$0* 501-501-580401
 \$125,000 100-068-534200

Remaining Budget: \$0* 501-501-580401
 \$101,470 100-068-534200

*The Bus Department has adequate cash reserves to cover unanticipated expenditures.

IMPACT IF APPROVED: Roof at the Bus Department is fixed

IMPACT IF DENIED: Roof at the Bus Department is not fixed

ALTERNATIVES: N/A

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

	5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES**Finance Department** (Certification of Availability of Funds):

Date:

City Manager:**Mark A. Rothert**

Mark A. Rothert, City Manager

2/6/2020

Date:

WHEREAS, due to a series of sudden unexpected major roofing leaks at the Pekin Bus Department building, an emergency repair is needed; and

WHEREAS, this emergency repair is needed to protect the people and equipment located in the building associated with the Bus Department, Fleet Maintenance and the Tazewell County Consolidated Communications (TC3) call center.

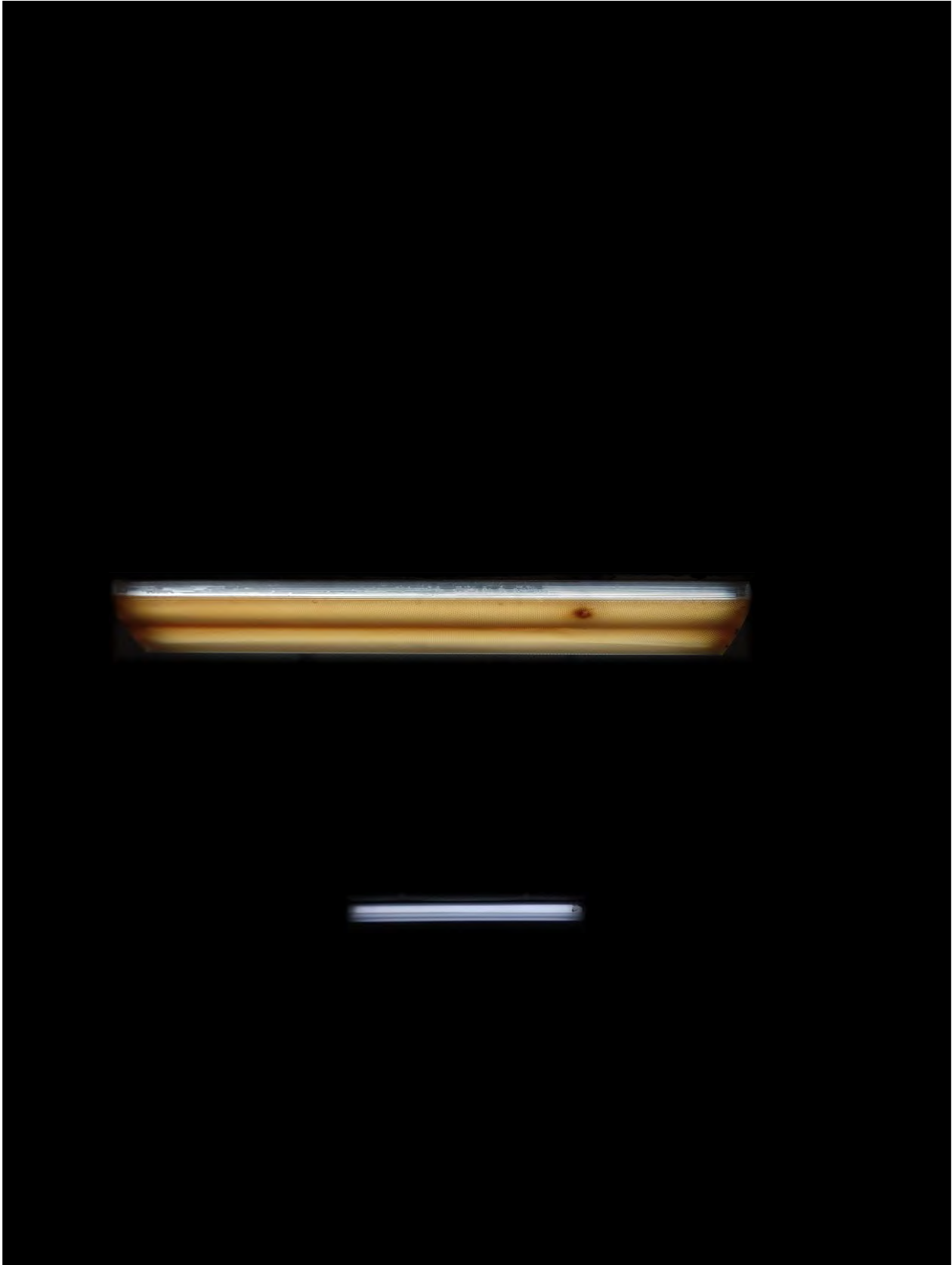
NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Pekin that:

- 1.** The City awards a contract to Kreiling Roofing for the total removal of the current roof, replacement with a new ethylene propylene diene monomer (EPDM) rubber roof, and removal/reinstallation of HVAC systems at a cost not to exceed \$100,000.
- 2.** The Mayor or City Manager may execute on behalf of the City any documentation necessary to make this procurement.

