



**VILLAGE OF LINCOLNWOOD
PRESIDENT AND BOARD OF TRUSTEES
COMMITTEE OF THE WHOLE MEETING
VILLAGE HALL COUNCIL CHAMBERS
6:00 P.M. OCTOBER 16, 2018**

AGENDA

I) Call to Order

II) Roll Call

- 1) Committee of the Whole Minutes – October 3, 2018

IV) Regular Business

- 1) Discussion Concerning 2018 Property Tax Levy (6:00–6:15 p.m.)
- 2) Discussion Concerning Stormwater Funding Project (6:15–7:15 p.m.)
- 3) Discussion Concerning 2019 Village Board Meeting Dates (7:15–7:20 p.m.)
- 4) Discussion Concerning In-Ground Pool Removal Standards (7:20–7:30 p.m.)

V) Public Comment

VI) Adjournment

DATE POSTED: October 12, 2018

**VILLAGE OF LINCOLNWOOD
PRESIDENT AND BOARD OF TRUSTEES
COMMITTEE OF THE WHOLE MEETING
VILLAGE HALL COUNCIL CHAMBERS
OCTOBER 3, 2018**

Draft

Call to Order

President Bass called the Committee of the Whole meeting of the Lincolnwood Board of Trustees to order at 6:20 PM, Wednesday, October 3, 2018, in the Council Chambers of the Municipal Complex, 6900 North Lincoln Avenue, Village of Lincolnwood, County of Cook and State of Illinois.

On roll call by Deputy Village Clerk Charles Meyer the following were:

PRESENT: President Bass, Trustees Ikezoe-Halevi, Hlepas Nickell, Cope, Patel

ABSENT: Trustee Spino

A quorum was present.

Also present: Village Attorney Steve Elrod, Interim Village Manager, Robert Merkel; Acting Assistant Village Manager, Chuck Meyer; Public Works Director, Andrew Letson; Management Analyst Heather McFarland, Development Manager Doug Hammel, and Community Development Director Steve McNellis.

Approval of Minutes

Minutes of the August 21, 2018 and the September 20, 2018 Committee of the Whole were distributed in advance of the meeting and were examined.

Trustee Hlepas Nickell moved to approve the minutes as presented, Trustee Ikezoe-Halevi seconded the motion.

The motion passed with a Voice Vote.

Regular Business

1. Discussion Concerning Refuse and Recycling

This item was presented by Charles Meyer and Andrew Letson using PowerPoint.

History of Refuse and Recycling

- Groot Industries, Inc. (“Groot”) has been the Village’s service provider for single-family and multi-family properties since 1994
- Current seven-year agreement with Groot began in 2012 and expires August 31, 2019
- Lincolnwood is a member of the Solid Waste Agency of Northern Cook County (“SWANCC”) which is an intergovernmental agency of 23 communities that pool their resources to coordinate waste and recycling collection and disposal

Service Levels

- Residents receive the following single day service from Groot on Mondays:
 - One 95-gallon refuse cart and unlimited refuse collection of additional 35-gallon containers
 - One 65-gallon recycling cart
 - One bulk item for collection per week (mattress, refrigerator, etc.)
 - Curbside yard waste collection
- Groot provides for the collection of up to six items for electronic waste at a price of \$45 (with a \$15 additional charge for televisions)
- Collection for Village municipal buildings, School District 74 facilities, and the Library
- Special collection prior to the Passover holiday – service is provided by Groot, but is not formally part of contract
- Program expenses:
 - Annual expense is \$1,102,000 (including SWANCC fees) with the following parameters:
 - \$15.43 / month / dwelling for refuse and recycling (4,263 households)
 - \$0.25 / month / cart for recycling cart maintenance
 - \$760.32 / month for School District 74

Service Modification Discussion

- Service levels and desired services:
 - Collection of refuse prior to Passover (currently provided by Groot but not incorporated into agreement)
 - Distribution schedule for replacement carts
 - Curbside electronics collection
 - Evaluation of collection days (for cost-saving purposes)
 - Monday versus other day of the week
 - One day of service versus multiple service days
- Food scrap collection
- Spring clean-up
- Incentivizing recycling efforts
 - Village currently has a recycling rate of 22%
 - SWANCC average recycling rate is slightly less than 25%
- Contract length
 - Seven years
 - Provides stability and may provide for cost-savings as the selected provider would be able to spread out their capital expenses over seven years as opposed to five years
 - Five years
 - Provides flexibility to the Village in making modifications to this service more quickly
 - Would compliment the Village's Infrastructure Master Plan which would call for the Village to switch payment to residents who would pay the waste hauler directly for these services (these services are currently financed through property taxes)
- It was discussed by a Trustee if the Village would be able to inquire about a lower rate for commercial properties from Groot, or whoever is selected as the next vendor for residential waste and recycling

Next Steps

- Determine components of next agreement and any changes in service levels
- Issue a Request for Proposals (“RFP”) or engage in negotiations with Groot to extend the current agreement with the desired changes to service levels
- An RFP would allow the Village to test the market and possibly have the first new vendor for these services in 24 years
- May create a disruption in service for customers who have become accustomed to Groot
- If an RFP is the desired route, then the Village will begin the process immediately to ensure that a provider is selected and in place by September 1, 2019. This would include an educational campaign for the residents to let them know of the potential change in service and expectations going forward

Requested Board Direction

- Collection of refuse in advance of Passover:
 - The Village Board directed staff to solicit pricing for three additional service days including Passover to be considered in the next agreement.
- Recycling:
 - The Village Board directed staff to look at increasing the container size for recycling to allow for 95-gallon containers for weekly collection
- Service provider / RFP:
 - The Village Board requested that staff solicit a quote from Groot to continue being the Village’s provider for residential waste and recycling
- Service modifications:
 - Collection day(s)
 - The Village Board directed staff to continue collection on Mondays.

At the completion of the presentation, it was the consensus of the Village Board for staff to solicit a quote for services and an extension of the current agreement to include the provisions discussed during the presentation.

2. Discussion Concerning an Incentive Agreement with Tucker Development

This item was presented by Mr. Elrod. Mr. Elrod stated that it was best practice and in line with previous development processes of the Village to create an incentive negotiation team. The team would be comprised of two Trustees and staff members who would then meet with Tucker Development to negotiate the terms and expectations for an incentive agreement as part of the District 1860 site. The team would consist of Trustees Hlepas Nickell and Patel along with Interim Village Manager Robert Merkel and Community Development Director Steve McNellis.

As part of the incentive agreement discussion, it was noted that the team will meet with School District 74 and Tucker Development regarding possible modifications to the current intergovernmental agreement between the Village and School District 74. It was determined that the meeting between School District 74, Tucker Development, and the Village should occur prior to action being taken by the Joint Review Board (JRB).

It was the consensus of the Village Board that the JRB should be postponed until after negotiations between the Village, School District 74, and Tucker Development have been completed.

Adjournment

At 7:37 PM Trustee Cope moved to adjourn Committee of the Whole, seconded by Trustee Ikezoe-Halevi.
The motion passed with a Voice Vote.

Respectfully Submitted,

Charles Meyer
Deputy Village Clerk



MEMORANDUM

TO: President Bass and Members of the Village Board

FROM: Charles Meyer, Acting Assistant Village Manager

DATE: October 12, 2018

SUBJECT: **October 16 Committee of the Whole Meeting**

As a reminder, the Committee of the Whole (COTW) meeting is scheduled for **6:00 p.m.** on Tuesday evening. Dinner will be available in the Village Hall Board Conference Room starting at 5:15 p.m. Please find below a summary of the items for discussion:

1) **Discussion Concerning 2018 Property Tax Levy (6:00-6:15 p.m.)**

[Attached](#) is a memorandum from the Finance Director providing a recommendation for the Village Board to consider the 2018 property tax levy, which will be considered at the November 6, 2018 Village Board meeting.

2) **Discussion Concerning Stormwater Funding Project (6:15-7:15 p.m.)**

At the September 20, 2018 Committee of the Whole, the Village Board discussed the North Shore Outfall Sewer project and options for funding this project and the Street Storage program. [Attached](#) is a memorandum from the Director of Public Works regarding means of funding for these two projects.

3) **Discussion Regarding 2019 Village Board Meeting Dates (7:15-7:20 p.m.)**

[Attached](#) is a list of proposed meeting dates for 2019, taking into account religious holidays the Board has requested be taken into account when planning for meetings. The Board will be asked to provide input on these dates on Tuesday evening. The meeting dates will be presented on the November 6, 2018 Village Board meeting.

4) **Discussion Concerning Standards for the Removal of In-Ground Pool (7:20-7:30 p.m.)**

The Community Development Department has received several Building Permit applications regarding the removal of in-ground swimming pools. Property owners undertaking such work have recently requested that they be permitted to remove a portion of the pool, but leave some of the structure in the ground due to the expense. [Attached](#) is a memorandum from the Development Manager requesting the Village Board consider an amendment to the Village Code that would allow for the partial removal of in-ground pools.

If you should have any questions concerning these matters, please feel free to contact me.



MEMORANDUM

TO: Mayor Bass and Board of Trustees

FROM: Robert Merkel, Interim Village Manager

DATE: October 16, 2018

SUBJECT: 2018 Proposed Tax Levy

Although the Village is not restricted in its limit to assess the annual levy for property taxes, the Village Board has a self-imposed cap on the annual increase in the property tax levy per its financial policies. The annual increase is determined by the State of Illinois for tax capped communities and is 2.1% for the 2018 tax levy. This equates to an increase of \$117,277 from the prior year's tax levy.

The 2018 proposed tax levy totals \$5,701,897 and includes \$2,053,379 for the payment of the required annual contribution as determined by the Police Pension Fund's actuary. There is a substantial increase in the Police pension contribution of \$308,485 from the prior year tax levy. The Village changed actuaries and the mortality rates were updated to reflect the most recent mortality tables. The levy also includes \$1,000,000 for the operation of the Parks and Recreation Department. This amount, in addition to user fees from park programs, is used to pay for the operating cost of this department. The remaining \$2,648,518 is used for the operations of the General Fund.

If you have any questions regarding the above, please let me know.



MEMORANDUM

TO: Robert Merkel, Interim Village Manager

FROM: Andrew Letson, Director of Public Works

DATE: October 16, 2018

SUBJECT: Stormwater Project Funding

Background

At its September 20, 2018 Committee of the Whole, the Village Board discussed the North Shore Outfall Sewer project and options for funding this project and the Street Storage project. The North Shore Outfall Sewer and Street Storage projects constitute approximately \$11.5 million in stormwater management improvements. The Water/Sewer Fund does not have sufficient reserves or revenue to pay for these projects, so bonds would need to be issued. At the September 20 meeting, staff reported that the Metropolitan Water Reclamation District (MWRD) has committed to contributing \$1.4 million toward the construction of the North Shore Outfall Sewer. Additionally, funds are available in the current budget to pay for the design of the North Shore Outfall Sewer and Street Storage – Stage II. Financing the remainder of the phases of these projects would require bonds in the amount of \$9.35 million, which equates to \$725,000 in annual debt service.

Annual Debt Service by Project				
Project	Construction Year	Total Cost	Bond Amount	Annual Debt Service
North Shore Outfall ¹	FY 19/20	\$3,410,000	\$1,900,000	\$150,000
Street Storage – Stage II ²	FY 20/21	\$4,475,000	\$4,175,000	\$310,000
Street Storage – Stage III	FY 21/22	\$3,560,000	\$3,560,000	\$265,000
Total		\$11,445,000	\$9,735,000	\$725,000

¹Total Cost includes design, construction and construction oversight. The MWRD will only participate in the cost of construction. Construction was originally anticipated for FY 18/19; however will occur next year due to MWRD's delay in awarding funding.

²Design engineering to be paid with existing revenue (\$300,000)

The Water/Sewer Fund (Fund) generates sufficient revenue to pay for the operations and maintenance of the water and sewer systems, but there is insufficient revenue to fund the aforementioned debt service. This is due to the fact that the Fund primarily relies on user charges that are based on water consumption. Since 2009, consumption has decreased by 20%, thereby limiting the amount of revenue available for capital projects.

At the September 20 Committee of the Whole, staff presented two options for revenue enhancement, a new user charge (\$1.80 per 1,000 gallons) and a new fixed fee (\$176 per year). The Village Board requested further information regarding the impact of the revenue enhancements on the Village’s water customers as well as other models of distributing the fees, and the possibility of adding the debt service to the property tax levy.

Water Customers by Size and Class

The Village divides water customers into two classes, residential and commercial. Residential customers are billed on a quarterly basis, while commercial customers are billed monthly. Commercial customers include not only commercial and industrial properties, but large multi-family facilities such as condominium buildings as well. Commercial customers make up approximately 8% of the Village’s water customer base. The table below demonstrates the usage of each class of customer based on percentile group. The data provided is based on each water customer’s average annual consumption over a five year period. The average residential customer uses 64 units (1,000 gallons) per year and the average commercial customer uses 85 units per year.

Consumption by Percentile (Five Year Average)				
	Residential		Commercial	
Percentile	Units	Customers	Units	Customers
Smallest 25%	1-42	1,004	1-27	82
25%-50%	42-64	1,004	27-85	82
50%-75%	64-95	1,004	85-317	82
75%-90%	95-133	602	317-1,023	49
Largest 10%	133+	402	1,023+	33
Total		4,016		328

Current Water Bill

Water customers are currently charged a combination of user charges and flat fees. Commercial customers are billed on a monthly basis, whereas residential customers are billed quarterly. Commercial customers are charged the same amount for all user charges and flat fees, except the “Water Meter Fund” fee, for which they are charged \$9.00 per month rather than \$4.50 per quarter to reflect the fact that commercial properties generally have a larger water meter. Revenue generated by the user charges and flat fees goes toward funding the operation and maintenance of the water and sewer systems as well as paying debt service on the existing low interest loan, which was taken out in 2008 to pay for the replacement of water meters, and the purchase of water from the City of Chicago. The revenue generated by the Water/Sewer Fund is sufficient to fund these functions, but is not sufficient to fund major capital improvements. The Fund broke even in FY 2017/18.

Revenue from water bills is only used to fund the operations of the water and sewer systems and does not fund other services. The table below breaks down the rate of each item included on the water bill.

Residential (Billed Quarterly)	
Item	Rate
Water User Charge	\$8.69
Debt Service	\$0.38
Sewer User Charge	\$1.00
<i>Total User Charge</i>	<i>\$10.07</i>
Capital Improvements	\$9.45
Water Meter Fund	\$4.50
<i>Total Quarterly Fixed Fees</i>	<i>\$13.95</i>

Commercial (Billed Monthly)	
Item	Rate
Water User Charge	\$8.69
Debt Service	\$0.38
Sewer User Charge	\$1.00
<i>Total User Charge</i>	<i>\$10.07</i>
Capital Improvements	\$3.15
Water Meter Fund	\$9.00
<i>Total Monthly Fixed Fees</i>	<i>\$12.15</i>

Revenue Enhancement Options

As discussed at the September 20 Committee of the Whole, revenue enhancement will be required to finance the debt service. The Village has two traditional options when considering the means of enhancing revenue to fund the debt service. The first is to increase the sewer user fee, which would be tied to water consumption, but may require further enhancement in the future if water consumption continues to decline. The second is a flat fee that has the benefit of consistent revenue, but is equally shared by all water customers regardless of consumption. Water customers currently are charged \$10.07 per 1,000 gallons and flat fees that equal \$55.80 per year for residential customers and \$145.80 per year for commercial customers. The tables on the following page illustrates the estimated rates associated with a user charge and a flat fee and how that would impact each group of customers based on their total annual usage. The annual costs reflect total rate adjustments necessary to fund the debt service on the three aforementioned stormwater projects.

Option #1 would include implementing a new user charge of \$1.80 per 1,000 gallons. The benefit of this option is it provides the lowest increase on the smallest customers as a proportion of their current annual cost. This is because the water customers who use the most are charged the most. The drawback to this option is that the amount of revenue the Village receives is dependent on the consumption of water, which has declined by 20% over the past 10 years. This option was presented at the September 20 Committee of the Whole.

Option 1: User Charge Only						
Residential	Units	Current Annual Cost	Proposed Annual Cost	Difference	Percent Increase	
25%	42	\$474.21	\$549.00	\$74.79	16%	
50%	64	\$704.31	\$820.23	\$115.92	16%	
75%	95	\$1,013.46	\$1,184.64	\$171.18	17%	
90%	133	\$1,396.32	\$1,635.93	\$239.62	17%	
Commercial	Units	Current Annual Cost	Proposed Annual Cost	Difference	Percent Increase	
25%	27	\$418.70	\$467.48	\$48.78	12%	
50%	85	\$998.73	\$1,151.19	\$152.46	15%	
75%	317	\$3,339.00	\$3,909.78	\$570.78	17%	
90%	1,023	\$10,442.98	\$12,283.59	\$1,840.61	18%	

Option #2 would include implementing a new flat fee of \$176.00 per year. The Village currently charges a flat fee to repay the low interest loan that the Village received in 2008 for the replacement of water meters. The benefit of a flat fee is that it produces a steady stream of revenue since the total number of water customers does not vary by much year to year. The drawback is that it provides a large increase to the smallest customers as a proportion of their current annual cost.

Option 2: Fixed Fee Only						
Residential	Units	Current Annual Cost	Proposed Annual Cost	Difference	Percent Increase	
25%	42	\$474.21	\$650.21	\$176.00	37%	
50%	64	\$704.31	\$880.31	\$176.00	25%	
75%	95	\$1,013.46	\$1,189.46	\$176.00	17%	
90%	133	\$1,396.32	\$1,572.32	\$176.00	13%	
Commercial	Units	Current Annual Cost	Proposed Annual Cost	Difference	Percent Increase	
25%	27	\$418.70	\$594.70	\$176.00	42%	
50%	85	\$998.73	\$1,174.73	\$176.00	18%	
75%	317	\$3,339.00	\$3,515.00	\$176.00	5%	
90%	1023	\$10,442.98	\$10,618.98	\$176.00	2%	

Option #3 is a hybrid of the fixed fee and user charge, where each is charged at a lesser amount \$0.90 per 1,000 gallons for the user charge and \$88.00 for the fixed fee. This is similar to the method that the Village chose to pursue in 2008 when the “Water Meter” flat fee and “Debt Service” user charge were implemented. This option has less of an impact on small water customers than Option #2 and still guarantees a base level of revenue.

Option 3: User Charge & Fixed Fee Hybrid						
Residential	Units	Current Annual Cost	Proposed Annual Cost	Difference	Percent Increase	
25%	42	\$474.21	\$599.60	\$125.40	26%	
50%	64	\$704.31	\$850.27	\$145.96	21%	
75%	95	\$1,013.46	\$1,187.05	\$173.59	17%	
90%	133	\$1,396.32	\$1,604.13	\$207.81	15%	
Commercial	Units	Current Annual Cost	Proposed Annual Cost	Difference	Percent Increase	
25%	27	\$418.70	\$531.09	\$112.39	27%	
50%	85	\$998.73	\$1,162.96	\$164.23	16%	
75%	317	\$3,339.00	\$3,712.39	\$373.39	11%	
90%	1023	\$10,442.98	\$11,451.28	\$1,008.30	10%	

Option #4 is a fixed fee only; however, commercial customers are charged a higher rate than residential customers. This is similar to how the Village charges the “Water Meter” fee. For the purpose of this analysis a fixed fee for commercial customers twice that of residential customers was used to demonstrate the impact on each group of customers. The residential rate is \$159.00 per year and the commercial rate is \$318.00 per year. It is of note that even though the fee for commercial customers is double the residential fee, the annual residential fee is only \$17.00 less per year than in Option #2. This is due to the fact that commercial customers make up only 8% of the total customer base.

Option 4: Fixed Fee Only - Commercial Higher Rate						
Residential	Units	Current Annual Cost	Proposed Annual Cost	Difference	Percent Increase	
25%	42	\$474.21	\$633.21	\$159.00	34%	
50%	64	\$704.31	\$863.31	\$159.00	23%	
75%	95	\$1,013.46	\$1,172.46	\$159.00	16%	
90%	133	\$1,396.32	\$1,555.32	\$159.00	11%	
Commercial	Units	Current Annual Cost	Proposed Annual Cost	Difference	Percent Increase	
25%	27	\$418.70	\$736.70	\$318.00	76%	
50%	85	\$998.73	\$1,316.73	\$318.00	32%	
75%	317	\$3,339.00	\$3,657.00	\$318.00	10%	
90%	1023	\$10,442.98	\$10,760.98	\$318.00	3%	

Option #5 represents an increase to the Village’s property tax levy. In 1997, the Village became Home Rule through a referendum. Since then, the Village’s financial policies have placed a self-imposed restriction on property tax increases to an amount equal to the consumer price index (CPI). The proposed increase to the property tax levy for 2018 is 2.1%. Currently, the Village’s share of the total property tax bill is 9.3%. If the Village were to include the entire debt service amount on the property tax levy, it would be increased by 12.7% over the proposed 2018 levy. If all of the other taxing districts increase their levy by the CPI, the Village’s share of the tax bill would increase to 10.3% and property owners

would see an increase of 2.3% on their tax bill. This increase only represents the amount added for the stormwater program debt service and does not reflect normal CPI increases.

The benefit of including the debt service on the property tax levy is it has the lowest effect as a proportion of the current bill at 2.3%, compared to 12-18% for Option #1. The drawback is that the Village has operated as a self-imposed tax cap community for the past 20 years and adding the debt service to the property tax levy would require a change to this policy. Additionally, the Tax Cuts and Jobs Act of 2017 places a cap on the property tax deduction, so properties with higher assessed values will not be able to deduct the increase from their Federal taxes.

Option 5: Property Tax					
Proposed 2018 Levy	Total Debt Service	Proposed Levy	Percent Change	Village Share of Tax Bill	Increase to Total Tax Bill
\$5,701,897	\$725,000	\$6,426,897	12.7%	10.3%	2.3%

Revenue Phasing

It is recommended that revenue enhancements be phased based on the project schedule, with the first to occur on January 1, 2019 followed by other enhancements on January 1, 2020 and January 1, 2021. This will ensure that sufficient funds are available to make the first debt service payment following the issuance of a bond. Additionally, it is important to note that the revenue amounts are estimates and may vary based on actual construction costs and interest on bonds. The table below illustrates the amount of revenue necessary for each project under each option presented.

Project	User Charge	Flat Fee (Annual)	User Charge & Flat Fee (Annual)	Flat Fee – Higher Commercial (Annual)	Property Tax - Percent Increase on 2018 Levy
North Shore Outfall	\$0.40	\$36.00	\$0.20/\$18.00	\$33.00/\$66.00	2.6%
Street Storage – Stage II	\$0.75	\$76.00	\$0.37/\$38.00	\$68.00/\$136.00	5.4%
Street Storage – Stage III	\$0.65	\$64.00	\$0.33/\$32.00	\$58.00/\$116.00	4.6%
Total	\$1.80	\$176.00	\$0.90/\$88.00	\$159.00/\$318.00	12.7%

Next Steps

Depending which option the Village Board elects to pursue, staff will return with the necessary amendment to the Annual Fee Resolution at a future Village Board meeting to begin implementing the revenue enhancement necessary for the North Shore Outfall Sewer debt service as of January 1, 2019.

Documents Attached

1. September 20, 2018 Committee of the Whole Memo
2. PowerPoint Presentation



MEMORANDUM

TO: Robert Merkel, Interim Village Manager

FROM: Andrew Letson, Director of Public Works

DATE: September 20, 2018

SUBJECT: North Shore Outfall Sewer Project Update

Background

The Village is primarily serviced by a combined sewer system (i.e. the sewer pipes convey both stormwater and household waste). During dry weather conditions, this system conveys sewage to the Metropolitan Water Reclamation District of Greater Chicago's (MWRD) interceptor sewer near McCormick Boulevard. This water then travels north to the Terrance J. O'Brien Water Reclamation Plant on Howard Street in Skokie for treatment before being discharged into the North Shore Channel. During rainfall events, these sewers also convey storm runoff. The mixture of rainwater and sewage is conveyed to the MWRD facility for treatment. Large storms result in the Village's combined sewage discharging directly into area waterways or into the lowest point of the system, often residential basements, due to sewer pipe sizes that are too small to handle the large volume of water.

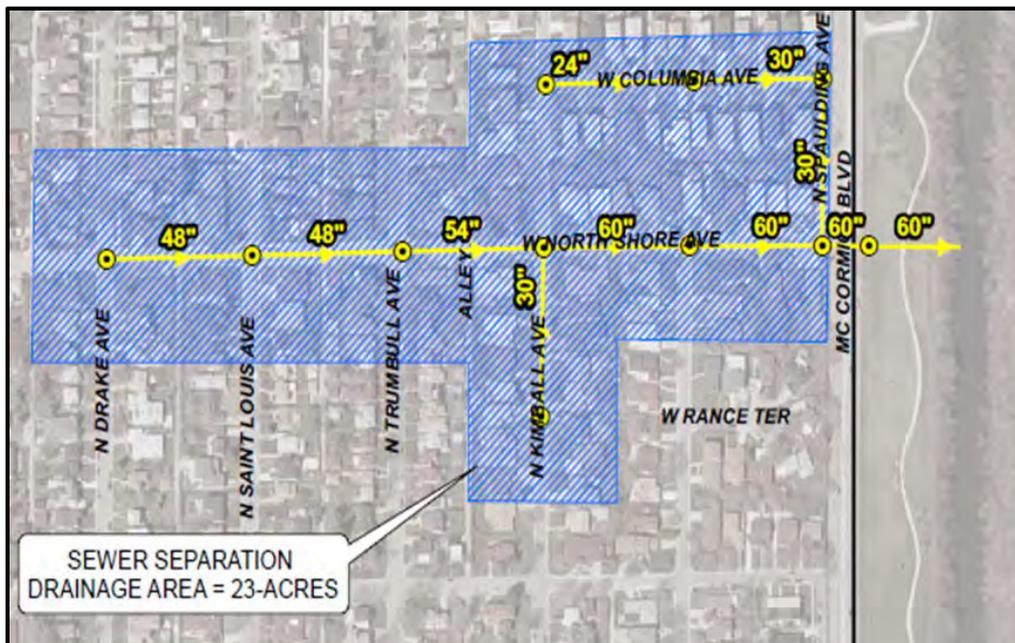
In 2007, the Village began the process of developing a comprehensive Stormwater Master Plan (SMP). The Ad-Hoc Sewer Committee, staff, and the Village's consultant, AB&H, a Donahue Group (AB&H), worked together to develop a comprehensive plan to meet the Village's desired goal of providing protection against a 10-year rainfall event. The Village's sewer system currently provides protection against a two to three year rainfall event and the community will experience widespread basement backups again during the next major rainfall event. The SMP identified 10 projects that, when constructed, would provide the desired level of protection. The 10 projects include street storage and a variety of stormwater conveyance improvements, including a new outfall sewer under North Shore Avenue.

North Shore Outfall Sewer Project

On June 7, 2016 the Village awarded a contract to Christopher B. Burke Engineering, Ltd. (CBBEL) to design the North Shore Outfall Sewer to the 30% level of design, at which point the project could be presented to the MWRD for possible cost share funding. Prior to award of the design contract, the Village Board expressed interest in potentially maximizing the size of the North Shore Outfall Sewer. On November 28, 2017 the Village Board held a workshop to discuss, among other topics, sizing of the North Shore Outfall Sewer. At the Workshop, CBBEL presented various options and the Village Board ultimately concurred with the recommendation by staff and the consultant to construct a 60-inch outfall sewer.

The North Shore Outfall Sewer will be constructed along North Shore Avenue between the North Shore Channel and Drake Avenue. Smaller tributary sewers will also be constructed on portions of Spaulding Avenue, Columbia Avenue, and Kimball Avenue. The area serviced by this sewer is topographically the lowest point in this part of the Village. Overland runoff that does not enter the sewer system generally flows to this area where it is blocked by McCormick Boulevard from entering the North Shore Channel. Construction of the North Shore Outfall Sewer was identified as the second highest priority in the Stormwater Master Plan. The table below outlines the estimated cost of the project by phase.

Phase	Estimated Cost
Remaining Design	\$160,000
Construction	\$2,950,000
Construction Oversight	\$300,000
Total Cost	\$3,410,000



North Shore Outfall Sewer Project Area

Construction Funding

The MWRD manages a cost share program called the Phase II Flood Control Funding Program where they contribute funds for construction of local flood relief projects. The

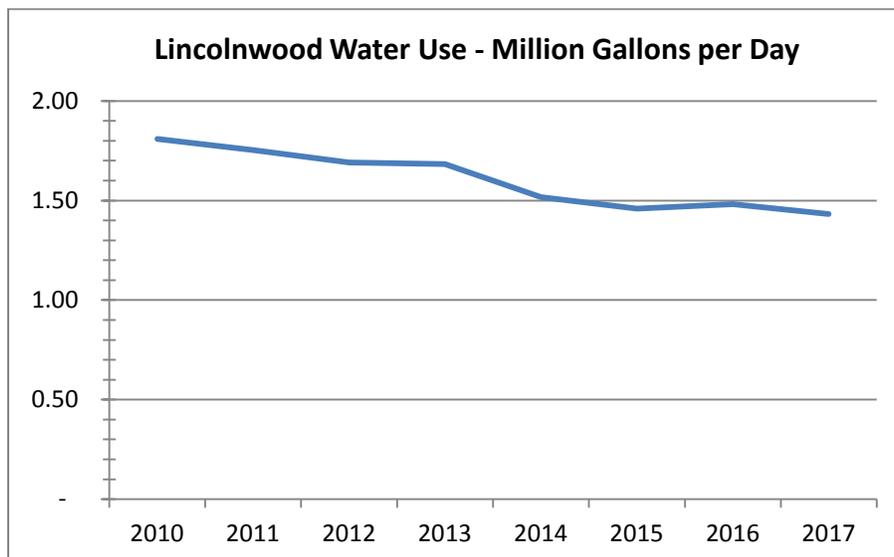
Village requested \$1,525,000 in funding assistance for the North Shore Outfall Sewer project. The project was highly rated by MWRD; however, based on their available funding they are not able to meet the full amount requested by most communities that are awarded funding. The MWRD has committed to funding \$1,391,763.14 of the Villages project, which is about 45% of the estimated construction cost.

The Water/Sewer Fund does not have sufficient reserves to fund this project on a pay-as-you-go method; therefore, in order to have enough cash to pay for the improvements; a bond will need to be issued. The estimated cost of construction and oversight is \$3,250,000, so a bond in the amount of about \$1,900,000 will need to be issued prior to construction commencing. The annual debt service on such a bond is estimated to be about \$150,000, assuming a 4% interest rate (per the Village's bond consultant).

Debt Service Funding

Since 2011, the Village has charged \$1.00 per 1,000 gallons of water consumed as a sewer user fee. This revenue funds the maintenance of the Village's sewer system and is intended to, at least partially, fund capital improvements. In FY 17/18 the sewer user fee generated approximately \$440,000 in revenue. This revenue, along with the other user charges and fees included on the water bills are accounted for in the Water and Sewer Fund. The Water and Sewer Fund currently has approximately \$1.8 million in reserves; of which \$400,000 is available to be used for capital projects associated with the water and sewer systems (per the Village's reserve policy).

The Water and Sewer Fund has experienced stagnating revenue due to a decline in water consumption. The Fund is primarily supported through user charges which are based on consumption; as customers have made efforts to conserve more water, the Fund has seen revenue decline. Since 2009, water consumption in the Village has decreased by nearly 20% (see chart); which is consistent with what has been experienced by Lake Michigan water users throughout Northeastern Illinois. Revenue has been sufficient to fund existing operations; however, would not be sufficient to pay for the projects identified in the SMP using a pay-as-you-go method nor would it be sufficient to fund the debt service associated with bonds.



Staff will continue to seek grant funds for stormwater improvements and submit applications to programs that are likely to fund the types of projects included in the SMP.

Stormwater Program Funding Options

In addition to the North Shore Outfall Sewer, the Village Board also discussed the next stages of the Street Storage project at the November 28, 2017 Workshop and potential funding options. Funds are available in the current budget for completion of the North Shore Outfall design as well as design of the Street Storage – Stage II project. Sufficient revenue and fund reserves are not available to fund the construction of the North Shore Outfall Sewer or street storage, issuance of general obligation bonds would be necessary to generate enough cash to fund construction. It is anticipated that bonds would require debt service payments for 20 years. The table below illustrates the annual debt service that would be required for each project. It should be noted that these projects do not include all of the projects identified in the SMP and will not bring the Village to the desired 10-year level of protection; however, they do represent the projects that were identified in the SMP as having the greatest cost/benefit ratio.

Annual Debt Service by Project				
Project	Construction Year	Total Cost	Bond Amount	Annual Debt Service
North Shore Outfall ¹	FY 19/20	\$3,410,000	\$1,900,000	\$150,000
Street Storage – Stage II ²	FY 19/20	\$4,475,000	\$4,175,000	\$310,000
Street Storage – Stage III	FY 20/21	\$3,560,000	\$3,560,000	\$265,000
Total		\$11,445,000	\$9,735,000	\$725,000

¹Total Cost includes design, construction and construction oversight. The MWRD will only participate in the cost of construction. Construction was originally anticipated for FY 18/19; however will occur next year due to MWRD’s delay in awarding funding.

²Design engineering to be paid with existing revenue (\$300,000)

As discussed at the November 28, 2017 Workshop, revenue enhancement will be required to finance the debt service. The Village has two traditional options when considering the means of enhancing revenue to fund the debt service. The first is to increase the sewer user fee, which would be tied to water consumption, but may require further enhancement in the future if water consumption continues to decline. The second is a flat fee that has the benefit of consistent revenue, but is equally shared by all water customers regardless of consumption. The table below illustrates the estimated rates associated with both options.

Additional Revenue to Fund Debt Service		
Project	User Charge per 1,000 gallons	Flat Fee Per Month
North Shore Outfall	\$0.40	\$3.00
Street Storage – Stage II	\$0.75	\$6.34
Street Storage – Stage III	\$0.65	\$5.34
Total	\$1.80	\$14.68

Next Steps

If the Village Board concurs with staff's recommendation to move forward with the North Shore Outfall Sewer project, the following steps will be taken:

1. Finalize an intergovernmental agreement with MWRD.
2. A proposal will be sought from CBBEL to complete design of the project. An Ordinance waiving competitive bidding and awarding the contract will be brought forward for consideration at the October 3, 2018 Village Board meeting. Competitive bidding is recommended to be waived due to the fact that CBBEL has already completed 30% of the design.
3. An amendment to the Annual Fee Resolution will be brought forward for consideration for implementing the proposed revenue enhancement.
4. A bond raising funds for the construction phase will be issued at the start of the next fiscal year in conjunction with the planned bond for the transmission main.
5. Construction of the project will commence in summer 2019.

Attachments:

1. Presentation

Stormwater Project Funding

Background

- Sep. 4, 2018 Committee of the Whole
 - North Shore Avenue Sewer Update
 - Discussed funding street storage and North Shore Avenue Outfall Sewer Projects
 - Directed staff to return with more information about the impact of proposed fees on water customers

Stormwater Projects

Project	Const. Year	Estimated Total Cost	Grant Funds	Existing Funds	Bond Amount	Annual Debt Service
North Shore Outfall Sewer	2019	\$3,410,000	\$1,391,763	\$160,000	\$1,858,237	\$150,000
Street Storage - Stage II	2020	\$4,475,000		\$300,000	\$4,175,000	\$310,000
Street Storage - Stage III	2021	\$3,560,000			\$3,560,000	\$265,000
Total		\$11,445,000	\$1,391,763	\$460,000	\$9,593,237	\$725,000

Background

- Why is revenue enhancement necessary?
 - Water consumption has decreased by 20% over the past eight years
 - Existing revenue is sufficient to fund current operating costs, but not capital investment
 - Water/Sewer Fund broke even in FY 17/18

Typical Water Bill

Account Statement

ACCOUNT INFORMATION

ACCOUNT: [REDACTED]
SERVICE ADDRESS: [REDACTED]
SERVICE PERIOD: 7/1/2017 to 9/30/2017
BILLING DATE: 10/3/2017
DUE DATE: 11/3/2017

METER READING

Serial No	Previous Reading		Current Reading		Cons
	Date	Reading	Date	Reading	
35289980	6/25/2017	749	9/24/2017	788	17

CURRENT CHARGES

WATER USAGE	147.73
CAPITAL IMPROVEMENTS	9.45
WATER METER FUND	4.50
DEBT SERVICE FUND	6.46
SEWER USE	17.00
TOTAL CURRENT CHARGES	185.14

Item	Rate
Water Usage	\$8.69
Debt Service	\$0.38
<u>Sewer Use</u>	<u>\$1.00</u>
<i>Total User Charge</i>	<i>\$10.07</i>
Capital Improvements	\$9.45
<u>Water Meter Fund</u>	<u>\$4.50</u>
<i>Total Quarterly Fixed Fees</i>	<i>\$13.95</i>

Commercial Fixed Fees (Monthly)

Item	Rate
Capital Improvements	\$3.15
<u>Water Meter Fund</u>	<u>\$9.00</u>
<i>Total Monthly Fixed Fees</i>	<i>\$12.15</i>

Consumption by Percentile and Customer Class (Five Year Average)

	Residential		Commercial	
Percentile	Units	Customers	Units	Customers
Smallest 25%	1-42	1,004	1-27	82
25%-50%	42-64	1,004	27-85	82
50%-75%	64-95	1,004	85-317	82
75%-90%	95-133	602	317-1,023	49
Largest 10%	133+	402	1,023+	33
Total		4,016		328

Average Annual Usage

- Residential: 64 Units
- Commercial: 85 Units

Current Annual Water Bill by Percentile and Customer Class (Five Year Average)

	Residential		Commercial	
Percentile	Units	Annual Cost	Units	Annual Cost
Smallest 25%	42	\$474.21	27	\$418.70
25%-50%	64	\$704.31	85	\$998.73
50%-75%	95	\$1,013.46	317	\$3,339.00
Largest 10%	133	\$1,396.32	1,023	\$10,442.98

Sewer Capital Project Revenue Enhancement Options

Option	Proposed Capital Project Rate
1. User Charge Only	\$1.80 per 1,000 gallons
2. Fixed Fee Only	\$176.00 per year
3. User Charge & Fixed Fee (50/50 Split)	\$0.90 per 1,000 gallons \$88.00 per year
4. Fixed Fee Only (Commercial Higher)	\$159.00 per year (residential) \$318.00 per year (commercial)
5. Property Tax Levy	13% increase to 2017 levy

- Each revenue enhancement option would be sufficient to fund the estimated debt service; however, this depends on variables such as actual construction costs, interest rates, and water consumption
- Staff recommends phasing revenue enhancements over three years based on the proposed construction schedule

Option 1: User Charge Only

Residential	Units	Current Annual Cost	Proposed Annual Cost	Difference	<i>Percent Increase</i>
25%	42	\$474.21	\$549.00	\$74.79	16%
50%	64	\$704.31	\$820.23	\$115.92	16%
75%	95	\$1,013.46	\$1,184.64	\$171.18	17%
90%	133	\$1,396.32	\$1,635.93	\$239.62	17%
Commercial	Units	Current Annual Cost	Proposed Annual Cost	Difference	<i>Percent Increase</i>
25%	27	\$418.70	\$467.48	\$48.78	12%
50%	85	\$998.73	\$1,151.19	\$152.46	15%
75%	317	\$3,339.00	\$3,909.78	\$570.78	17%
90%	1,023	\$10,442.98	\$12,283.59	\$1,840.61	18%

Current User Charge	\$10.07
Proposed User Charge	\$1.80
Total User Charge	\$11.87

Option 2: Fixed Fee Only

Residential	Units	Current Annual Cost	Proposed Annual Cost	<i>Percent Increase</i>
25%	42	\$474.21	\$650.21	37%
50%	64	\$704.31	\$880.31	25%
75%	95	\$1,013.46	\$1,189.46	17%
90%	133	\$1,396.32	\$1,572.32	13%
Commercial	Units	Current Annual Cost	Proposed Annual Cost	<i>Percent Increase</i>
25%	27	\$418.70	\$594.70	42%
50%	85	\$998.73	\$1,174.73	18%
75%	317	\$3,339.00	\$3,515.00	5%
90%	1,023	\$10,442.98	\$10,618.98	2%

Residential (Annual)	
Current Fixed Fee	\$55.80
Proposed Fixed Fee	\$176.00
Total Fixed Fee	\$231.80

Commercial (Annual)	
Current Fixed Fee	\$145.80
Proposed Fixed Fee	\$176.00
Total Fixed Fee	\$321.80

Option 3: User Charge & Fixed Fee Split (50/50)

Residential	Current Annual Cost	Proposed Annual Cost	Difference	<i>Percent Increase</i>
25%	\$474.21	\$599.60	\$125.40	26%
50%	\$704.31	\$850.27	\$145.96	21%
75%	\$1,013.46	\$1,187.05	\$173.59	17%
90%	\$1,396.32	\$1,604.13	\$207.81	15%
Commercial	Current Annual Cost	Proposed Annual Cost	Difference	<i>Percent Increase</i>
25%	\$418.70	\$531.09	\$112.39	27%
50%	\$998.73	\$1,162.96	\$164.23	16%
75%	\$3,339.00	\$3,712.39	\$373.39	11%
90%	\$10,442.98	\$11,451.28	\$1,008.30	10%

User Charge	
Current User Charge	\$10.07
Proposed User Charge	\$0.90
Total User Charge	\$10.97

Fixed Fee Residential (Annual)	
Current	\$55.80
Proposed	\$88.00
Total Fixed Fee	\$143.80

Fixed Fee Commercial (Annual)	
Current	\$145.80
Proposed	\$88.00
Total Fixed Fee	\$233.80

Option 4: Fixed Fee Only (Commercial Higher Rate)

Residential	Units	Current Annual Cost	Proposed Annual Cost	<i>Percent Increase</i>
25%	42	\$474.21	\$633.21	34%
50%	64	\$704.31	\$863.31	23%
75%	95	\$1,013.46	\$1,172.46	16%
90%	133	\$1,396.32	\$1,555.32	11%
Commercial	Units	Current Annual Cost	Proposed Annual Cost	<i>Percent Increase</i>
25%	27	\$418.70	\$736.70	72%
50%	85	\$998.73	\$1,316.73	32%
75%	317	\$3,339.00	\$3,657.00	10%
90%	1,023	\$10,442.98	\$10,760.98	3%

Residential (Annual)	
Current Fixed Fee	\$55.80
Proposed Fixed Fee	\$159.00
Total Fixed Fee	\$214.80

Commercial (Annual)	
Current Fixed Fee	\$145.80
Proposed Fixed Fee	\$318.00
Total Fixed Fee	\$463.80

Option 5: Proposed Tax Levy

Proposed 2018 Levy	Total Debt Service	Proposed Levy*	Percent Increase	Village Share of Property Tax	<i>Increase to Total Tax Bill</i>
\$5,701,897	\$725,000	\$6,426,897	12.7%	9.3%	<u>1.2%</u>

*The “Proposed Levy” does not include the normal CPI increase used to fund general operations

Challenges with Property Tax

- Village is a home rule community by referendum (approved in 1997)
- Since home rule was adopted, the Village's financial policies have stated that property tax increases shall not exceed the consumer price index
 - Self imposed restriction

Direction Requested

- Staff is seeking feedback on the proposed revenue enhancement options

Option	Proposed Capital Project Rate
1. User Charge Only	\$1.80 per 1,000 gallons
2. Fixed Fee Only	\$176.00 per year
3. User Charge & Fixed Fee (50/50 Split)	\$0.90 per 1,000 gallons \$88.00 per year
4. Fixed Fee Only (Commercial Higher)	\$159.00 per year (residential) \$318.00 per year (commercial)
5. Property Tax Levy	13% increase to 2017 levy

Revenue Options by Project

Project	User Charge	Flat Fee (Annual)	User Charge & Flat Fee	Flat Fee – Higher Commercial (Annual)	Property Tax - Percent Increase on 2018 Levy
North Shore Outfall	\$0.40	\$36.00	\$0.20/\$18.00	\$33.00/\$66.00	2.6%
Street Storage – Stage II	\$0.75	\$76.00	\$0.37/\$38.00	\$68.00/\$136.00	5.4%
Street Storage – Stage III	\$0.65	\$64.00	\$0.33/\$32.00	\$58.00/\$116.00	4.6%
Total	\$1.80	\$176.00	\$0.90/\$88.00	\$159.00/\$318.00	12.7%

EXHIBIT A

2019

PROPOSED

VILLAGE BOARD MEETINGS

Meetings take place the first and third Tuesday of the month unless otherwise noted with asterisk*

*Wednesday January 2 January 15

February 5 February 19

March 5 March 19

April 2 April 16

May 7 May 21

June 4 June 18

July 16
(3rd Tuesday of the Month)

August 20
(3rd Tuesday of the Month)

September 3 September 17

* Wednesday October 2 * Wednesday October 16

November 5 November 19

December 3 December 17

15 Shevat

Monday, January 21, 2019

Work permitted

Purim

Begins sunset of **Wednesday, March 20, 2019**

Ends nightfall of **Thursday, March 21, 2019**

Work should be avoided.

Consult a Rabbi if this is not possible.

Ta'anit Esther - March 20, 2019

Shushan Purim - March 22, 2019

Passover

Begins sunset of **Friday, April 19, 2019**

Ends nightfall of **Saturday, April 27, 2019**

No work permitted on April 20 - 21 and April 26 - 27.

Work is permitted only on April 22 - 25 with certain restrictions.

Second Passover

Sunday, May 19, 2019

Work permitted

Lag B'Omer

Thursday, May 23, 2019

Work permitted

Shavuot

Begins sunset of **Saturday, June 8, 2019**

Ends nightfall of **Monday, June 10, 2019**

No work is permitted

The Three Weeks

Saturday, July 20, 2019 through **Sunday, August 11, 2019**

Work permitted, except Shabbat

Fast of the 17th of Tammuz - July 21, 2019

Fast of Tish'a B'Av - August 10 - 11, 2019

The 15th of Av

Friday, August 16, 2019

Work permitted

Rosh Hashanah

Begins sunset of **Sunday, September 29, 2019**

Ends nightfall of **Tuesday, October 1, 2019**

No work is permitted.