MAYOR

ATTEST:

CITY CLERK





Attachment: 1130_Koch_Roof_Pix (2027 : Resolution No. 57-19/20 Emergency Procurement for Roof Repair at Bus Department Facility)













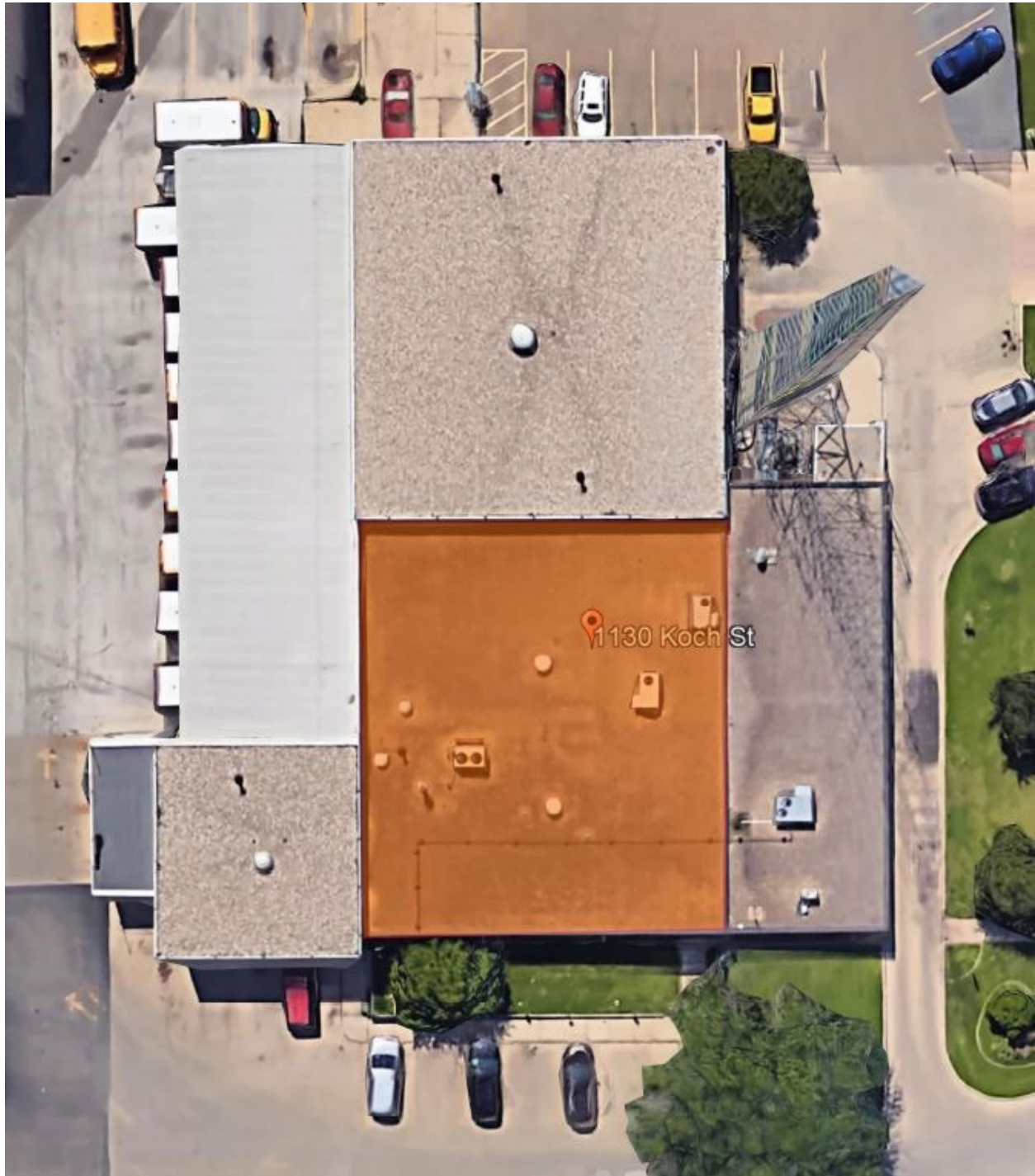








Bus Department Facility Roof





REQUEST FOR COUNCIL ACTION

Agenda Date: February 10, 2020
To: Council Members
From: Mark Rothert, City Manager

AGENDA ITEM: Resolution No. 60-19/20 Bid Award for HVAC Improvements at the Bus Department Facility

ACTION REQUESTED: Approve and Adopt the Resolution.