The Month of Elul - September 1 - 29, 2019

Fast of Gedaliah - October 2, 2019

Yom Kippur

Begins sunset of **Tuesday, October 8, 2019**

Ends nightfall of **Wednesday, October 9, 2019**

No work is permitted.

Sukkot

Begins sunset of **Sunday, October 13, 2019**

Ends nightfall of **Sunday, October 20, 2019**

No work permitted on **October 14 - 15**. Work is permitted on **October 16 - 18** and **October 20** with certain restrictions.

Hoshanah Rabbah - October 20, 2019



MEMORANDUM

TO: Robert Merkel
Interim Village Manager

FROM: Doug Hammel, AICP
Development Manager

DATE: October 16, 2018

SUBJECT: Standards for the Removal of In-Ground Pools

BACKGROUND

The Community Development Department has received several Building Permit applications related to the removal of an in-ground pool. Traditionally, the Village has required that the entire pool structure and supporting infrastructure be fully removed prior to approving the work upon final inspection. Citing excessive costs, property owners undertaking such work have recently requested that they be permitted to remove a portion of the pool, but leave some of the structure in the ground. Based on discussions with the Village's building professional, TPI Building Code Consultants, and engineering consultant, Christopher B. Burke Engineering, and research conducted by the Community Development Department, staff is requesting that the Village Board consider an amendment to the Village Code that would allow for the partial removal of in-ground pools according to certain standards and requirements.

Regulatory Context

The Village Code does not explicitly address the removal of in-ground pools. However, the following sections have provided direction in the past and have led staff to require their full removal:

- Section 11-1-5(D) of the Health Regulations states that construction waste and rubbish cannot be kept on-site unless it is stored in a qualifying container and removed from the property when the container is full. This section does not state that construction waste can remain on the property.

- Section 14-14-11-7 of the Building Regulations states that demolition of a primary structure must include the removal of all concrete and asphalt pavement from the property, as well as all other structures. While this technically does not apply to in-ground pools since they are not a primary structure, this code section reflects the preference of the Village to have all demolition waste removed from properties.

Key Policy Issues

Staff has collected feedback from relevant professionals and other communities and has found the following related to the partial removal of in-ground pools:

- From a building standpoint, full removal of the in-ground pool is preferred, especially within the buildable area of the lot as defined by required setbacks. The primary concern if a portion of the structure is left in the ground is that future property owners can encounter significant unanticipated costs if they look to do work and discover materials underground. If partial removal is permitted, it is recommended that a document be recorded against the property showing the location of the remaining underground materials;
- From an engineering standpoint, there are no significant concerns, so long as the material remaining in the ground is broken up to allow groundwater to seep into the soil below. However, the settling of the backfilled area could lead to the pooling of water on the property. The property owner would have to properly maintain their grading to ensure that they are not in violation of other Village regulations related to either standing water or stormwater impacts on surrounding properties; and
- The results of a survey distributed by the Northwest Municipal Conference show that several other northern suburban communities do not require the full removal of in-ground pools. Typically, they require removal of some portion of the walls immediately below grade and the breaking up of remaining walls and floor in order to facilitate stormwater filtration. Some communities have standards regarding the type of backfill and topsoil that must be used to fill the remaining hole.

RECOMMENDATION

Staff recommends the Village Board refer this matter to the Committee on Ordinances, Rules, and Buildings (CORB) to consider potential Amendments to the Building Regulations based on the following policy questions:

- Should the Village enable the partial removal of in-ground pools?
- If so, what concerns does this present?
- What standards for removal should be considered in order to mitigate these concerns?

DOCUMENTS ATTACHED

1. Relevant Regulations
2. Results from the Northwest Municipal Conference Survey
3. PowerPoint Presentation

Attachment #1: Relevant Regulations

11-1-5 Storage and collection in institutional, commercial and industrial areas and at construction sites.

(D) Construction waste and combustible refuse. It shall be unlawful for any person to store any rubbish or combustible refuse at a construction site unless such rubbish or combustible refuse is stored in approved methods as listed below:

(1) Containers. All containers for the purpose of construction waste collection shall be no smaller than 15 cubic yards' capacity, unless otherwise authorized by the Village Manager or his or her designee, and shall be commonly used in the refuse collection industry for the storage and collection of large quantities of construction debris. The name of the refuse collection company providing the container and its telephone number shall be clearly printed on the side of the container. The containers shall be kept in good and sanitary condition. A sufficient number of such containers shall be maintained on each construction site to accommodate all rubbish and combustible refuse therefrom. Access to refuse containers shall not be across a public curb or parkway.

(2) Frequency of collection. Within 24 hours after the time when any required container is full to capacity, the rubbish and combustible refuse therein shall be collected and removed from the construction site. Said container shall not be allowed to stand unutilized at any site for longer than 15 days.

14-14-11-7 Commencement of construction or site restoration.

(A) Within 30 days after the completion of demolition of a principal structure, either: (i) construction of a new principal structure on the same property must commence; or (ii) the property must be restored to, and maintained in, a clean and safe condition in accordance with all applicable provisions of this Code and with the following additional regulations:

(1) All other structures, including, without limitation, signs, must be removed from the property.

(2) All excavated portions of the property must be backfilled.

(3) All concrete and asphalt pavement on the property must be removed.

(4) No new pavement may be installed on the property.

(5) Notwithstanding any provision of Section 14-14-10(F) of this Code to the contrary, all garbage, debris, and litter must be removed from the property.

(6) All trees and bushes on the property must be trimmed to a neat condition.

(7) All nuisance bushes, trees, and plants must be removed from the property.

(8) For all areas of the property.

(a) Black topsoil must be spread at a minimum depth of four inches; and

(b) The soil must either be seeded with a commercial perennial blend of grass, at a minimum quantity of five pounds per 1,000 square feet, or sodded; provided, however, that no seeding or sodding is required prior to April 15 or after October 15 of any calendar year.

(9) All grass must be maintained and mowed at a height not to exceed six inches.

(10) No vehicles, equipment, or other personal property may be kept or stored upon the property, except as necessary to comply with this Section 14-14-11-7(A).

Municipality	1. Does your community require the full removal of in-ground pool walls, floors and infrastructure when a pool is being decommissioned?	2. If your community allows portions of the pool to remain, what portions are permitted to remain, and what level of modification do you require?	3. Does your community require any specific treatments to minimize stormwater impacts from allowing a portion of the pool to remain in the ground?	4. Has your community experienced any negative impacts (i.e. stormwater management, settling and standing water, etc.) from permitting portions of an in-ground pool to remain in the ground?	5. Please attach the appropriate Building Code Sections related to any questions above.
Buffalo Grove	No.	There are no codified regulations, Village Engineer works with the resident/contractor to insure grading is maintained.	No.	No.	
Carpentersville	No.	Any stagnant pool of water in the village is declared to be a nuisance. It is unlawful for any person, firm or corporation to permit any such nuisance to remain or exist on property under his or her control. Therefore, enough of the pool must be removed to avoid any stagnant pool of water.	No.	No.	
Des Plaines	Yes.	N/A.	N/A.	N/A.	If we have issued 2 "pool removal " permits in the last ten years I would be surprised. Des Plaines has very few in-ground pools.
Glencoe	No.	Permit Required. Must remove top two feet of pools walls and punch holes in the bottom for drainage.	No.	No.	Building Codes - N/A.
Hanover Park	Recommended but not required as long as the concrete is broken into 6" to 12" pieces.	Break the pool into small pieces, backfill with stone to cover concrete and compact. Fill remaining with clay and a minimum of 8" of topsoil.	If the pool is broken into small pieces it will not impact drainage.	See above and negative impacts will be negligible.	
Lincolnshire	No.	Bottom of pool must be cracked, cut, or drilled to permit groundwater passage. Coping and wall shall be removed to 18-24" below grade.	Cracking of pool bottom resolves adverse impact.	No.	
Niles	No.	As long as it is below grade and the bottom of the pool is broken up to not allow water to pool.	No.	No.	
Rolling Meadows	No.	In a manner approved by the code official but not less than 48" below grade, in ground pools have holes punched through the bottom slab.	No.	No fill material is placed in a manner to reduce settling of the finished grade.	Local amendment 3303.7
Winnetka	It is preferred & strongly encouraged. However, we do allow for the foundation to be well broken & left. If there are any grading or drainage issues then they will need to remove in its entirety. In the Flood Plain almost every in-ground pool is completely removed.	Only the foundation is allowed to remain & must be broken down adequately. All other plumbing, electric, pool equipment must be disconnected & removed in its entirety.	Not at this time.	If we are made aware of any of the above conditions, our Engineering Department then performs a site inspection & works with the owner to rectify. We do require grading & drainage plans for review that must show if the broken foundation will remain or be completely removed. In both situations, the Civil Engineering plans must also show the route of drainage & how the area will be regarded to maintain storm water & not cause a negative impact.	

Committee of the Whole Discussion:

Standards for the Removal of In-Ground Pools

Background

- Full removal of in-ground pools is not explicitly addressed in Building regulations
- Staff has traditionally relied on two code provisions to require full pool removal:
 - Section 11-1-5(D) of Health Regulations: construction waste and rubbish cannot be kept on-site
 - Section 14-14-11-7: Demolition of a primary structure must include removal of all concrete and asphalt pavement
- Citing cost, property owners have recently requested permission to do a partial removal

Technical Considerations

- Building
 - Full removal is preferred, as it minimizes the potential for future improvements to be impeded
 - If partial removal is permitted, location of remaining materials should be disclosed
- Engineering
 - Remaining materials should be broken up to allow for stormwater filtration
 - Backfilled areas could settle, resulting in pooling of stormwater

Technical Considerations

- Peer Community Research
 - 8 communities responded to NWMC survey questions
 - Most communities do not require full removal (though several stated it is preferred)
 - Wall removal varies from 1.5' to 4' below grade
 - Respondents did not identify any issues as a result of partial removal, so long as stormwater filtration and proper backfilling is completed

Key Questions

- Should the Village permit the partial removal of in-ground pools?
- What concerns does such permissibility present?
- What supporting requirements or standards should be included?
 - Backfill material and grading
 - Related infrastructure

Requested Action

- *Refer the matter to CORB to discuss key questions and appropriate standards for partial pool removal*



**VILLAGE OF LINCOLNWOOD
PRESIDENT AND BOARD OF TRUSTEES
REGULAR MEETING
VILLAGE HALL COUNCIL CHAMBERS
7:30 P.M., OCTOBER 16, 2018**

AGENDA

I. Call to Order

II. Pledge to the Flag

III. Roll Call

IV. Approval of Minutes

1. Village Board Minutes October 3, 2018

V. Warrant Approval

VI. Village President's Report

VII. Consent Agenda (If anyone wishes to speak to any matter on the Consent Agenda, a Speaker's Request Form must be completed, presented to the Interim Village Manager, and the matter will be removed from the Consent Agenda and added to Regular Business.)

1. Approval of a Resolution Authorizing the Renewal of a One Year Agreement for Local and Long Distance Telephone Services with Call One Through the Suburban Purchasing Cooperative (Appears on Consent Agenda Because it through a Joint Purchasing Cooperative)
2. Approval of a Resolution Authorizing the Purchase of 24 Portable STARCOM Radios and Accessories Through the State of Illinois Central Management Services Contract with Motorola Solutions, of Chicago, Illinois in the Amount of \$171,188.50 (Appears on Consent Agenda Because it through a Joint Purchasing Cooperative)

VIII. Regular Business

3. Consideration of a Resolution to Accept the Comprehensive Annual Financial Report for the Year Ended April 30, 2018
4. Consideration of an Ordinance Approving: 1) a Special Use for Extended Hours of Operation; 2) a Modification to the Zoning Ordinance to allow Accessory Structures in the Front Yard; 3) Modifications to the Zoning Ordinance to allow the Requested Amount and Sizes of Certain Wall Signs; and 4) a Series of Amendments to Ordinances Adopted Between 1999 and 2015 and Related to a Planned Unit Development that Would Allow the Operation of a New Grocery Store Use at 6850 North McCormick Boulevard
5. Consideration of a Resolution Approving an Economic Incentive Agreement By and Between the Village and AJZ-Lincolnwood LLC (Zeigler Auto Group), for the Property at 6900 North McCormick Boulevard and 7373 North Cicero Avenue

IX. Manager's Report

X. Board, Commission, and Committee Reports

XI. Village Clerk's Report

XII. Trustee Report

XIII. Public Forum

XIV. Closed Session

Closed Session is Requested to Discuss Probable or Imminent Litigation 2(c)(11)

XV. Adjournment

DATE POSTED: October 12, 2018

All Village Board meetings are broadcast live to residents on Comcast Cable Channel 6, AT&T U-VERSE Channel 99, RCN Channel 49, and online at Lincolnwood.tv at 7:30 p.m. Rebroadcasts of Village Board meetings can be viewed one week following the live broadcast at 1:00 p.m. and 7:30 p.m. on cable television or online at lwdtv.org or on the Lincolnwood Mobile App.

**VILLAGE OF LINCOLNWOOD
PRESIDENT AND BOARD OF TRUSTEES
REGULAR MEETING
VILLAGE HALL COUNCIL CHAMBERS
OCTOBER 3, 2018**

DRAFT

Call to Order

President Bass called the regular meeting of the Lincolnwood Board of Trustees to order at 7:43 PM Wednesday, October 3, 2018, in the Council Chambers of the Municipal Complex at 6900 N. Lincoln Avenue, Village of Lincolnwood, County of Cook, and State of Illinois.

Pledge to the Flag

The Corporate Authorities and all persons in attendance recited the Pledge of Allegiance.

Roll Call

President Bass, Trustees Ikezoe-Halevi, Hlepas Nickell, Cope, Patel, Sugarman (10:40 pm)
ABSENT: Trustee Spino

A quorum was present.

Also present: Village Attorney Steve Elrod, Interim Village Manager, Robert Merkel; Acting Assistant Village Manager, Chuck Meyer; Public Works Director, Andrew Letson; Management Analyst Heather McFarland, Development Manager Doug Hammel, and Community Development Director Steve McNellis.

Approval of Minutes

The minutes from the September 20, 2018 Village Board meeting was presented to the Village Board. Trustee Ikezoe-Halevi made a motion to approve, seconded by Trustee Hlepas Nickell.

The minutes were approved by a voice vote.

Warrant Approval

President Bass presented the warrants for approval in the amount of \$360,101.15. Motion to approve the warrants made by Trustee Hlepas Nickell, seconded by Trustee Ikezoe-Halevi.

Upon roll call the results were:

AYES: Trustees Ikezoe-Halevi, Hlepas Nickell, Cope, Patel.

NAYS: None

The motion passed.

Village President's Report

1. An Ordinance Mending Section 2-1-7 of the Municipal Code of Lincolnwood Regarding Appointment of a Temporary Chairman for Meetings of the Village Board of Trustees

Mr. Elrod presented the Ordinance and described the purpose of the Ordinance was to allow the President to select a Temporary Chairman for meetings for planned absences.

A motion to approve the Ordinance made by Trustee Cope, seconded by Trustee Hlepas Nickell.

Upon roll call the results were:

AYES: Trustees Ikezoe-Halevi, Hlepas Nickell, Cope, Patel.

NAYS: None

The motion passed.

2. Touhy Ave. Overpass Bridge

Mayor Bass asked for residents to join the Village on Thursday, October 11 at 5:30 p.m. as we celebrate the official opening of the Touhy Avenue overpass project. The Mayor stated that the Touhy overpass allows cyclists and pedestrians a safe way to cross Touhy Avenue as they travel along the Valley Line Trail. The Mayor finished by saying that they couldn't be more excited about the successful completion of the Touhy Avenue overpass as a beautiful gateway into the Lincolnwood community and a wonderful enhancement for path users.

3. Turkey Trot Volunteers

Mayor Bass stated that the Turkey Trot 5 and 10K race is just around the corner with the race being on Sunday, November 18th and the Village is looking for volunteers to assist with a wide variety of duties such as course marshals, handing out water, assisting in the tents and most importantly cheering on the runners as they make their way down the course, plus a variety of other duties. To register as a volunteer please go to our website at Lincolnwoodil.org and head on over to the Parks and Recreation page for the sign up link. If you should have any questions please contact Olivia Antosz at oantosz@lwd.org

4. Butterfly and Pollination Garden

In a collaborative project between the Village, School District 74 and the Lincolnwood Lowes store, the section of the UP Path between Lincoln and Pratt Avenues is becoming an educational trail for the Lincolnwood community. The project will include educational boards, benches and landscaping that is friendly to pollinators such as butterflies. Frames for the educational boards are currently being installed and the landscaping will be planted in the spring. Special thanks to Lincolnwood Lowes for providing assistance through their Heroes Project and the students at Rutledge Hall who have adopted this section of the path. Stay tuned for more information as the project continues to unfold.

Consent Agenda

- 1. Approval of a Resolution to Purchase 84 Trees from the Suburban Tree Consortium for the Fall 2018 Planting in the Amount of \$26,798.00**
- 2. Approval of an Ordinance Waiving the Competitive Bidding Process and Approving an Agreement with Christopher B. Burke Engineering, LTD. of Rosemont, IL, in the amount of \$155,498.00 for Professional Design Engineering Services for the North Shore Outfall Sewer**

Trustee Cope asked about the fees related to Item 2 on the Consent Agenda. Public Works Director Letson stated that the hourly rate for engineering services were consistent with the rates from CBBEL. Public Works Director Letson added that CBBEL had already completed 30% of the engineering services for the project and if the Village were to select a different vendor then there would probably be some duplicated work completed as the new vendor comes up to speed on the project.

Trustee Patel moved to approve the Consent Agenda. The motion was seconded by Trustee Ikezoe-Halevi.

Upon Roll Call the results were:

AYES: Trustees Ikezoe-Halevi, Hlepas Nickell, Cope, Patel.

NAYS: None

The motion passed.

Regular Business

3. Consideration of a Recommendation by the Economic Development Commission Regarding an Economic Incentive Request for Zeigler Auto Group at 6900 North McCormick Boulevard and 7373 North Cicero Avenue

This item was presented by Mr. McNellis with use of PowerPoint.

Proposal from Zeigler:

- Relocate existing Cadillac dealership from the Autoplex (6900 N. McCormick Blvd.) to an existing vacant industrial building at 7373 N. Cicero Avenue (which will be demolished and re-built as a new prototype dealership). **Cost = \$6,187,390 construction + \$3,600,000 land purchase.**
- Renovate the existing Autoplex, which will house the two remaining Buick and GMC dealerships. **Cost = \$3,500,000.**
- Total Construction & Real Estate Purchase = +/- \$13,287,390.**

Incentive Request at EDC:

- 15 year sales tax sharing incentive agreement on sales tax revenue generated by Lincolnwood Buick GMC and Lincolnwood Cadillac dealerships.
- 50% of sales tax generated from dealerships on gross receipts up to \$50,000,000 per year (from "Dollar one").
- 65% of sales tax generated from dealerships on gross receipt over \$50,000,000 per year.
- Waive Village Building Permit & Incentive Application fees.
- Support for Cook County Class 7C Tax Incentive for Cicero Avenue Property.
- Total Value (per Zeigler sales est.): +/- \$10,600,000 (\$375,000 RETA+ 200,000 Fees).**

Background - Auto dealer incentive agreements

Past

- Grossinger Autoplex (1990) – Village assisted in funding of an IDR to construct the Autoplex, which consolidated dealerships in and outside the village. Portion of sales tax used to fund bond payment. No fee waivers. Cap = \$5,000,000 Bond. 20-year payback – *paid*.

Current

- Loeber Porsche (2004) – Village shared 50% of sales taxes from the first dollar generated for new Porsche dealership relocated from Chicago. No fee waivers. Cap = \$5,000,000. 15-year payback – *to end in November, 2019*.
- Grossinger Hyundai (2009) – Village shares 50% of sales tax over a base amount of \$165,000, annually for a new dealer that replaced a Volvo dealership. No fee waivers. Cap = \$1,200,000. 20-year payback – *to end in 2029*.

Current Economic incentive Policy

- Economic Incentive Policy & Guidelines established in 1995 and updated substantially in 2012. Recommended by EDC. Approved by Village Board.
- Placed a cap of ten years on any agreement.
- Required a provision for inflation indexing for incentives which provide sales tax revenue sharing over a base amount.
- Agreements should be provided to new businesses that provide significant new sales tax revenue OR existing businesses that have a substantial change to their business (eg. New division or dealership added). Base would be instituted.
- Agreements should require new businesses to provide a Development Plan that enhances the value and appearance of the new business location.

Cook county class 7c tax abatement request:

- Eligibility Requirements:
- Real Estate Taxes must have declined or remained stagnant (three of past six years).
- Reasonable expectation development is viable and likely to go forward on a reasonably timely basis (construction proposed in 2020, complete by 2021).
- Proof that the development would not go forward “but for” the requested Class 7C incentive (KMA).
- Provision of an analysis projecting real estate tax revenue and employment from the development with/without incentive (Zeigler proposes employment to double, added value of construction/rehab will raise assessed value).

September 5th EDC Consideration

- Analysis provided by Village Incentives Consultant (Kane, McKenna & Associates).
- Zeigler Auto Group CFO Dan Scheid in attendance to present proposal, answer questions.
- Dan Scheid and Aaron Zeigler (August 22nd EDC) both stated Zeigler had other options for sites in other communities which had conceptually agreed to the incentive request structure proposed to Lincolnwood.
- Goal of EDC considerations:
- Remove conditions that would create negative precedent for other Auto Dealer Incentive Requests.
- Remove risk to the Village, both in the short term and if Zeigler’s anticipated sales aren’t realized.

Village impacts:

- 31% of all sales tax revenues in the Village are from auto sales from all current dealers.
- Original Zeigler proposal would result in stagnant sales tax growth or loss of sales tax from existing base.
- Sales tax growth relies on more than double the current sales for all dealerships combined by 2021 for Village to maintain current revenues.
- Precedent with other Village Auto Dealers
- Similar renovation or reconstruction possible at existing dealers with aging facilities and demanding car manufacturers.
- Are other dealerships as equally “troubled” as Zeigler states Buick/GMC/Cadillac is? If so, can other dealers optimize sales and double them as Zeigler has proven an ability to do? If same deal applied to others, they would need to at least double their business or the Village’s sales tax losses would be exacerbated.

September 5th EDC recommendation:

- 15-year term for the Economic Incentive Agreement covering all dealerships
- A cap that is mutually-acceptable to each party
- Buick/GMC dealership will have 50/50 sales tax sharing, however, set a “target amount” of \$420,000 in sales tax the Village must receive each year for the Buick/GMC dealership. If target amount is not achieved in a given year, the Village distribution to Zeigler will be adjusted so that the Village is made whole
- “Target amount” would be adjusted by a to-be-determined percentage every five years
- No “target amount” for the Cadillac dealership, which will have 50/50 sales tax sharing from the first dollar, annually
- No waiver of Village permit fees
- Consent to a Cook County Class 7C Tax Abatement request for 7373 North Cicero Avenue
- To the extent Class 7C savings are greater than \$75,000 in any given year, deduct the overage from the sales tax cap

Mr. McNellis presented the EDC recommendation for the Village Board’s consideration:

- 15-year term for the Economic Incentive Agreement covering all dealerships
- The Buick/GMC dealership will have 50/50 sales tax sharing, however, a “target amount” of \$420,000 in sales tax that the Village must receive each year for the Buick/GMC dealership will be set. If the target amount is not achieved in a given year, the Village distribution to Zeigler will be adjusted so that the Village is made whole
- No “target amount” for the Cadillac dealership, which will have 50/50 sales tax sharing from the first dollar, annually
- No waiver of Village permit fees
- Consent to a Cook County Class 7C Tax Abatement request for 7373 North Cicero Avenue

Mr. McNellis stated that the following item would no longer be considered as part of the recommendation:

- To the extent Class 7c savings are greater than \$75,000 in any given year, deduct the overage from the sales tax cap

Mr. McNellis stated that the following items were needing further discussion by the Village Board:

- A cap of \$10 million
- The “target amount” would be adjusted by 5% every five years

Dan Scheid, Chief Financial Officer for Ziegler Auto Group (“Ziegler”), spoke to the Village Board.

Mr. Scheid stated that Ziegler required changes to the incentive agreement in order to proceed. Specifically, Mr. Scheid said that the target amount adjustment of 5% every five years should be removed. In addition, he stated that he did not believe that the base was actually \$420,000, and that it should be closer to \$300,000 or \$350,000 for the Buick /GMC dealership. Mr. Scheid stated that while he felt that Ziegler could meet financial goals, they preferred to not have these revisions made in the agreement. Mr. Scheid said that Ziegler received interest in their Autoplex property on McCormick and that they could sell that property and receives their desired deal from another community.

Mr. Scheid took questions from the Village Board regarding components and financing that would allow for Ziegler to continue in Lincolnwood.

After discussions concluded, it was recommended that the Village proceed forward with an economic incentive request for Ziegler, as recommended by the EDC that is amended to remove the language related to the 5% increase every five years and apply the \$420,000 base to apply to the Cadillac/GMC/Buick dealerships together.

Trustee Cope made a motion to direct the Village Attorney to draft an Agreement with Ziegler as amended. The motion was seconded by Trustee Patel.

Upon Roll Call the results were:

AYES: Trustees Ikezoe-Halevi, Hlepas Nickell, Cope, Patel.

NAYS: None

The motion passed

4. Consideration of a Recommendation by the Plan Commission to Approve a Special Use for Extended Hours of Operation and a Series of Amendments to Ordinances Adopted Between 1999 and 2015 and Related to a Planned Unit Development That Would Allow the Operation of a New Grocery Store Use at 6850 North McCormick Boulevard

This item was presented by Mr. Hammel with use of PowerPoint.

Property Information:

Subject to PUD (established in 2000)

Partially vacant building

Northern portion occupied by Planet Fitness

Former Dominick's Grocery Store

Adjacent to R-4 zoning district and the Carrington

Proposed Improvement:

"Grocery store" for Zoning Code use definition

Online ordering with at-your-vehicle loading

Approx. 41,700 sq ft of interior inventory space

Required Approvals:

- Special Use approval for Extended Hours of Operation
- Amendments to the original PUD (1999/2000) and subsequent PUD amendments (2000-2015) related to:
 - Hours of operation
 - Signage
 - Parking lot circulation
 - Parking lot landscaping
 - Canopies as accessory structures
- Hours of Operation:
 - Special Use approval/PUD Amendment for Extended Hours of Operation
 - Zoning Code: **7 AM-11 PM** for properties within 150' of residentially zoned properties
 - 2004 PUD Amendment: **6 AM-11 PM** for customers, but deliveries restricted to **7 AM-10 PM**
 - Hours of Operation recommended for approval by Plan Commission: **4:30 AM-12 AM**
 - Customer grocery pick up from 8 AM-8 PM
 - Deliveries and interior operations not specifically addressed

- Signs:
 - Directional Signs
 - 2000 PUD Amendment and subsequent Amendments *did not contemplate on-site directional signs*
 - Wall Signs
 - 2000 PUD Amendment included *sign plans for different tenant*
 - 2008 PUD Amendment permitted *up to five wall signs*
 - 2008 PUD Amendment contemplated a *different tenant and sign design/sign area*
 - Primary wall sign area would increase from 343 s.f. to 450 s.f.
 - 2015 PUD Amendment *restricts the number of wall signs* on eastern façade to no more than the number of tenants
 - Proposed improvement would result in three wall signs for two tenants
 - 2015 PUD amendment identifies a *smaller permitted signable area*
 - Proposed improvement would restore signable area back to original approval
- Parking Area
 - Parking Lot Landscaping
 - 2015 PUD Amendment: Site Plan and Landscape Plan indicate standard parking lot islands
 - Parking Lot Capacity
 - 2015 PUD Amendment: Site Plan and Landscape Plan indicate 82 spaces in the area proposed to be modified
 - Proposed improvement would reduce parking by 30 spaces
 - Zoning Code would require approx. 188 spaces for a traditional grocery store of this size
 - Proposed operation would reduce customer parking through demand management and easily accommodate expected employee demand
 - Parking Lot Circulation
 - 2015 PUD Amendment: Site Plan indicates two-way drive aisles
- Canopies
 - Zoning Code Modification
 - Detached accessory structures prohibited in the front yard
 - 2000 original PUD Ordinance
 - Requires that all structures in the PUD be of masonry construction and unified in architectural appearance
 - 2015 PUD Amendment
 - Site Plan ‘A’ does not contemplate canopies
 - Photometric Plan does not contemplate the impact of under-lighting for the canopies
- Alignment with Previous PUD
 - Proposed Improvements:
 - Meet existing use permissibility
 - Reduce parking demand and trip generation
 - Maintain existing site access/egress
 - Fit within original sign concept
 - Have minimal visual impact on the overall site
 - Provide adequate parking for proposed operating model
 - Requested Extension of Hours of Operation is the primary deviation from current approvals

- Currently 6 AM-11 PM for customers, 7 AM-10 PM for deliveries
- Requested 8 AM-8 PM for customers, 4:30 AM-12 AM for deliveries and interior operations
- Consideration – Previous Plan Commission
 - Public Hearing held on September 12, 2018
 - Plan Commission discussed the following:
 - Traffic circulation
 - Concerns about traffic mixing with medical office building traffic
 - PC recommendation:** Left-turn only be permitted at the east end of the one-way parking aisle providing egress from customer loading bays
 - Hours of Operation:
 - Concerns about truck noise and beeping with proximity to Carrington and neighborhood to the south
 - PC recommendation:** Hours of operation be limited to 4:30 AM – 12:00 AM, with a follow-up period to assess impacts and potential modifications.
 - Public Hearing held on September 12, 2018
 - Plan Commission discussed the following:
 - Canopy structures
 - PC had questions about the materials and lighting. Petitioner stated that the canopies would be down-lit and would not provide a glowing effect
 - PC recommendation:** Approve as shown
 - Parking
 - PC/staff clarified that parking demand would be reduced
 - PC recommendation:** Approve as shown
- Considerations – Public Comment
 - Owner of 6810 McCormick:
 - Supportive of having a good use in the vacant space
 - Concerned about impacts on circulation
 - Concerned about the preservation of parking as per parking agreement
 - Public Comment during Plan Commission Hearing:
 - One resident offered comments
 - Concerns included traffic impacts on Pratt and impact of delivery trips identified in Trip Generation Report
- Requested Approvals:
 - Approval of a **Special Use** and an **Amendment to Ordinance No. 2004-236 Section 2.a** to permit **extended hours of operation** (deliveries as early as 4:00 AM, employees on site as late as 12:00 a.m.)
 - Amendment to:
 - Ordinance No. Z2000-018 Sign Location Plan** and sign elevations to allow existing sign areas to include the **“Walmart Pickup” tenant identifier**
 - Ordinance No. Z2000-018 Sign Location Plan** to allow the installation of **on-site directional signs**
 - Ordinance No. 2008-2824 “2008 Sign Plans”** to reduce the permitted **number of wall signs from five to three** on the east side of the building, allow the **installation of the primary “Walmart Pickup” wall sign** with an area of 138.4

square feet; and allow the *installation of the secondary “Pick-Up” sign* with a sign area of 41.86-square feet

- **Ordinance No. 2015-3173** Section 3.F.3 to allow the *number of wall signs on the east façade to exceed the number of tenants*
- **Ordinance No. 2015-3173** Exhibit G (Proposed Elevations) in to modify the *signable area for the primary proposed sign*
- **Ordinance No. 2015-3173** Exhibit C (Proposed Site Plan ‘A’) and Exhibit D (Landscape Plans) to *relocate parking islands, reduce the total number of parking spaces*, and to *modify vehicular circulation* in the area of the parking lot including the canopies to require one-way-east circulation
- **Ordinance No. Z2000-064** Section 4.3.c to allow the detached *accessory structure to not be of masonry construction* and unified in architectural appearance
- **Ordinance No. 2015-3173** Exhibit H (Photometric Plan) to reflect the *new photometrics* resulting from the proposed lighting for the canopies

○ **Modification from Zoning Code** Section 3.08.b to allow a *detached accessory structure in the front yard*

• Recommendation

- Move to approve the Plan Commission’s recommendation to allow:
- A Special Use to allow hours of operation from 4:30 AM to 12:00 AM, with the condition that a follow-up period be established to assess impacts and potential modifications
- A Modification from Section 3.08.b of the Zoning Ordinance to allow accessory structures in the front yard
- A series of amendments, as enumerated in staff’s report, to Ordinances adopted between 1999 and 2015 establishing and subsequently amending the PUD related to this property
- Direct Village Attorney to draft a related Ordinance

Meg George, Akerman LLP, and Kevin Thompson, Public Affairs Director for Walmart, presented the project and concept generally to the Board. Mr. Thompson provided an overview of the project as being the first of its kind.

Trustees Ikezoe-Halevi and Hlepas Nickell asked about the materials to be used for the canopies to ensure that the structures would provide sufficient support in inclement weather conditions. The petitioner reported that the canopies are engineered for wind load and snow load in excess of typical conditions for the region.

Trustee Patel requested that efforts be made to encourage egress to and from the site to proceed to the Northwest Parkway as opposed to Pratt Avenue.

Bryan Rishforth, owner of the site, stated that the expected traffic for the site as proposed is significantly less than it was under the Dominick’s usage and would likely lead to less traffic concerns than previously with Dominick’s on the site.

Trustee Hlepas Nickell asked to ensure that debris and landscaping issues be addressed for the property.

Mark Yohanna, Plan Commission Chairman, stated that he had concerns for the property receiving deliveries so early in the morning. He requested that they receive deliveries no earlier than 5:30 am.

Trustee Patel stated that he lives in the area and has concerns about vehicle traffic and trucks backing up prior to 6 am and requested that the Village Board consider approving a recommendation for truck traffic no earlier than 6 am.

Mr. Thompson stated that while the business does not open up to customers until 8:00 am, the morning deliveries were needed logistically. Mr. Thompson stated that it would typically be no more than a single truck in the early hours, but that it was important to their business to have the ability to receive trucks prior to 6:00 am. During the course of the discussion Mr. Thompson stated that they would be amenable to a restriction of no earlier than 5:00 am.

Motion to approve and direct the Village Attorney to create the Ordinance that would include a provision of no truck deliveries prior to 5:00 am was made by Trustee Cope the, seconded by Trustee Ikezoe-Halevi.

Upon Roll Call the results were:

AYES: Trustees Ikezoe-Halevi, Cope, Hlepas Nickell.

NAYS: Patel

The motion passed

Manager's Report

None

Board and Commissions Report

Trustee Ikezoe-Halevi announced that the Human Relations Commission is working on the upcoming Iron Chiefs event and wanted to congratulate Martina Keller on becoming the Chair of the Zoning Board of Appeals and requested that a session be conducted on training for the Commissioners. Mayor Bass stated that Holland and Knight would be providing this training in the near future.

Village Clerk's Report

None

Trustees Reports

Trustee Hlepas Nickell asked to clarify her comment earlier from the Consent Agenda was to move the item to the Regular Business portion of the Agenda to allow for the Board to move onto to the other items where people were waiting and to help progress through the Agenda.

Trustee Patel stated that the Turkey Trot was coming up next month and encouraged the Trustees to volunteer or participate in this year's event.

Public Forum

None

Adjournment

At 10:47 PM Trustee Patel moved to adjourn the meeting to Closed Session for the purpose of discussing Setting the Price for the Sale of Property Per Section 2(c)(6), seconded by Ikezoe-Halevi.

Upon Roll Call the results were:

AYES: President Bass, Trustees Ikezoe-Halevi, Hlepas Nickell, Cope, Patel, Sugarman

NAYS: The motion passed.

Reconvention

At 10:55 PM Mayor Bass reconvened the Regular Meeting.

Adjournment

At 10:55 PM Trustee Patel moved to adjourn the Regular Meeting, seconded by Trustee Ikezoe-Halevi.

The motion passed with a Voice Vote

Respectfully Submitted,

Charles Meyer
Deputy Village Clerk

TO: President and the Board of Trustees
FROM: Robert J. Merkel, Interim Village Manager
SUBJECT: Warrant Approval
DATE: October 12, 2018

The following are the totals for the List of Bills being presented at the October 16th Village Board meeting.

10/16/2018	48,650.66
10/16/2018	474,077.89
10/16/2018	77,424.77
10/16/2018	118,403.68
Total	<hr/> \$ 718,557.00

Accounts Payable

To Be Paid Proof List

User: jmazzeffi
Printed: 10/08/2018 - 2:58PM
Batch: 00200.10.2018



Invoice Number	Invoice Date	Amount	Quantity	Payment Date	
Account Number					Description
Airgas USA LLC					
AIRGAS					
9955666632	8/31/2018	343.84	0.00	10/16/2018	
101-350-512-5660 EMS supplies					Oxygen cylinders rental for ambulances
		<hr/>			
9955666632 Total:		343.84			
		<hr/>			
Airgas USA LLC Total:		343.84			
		<hr/>			
Allied 100, LLC					
ALLIEDLL					
950019	8/30/2018	581.74	0.00	10/16/2018	
101-350-512-5730 Program supplies					CPR Manikin Face skin & shields
		<hr/>			
950019 Total:		581.74			
		<hr/>			
Allied 100, LLC Total:		581.74			
		<hr/>			
Allied Garage Door, Inc.					
ALLGAR					
116928	8/28/2018	297.00	0.00	10/16/2018	
101-420-511-5405 R&M - buildings					Emergency response to fix
		<hr/>			
116928 Total:		297.00			
		<hr/>			
Allied Garage Door, Inc. T		297.00			

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	
Account Number					Description
Andy Pollina & Sons, Inc.					
ANDYPOLL					
1693	9/26/2018	200.00	0.00	10/16/2018	
101-000-410-4399	Other charges for services				Mow grass at 6942 N. Crawford
	1693 Total:	200.00			
	Andy Pollina & Sons, Inc.	200.00			
ARRP Trucking & Hauling Inc					
ARRP					
271	9/17/2018	771.00	0.00	10/16/2018	
660-620-519-5599	Other contractual				3 loads of hauling out asphalt
	271 Total:	771.00			
276	9/20/2018	1,542.00	0.00	10/16/2018	
660-620-519-5599	Other contractual				6 loads of hauling out asphalt
	276 Total:	1,542.00			
284	9/25/2018	771.00	0.00	10/16/2018	
660-620-519-5599	Other contractual				3 loads of hauling out asphalt
	284 Total:	771.00			
	ARRP Trucking & Hauling	3,084.00			
Bergman, Marcie					
BERGMAN					
09292018	9/29/2018	75.00	0.00	10/16/2018	
205-000-210-2430	Parks and Recs Control Deposi				Refund - Fright Fest
	09292018 Total:	75.00			
	Bergman, Marcie Total:	75.00			

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
Best Quality Cleaning, Inc.					
BESTQU					
26041	9/20/2018	2,813.34	0.00	10/16/2018	
101-420-511-5240 Janitorial					Cleaning Services - September 2018
26041	9/20/2018	416.66	0.00	10/16/2018	
205-571-515-5240 Janitorial					Cleaning Services - September 2018
26041 Total:		3,230.00			
Best Quality Cleaning, Inc.					
		3,230.00			
Bound Tree Medical, LLC					
BOUND					
82964006	8/24/2018	626.11	0.00	10/16/2018	
101-350-512-5660 EMS supplies					Black, nitrile gloves, thermometer, inventory tags
82964006 Total:		626.11			
Bound Tree Medical, LLC					
		626.11			
Builders Asphalt					
BUILDERS					
31399	8/30/2018	603.60	0.00	10/16/2018	
213-000-561-5490 R&M Road Repairs					Asphalt - surface
31399 Total:		603.60			
31579	9/5/2018	400.14	0.00	10/16/2018	
213-000-561-5490 R&M Road Repairs					Asphalt - surface
31579 Total:		400.14			
31674	9/10/2018	332.40	0.00	10/16/2018	
213-000-561-5490 R&M Road Repairs					Asphalt - surface
31674 Total:		332.40			
31724	9/11/2018	511.86	0.00	10/16/2018	
213-000-561-5490 R&M Road Repairs					Asphalt - surface

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
		511.86			
31724 Total:		511.86			
31819	9/12/2018	744.42	0.00	10/16/2018	Asphalt - surface
213-000-561-5490 R&M Road Repairs					
		744.42			
31819 Total:		744.42			
31864	9/13/2018	729.68	0.00	10/16/2018	Asphalt - surface
213-000-561-5490 R&M Road Repairs					
		729.68			
31864 Total:		729.68			
31905	9/14/2018	585.80	0.00	10/16/2018	Asphalt - surface
213-000-561-5490 R&M Road Repairs					
		585.80			
31905 Total:		585.80			
31941	9/17/2018	845.82	0.00	10/16/2018	Asphalt - surface
213-000-561-5490 R&M Road Repairs					
		845.82			
31941 Total:		845.82			
31985	9/18/2018	681.38	0.00	10/16/2018	Asphalt - surface
213-000-561-5490 R&M Road Repairs					
		681.38			
31985 Total:		681.38			
		5,435.10			
Builders Asphalt Total:		5,435.10			
Chicago Metropolitan Fire Prevention Co. CHGOMETR IN00188080	6/25/2018	878.75	0.00	10/16/2018	Monthly wireless radio network maintenance fee
101-350-512-5411 R&M- Wireless Alarm Equipm					
		878.75			
IN00188080 Total:		878.75			
IN00193422	8/29/2018	888.00	0.00	10/16/2018	Monthly wireless radio network maintenance fee
101-350-512-5411 R&M- Wireless Alarm Equipm					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
IN00193422 Total:		888.00			
Chicago Metropolitan Fire		1,766.75			
Classic Design Awards					
CLASSICD					
181213	9/15/2018	28.75	0.00	10/16/2018	
101-100-511-5799					Other materials & supplies Name plate for HRC member
181213 Total:		28.75			
Classic Design Awards Tot		28.75			
Contech Engineered Solutions, LLC					
CONTECH					
17309814	9/17/2018	4,950.00	0.00	10/16/2018	
660-620-519-5796					Water system repair parts Votex valve for sewers
17309814 Total:		4,950.00			
Contech Engineered Soluti		4,950.00			
Deluxe Business Checks & Solutions					
DELUXEBU					
2043435359	9/25/2018	522.60	0.00	10/16/2018	
101-210-511-5700					Office supplies Laser P/R checks
2043435359 Total:		522.60			
Deluxe Business Checks &		522.60			
Diamond, Helene					
DIAMONHE					
18-9090	9/18/2018	100.00	0.00	10/16/2018	

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
101-400-511-5210	Animal control				Animal control services
	18-9090 Total:	100.00			
	Diamond, Helene Total:	100.00			
Dorner Company					
DORNER					
144607-IN	9/18/2018	4,695.00	0.00	10/16/2018	
660-620-519-5405	R&M - buildings				12 CLA Model valve
	144607-IN Total:	4,695.00			
	Dorner Company Total:	4,695.00			
Fedex					
FEDEX					
811309872624	9/11/2018	53.96	0.00	10/16/2018	
205-500-515-5730	Program supplies				Shipping - Parks
	811309872624 Total:	53.96			
	Fedex Total:	53.96			
FGM Architects					
FGM					
14-1815.02-6	9/11/2018	1,920.00	0.00	10/16/2018	
217-000-561-5340	Engineering				Professional services for PW yard
	14-1815.02-6 Total:	1,920.00			
	FGM Architects Total:	1,920.00			
Gopher Sport					
GOPHERSP					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
9511657	9/24/2018	2,180.96	0.00	10/16/2018	Proesel Park bleachers
205-430-515-6350 Park Construction & Improvem					
9511657 Total:		2,180.96			
Gopher Sport Total:		2,180.96			
Great Lakes Coca Cola Distribution					
GREATLAC					
707203390	9/20/2018	225.12	0.00	10/16/2018	Pop for Village Hall pop machine
101-210-511-5700 Office supplies					
707203390 Total:		225.12			
720207448	8/23/2018	60.00	0.00	10/16/2018	Concession Stand Coke
205-560-515-5645 Concessions & food					
720207448 Total:		60.00			
Great Lakes Coca Cola Dis		285.12			
House of Rental #1					
HOUSE					
125051-1	7/13/2018	103.52	0.00	10/16/2018	Platform
101-420-511-5530 Equipment Rental					
125051-1 Total:		103.52			
House of Rental #1 Total:		103.52			
Lawson Products Inc					
LAWSNPRO					
9306071993	8/24/2018	332.68	0.00	10/16/2018	Shop supplies
101-410-511-5730 Program supplies					
9306071993 Total:		332.68			

Invoice Number	Invoice Date	Amount	Quantity	Payment Date
Account Number				Description
	Lawson Products Inc Total	332.68		
Lincolnwood Chamber of Commerce & Industry				
LWDCHAMB				
9242018	9/24/2018	100.00	0.00	10/16/2018
101-100-511-5320	Consulting			Chamber Golf outing
9242018	9/24/2018	50.00	0.00	10/16/2018
101-240-517-5840	Meals			Chamber Golf outing
	9242018 Total:	150.00		
	Lincolnwood Chamber of C	150.00		
Lowe's Business Acc/GECE				
LOWES				
01748	9/21/2018	-6.77	0.00	10/16/2018
101-420-511-5405	R&M - buildings			Refund
	01748 Total:	-6.77		
02338	9/26/2018	12.13	0.00	10/16/2018
205-430-515-5730	Program supplies			Strap, grommit kit for Parks
	02338 Total:	12.13		
02339	9/26/2018	5.36	0.00	10/16/2018
205-430-515-5730	Program supplies			Plastic putty for Flowers Park
	02339 Total:	5.36		
02489	8/14/2018	19.29	0.00	10/16/2018
205-430-515-5730	Program supplies			Clamps for Proesel Park
	02489 Total:	19.29		
02836	9/20/2018	37.16	0.00	10/16/2018
101-420-511-5405	R&M - buildings			Ballast for Fire Dept