DESCRIPTION: Due to an aging HVAC system at the Bus Department facility which is over 50 years old, components thereof are starting to wear out, corrode, and become increasingly less efficient. Corrosion, for example, has caused water leaks from the HVAC cassette/coil units causing in offices and subsequently causing floor damage. System inefficiencies are also causing higher energy costs to keep the buildings heated and cooled, all with very poor performance. This is most notable on days where ambient air temp is very hot or cool. Pictures of the current HVAC system are attached.

To undertake a replacement, the City recently solicited for bids on implementing a new HVAC system to effectively and efficiently cool the Bus Department at 1130 Koch Street which would abandon its original boiler/chiller system. The City received two bids from:

- Standard Heating and Cooling for \$98,549 consisting of 16 Mini Split units and a fresh air makeup system. 5 year parts, 7 year compressor warranty, 1 year parts and labor on install.
- Mucciante Heating & Cooling for \$70,622 consisting of 8 Mini Split units, a 5-ton Tempstar unit with makeup air economizer. 5 year parts, 7 year compressor warranty, 1 year labor.

Staff recommends a bid award to Mucciante Heating & Cooling (821 Brenkman Dr., Pekin, IL 61554) for being the most responsible and responsive bidder. The recommended scope of work will combine both a 5 ton forced air HVAC system with 8 Mitsubishi Hyper Heat Mini Split systems. The 5 ton unit will be roof mounted and new ducting will be run as we currently don't have ducting in the building. The Mini-Split condensers will also be roof mounted. There will be 8 mini split heating/cooling ceiling cassettes on 4 main units.

FINANCIAL IMPACT:

Requested Amount: \$70,622
 Line Item: 501-501-580401 (Building Repair)
 Budgeted Amount: \$0 Bus Department has adequate cash reserves to cover this unanticipated expenditure
 Remaining Budget: \$0

IMPACT IF APPROVED: New HVAC system will be installed

IMPACT IF DENIED: New HVAC system will not be installed

ALTERNATIVES: N/A

RELATED TO THE 2019-2021 CITY COUNCIL GOALS:

5 Year CIP. The Five-Year Capital Improvement Plan reflects all current and future capital improvement needs of the City of Pekin. The Plan is designed to be

	updated annually by staff and submitted to the Council for review and approval prior to the annual budget process.
	Enhance Code Enforcement Services. The Council understands the importance of a strong Code Enforcement Program in that it has an impact on many facets of living and doing business inside the City of Pekin.
	Business Friendly Community. The Council strives to bring new businesses to Pekin while helping to maintain and expand all existing businesses. It is therefore essential to work cooperatively to make Pekin a “Business-Friendly” Community.
	Efficient and Effective Municipal Operations. A fundamental responsibility of elected officials, City Staff and Employees is the exercise of good stewardship over public funds. Therefore, it is important that municipal services be delivered with maximum efficiency and effectiveness
	Police & Fire Pension Obligation. To meet the 90% funding level by the year 2040 it is essential the City plan carefully and maintain financial discipline to meet its \$63 million dollar obligation.
	Employee Residency. It is the goal of the Council to develop a policy that encourages more full-time non-union employees who participate in a City funded pension program to reside within the city limits of Pekin.

REQUIRED SIGNATURES

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Mark A. Rothert

Mark A. Rothert, City Manager

2/6/2020

Date:

**Resolution No. 60-19/20 Bid Award for HVAC Improvements at the Bus
Department Facility**

8.22

WHEREAS, due to an aging HVAC system at the Bus Department facility which is over 50 years old, components thereof are starting to wear out, corrode, and become increasingly less efficient; and

WHEREAS, corrosion has caused water leaks from the HVAC cassette/coil units causing in offices and subsequently causing floor damage; and

WHEREAS, system inefficiencies are also causing higher energy costs to keep the buildings heated and cooled, all with very poor performance;

WHEREAS, the City has received bids on implementing a new HVAC system to effectively and efficiently cool the Bus Department at 1130 Koch Street which will abandon its original boiler/chiller system in place.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Pekin that:

1. The City award the HVAC replacement bid for the Bus Department Facility to Mucciante Heating & Cooling (821 Brenkman Dr., Pekin, IL 61554) in the amount of \$70,622.
2. The Mayor or City Manager is authorized to execute any documents necessary to enact such procurement.

MAYOR

ATTEST:

CITY CLERK





Attachment: HVAC_Pictures (2026 : Resolution No. 60-19/20 Bid Award for HVAC Improvements at the Bus Department Facility)





Attachment: HVAC_Pictures (2026 : Resolution No. 60-19/20 Bid Award for HVAC Improvements at the Bus Department Facility)