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
Account Number					
	02836 Total:	37.16			
02878	9/21/2018	-8.81	0.00	10/16/2018	Refund
	101-420-511-5405 R&M - buildings				
	02878 Total:	-8.81			
02880	9/21/2018	99.03	0.00	10/16/2018	Extensions, towel for Council Chamber windows
	101-420-511-5405 R&M - buildings				
	02880 Total:	99.03			
02978	8/31/2018	23.13	0.00	10/16/2018	Air filter for Buildings
	101-420-511-5405 R&M - buildings				
	02978 Total:	23.13			
02979	8/31/2018	-63.03	0.00	10/16/2018	Return
	101-420-511-5405 R&M - buildings				
	02979 Total:	-63.03			
07358	8/20/2018	169.18	0.00	10/16/2018	Water hoses for Building
	101-420-511-5405 R&M - buildings				
	07358 Total:	169.18			
07767	9/25/2018	17.09	0.00	10/16/2018	Scraper for Parks
	205-430-515-5730 Program supplies				
	07767 Total:	17.09			
08497	9/21/2018	15.91	0.00	10/16/2018	Smart staw for Buildings
	101-420-511-5405 R&M - buildings				
	08497 Total:	15.91			
19769	8/29/2018	583.92	0.00	10/16/2018	Knockout roses
	101-420-511-5680 Landscaping supplies				
	19769 Total:	583.92			

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
43336	8/24/2018	984.85	0.00	10/16/2018	
205-430-515-5730					Program supplies Plywood for Proesel Park
	43336 Total:	984.85			
	Lowe's Business Acc/GEC	1,888.44			
Maine-Niles Association of Special Recreation					
MNASR					
16-544	9/19/2018	335.70	0.00	10/16/2018	
205-580-515-5270					Purchased program services Inclusion Services for September B 2018
	16-544 Total:	335.70			
	Maine-Niles Association o	335.70			
Marc Printing					
MARCP					
1120636	9/21/2018	2,117.54	0.00	10/16/2018	
101-210-511-5700					Office supplies Financial Budget Book/2018-2019
	1120636 Total:	2,117.54			
	Marc Printing Total:	2,117.54			
Menini Cartage Inc					
MENICRT					
48582	9/12/2018	538.89	0.00	10/16/2018	
660-620-519-5760					Street materials - Aggregate Sand
	48582 Total:	538.89			
	Menini Cartage Inc Total:	538.89			

Metal Supermarkets

Invoice Number	Invoice Date	Amount	Quantity	Payment Date
Account Number				Description
METALSUP				
1009934	9/12/2018	92.60	0.00	10/16/2018
205-430-515-5480 R&M - vehicles				Aluminum for Tractor #7
	1009934 Total:	92.60		
1010036	9/21/2018	16.15	0.00	10/16/2018
205-430-515-5480 R&M - vehicles				Steel for Trailer #7
	1010036 Total:	16.15		
	Metal Supermarkets Total:	108.75		
NAPA				
NAPA				
2812-323715	8/30/2018	71.86	0.00	10/16/2018
660-620-519-5730 Program supplies				Grease for Pump Station
	2812-323715 Total:	71.86		
2812-325501	9/14/2018	61.99	0.00	10/16/2018
205-430-515-5480 R&M - vehicles				Battery for Gator
	2812-325501 Total:	61.99		
2812-326217	9/19/2018	22.90	0.00	10/16/2018
101-300-512-5480 R&M - vehicles				Axel clamps for PD
	2812-326217 Total:	22.90		
2812-326825	9/24/2018	7.98	0.00	10/16/2018
101-350-512-5480 R&M - vehicles				Blade for FD
	2812-326825 Total:	7.98		
	NAPA Total:	164.73		

PPG Architectural Finishes
PPGAR

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
944499036205	9/13/2018	935.86	0.00	10/16/2018	Glass beads and white paint for Streets and curbs
101-440-513-5730 Program supplies					
	944499036205 Total:	935.86			
	PPG Architectural Finishes	935.86			
Rainbow Farm					
RAINBOWF					
36490	9/20/2018	325.00	0.00	10/16/2018	Woodchips hauled out
101-440-513-5599 Other Contractual					
	36490 Total:	325.00			
	Rainbow Farm Total:	325.00			
Rogoff, Anna					
ROGOFF					
09292018	9/29/2018	68.00	0.00	10/16/2018	Refund - Fright Fest
205-000-210-2430 Parks and Recs Control Deposi					
	09292018 Total:	68.00			
	Rogoff, Anna Total:	68.00			
Sam's Club					
SAMSCCL					
999999	8/20/2018	120.00	0.00	10/16/2018	Annual membership fee
101-210-511-5725 Bank & Credit Card Fees					
	999999 Total:	120.00			
CF18082	8/21/2018	50.00	0.00	10/16/2018	Annual admin fee
101-210-511-5725 Bank & Credit Card Fees					
	CF18082 Total:	50.00			

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
Sam's Club Total:		170.00			
Schwartz, Jason					
SCHWAJA					
160898	11/15/2016	3,000.00	0.00	10/16/2018	
101-000-210-2620	Contractor bonds payable				Site Management Deposit Refund
160898 Total:		3,000.00			
Schwartz, Jason Total:		3,000.00			
Standard Equipment Company					
STANDARD					
P09462	9/24/2018	1,333.39	0.00	10/16/2018	
101-440-513-5480	R&M - vehicles				Brooms for Sweeper #1 & #2
P09462 Total:		1,333.39			
Standard Equipment Comp		1,333.39			
Trizetto Provider Solutions					
TRIZETTO					
7108091800	9/1/2018	185.16	0.00	10/16/2018	
101-000-410-4315	Ambulance & EMS fees				Claims transaction fee for ambulance invoices
7108091800 Total:		185.16			
Trizetto Provider Solutions		185.16			
Vollmar Clay Products Company					
VOLLMER					
177993	8/20/2018	196.00	0.00	10/16/2018	
101-440-513-5730	Program supplies				PVC for Water Dept

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
Account Number					
	177993 Total:	196.00			
178027	8/23/2018	980.00	0.00	10/16/2018	PVC for Water Dept
	101-440-513-5730 Program supplies				
	178027 Total:	980.00			
	Vollmar Clay Products Com	1,176.00			
Wholesale Direct Inc					
WHOLESALE					
235350	9/19/2018	46.33	0.00	10/16/2018	
	205-430-515-5480 R&M - vehicles				Winter blades for PW vehicles
235350	9/19/2018	46.34	0.00	10/16/2018	
	660-620-519-5480 R&M - vehicles				Winter blades for PW vehicles
235350	9/19/2018	46.33	0.00	10/16/2018	
	101-440-513-5480 R&M - vehicles				Winter blades for PW vehicles
	235350 Total:	139.00			
	Wholesale Direct Inc Total	139.00			
Work' N Gear, LLC					
WRKNGEAR					
HA100391	9/12/2018	400.00	0.00	10/16/2018	
	101-440-513-5070 Uniform allowance				Clothing allowance
	HA100391 Total:	400.00			
HA100568	9/17/2018	342.92	0.00	10/16/2018	
	660-620-519-5070 Uniform allowance				Clothing allowance
	HA100568 Total:	342.92			
HA100751	9/19/2018	92.95	0.00	10/16/2018	
	101-440-513-5070 Uniform allowance				Clothing allowance
HA100751	9/19/2018	150.04	0.00	10/16/2018	
	660-620-519-5070 Uniform allowance				Clothing allowance

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
HA100751 Total:		242.99			
Work' N Gear, LLC Total:		985.91			
Zoll Data System					
ZOLLDATA					
INV00025272	9/1/2018	1,225.50	0.00	10/16/2018	101-350-512-5330 Data processing Hosted Billing Plus for ambulance billing
INV00025272 Total:		1,225.50			
INV00025734	9/18/2018	290.11	0.00	10/16/2018	101-350-512-5330 Data processing Hosted Billing Plus for ambulance billing
INV00025734 Total:		290.11			
Zoll Data System Total:		1,515.61			
Zoll Medical Corporation GPO					
ZOLLMEDC					
2746781	9/14/2018	356.25	0.00	10/16/2018	101-350-512-5730 Program supplies Lithium Battery for Cardiac monitor
2746781 Total:		356.25			
Zoll Medical Corporation G		356.25			
Zynnoation, LLC					
ZYNNOATI					
1749	9/14/2018	2,344.30	0.00	10/16/2018	101-440-513-5250 Landscaping services Tree diapers
1749 Total:		2,344.30			
Zynnoation, LLC Total:		2,344.30			

Accounts Payable

To Be Paid Proof List

User: jmazzeffi
Printed: 10/08/2018 - 2:58PM
Batch: 00201.10.2018



Invoice Number	Invoice Date	Amount	Quantity	Payment Date	
Account Number					Description
Air One Equipment					
AIRONE					
136493	9/6/2018	160.00	0.00	10/16/2018	
					101-350-512-5430 R&M - Fire & EMS equipmen
					Fit test two firefighters
		<hr/>			
		136493 Total:			160.00
62685	9/24/2018	55.00	0.00	10/16/2018	
					101-350-512-5430 R&M - Fire & EMS equipmen
					Flow test of breathing mask
		<hr/>			
		62685 Total:			55.00
		<hr/>			
		Air One Equipment Total:			215.00
Alpha Baking Company					
ALPHABAK					
180055193002	7/12/2018	96.00	0.00	10/16/2018	
					205-560-515-5645 Concessions & food
					Concession Stand bread order
		<hr/>			
		180055193002 Total:			96.00
		<hr/>			
		Alpha Baking Company To			96.00
AVTech Software					
AVTECH					
RA18092602	9/26/2018	121.36	0.00	10/16/2018	
					101-250-511-5340 Maintenance Agreement Expen
					Room alert service - Professional level for one year

Invoice Number	Invoice Date	Amount	Quantity	Payment Date
Account Number				Description

RA18092602 Total:		121.36		
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AVTech Software Total:		121.36		
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Bell Fuels, Inc. BELLFUEL 276980 101-350-512-5670 Fuel	10/1/2018	549.29	0.00	10/16/2018 Fuel for generator
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276980 Total:		549.29		
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Bell Fuels, Inc. Total:		549.29		
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Builders Asphalt BUILDERS 32096 213-000-561-5490 R&M Road Repairs	9/19/2018	454.72	0.00	10/16/2018 Asphalt - Surface
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32096 Total:		454.72		
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32139 213-000-561-5490 R&M Road Repairs	9/20/2018	401.85	0.00	10/16/2018 Asphalt - Surface
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32139 Total:		401.85		
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Builders Asphalt Total:		856.57		
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Canon Solutions America, Inc CANONSOL 989090130 101-210-511-5440 R&M - office equipment	10/2/2018	328.72	0.00	10/16/2018 Maintenance for plotter - October
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989090130 Total:		328.72		
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Canon Solutions America,		328.72		
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Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
Account Number					
Case Lots, Inc. CASELOTS 4648	9/24/2018	2,138.40	0.00	10/16/2018	Multi fold towels, windex, hand soap, bleach
101-420-511-5730 Program supplies					
4648 Total:		2,138.40			
Case Lots, Inc. Total:		2,138.40			
Cassidy Tire CASSIDYT 708004116	9/7/2018	841.00	0.00	10/16/2018	Alignment and tires for Truck #22
205-430-515-5480 R&M - vehicles					
708004116 Total:		841.00			
Cassidy Tire Total:		841.00			
Cheek, Dan CHEEK 9032018	9/3/2018	42.00	0.00	10/16/2018	Aquatic Center refund
205-560-410-4480 Guest fees - nonresident					
9032018 Total:		42.00			
Cheek, Dan Total:		42.00			
Christopher Burke Engineering CHRISTB 146038	10/3/2018	1,807.75	0.00	10/16/2018	Roady assessment update
101-290-511-5942 PW Building Engineer Costs					
146038 Total:		1,807.75			
146039	10/3/2018	38,352.04	0.00	10/16/2018	Water Transmission main route study
660-620-519-5320 Consulting					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	
Account Number					Description
	146039 Total:	38,352.04			
146040	10/3/2018	498.00	0.00	10/16/2018	
220-000-561-6310					Land Acq and Improvment 3300 Devon Arthur Alley
	146040 Total:	498.00			
146041	10/3/2018	227.50	0.00	10/16/2018	
660-620-519-5490					R&M - water system equipmen Pump replacement at main potable water pump station
	146041 Total:	227.50			
146042	10/3/2018	1,089.00	0.00	10/16/2018	
217-000-561-5340					Engineering NEID TIF Resurfacing
	146042 Total:	1,089.00			
146043	10/3/2018	977.50	0.00	10/16/2018	
660-620-519-5340					Engineering Design for painting and rehab of 1,500,000 gallon standpipe
146043	10/3/2018	977.50	0.00	10/16/2018	
217-000-561-5340					Engineering Design for painting and rehab of 1,500,000 gallon standpipe
	146043 Total:	1,955.00			
146044	10/3/2018	2,300.00	0.00	10/16/2018	
101-420-511-5405					R&M - buildings Village Hall boiler replacement
	146044 Total:	2,300.00			
146045	10/3/2018	4,500.00	0.00	10/16/2018	
660-620-519-5399					Other professional services Village Engineer retainer
146045	10/3/2018	4,500.00	0.00	10/16/2018	
101-290-511-5920					Administration Engineer Costs Village Engineer retainer
	146045 Total:	9,000.00			
146046	10/3/2018	346.75	0.00	10/16/2018	
101-290-511-5922					Building Engineering Costs 3900 Devon Learning Center
	146046 Total:	346.75			
146047	10/3/2018	800.00	0.00	10/16/2018	

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
101-290-511-5922 Building Engineering Costs					3401-3501 Northeast Parkway
146047 Total:		800.00			
146048	10/3/2018	11,606.89	0.00	10/16/2018	
101-290-511-5922 Building Engineering Costs					4500 Touhy Purple Hotel
146048 Total:		11,606.89			
Christopher Burke Enginee		67,982.93			
Cline, Rosangela De Oliveira					
CLINE					
9272018	9/27/2018	100.00	0.00	10/16/2018	
205-504-515-5270 Purchased program services					Pumpkins in Proesel - Deposit
9272018	9/27/2018	100.00	0.00	10/16/2018	
205-504-515-5270 Purchased program services					Pumpkins in Proesel - Final payment
9272018 Total:		200.00			
Cline, Rosangela De Olive		200.00			
Dance All Night					
DANCE					
15021	7/31/2018	550.00	0.00	10/16/2018	
205-509-515-5270 Purchased program services					Remaining balance for Turkey Trot DJ
15021	7/31/2018	100.00	0.00	10/16/2018	
205-509-515-5270 Purchased program services					Deposit for Turkey Trot DJ
15021 Total:		650.00			
Dance All Night Total:		650.00			
DTN, LLC					
DTNLLC					
5410228	9/24/2018	695.10	0.00	10/16/2018	
101-400-511-5730 Program supplies					Weather services

Invoice Number	Invoice Date	Amount	Quantity	Payment Date
Account Number				Description
5410228	9/24/2018	288.90	0.00	10/16/2018
101-250-511-5330 Data processing				Weather services
	5410228 Total:	984.00		
	DTN, LLC Total:	984.00		
Dumitrascu, Gabriela DUMITRAS				
100318	10/3/2018	2,000.00	0.00	10/16/2018
460-000-561-6350 Sewer Fund				Flood control rebate program reimbursement
	100318 Total:	2,000.00		
	Dumitrascu, Gabriela Total	2,000.00		
Emcor Services Team Mechanical Inc EMCOR				
930010944	9/28/2018	628.50	0.00	10/16/2018
101-420-511-5405 R&M - buildings				Repair PW A/C
	930010944 Total:	628.50		
	Emcor Services Team Mec	628.50		
Eterno Attorney at Law, David ETERNO				
12233	10/2/2018	47.50	0.00	10/16/2018
101-230-511-5399 Other professional services				Off site docket review 9/24/2018
12233	10/2/2018	637.50	0.00	10/16/2018
101-230-511-5399 Other professional services				On Site Hearings 9/25/18
	12233 Total:	685.00		
	Eterno Attorney at Law, D	685.00		

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
First to the Finish FIRSTTO SQ-635701	9/28/2018	2,813.50	0.00	10/16/2018	Swim team uniforms and swim caps
205-562-515-5730 Program supplies					
	SQ-635701 Total:	2,813.50			
	First to the Finish Total:	2,813.50			
Floresca, Annaliza FLORESCA 092718	9/27/2018	50.00	0.00	10/16/2018	Refund - Community Center Rental
205-000-210-2430 Parks and Recs Control Deposi					
	092718 Total:	50.00			
	Floresca, Annaliza Total:	50.00			
Garvey, Diane GARVEY 7192019	7/19/2018	313.60	0.00	10/16/2018	Sunday Zumba
205-503-515-5270 Purchased program services					
7192019	9/19/2018	28.00	0.00	10/16/2018	Sunday Drop ins
205-503-515-5270 Purchased program services					
	7192019 Total:	341.60			
	Garvey, Diane Total:	341.60			
GIS Consortium GIS 522	9/28/2018	1,052.65	0.00	10/16/2018	GIS Shared initiatives
101-250-511-5599 Other contractual					
	522 Total:	1,052.65			

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
Account Number					
GIS Consortium Total:		1,052.65			
Gorenstein, Aron					
GORENSTE					
SFTSUM18	9/27/2018	193.75	0.00	10/16/2018	
205-540-515-5615 Awards					Sunday Softball Summer 2nd Place - League
SFTSUM18 Total:		193.75			
Gorenstein, Aron Total:		193.75			
Hashlamoun, Heba					
HASHLA					
9032018	9/3/2018	35.00	0.00	10/16/2018	
205-560-410-4480 Guest fees - nonresident					Aquatic Center refund
9032018 Total:		35.00			
Hashlamoun, Heba Total:		35.00			
IL Municipal Retirement Fund					
ZZIMRF					
Sept18	9/27/2018	44,301.39	0.00	10/16/2018	
102-000-210-2023 Employee IMRF withholding					Monthly Employer - Sept 18
Sept18	9/27/2018	19,327.39	0.00	10/16/2018	
102-000-210-2023 Employee IMRF withholding					Monthly Employer - Sept 18
Sept18 Total:		63,628.78			
IL Municipal Retirement F		63,628.78			
Impact Networking, LLC					
IMPACT					
1225604	9/27/2018	45.85	0.00	10/16/2018	
205-571-515-5730 Program supplies					Community Center Copier - 9/29-10/28

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
1225604 Total:		45.85			
Impact Networking, LLC T		45.85			
Indestructo Rental Co., Inc.					
INDESTRU					
10218	10/2/2018	4,691.00	0.00	10/16/2018	Turkey Trot tent, heater, tables
205-509-515-5530 Equipment rental					
10218 Total:		4,691.00			
Indestructo Rental Co., Inc		4,691.00			
Interstate All Battery Center					
INTERALL					
1903901017906	9/10/2018	306.00	0.00	10/16/2018	24 Volt batteries
101-350-512-5660 EMS supplies					
1903901017906 Total:		306.00			
1903901017907	9/10/2018	25.00	0.00	10/16/2018	24 Volt batteries
101-350-512-5660 EMS supplies					
1903901017907 Total:		25.00			
Interstate All Battery Cente		331.00			
Landscape Concepts Management					
LANDSCAP					
150758	10/1/2018	2,835.00	0.00	10/16/2018	Landscaping maintenance - October
205-430-515-5250 Contract Maintenance					
150758 Total:		2,835.00			
Landscape Concepts Mana		2,835.00			

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
Account Number					
Lauterbach & Amen, LP LAUTER 30799 101-210-511-5310 Audit	9/14/2018	25,500.00	0.00	10/16/2018	Year end audit, TIF compliance report
30799 Total:		25,500.00			
Lauterbach & Amen, LP To		25,500.00			
Lawson Products Inc LAWSNPRO 9306115039 101-410-511-5730 Program supplies	9/12/2018	198.67	0.00	10/16/2018	Shop supplies
9306115039 Total:		198.67			
Lawson Products Inc Total		198.67			
Lionheart Critical Power Specialists, Inc. LIONHEAR 9126 101-420-511-5405 R&M - buildings	9/11/2018	858.15	0.00	10/16/2018	Transfer switch inspections
9126 Total:		858.15			
Lionheart Critical Power S		858.15			
Lowe's Business Acc/GECF LOWES 7441372 101-350-512-5799 Other materials & supplies	10/1/2018	218.50	0.00	10/16/2018	Replacement vacuum for Fire
7441372 Total:		218.50			

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	
Account Number					Description
	Lowe's Business Acc/GEC	218.50			
M.A.T.I.S Parts					
MATIS					
2531	7/21/2018	998.69	0.00	10/16/2018	
101-350-512-5740	Repair parts				Radiator cap, antifreeze, air filters
	2531 Total:	998.69			
	M.A.T.I.S Parts Total:	998.69			
Meade Electric Company Inc					
MEADELEC					
683474	9/27/2018	946.85	0.00	10/16/2018	
101-440-513-5290	Street lights & traffic signal				Repair to street light at Cicero & Pratt
	683474 Total:	946.85			
	Meade Electric Company I	946.85			
MGP, Inc.					
MGPINC					
4222	9/30/2018	909.15	0.00	10/16/2018	
101-250-511-5599	Other contractual				GIS Staffing services including management - June
4222	9/30/2018	909.15	0.00	10/16/2018	
101-000-210-2650	Contractor Permits Payable				GIS Staffing services including management - June
4222	9/30/2018	1,818.28	0.00	10/16/2018	
660-620-519-5599	Other contractual				GIS Staffing services including management - June
	4222 Total:	3,636.58			
	MGP, Inc. Total:	3,636.58			
Orlando Auto Top, Inc.					
ORLANDO					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
159827	9/17/2018	380.00	0.00	10/16/2018	Windshield for Truck #19
205-430-515-5480 R&M - vehicles					
	159827 Total:	380.00			
	Orlando Auto Top, Inc. Tot	380.00			
Paramedic Services of Illinois					
PARAMEDI					
5563	10/1/2018	240,479.05	0.00	10/16/2018	Servcies rendered month ended 10/31/2018
101-350-512-5220 Fire protection					
	5563 Total:	240,479.05			
	Paramedic Services of Illin	240,479.05			
Raynor Door Co					
RAYNOR					
18-23965	9/26/2018	786.87	0.00	10/16/2018	Repair to PW Overhead door
101-420-511-5405 R&M - buildings					
	18-23965 Total:	786.87			
	Raynor Door Co Total:	786.87			
Standard Plumbing					
STANDAPL					
461878	9/12/2018	66.49	0.00	10/16/2018	PVC Plug, clean out for Volleyball
205-430-515-5730 Program supplies					
	461878 Total:	66.49			
	Standard Plumbing Total:	66.49			

Suburban Laboratories, Inc.

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	
Account Number					Description
SUBURB					
159243	9/28/2018	409.50	0.00	10/16/2018	
660-620-519-5320 Consulting					Coliform testing and disinfectant by products
	159243 Total:	409.50			
	Suburban Laboratories, Inc	409.50			
Treasurer State of Illinois					
IDOT					
122225	10/1/2018	45,261.64	0.00	10/16/2018	
454-000-561-5399 Land Acquisition & Improveme					Touhy Ave Overpass construction local match
	122225 Total:	45,261.64			
	Treasurer State of Illinois T	45,261.64			
	Report Total:	474,077.89			

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Invoice Number	Invoice Date	Amount	Quantity	Payment Date	
Account Number					Description
Eagle Engraving					
EAGLE					
2018-4351	10/1/2018	35.00	0.00	10/16/2018	
101-350-512-5665 Firefighting supplies					Passport tags & gear locker signs
	2018-4351 Total:	35.00			
	Eagle Engraving Total:	35.00			
G.A.T.E. America					
GATE					
91190	9/17/2018	125.00	0.00	10/16/2018	
101-300-512-5590 Training					Northeastern Illinois Public Information officer conference
	91190 Total:	125.00			
	G.A.T.E. America Total:	125.00			
Golf Mill Ford					
GOLFMILL					
758308	9/21/2018	100.00	0.00	10/16/2018	
101-300-512-5480 R&M - vehicles					Warranty work on Squad 215
	758308 Total:	100.00			
759347	10/3/2018	100.00	0.00	10/16/2018	
101-300-512-5480 R&M - vehicles					Warranty work on Squad 212

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	
Account Number					Description
	759347 Total:	100.00			
	Golf Mill Ford Total:	200.00			
Got Laundry Chicago?, Inc.					
GOTLAUND					
315443	9/6/2018	17.00	0.00	10/16/2018	
	101-300-512-5730 Program supplies				Dry clean cell blankets
	315443 Total:	17.00			
	Got Laundry Chicago?, Inc	17.00			
Groot Recycling & Waste Services					
GROOT					
2429201	10/1/2018	2,365.39	0.00	10/16/2018	
	101-440-514-5230 Garbage & recycling				3092-182468/Public Works
	2429201 Total:	2,365.39			
2429202	10/1/2018	3,015.72	0.00	10/16/2018	
	101-440-514-5230 Garbage & recycling				3092-156409/Public Works
	2429202 Total:	3,015.72			
2430831	10/1/2018	59,991.68	0.00	10/16/2018	
	101-440-514-5230 Garbage & recycling				3092-291565/Community Pick up
	2430831 Total:	59,991.68			
2430832	10/1/2018	760.32	0.00	10/16/2018	
	101-440-514-5230 Garbage & recycling				3092-199164/School District 74
	2430832 Total:	760.32			
2430833	10/1/2018	3,338.68	0.00	10/16/2018	
	101-440-514-5230 Garbage & recycling				3092-205762/Multi family pickup

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
2430833 Total:		3,338.68			
Groot Recycling & Waste S		69,471.79			
Hansen, Michael					
HANSENM					
100418	10/4/2018	147.00	0.00	10/16/2018	
101-350-512-5540 Intergovernmental fees & dues					Duplicate title for pickup truck
100418 Total:		147.00			
Hansen, Michael Total:		147.00			
Illinois State Police-Bureau of Identification					
ILSTPOL					
cost ctr 03643	10/1/2018	300.00	0.00	10/16/2018	
101-000-410-4220 Liquor License Fees					Fingerprinting Account - Adding to balance
cost ctr 03643 Total:		300.00			
Illinois State Police-Bureau		300.00			
Intoximeters					
INTOXIME					
608426	9/27/2018	308.00	0.00	10/16/2018	
101-000-210-2440 DUI Fines Fund					Dry gas canisters
608426	9/27/2018	56.50	0.00	10/16/2018	
101-210-511-5720 Postage					Shipping
608426 Total:		364.50			
Intoximeters Total:		364.50			

JG Uniforms Inc

Invoice Number	Invoice Date	Amount	Quantity	Payment Date
Account Number				Description
JGUNIFOR				
42391	9/24/2018	59.50	0.00	10/16/2018
101-300-512-5730				Program supplies Uniform items
42391 Total:		59.50		
42458	9/24/2018	110.00	0.00	10/16/2018
101-300-512-5070				Uniform allowance Uniform items
42458	9/24/2018	189.00	0.00	10/16/2018
101-300-512-5070				Uniform allowance Uniform items
42458 Total:		299.00		
42471	9/25/2018	55.00	0.00	10/16/2018
101-300-512-5070				Uniform allowance Uniform items
42471 Total:		55.00		
42475	9/25/2018	26.00	0.00	10/16/2018
101-300-512-5070				Uniform allowance Uniform items
42475 Total:		26.00		
42521	9/25/2018	240.90	0.00	10/16/2018
101-300-512-5070				Uniform allowance Uniform items
42521 Total:		240.90		
42527	9/25/2018	213.50	0.00	10/16/2018
101-300-512-5070				Uniform allowance Uniform items
42527 Total:		213.50		
42569	9/25/2018	16.00	0.00	10/16/2018
101-300-512-5070				Uniform allowance Uniform items
42569 Total:		16.00		
42577	9/25/2018	109.94	0.00	10/16/2018
101-300-512-5070				Uniform allowance Uniform items
42577 Total:		109.94		

Invoice Number	Invoice Date	Amount	Quantity	Payment Date
Account Number				Description
42610	9/26/2018	162.00	0.00	10/16/2018
101-300-512-5070	Uniform allowance			Uniform items
	42610 Total:	162.00		
42611	9/26/2018	311.00	0.00	10/16/2018
101-300-512-5730	Program supplies			Uniform items
	42611 Total:	311.00		
42612	9/26/2018	18.00	0.00	10/16/2018
101-300-512-5070	Uniform allowance			Uniform items
	42612 Total:	18.00		
42628	9/26/2018	160.00	0.00	10/16/2018
101-300-512-5070	Uniform allowance			Uniform items
	42628 Total:	160.00		
	JG Uniforms Inc Total:	1,670.84		
Malnati Organization				
MALNATI				
703434	10/3/2018	127.90	0.00	10/16/2018
101-100-511-5840	Meals			Dinner for Village Board meeting/10-3-18
	703434 Total:	127.90		
	Malnati Organization Total	127.90		
McDonald's Accounting Center				
MCDONACC				
MCD10032018	10/3/2018	105.80	0.00	10/16/2018
101-300-512-5730	Program supplies			Prisoner Meals - July 26 thru Sept 27, 2018
	MCD10032018 Total:	105.80		

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
Account Number					
McDonald's Accounting Ce		105.80			
Northwest Police Academy NWPDACAD					
09-27-18	9/18/2018	75.00	0.00	10/16/2018	Training Seminar
101-300-512-5590 Training					
09-27-18 Total:		75.00			
Northwest Police Academy		75.00			
Plante, Claire PLANTE					
REIM091018CPM	9/10/2018	75.00	0.00	10/16/2018	Reimburse/Training/Meals
101-300-512-5840 Meals					
REIM091018CPM Total:		75.00			
Plante, Claire Total:		75.00			
Pratt, Aleicia PRATTAL					
REIMAPA	10/11/2018	27.21	0.00	10/16/2018	Reimburse/Training/Auto
101-300-512-5820 Local mileage, parking & tolls					
REIMAPA Total:		27.21			
REIMAPM	10/11/2018	30.00	0.00	10/16/2018	Reimburse/Training/Meals
101-300-512-5840 Meals					
REIMAPM Total:		30.00			
Pratt, Aleicia Total:		57.21			
Rabin, Randy					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
Account Number					
RABINR					
SFTSUM18	9/27/2018	387.50	0.00	10/16/2018	
205-540-515-5615 Awards					Sunday Softball Summer 1st Place League
SFTSUM18	9/27/2018	193.75	0.00	10/16/2018	
205-540-515-5615 Awards					Sunday Softball Summer 2nd Place Tournament
	SFTSUM18 Total:	581.25			
	Rabin, Randy Total:	581.25			
Rodriguez, Alex					
RODRALEX					
REIM091018ARM	9/10/2018	75.00	0.00	10/16/2018	
101-300-512-5840 Meals					Reimbursement/Training/Meals
	REIM091018ARM Total:	75.00			
	Rodriguez, Alex Total:	75.00			
Ruffie Co.					
RUFFIE					
SFTSUM18	9/27/2018	387.50	0.00	10/16/2018	
205-540-515-5615 Awards					Sunday Softball Summer 1st Place Tournament
	SFTSUM18 Total:	387.50			
	Ruffie Co. Total:	387.50			
Sam's Club					
SAMSCL					
5670	9/20/2018	107.26	0.00	10/16/2018	
101-300-512-5730 Program supplies					Refreshments/Swearing in new officers
	5670 Total:	107.26			

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
Sam's Club Total:		107.26			
Seal Master Chicago					
SEAL					
66861	9/17/2018	86.01	0.00	10/16/2018	Tennis Court crack sealant
205-430-515-5405 R&M - buildings					
66861 Total:		86.01			
Seal Master Chicago Total:		86.01			
The Mulch Center					
THEMULC					
45584	9/21/2018	727.50	0.00	10/16/2018	GG Rowell Engineered Wood Fiber
205-430-515-5730 Program supplies					
45584 Total:		727.50			
The Mulch Center Total:		727.50			
TransUnion Risk and Alternative					
TRANSUN					
55681193018	10/1/2018	33.30	0.00	10/16/2018	Online Investigative Database
101-300-512-5399 Other professional services					
55681193018 Total:		33.30			
TransUnion Risk and Alter		33.30			
Uphoff, Katherine					
UPHOFF					
9032018	9/27/2018	56.00	0.00	10/16/2018	Aquatic Center Refund
205-560-410-4480 Guest fees - nonresident					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date
Account Number				Description
	9032018 Total:	56.00		
	Uphoff, Katherine Total:	56.00		
Village of Lincolnwood				
VOL				
PC100218	10/2/2018	79.59	0.00	10/16/2018
101-210-511-5840 Meals				Petty cash reimbursement
PC100218	10/2/2018	17.99	0.00	10/16/2018
205-562-515-5645 Concessions & food				Petty cash reimbursement
PC100218	10/2/2018	353.71	0.00	10/16/2018
101-300-512-5840 Meals				Petty cash reimbursement
PC100218	10/2/2018	80.00	0.00	10/16/2018
101-240-517-5840 Meals				Petty cash reimbursement
PC100218	10/2/2018	31.75	0.00	10/16/2018
205-540-515-5615 Awards				Petty cash reimbursement
PC100218	10/2/2018	20.16	0.00	10/16/2018
101-210-511-5820 Local mileage, parking & tolls				Petty cash reimbursement
PC100218	10/2/2018	35.00	0.00	10/16/2018
101-240-517-5590 Training				Petty cash reimbursement
PC100218	10/2/2018	43.91	0.00	10/16/2018
101-100-511-5840 Meals				Petty cash reimbursement
PC100218	10/2/2018	155.00	0.00	10/16/2018
101-400-511-5840 Meals				Petty cash reimbursement
PC100218	10/2/2018	40.00	0.00	10/16/2018
101-210-511-5840 Meals				Petty cash reimbursement
	PC100218 Total:	857.11		
	Village of Lincolnwood To	857.11		
Welding Supply Inc.				
WELDINGS				
808546	9/30/2018	6.81	0.00	10/16/2018
205-571-515-5730 Program supplies				Helim Tank - Sept
808546	9/30/2018	6.81	0.00	10/16/2018

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
Account Number					
101-350-512-5730	Program supplies				Argon Tank - Sept
	808546 Total:	13.62			
	Welding Supply Inc. Total:	13.62			
Wells Fargo Vendor Fin Serv					
GECAPITA					
68810013	9/23/2018	232.43	0.00	10/16/2018	
	660-610-519-5340 Maintenance Agreement Expen				Copier - PW
68810013	9/23/2018	269.95	0.00	10/16/2018	
	205-500-515-5440 R&M - office equipment				Copier - Parks
68810013	9/23/2018	232.44	0.00	10/16/2018	
	101-000-210-2650 Contractor Permits Payable				Copier - Fire
68810013	9/23/2018	697.36	0.00	10/16/2018	
	101-210-511-5440 R&M - office equipment				Copier - PD,Admin, Finance
	68810013 Total:	1,432.18			
	Wells Fargo Vendor Fin Se	1,432.18			
Zoll Medical Corporation GPO					
ZOLLMEDC					
2750428	9/20/2018	296.00	0.00	10/16/2018	
	101-350-512-5660 EMS supplies				EKG Leads
	2750428 Total:	296.00			
	Zoll Medical Corporation G	296.00			
	Report Total:	77,424.77			

Accounts Payable

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Invoice Number	Invoice Date	Amount	Quantity	Payment Date	
Account Number					Description
Grainger					
GRAINGER					
9914632881	9/25/2018	124.13	0.00	10/16/2018	
101-420-511-5405 R&M - buildings					Fuse, Alligator clips, puller for Buildings
	9914632881 Total:	124.13			
9920168177	10/1/2018	1,761.00	0.00	10/16/2018	
205-430-515-5730 Program supplies					HID core/Coil ballast kit for Proesel Park
	9920168177 Total:	1,761.00			
9920430767	10/1/2018	62.00	0.00	10/16/2018	
101-420-511-5405 R&M - buildings					V-belt for Fire Dept
	9920430767 Total:	62.00			
	Grainger Total:	1,947.13			
HMO Healthcare Service Corporation					
HMO					
October 2018	9/14/2018	1,462.11	0.00	10/16/2018	
102-000-210-2027 Health insurance premium with					Employee Health Insurance HMO - October
	October 2018 Total:	1,462.11			
	HMO Healthcare Service C	1,462.11			

Kelly Services, Inc.

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
KELLYSER					
37063776	9/17/2018	636.00	0.00	10/16/2018	
101-400-511-5039					Other contract labor Temporary support for PW Dept
	37063776 Total:	636.00			
38063624					
38063624	9/24/2018	516.00	0.00	10/16/2018	
101-400-511-5039					Other contract labor Temporary support for PW Dept
	38063624 Total:	516.00			
	Kelly Services, Inc. Total:	1,152.00			
Madison National Life					
MADISON					
1314220	9/20/2018	-34.59	0.00	10/16/2018	
101-200-511-5150					Insurance - group life & AD&D Life Insurance - October
1314220	9/20/2018	97.07	0.00	10/16/2018	
101-210-511-5150					Insurance - group life & AD&D Life Insurance - October
1314220	9/20/2018	60.77	0.00	10/16/2018	
101-240-517-5150					Insurance - group life & AD&D Life Insurance - October
1314220	9/20/2018	629.91	0.00	10/16/2018	
101-300-512-5150					Insurance - group life & AD&D Life Insurance - October
1314220	9/20/2018	20.76	0.00	10/16/2018	
101-350-512-5150					Insurance - group life & AD&D Life Insurance - October
1314220	9/20/2018	75.19	0.00	10/16/2018	
101-400-511-5150					Insurance - group life & AD&D Life Insurance - October
1314220	9/20/2018	18.70	0.00	10/16/2018	
101-410-511-5150					Insurance - group life & AD&D Life Insurance - October
1314220	9/20/2018	67.14	0.00	10/16/2018	
101-440-513-5150					Insurance - group life & AD&D Life Insurance - October
1314220	9/20/2018	68.82	0.00	10/16/2018	
205-430-515-5150					Insurance - group life & AD&D Life Insurance - October
1314220	9/20/2018	92.39	0.00	10/16/2018	
205-500-515-5150					Insurance - group life & AD&D Life Insurance - October
1314220	9/20/2018	90.90	0.00	10/16/2018	
660-620-519-5150					Insurance - group life & AD&D Life Insurance - October

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Description
Account Number					
1314220 Total:		1,187.06			
Madison National Life Tot		1,187.06			
Marc Printing					
MARCP					
112068/	9/24/2018	160.56	0.00	10/16/2018	
660-610-519-5700 Office supplies					Laser water bill paper
112068/ Total:		160.56			
Marc Printing Total:		160.56			
North Suburban Employee Benefit					
NSEBENEF					
September,2018	10/2/2018	106,502.00	0.00	10/16/2018	
102-000-210-2027 Health insurance premium with					PPO North Suburban benefit cooperative/September 2018
September,2018 Total:		106,502.00			
North Suburban Employee		106,502.00			
Orange Crush LLC					
ORANGCRH					
64057	10/3/2018	318.24	0.00	10/16/2018	
213-000-561-5490 R&M Road Repairs					Asphalt surface mix
64057 Total:		318.24			
64094	10/3/2018	176.70	0.00	10/16/2018	
213-000-561-5490 R&M Road Repairs					Asphalt surface mix
64094 Total:		176.70			
Orange Crush LLC Total:		494.94			

Invoice Number	Invoice Date	Amount	Quantity	Payment Date
Account Number				Description
Quinlan Security Systems				
QUINLANS				
23236	10/1/2018	2,291.50	0.00	10/16/2018
660-610-519-5340	Maintenance Agreement Expen			Security Service maintenance agreement for Village Depts
23236	10/1/2018	2,291.51	0.00	10/16/2018
101-250-511-5340	Maintenance Agreement Expen			Security Service maintenance agreement for Village Depts
	23236 Total:	4,583.01		
	Quinlan Security Systems T	4,583.01		
Village of Lincolnwood				
VOL				
LWDPOL10318	10/3/2018	60.98	0.00	10/16/2018
101-300-512-5730	Program supplies			Petty Cash reimbursement/Police
LWDPOL10318	10/3/2018	195.00	0.00	10/16/2018
101-300-512-5840	Meals			Petty Cash reimbursement/Police
	LWDPOL10318 Total:	255.98		
	Village of Lincolnwood To	255.98		
Warehouse Direct				
WAREHOUS				
4039137-0	9/20/2018	475.46	0.00	10/16/2018
101-210-511-5700	Office supplies			Office supplies
	4039137-0 Total:	475.46		
4040346-0	9/20/2018	63.13	0.00	10/16/2018
101-210-511-5700	Office supplies			Office supplies
	4040346-0 Total:	63.13		
4044874-0	9/25/2018	120.30	0.00	10/16/2018
101-350-512-5700	Office supplies			Office supplies

Invoice Number	Invoice Date	Amount	Quantity	Payment Date
Account Number				Description

4044874-0 Total:		<u>120.30</u>		
------------------	--	---------------	--	--

Warehouse Direct Total:		<u>658.89</u>		
-------------------------	--	---------------	--	--

Report Total:		<u><u>118,403.68</u></u>		
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Request For Board Action

REFERRED TO BOARD: October 16, 2018

AGENDA ITEM NO: 1

ORIGINATING DEPARTMENT: Village Manager's Office

SUBJECT: **Approval of a Resolution Authorizing the Renewal of a One Year Agreement for Local and Long Distance Telephone Services with Call One Through the Suburban Purchasing Cooperative**

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

Since October of 2009 the Village has received local and long distance telephone services from Call One. Call One is a Chicago-based company that is a leading reseller of AT&T telephone services. Resellers allow for more competitive pricing and improved service quality over a single telephone service provider in a given market. Furthermore, Call One is a Northwest Municipal Conference Suburban Purchasing Cooperative Joint Purchasing Program provider and has over 175 municipal clients in the State of Illinois.

Originally the Village entered into a one-year agreement with Call One at a 15% discount. Then on April 15, 2010 the Village extended this agreement for three years and in return received an additional 5% discount. Prior to October of 2009 the Village received telephone services from AT&T directly. This switch in service providers resulted in estimated annual savings of approximately \$10,000. These discounts continue with Call One.

By switching to Call One the Village saved administrative processing costs by using one consolidated invoice for all services. Before switching to Call One, staff received 20 separate monthly invoices from AT&T for various sets of phone services with different invoice dates. In order to keep up with timely processing of the invoices staff was required to commit a substantial amount of time to this task. Call One continues to consolidate all monthly invoices, thus saving a significant number of staff hours every year. Staff has been satisfied with Call One's services and therefore recommends renewing the contracts.

Call One provides voice and data connections for the following facilities and offices: Police, Village Hall, Fire/Community Development, Public Works, Aquatic Center, Pump House, and Standpipe. Call One is proposing a one-year renewal at the same rates, terms, and conditions.

As part of the upcoming budget year the Village will be investigating alternative providers for these services. Call One currently provides the voice and data connections while the phones and corresponding software is provided by ATI. The Village will be evaluating opportunities to consolidate these services in the future while ensuring that the same level of service is provided to residents and will not impact emergency services.

FINANCIAL IMPACT:

The Village budgeted \$36,400 for these services in 2018/2019. It is anticipated that the services will be \$35,400 based on previous expenses in 2017/2018.

DOCUMENTS ATTACHED:

1. Proposed Resolution
2. Proposed Agreement

RECOMMENDED MOTION:

Move to approve a resolution authorizing the renewal of a one year agreement for local and long distance telephone services with Call One through the Suburban Purchasing Cooperative.

VILLAGE OF LINCOLNWOOD

RESOLUTION NO. R2018-

A RESOLUTION AUTHORIZING THE RENEWAL OF A ONE YEAR AGREEMENT FOR LOCAL AND LONG DISTANCE TELEPHONE SERVICES WITH CALL ONE THROUGH THE SUBURBAN PURCHASING COOPERATIVE

WHEREAS, Since October of 2009 the Village has received local and long distance telephone services from Call One, a reseller; and

WHEREAS, Resellers allow for more competitive pricing and improved service quality over a single telephone service provider in a given market; and

WHEREAS, Call One provides discounts to the Village through its membership in the Northwest Municipal Conference Suburban Purchasing Cooperative Joint Purchasing Program; and

WHEREAS, Village staff finds Call One's services to be satisfactory and recommends renewal of the agreements; and

WHEREAS, the Village and Call One, of Chicago, Illinois ("*Call One*"), desire to enter into two agreements for non-emergency local and long distance telephone services ("*Agreements*"); and

WHEREAS, the Village President and Board of Trustees have determined that entering into the Agreements with Call One will serve and be in the best interest of the Village;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LINCOLNWOOD, COOK COUNTY, ILLINOIS, as follows:

SECTION 1. RECITALS. The facts and statements contained in the preamble to this Resolution are found to be true and correct and are hereby adopted as part of this Resolution.

SECTION 2. APPROVAL OF AGREEMENTS. The Agreements by and between the Village and Call One shall be, and is hereby, approved in substantially the form attached to this Resolution as **Exhibit A**.

SECTION 3. EXECUTION OF AGREEMENTS. The Village Manager and the Village Clerk shall be, and they are hereby, authorized and directed to execute and attest, on behalf of the Village, the Agreements upon receipt by the Village Clerk of at least one original copy of the Agreements executed by Call One; provided, however, that if the executed copy of the Agreements is not received by the Village Clerk within 30 days after the effective date of this Resolution, then this authority to execute and attest shall, at the option of the President and Board of Trustees, be null and void.

SECTION 4. EFFECTIVE DATE. This Resolution shall be in full force and effect from and after its passage and approval as provided by law.

PASSED this 16th day of October, 2018.

AYES:

NAYS:

ABSENT:

ABSTENTION:

APPROVED:

Barry I. Bass, President
Village of Lincolnwood, Cook County, Illinois

ATTESTED and FILED in my office this
16th day of October, 2018

Beryl Herman, Village Clerk
Village of Lincolnwood, Cook County, Illinois

EXHIBIT A
AGREEMENT



Renewal Customer Service Agreement

This Customer Service Agreement ("Agreement") authorizes Call One® Inc., with a principal place of business at 225 West Wacker, Floor 8, Chicago, IL 60606 ("Call One") to provide telecommunication services ("Services") to the customer identified immediately below ("Customer"). The Services provided hereby are subject to the Terms and Conditions set forth in this Agreement.

Customer Village of Lincolnwood
Address 6900 N Lincoln Ave
City Lincolnwood ST IL ZIP 60712

Please check box to determine term and discount

- 1 Year**
- 2 Year**
- 3 Year**

Additional Charges: Member of SPC. All rates and discounts contained in this agreement are subject to the rates and discounts contained in the SPC underlying agreement. Pricing subject to change. Carrier Access - WAIVED.

Service/Additional Terms:
Renewal of existing services.

Billing Telephone Numbers (BTN) associated with this account:

Physical Location	City, State	BTN
<u>7001 N LAWNSDALE AV; Flr 1</u>	<u>LINCWD, IL</u>	<u>708-276-0121</u>
<u>7055 N KOSTNER AV; Flr 1</u>	<u>LINCWD, IL</u>	<u>847-673-0352</u>
<u>6900 N LINCOLN AV; Flr 1</u>	<u>LINCWD, IL</u>	<u>847-673-2161</u>
<u>6900 N LINCOLN AV; Flr 1</u>	<u>LINCWD, IL</u>	<u>847-673-3028</u>
<u>7001 N LAWNSDALE AV; Flr 1</u>	<u>LINCWD, IL</u>	<u>847-675-5130</u>
<u>6435 N CRAWFORD AV</u>	<u>LINCWD, IL</u>	<u>847-675-6150</u>
<u>6900 N LINCOLN AV; Flr 1</u>	<u>LINCWD, IL</u>	<u>847-299-5292</u>

<u>Authorized customer signature</u>	<u>Date</u>	<u>CallOne authorized signature</u>
<u>Print name</u>	<u>Title</u>	<u>Print name</u> <u>Date</u>

Terms and Conditions

1. **Term.** Customer hereby orders the Local Exchange, Interexchange and miscellaneous services incident thereto as described herein (collectively, the "Services") for the term selected by Customer on Page 1 of this Agreement (the "Term"), effective as of the date the Services are installed or first provided (the "Effective Date"). This agreement shall renew, on the same terms and conditions, for successive one-year terms unless either party has given sixty (60) days prior written notice of termination of this Agreement. Upon expiration of the Term, the usage rates and monthly recurring charges applicable to a Term other than Month-to-Month will revert to Call One's prevailing month-to-month rates unless Customer has (1) entered into a successor agreement or (2) canceled the Service, in each case effective as of the expiration of the Term. Call One is not responsible for notifying customer of the expiration of any Term.
2. **Rates.** (a) Unless otherwise specified on Page 1 of this Agreement, Call One's prevailing month-to-month rates for lines, features, other monthly recurring charges and non-recurring charges (e.g., installation, service establishment and/or other non-recurring charges) will apply to the Services. By executing this Agreement, Customer acknowledges that it has received notice of and is aware of the rates and other charges that apply to the Services that are not specifically identified on Page 1 of this Agreement. If there is any change to Call One's prevailing rates or charges that apply to the Services, Customer will be notified in its monthly invoice or in the applicable state tariff, effective as stated therein. If Customer has elected a Term other than Month-to-Month, the usage rates and monthly recurring charges (each expressed as a rate or as a discount off Call One's prevailing month-to-month rates) identified on Page 1 of this Agreement will apply to the Services during the Term. (b) Call One shall also bill Customer as a separate line item all applicable federal, state and other governmental fees, surcharges and taxes. (c) Call One may, at its sole discretion, increase the rates for Band C, 1+ long distance or inbound 800/888 toll-free Services, if and to the extent the charge from the local exchange carrier to terminate the outbound calls or to originate the inbound calls exceeds twenty-five percent of the rate for that Service, and that Service will be provided on a month-to-month term.
3. **Authorization.** Customer authorizes Call One to act as its agent for purposes of obtaining information on Customer's existing telecommunications and related service(s) and to submit orders to reflect the Services ordered under this Agreement for the specific Billing Telephone Numbers (BTN) and/or physical locations listed below and included in any supplement to this Agreement. This grant of agency shall remain in effect until revoked by Customer.
4. **Existing Commitments.** (a) If Customer has an existing term commitment contract with another service provider (a "Third Party Commitment"), Customer acknowledges that, in addition to the Terms and Conditions of this Customer Service Agreement, Customer shall remain obligated under the terms of such Third Party Commitment and shall be solely responsible for any penalties, fees or charges by virtue of that Third Party Commitment. (b) If, as part of Call One's provision of Services, Customer terminates a Third Party Commitment(s), Customer agrees that it is solely responsible for the fees associated with such termination. Further, no discount is provided for the related services unless and until Customer has agreed to terminate the Third Party Commitment(s) as provided above or the Third Party Commitment(s) has expired and Customer has entered a new agreement directly with Call One.
5. **Early Termination/Cancellation.** Early Termination/Cancellation. Customer shall be required to provide Call One a minimum of 30 days' notice in writing of any termination or cancellation of Service(s). (a) If Customer terminates the Service in whole or in part prior to the expiration of the Term, Customer will be liable for an early termination charge equal to the monthly recurring charges for the remainder of the Term. In addition, Customer shall also be liable for any installation and/or other non-recurring charges that were waived. (b) If Call One terminates Service(s) in whole or in part due to Customer's non-payment or default, customer will be deemed to have terminated the Service(s) and will be liable for all early termination charges. (c) If Customer Cancels Service before the Service is established, Customer shall be liable to Call One for all reasonable expenses incurred by Call One to process the order for Service.
6. **Inside Wiring.** The applicable rates for inside wiring provided directly by Call One to Customer are specified on the technician-charges page of the Call One website at www.callone.com. Inside wiring provided by a third party vendor will be billed at their applicable rates and charges. In addition, any installation charges identified on Page 1 of this Agreement applies to the initial Service installation and does not include inside materials and wiring.
7. **Liability.** The entire liability of Call One, if any, for damages to Customer or to any third party whether in negligence, tort, contract or otherwise, which may arise from Call One's performance or non-performance of the Services is limited to an amount equal to a prorated adjustment of applicable monthly recurring charges for the Services affected or any portion thereof. The foregoing limitation of liability includes any mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of installing and/or furnishing the Service.
8. **Applicability of Tariffs.** This Agreement orders Services at rates provided herein and subject to the terms and conditions set forth in Call One's then-applicable state tariff, which tariff is incorporated by reference. State tariffs are available through the regulatory page of the Call One web site currently at www.callone.com. Customer acknowledges all services purchased pursuant to this agreement are for business purposes.
9. **Assignment.** Customer may not assign this Agreement (by operation of law or otherwise) without the prior written consent of Call One, which consent will not be unreasonably withheld or delayed. Any prohibited assignment shall be void ab initio.
10. **Entire Agreement.** Signed facsimile or scanned copies of this Agreement will legally bind the parties to the same extent as originally executed documents. The terms contained in this Agreement and any documents attached and referenced herein constitute the entire agreement between the parties with respect to the subject matter hereof.
11. **Jurisdiction / Collection Costs.** Any action or proceeding arising out of or related to this Agreement, the Tariffs or Services may be commenced in any state or Federal court of competent jurisdiction in the State of Illinois. The Parties submit and expressly consent to the jurisdiction of such court and expressly waive any right to a trial by jury. Call One shall be entitled to recover from Customer all reasonable collection costs, including attorneys fees.

Customer initials _____

Call One initials _____

Call One Inc.

225 W Wacker Drive 8th Floor - Chicago, IL 60606 - Telephone 312-681-8300 - Fax 312-681-8301

Request For Board Action

REFERRED TO BOARD: October 16, 2018

AGENDA ITEM NO: 2

ORIGINATING DEPARTMENT: Fire Department

SUBJECT: Approval of a Resolution Authorizing the Purchase of 24 Portable STARCOM Radios and Accessories Through the State of Illinois Central Management Services Contract with Motorola Solutions, of Chicago, Illinois in the Amount of \$171,188.50

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

The Fire Department is requesting the purchase of twenty-four (24) portable radios for the departments' personnel to make them compatible with the STARCOM technology and frequency. By order of the Federal Communication Commission (FCC) all police agencies that are on UHF analog must vacate their current radio frequencies by 2022. The driving force of transitioning to STARCOM radios immediately was twofold; to become compliant with the FCC directive of vacating frequencies and the transitioning of Lincolnwood's Dispatch Center to Village of Skokie because of the Illinois law.

The Village of Skokie and Lincolnwood Police Departments as well as the Skokie Fire Department have transitioned to the STARCOM radio network. At this time, the Lincolnwood Fire Department is requesting the purchase of 24 portable radios and accessory equipment in addition to the mobile radios that were purchased in July 2018 and received them last month. The portable radios are worn and utilized by the individual firefighter/paramedics while the mobile radios are affixed to the specific fire vehicle.

As mentioned in the Request for Board Action on July 17, 2018, the Fire Department applied for a Regional Assistance to Firefighters Grant (AFG) with the City of Evanston. A total of 17 communities participated in the AFG grant request with a total grant request of approximately \$2 million dollars. The purpose of the grant was to enhance day-to-day communications and safety within our municipal jurisdictions, but also to enhance safety and accountability in those larger scale incidents that require inter-agency cooperation and resources through Mutual Aid Box Alarm System (MABAS).

On September 21, 2018, Evanston Fire Department learned that the 2017 Regional AFG Grant was awarded in the amount of \$1,551,239. The Village will be able to participate in this grant and be will be eligible to recoup funding of portable radios and accessory expenses. Although the grant award total was under the amount requested, the Evanston Fire Department is negotiating with FEMA to reconsider fully funding the grant award total back to approximately \$2.1 million.

Pricing for the portable radios and accessory equipment recommended for purchase was obtained from Motorola Solutions, Inc. of Chicago, which was awarded a contract for STARCOM by Central

Management Services (CMS) of the State of Illinois. CMS contracts for goods and services on behalf of government entities in the State and allows such governments to achieve economies of scale in purchasing while satisfying formal bid requirements.

FINANCIAL IMPACT:

Fire Department's proposed STARCOM radio budget for FY 2018/2019 is \$195,200.00. This budget includes mobile radios, portable radios and accessory equipment including batteries, chargers and cases. The July 2018 expense for the mobile radios was \$42,891.51. The equipment listed below is for the portable radios and accessory equipment.

Equipment	Cost Each	Quantity	Total Cost
APX8000 XE Dual Band Portable Model 2.5	\$10,039.00	22	\$220,858.00
APX8000 XE TriBand Portable Model 2.5	\$10,839.00	2	\$21,678.00
Bank Charger	\$1,250.00	2	\$2,500.00
Vehicle Charger	\$429.00	2	\$858.00
Single Charger	\$150.00	4	\$600.00
Spare Batteries	\$150.00	24	\$3,600.00
Speaker Mics APX XE500 Impact Green	\$550.00	24	\$13,200.00
Programing	\$3,484.00	1	\$3,484.00
			\$266,778.00
Discount Skokie/Lincolnwood (35.8%)			-\$95,589.50
			<u>\$171,188.50</u>
Current Grant Funding			-\$68,052.00
Net Expense to Village			\$103,136.50

The AFG Grant at the present time will reimburse the Village about \$68,052 as the grant only allocates \$2,500.00 per radio. Normally the grant would cover 90% of the total expense. The radio allocation cost by FEMA is the portion of the grant that Evanston Fire is negotiating. If Evanston Fire Department successfully negotiates a larger allotment cost for the radios, this will increase our current grant funding from \$68,052 to potentially \$154,069. If this occurs, the Village of Lincolnwood's total expense will be reduced to \$17,119.

DOCUMENTS ATTACHED:

1. Proposed Resolution
2. Motorola Solutions, Inc. Quote

RECOMMENDED MOTION:

Move to approve a Resolution authorizing the purchase of 24 portable STARCOM radios and accessories from Motorola Solutions, Inc., of Chicago, Illinois in the amount of \$171,188.50.

VILLAGE OF LINCOLNWOOD

RESOLUTION NO. R2018-_____

**A RESOLUTION APPROVING THE PURCHASE OF
24 PORTABLE FIRE DEPARTMENT RADIOS
FROM MOTOROLA SOLUTIONS, INC., OF CHICAGO, ILLINOIS**

WHEREAS, in order to comply with new federal regulations governing the use of public safety radio frequencies, the Village Fire Department has identified the need to purchase new portable radios that utilize the STARCOM21 digital radio frequency, along with associated equipment (collectively, the "*New Radios*"); and

WHEREAS, the State of Illinois Central Management Services Joint Purchasing Program ("*State Program*"), of which the Village is a member, sought bids for the award of a contract for the purchase of the New Radios ("*State Contract*"); and

WHEREAS, the State Program identified Motorola Solutions, Inc., of Chicago, Illinois ("*Motorola*"), as the low responsible bidder for the State Contract; and

WHEREAS, the Village desires to purchase 24 New Radios from Motorola, in a total amount not to exceed \$171,188.50; and

WHEREAS, the Village President and Board of Trustees have determined that it will serve and be in the best interest of the Village to purchase 24 New Radios from Motorola, in a total amount not to exceed \$171,188.50;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LINCOLNWOOD, COOK COUNTY, ILLINOIS, as follows:

SECTION 1. RECITALS. The facts and statements contained in the preamble to this Resolution are found to be true and correct and are hereby adopted as part of this Resolution.

SECTION 2. APPROVAL OF PURCHASE OF NEW RADIOS. The purchase of 24 New Radios from Motorola, in a total amount not to exceed \$171,188.50, is hereby approved.

SECTION 3. EXECUTION OF REQUIRED DOCUMENTATION. The Village Manager and the Village Clerk are hereby authorized to execute and attest, on behalf of the Village, all documents necessary to complete the purchase authorized pursuant to Section 2 of this Resolution.

SECTION 4. EFFECTIVE DATE. This Resolution will be in full force and effect from and after its passage and approval as provided by law.

[SIGNATURE PAGE FOLLOWS]

PASSED this ____ day of _____, 2018.

AYES: _____

NAYS: _____

ABSENT: _____

ABSTENTION: _____

APPROVED by me this ____ day of _____, 2018.

Barry I. Bass, President
Village of Lincolnwood, Cook County, Illinois

ATTESTED and FILED in my office this
____ day of _____, 2018

Beryl Herman, Village Clerk
Village of Lincolnwood, Cook County, Illinois



Quote Number: QU0000444384
 Effective: 22 JUN 2018
 Effective To: 31 OCT 2018

Bill-To:
 LINCOLNWOOD, VILLAGE OF
 6900 N LINCOLN AVE
 LINCOLNWOOD, IL 60712
 United States

Ultimate Destination:
 LINCOLNWOOD, VILLAGE OF
 6900 N LINCOLN AVE
 LINCOLNWOOD, IL 60712
 United States

Attention:
 Name: Chief Hansen
 Phone: 847-745-4726

Sales Contact:
 Name: Kari Morath
 Email: kmorath@chicomm.com
 Phone: 6308323311

Freight terms: FOB Destination
 Payment terms: Net 30 Due

Item	Quantity	Nomenclature	Description	List price	Extended Price
1	22	H91TGD9PW6AN	APX 8000 ALL BAND PORTABLE MODEL 2.5	\$5,983.00	\$131,626.00
1a	22	QA01427AG	ALT:APX 8000 HOUSING GREEN	\$25.00	\$550.00
1b	22	Q806CB	ADD: ASTRO DIGITAL CAI OPERATION	\$515.00	\$11,330.00
1c	22	Q887AU	ADD: 5Y ESSENTIAL SERVICE	\$206.00	\$4,532.00
1d	22	QA01648AA	ADD: ADVANCED SYSTEM KEY - HARDWARE KEY	\$5.00	\$110.00
1e	22	Q629AH	ENH: ABS ENCRYPTION	\$475.00	\$10,450.00
1f	22	QA08509AA	DEL: DELETE UHF BAND	\$-800.00	\$-17,600.00
1g	22	QA02006AC	ENH: APX8000CH RUGGED RADIO	\$800.00	\$17,600.00
1h	22	H38BS	ADD: SMARTZONE OPERATION	\$1,500.00	\$33,000.00
1i	22	Q861AN	ADD: P25 9600 BAUD TRUNKING	\$300.00	\$6,600.00
1j	22	QA00580AA	ADD: TDMA OPERATION	\$450.00	\$9,900.00
1k	22	G896AP	ADD: PROGRAMMING OVER P25 (OTAF)	\$100.00	\$2,200.00
1l	22	H859BW	ENH: MULTIKEY	\$330.00	\$7,260.00
1m	22	Q445AQ	ADD: APX Personal Accountability	\$150.00	\$3,300.00
1n	22	QA09007AA	ADD: OUT OF THE BOX WIFI PROVISIONING	-	-
2	24	PMNN4504A	BATT IMPRES 2 LIION UL2054 DIV2 R IP68 3400T	\$150.00	\$3,600.00
3	2	NNTN8844A	CHARGER, MULTI-UNIT, IMPRES 2, 6-DISP, NA/LA-PLUG, ACC USB CHGR	\$1,250.00	\$2,500.00
4	2	NNTN7624C	CHARGER,CHR IMP VEH EXT NA/EU KIT	\$429.00	\$858.00
5	24	PMNN4106C	APX XE300 REMOTE SPEAKER MIC, HIGH IMPACT GREEN, WITH CHANNEL KNOB	\$550.00	\$13,200.00
6	4	NNTN8860A	CHARGER, SINGLE-UNIT, IMPRES 2, 3A, 115VAC, US/NA	\$150.00	\$600.00
7	2	H91TGD9PW6AN	APX 8000 ALL BAND PORTABLE MODEL 2.5	\$5,983.00	\$11,966.00
7a	2	QA01427AG	ALT:APX 8000 HOUSING GREEN	\$25.00	\$50.00
7b	2	Q806CB	ADD: ASTRO DIGITAL CAI OPERATION	\$515.00	\$1,030.00
7c	2	Q887AU	ADD: 5Y ESSENTIAL SERVICE	\$206.00	\$412.00
7d	2	QA01648AA	ADD: ADVANCED SYSTEM KEY HARDWARE KEY	\$5.00	\$10.00
7e	2	Q629AH	ENH: ABS ENCRYPTION	\$475.00	\$950.00

Item	Quantity	Nomenclature	Description	List price	Extended Price
7f	2	QA02006AC	ENH: APX8000XE RUGGED RADIO	\$800.00	\$1,600.00
7g	2	H38BS	ADD: SMARTZONE OPERATION	\$1,500.00	\$3,000.00
7h	2	Q361AN	ADD: P25 9600 BAUD TRUNKING	\$300.00	\$600.00
7i	2	QA00510AA	ADD: TDMA OPERATION	\$450.00	\$900.00
7j	2	G996AP	ADD: PROGRAMMING OVER P25 (OTAP)	\$100.00	\$200.00
7k	2	H869BW	ENH: MULTIKHY	\$330.00	\$660.00
7l	2	Q445AG	ADD: APX Personnel Accountability	\$150.00	\$300.00
7m	2	QA69007AA	ADD: OUT OF THE BOX WIFI PROVISIONING	-	-
8	3484	SVC03SVC0105D	INFRASTRUCTURE PROGRAMMING	\$1.00	\$3,484.00

Total Quote in USD

\$266,778.00

Final Cost with Skokie/Lincolnwood

\$171,188.50

Discount Applied

Services and Warranties are Not Discounted

Quote Expires 10/31/2018

PO Issued to Motorola Solutions Inc. must:

- >Be a valid Purchase Order (PO)/Contract/Notice to Proceed on Company Letterhead. Note: Purchase Requisitions cannot be accepted
- >Have a PO Number/Contract Number & Date
- >Identify "Motorola Solutions Inc." as the Vendor
- >Have Payment Terms or Contract Number
- >Be issued in the Legal Entity's Name
- >Include a Bill-To Address with a Contact Name and Phone Number
- >Include a Ship-To Address with a Contact Name and Phone Number
- >Include an Ultimate Address (only if different than the Ship-To)
- >Be Greater than or Equal to the Value of the Order
- >Be in a Non-Editable Format
- >Identify Tax Exemption Status (where applicable)
- >Include a Signature (as Required)

Request For Board Action

REFERRED TO BOARD: October 16, 2018

AGENDA ITEM NO: 3

ORIGINATING DEPARTMENT: Finance

SUBJECT: Consideration of a Resolution to Accept the Comprehensive Annual Financial Report for the Year Ended April 30, 2018

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

Due for the consideration of the Village Board is the recommendation to accept the Comprehensive Annual Financial Report for the Fiscal Year Ended April 30, 2018.

The audit of the Village's financial statements was performed by Lauterbach & Amen, LLP.

FINANCIAL IMPACT:

None

DOCUMENTS ATTACHED:

1. Proposed Resolution
2. The Comprehensive Annual Financial Report for the Fiscal Year Ended April 30, 2018

RECOMMENDED MOTION:

Move to approve a Resolution to accept the Comprehensive Annual Financial Report for the Fiscal Year Ended April 30, 2018.

VILLAGE OF LINCOLNWOOD

RESOLUTION NO. R2018-_____

A RESOLUTION ACCEPTING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED APRIL 30, 2018

WHEREAS, the Village of Lincolnwood is a home rule municipal corporation in accordance with Article VII, Section 6(a) of the Constitution of the State of Illinois of 1970; and

WHEREAS, the Village has the authority to adopt ordinances and to promulgate rules and regulations that pertain to its government and affairs; and

WHEREAS, Lauterbach & Amen, LLP, a professional accounting firm, has prepared, on behalf of the Village, the Comprehensive Annual Financial Report for the Village for the fiscal year ended April 30, 2018 (“CAFR”); and

WHEREAS, the Village President and Board of Trustees have determined that it will serve and be in the best interest of the Village to accept the CAFR;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LINCOLNWOOD, COOK COUNTY, ILLINOIS, as follows:

SECTION 1. RECITALS. The facts and statements contained in the preamble to this Resolution are found to be true and correct and are hereby adopted as part of this Resolution.

SECTION 2. ACCEPTANCE OF CAFR. The President and Board of Trustees hereby accept the Comprehensive Annual Financial Report for the fiscal year ended April 30, 2018 in the form attached to and, by this reference, made a part of this Resolution as **Exhibit A**.

SECTION 3. EFFECTIVE DATE. This Resolution will be in full force and effect from and after its passage and approval in the manner provided by law.

[SIGNATURE PAGE FOLLOWS]

PASSED this ___ day of October, 2018.

AYES: _____

NAYS: _____

ABSENT: _____

ABSTENTION: _____

APPROVED by me this ___ day of October, 2018.

Barry I. Bass, President
Village of Lincolnwood, Cook County, Illinois

ATTESTED and FILED in my office this
_____ day of October, 2018

Beryl Herman, Village Clerk
Village of Lincolnwood, Cook County, Illinois

EXHIBIT A

2018 CAFR

VILLAGE OF LINCOLNWOOD, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2018

VILLAGE OF LINCOLNWOOD, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2018

Prepared by:

Finance Department

Robert J. Merkel
Director of Finance

VILLAGE OF LINCOLNWOOD, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Lincolnwood:

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**List of Principal Officials
April 30, 2018**

LEGISLATIVE

Village Board of Trustees

Barry I. Bass, Village President

Ronald S. Cope, Trustee

Jean Ikezoe-Halevi, Trustee

Georjean Hlepas Nickell, Trustee

Jesal B. Patel, Sr., Trustee

Jennifer G. Spino, Trustee

Renan I. Sugarman, Trustee

Beryl Herman, Village Clerk

APPOINTED OFFICIAL

Eric Biljetina, Village Treasurer

ADMINISTRATIVE

Village Manager

Steven Elrod, Village Attorney

Jason Parrott, Chief of Police

Michael Hansen, Fire Chief

Stephen McNellis, Director of Economic Development

Robert J. Merkel, Director of Finance

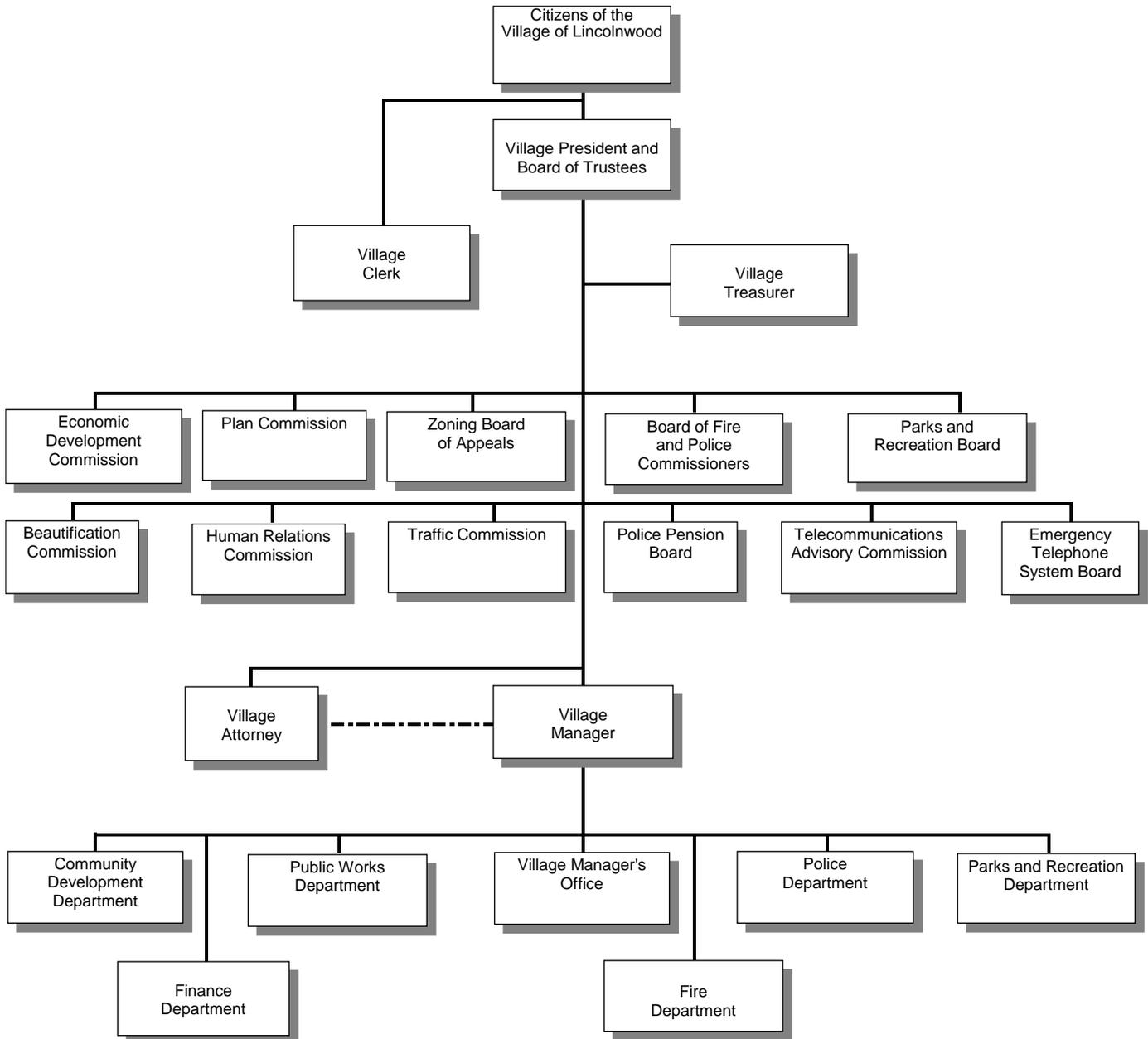
Laura McCarty, Director of Parks and Recreation

Andrew Letson, Director of Public Works



Village of Lincolnwood, Illinois

Organizational Chart
April 30, 2018



VILLAGE PRESIDENT

Barry I. Bass

VILLAGE CLERK

Beryl Herman

VILLAGE MANAGER

Timothy C. Wiberg



TRUSTEES

Ronald S. Cope
Jean Ikezoe-Halevi
Georjean Hlepas Nickell
Jesal B. Patel, Sr.
Jennifer G. Spino
Renan I. Sugarman

October 5, 2018

The Honorable Barry I. Bass, Village President
Members of the Board of Trustees and
Citizens of the Village of Lincolnwood
Village of Lincolnwood, Illinois

The Comprehensive Annual Financial Report (CAFR) of the Village of Lincolnwood, Illinois for the fiscal year ended April 30, 2018 is hereby respectfully submitted. The report consists of management's representations concerning the finances of the Village of Lincolnwood. Local ordinance and State Statute require the Village to issue an annual report on its financial condition and that the financial statements are audited by an independent firm of licensed certified public accountants. This CAFR complies with these requirements. The certified public accounting firm of Lauterbach & Amen, LLP was retained as auditors for fiscal year 2018. They have concluded that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the fiscal year ended April 30, 2018 are fairly presented in conformity with generally accepted accounting principles (GAAP). Their report is presented as the first component of the financial section of this report.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Village. All disclosures to enable the reader to gain an understanding of the Village's financial statements have been included. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed to protect the assets of the government from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village's financial statements in conformity with GAAP. The cost of internal controls should not outweigh their benefits. Therefore, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements shall be free from material misstatement.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to compliment the information presented here in conjunction with the additional information that is furnished in the MD&A. The Village's MD&A is located following the independent auditor's report.

VILLAGE OF LINCOLNWOOD PROFILE

The Village of Lincolnwood is a home-rule community as defined by the Illinois State Constitution of 1970 and was incorporated in 1911 as Village of Tessville, Illinois. In 1936, Tessville formally became the Village of Lincolnwood. Lincolnwood is a mature community that is home to approximately 12,600 culturally diverse citizens and located 10 miles northwest of downtown Chicago. The Village provides a complete variety of governmental services. Services include police and fire protection, repairs and maintenance of streets and infrastructure, garbage, yard-waste, and recycling services, property inspections and issuing of permits services, recreational and social services, water and sewer services, and other governmental services. The Village is financially responsible for the Lincolnwood Parks & Recreation Department and therefore has been included as an integral part of the basic financial statements of the Village. The Village operates a municipal water system that provides a reliable source of potable water purchased from the City of Chicago. The Lincolnwood School District # 74 and the Lincolnwood Library are independent legal entities, are not financially dependent on the Village, and are not included in this financial report.



TREE CITY USA



The Village operates under a Council/Manager form of government with the Village President and the Trustees elected at large serving staggering four-year terms. The Village Clerk is also elected. The Village Treasurer, the Village Manager and the Village Attorney are appointed by the Village Board of Trustees. The Village employs approximately 87 full time, 10 regular part-time, and 200 seasonal summer employees in the parks & recreation and public works departments. The Village's police officers are members of the Illinois Fraternal Order of Police (FOP) Labor Council/Lincolnwood Lodge #23 whose collective bargaining agreement expires April 30, 2020. The public works department employees of the Village are members of the Local #700 – Affiliated with the International Brotherhood of Teamsters whose collective bargaining agreement expires April 30, 2021. All other employees of the Village are not represented by any collective bargaining organization. Since 1990 the Village has contracted with Paramedic Services of Illinois (PSI) which provides fire protection and emergency medical services. The current six year contract with PSI will expire on May 1, 2022.

The Village staff prepares an annual operating budget by fund and department and presents the document to the Village Board for adoption. The budget serves as the foundation for the Village's financial planning and provides the operating tool that directs staffs' use of the Village's resources. The Village also adopts an annual appropriations ordinance as mandated by the Illinois Revised Statutes that provides the legal authority and limits for expenditures. Management may exceed budgeted amounts without formal approval of the Board of Trustees provided the amount expended for a budgeted purpose does not exceed the legally adopted appropriation for budgeted item. Budget-to-actual comparisons are presented in the CAFR.

RELEVANT FINANCIAL POLICES

There were no material changes to financial policies during the fiscal year ended April 30, 2018. During the review of the long range financial plan it was discussed that the Village Board would consider available alternate funding for capital improvement projects such as low interest state loans and increasing fund balance reserves to provide resources for capital projects.

SIGNIFICANT ACCOMPLISHMENTS

The Village staff, at the direction of the Village Board, has been involved in the planning and implementation of a number of major projects throughout last year and some will continue into next fiscal year. These projects reflect the Village's commitment to its citizens to ensure they are able to live and work in a desirable community environment. The most significant of these projects follow:

The Village continued the engineering and started construction on the overpass for the bike path on the Commonwealth Edison right-of-way. This project will be completed in the summer of 2018.

The Village completed construction of a new public parking lot in one of the Village's TIF district and also completed construction on the beautification of the medians on Lincoln Ave.

The Village replaced the playground equipment at Central Park as a continuing program to systematically update the various parks in the Village.

The Village started construction on the final phase of the Public Works yard expansion. This project will be completed in the next budget year.

The Village made final payments on the outstanding General Obligation Bonds of the Village during the year.

The Village received a grant for the funding for Phase 1 engineering to improve the flow of traffic at the intersection of Touhy and Cicero Avenues.

The Village completed a survey of residents regarding the services and programs the Village provides to determine future budget decisions and priorities.

FACTORS AFFECTING FINANCIAL CONDITION

The information as presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment from within which the Village operates.

Local Economy. The Village is influenced by a number of economic factors that directs its economy. The Village is recovering from the recent economic downturn at a slow pace that is also reflected in the State and Country economies. There are a number of economic factors that influence the economy of a specific community and various measures are used to gauge the economic outlook. Probably the four most notable and objective measurements are the level of retail sales, the employment level of the community, income levels in the community and the building activity. In Illinois, sales taxes are allocated based on the point-of-sale, which represents the sales in the community. Local sales tax receipts experienced an increase this year as auto sales helped to fuel the increase. The Village's portion of general sales tax receipts is based on a 1% tax rate. The State and County take the balance of 8% of the applicable sales tax rate. The sales tax receipts represent total retail sales of approximately \$478,398,000 for fiscal year 2018.

Lincolnwood's average unemployment rate has been consistently lower than the State average. Lincolnwood's median family income of \$79,142 as of the 2010 Census is approximately 20% higher than the median income for the State of Illinois. The Village's 2017 equalized assessed valuation (EAV) experienced a minimal increase from 2016.

Building activity increased in fiscal 2018 as a large assisted living project was completed. This growth could increase in future years due to the development of property in one of the Village's Tax Increment Financing (TIF) districts. The Village actively encourages economic development and the TIF redevelopment districts have served as catalysts for continued retail growth.

Long-Term Financial Planning. On a biennial basis the Village Board completes a strategic plan which is included in the annual budget and helps guide the development of this document. The Village is also in the process of reviewing long-range issues and the funding alternatives for major improvements to infrastructure and equipment replacement. The goal of the planning process is to put the Village on firm ground to provide for the planned major upgrades and the continued viability of the infrastructure network.

A tool in managing the long-range planning process of the Village is the Five-Year Capital Improvement Program. This plan outlines the major project improvements and capital expenditures of the Village over the next five years. Over the next five years (2019-2023), it is anticipated that the Village could expend approximately \$56,000,000 in water and sewer, flood control, street, public building, parks and recreation, equipment and other capital improvement projects. In adherence with Village financial policies, staff is constantly seeking public and private grants and other outside sources of revenues to fund these projects. Grants received during the fiscal year ended April 30, 2018 help fund park improvements.

Cash Management Policies and Practices. The Village's investment policy seeks to minimize credit and market risks to assure safety of principal while maintaining liquidity at a competitive yield. Investments are transacted under the "prudent person" standard with a safety, liquidity, yield, and legal priority covenant. At April 30, 2018 virtually all of the Village's deposits were insured or collateralized.

Cash which was temporarily idle during the year was invested as permitted by State statute. Short-term cash is placed in the State of Illinois investment pool (Illinois Funds). Cash invested for up to one year is invested in the Illinois Metropolitan Investment Fund (IMET) or at community banks in a secured certificate of deposit (CD). Village management continues to give priority to local financial institutions whenever possible when placing funds for investment. When placing available funds in CDs the rates are checked to assess which institution is giving the best rate of return at that time. We have seen the rates remain at the same low levels as experienced in the prior year. It is the Village's position that if banks in the community are competitive then investing locally will benefit all citizens and businesses.

Risk Management. The Village is a member of the Intergovernmental Risk Management Agency (IRMA) for virtually 100% of its property/casualty insurance needs. IRMA is an organization of local municipalities that administers a product of self-insurance and commercial insurance coverage. IRMA also provides property/casualty and workers' compensation claim/litigation management services, unemployment claim administration, risk management/loss control consulting and training programs, and a risk information system and financial reporting service for its members.

In addition, various control techniques including safety training for certain high-risk personnel (police, fire and public works) and other Village employees are in place to minimize accident related losses.

The Village is a member of a group of seven municipalities that self-insures the medical and dental benefits for all eligible employees. The Village contributes 85% and the employee contributes 15% of the premium to fund the program. Premiums costs have been stable over the last few years. The Village continuously reviews various programs to control these premiums.

Pension and Other Post-employment Benefits. The Village sponsors a single employer defined benefit pension plan for the police officers. The Lincolnwood Police Pension Fund is reviewed each year by the Illinois Department of Insurance and an independent actuary engaged by the Village. The Department of Insurance recommends the annual contribution that the Village must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired pensioners on a timely basis. As a matter of financial policy, the Village fully funds each year's annual required contribution to the plan as determined by the Fund's actuary. The unfunded liability is being systematically funded as part of the required annual contribution as calculated by the Fund's actuary. The Village's actuary has determined that, at April 30, 2018, the Lincolnwood Pension Fund has an actuarial accrued liability in excess of assets of \$26,853,440 and the funded ratio is 44.32%.

The Village also provides pension benefits for the non-public safety employees through the statewide plan managed by the Illinois Municipal Retirement Fund (IMRF). Benefit provisions and funding requirements are established by the Illinois State Statutes. Participating (employees) members are required to contribute 4.5% of their annual salary and the Village is required to contribute the remaining amounts necessary to fund the future pensions. The Village's contribution rate for the calendar year 2017 (fiscal year 2018) was 10.44% of the annual salary. The Village has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF.

Additional information on the Village's pension arrangements can be reviewed in Note 4 in the financial statements. The Fund's actuary has determined as of December 31, 2017 which is the latest available date, the Village has an actuarial accrued asset in excess of liabilities of \$709,063 and the funded ratio is 102.99%.

Further postemployment benefits are offered to retirees to remain in the Village's medical and dental insurance plan at the current group rates. At year end eleven retirees participated in this plan. Participants pay the entire cost of the premium. The Village incurs no current costs by offering this benefit; however, claims by the covered retirees may affect the Village's overall claim experience and thus affect future premiums. The Village has no post-employment benefit obligation at April 30, 2018.

Additional information on the Village's pension arrangements can be found in Note 4 in the financial statements.

LOCAL INITIATIVES

The Mayor, the Trustees and the staff realize that public service is our mission. To this end the Village has undertaken the following initiatives.

Human Services. The Village provides services that directly affect the personal well-being of our citizens. Under the auspices of human services the Village reaches out to those in need of beneficial intervention. A trained counseling professional provides a resource for all residents in need of family or individual counseling. Seniors receive support services such as blood pressure screening, change batteries in the smoke detectors, ambulance service to residents, a high speed emergency telephone notification system, and a refund of utility taxes to eligible citizens in financial need.

The Police Department through a contracted emergency communication center provides to all citizens a high speed emergency notification system. In case of an all-out emergency or catastrophe all citizens will be notified by telephone.

The Parks & Recreation Department facilitates the participation of children, teens, and adults with physical, mental, and emotional disabilities and their families through community recreation agencies. Without these agencies and programs many recreational opportunities would not be available to improve the quality of life for people with disabilities.

These services are provided by the Village free of charge or at a nominal fee to our citizens.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Lincolnwood for its comprehensive annual financial report for the fiscal year ended April 30, 2017. In order to receive this prestigious award, the Village published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

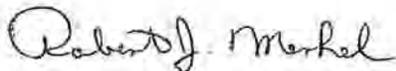
A Certificate of Achievement is valid for a period of one year. We believe that the current comprehensive annual financial report continues to meet the Program's requirements, and we will submit the current report to the GFOA for review to determine the eligibility for a continuing certificate.

ACKNOWLEDGEMENTS

The preparation of the comprehensive annual financial report could not have been accomplished without the efficient and dedicated services of the staff of the Finance Department.

I would like to also acknowledge the Mayor, the Board of Trustees, and the Village Manager for their leadership and support in planning and conducting the financial affairs of the Village in a responsible and progressive manner.

Respectfully submitted,



Robert J. Merkel
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Lincolnwood
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

October 5, 2018

The Honorable Village President
Members of the Board of Trustees
Village of Lincolnwood, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Lincolnwood, Illinois, as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the Village'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 principles 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. 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 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 Village'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 Village'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, each major fund, and the aggregate remaining fund information of the Village of Lincolnwood, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Lincolnwood, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the 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.


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF LINCOLNWOOD, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2018

The Village of Lincolnwood (the Village) Management Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Village's financial statements.

Financial Highlights

- The assets of the Village exceeded its liabilities/deferred inflows at the close of the most recent fiscal year by \$38,370,770 (*net position*).
- The Village's total net position increased by \$572,109. This reflects the excess of current revenues over current expenses offset by the systematic and planned consumption of the Village's capital assets that is quantified as depreciation expense. Total depreciation expense for the year was \$2,679,818.
- As of the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$17,101,452, a decrease of \$706,707 in comparison with the prior year. Of this amount, \$11,020,837 is available for spending at the Village's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance of the General Corporate Fund was \$11,083,853, or 52.5%, of total General Fund expenditures during the current year.
- The Village's total debt decreased by \$3,729,706 (10.7%) during the current fiscal year. This was mainly due to the decrease of \$2,155,300 in the net pension liabilities and the scheduled principal payments on bonds and loans payable totaling \$1,579,963.

USING THE FINANCIAL SECTION OF THE COMPREHENSIVE ANNUAL REPORT

The principal focus of local government financial statements in the past has been by fund type data. This method of presentation has been modified to present two differing views of the Village's financial statements. The new financial statements' focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the Village's accountability.

VILLAGE OF LINCOLNWOOD, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Government-Wide Financial Statements

The government-wide financial statements (see pages 3-6) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (see pages 3-4) is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 5-6) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including public safety (police and fire), public works, engineering, culture-recreation and administration. Property taxes, shared state sales and income, and local utility taxes finance the majority of these services. The Business-type Activities reflect private sector type operations (Water and Sewer), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than fund types.

The Governmental funds (see pages 7-12) are presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The Proprietary fund (Water and Sewer Fund) accounts for services that are generally fully supported by user fees (i.e. charges to customers). The Proprietary fund is presented on a total economic resources basis. Proprietary fund statements, like government-wide financial statements, provide both short- and long-term financial information.

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 13-16) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 9 and 12). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements).

The Fund Financial Statements allow the Village to address its Fiduciary fund (Police Pension Trust, see pages 17-18). While these funds represent trust responsibilities of the Village, these assets are restricted in purpose and do not represent discretionary assets of the general government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

Capital Assets

The new statement requires that these assets be valued and reported within the governmental column of the government-wide statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful life. If a road project is considered maintenance - a recurring cost that does not extend the road's original useful life or expand its capacity - the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The following table reflects the condensed Statement of Net Position:

**Table 1: Statement of Net Position
April 30, 2018 and 2017
(in millions)**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 23.7	\$ 25.1	\$ 2.6	\$ 2.3	\$ 26.3	\$ 27.4
Capital Assets	39.4	38.6	10.8	11.2	50.2	49.8
Total Assets	63.1	63.7	13.4	13.5	76.5	77.2
Deferred Outflows	3.6	4.5	0.1	0.1	3.7	4.6
Total Assets/Deferred Outflows	66.7	68.2	13.5	13.6	80.2	81.8
Current Liabilities	3.8	5.8	1.0	0.8	4.8	6.6
Long-Term Liabilities	27.6	29.0	3.3	4.1	30.9	33.1
Total Liabilities	31.4	34.8	4.3	4.9	35.7	39.7
Deferred Inflows	5.8	4.3	0.3	-	6.1	4.3
Total Liabilities/ Deferred Inflows	37.2	39.1	4.6	4.9	41.8	44.0
Net Position						
Net Investment in Capital Assets	39.0	37.3	7.0	6.8	46.0	44.1
Restricted	6.0	5.3	-	-	6.0	5.3
Unrestricted	(15.5)	(13.5)	1.9	1.9	(13.6)	(11.6)
Total Net Position	29.5	29.1	8.9	8.7	38.4	37.8

For more detailed information see the Statement of Net Position (pages 3-4).

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

The Village's had a deficit unrestricted net position which totaled a negative (36%) of its net position at April 30, 2018. Approximately 16% reflects net position restricted for economic development and highway and street purposes. The remaining 120% reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, and construction in progress), less any debt used to acquire those assets. The Village uses these capital assets to provide service to citizens; consequently, these assets are not available for spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities - which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital - which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital - which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt, which will not change the invested in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital - which will (a) reduce current assets and increase capital assets, and (b) will reduce unrestricted net position and increase invested in capital assets, net of debt.

Principal Payment on Debt - which will (a) reduce current assets and reduce long-term debt, and (b) reduce unrestricted net position and increase investment in capital assets, net of debt.

Reduction of Capital Assets through Depreciation - which will reduce capital assets and investment in capital assets, net of debt.

Current Year Impacts

The Village's combined net position for the primary government (which is the Village's bottom line) increased \$.7 million which was the result of the governmental activities net position increasing by \$.4 million and the business-type activities net position increasing by \$.3 million. The governmental activities accounted for 60% of the increase in the assets of the Village.

The Village has restricted net position of \$6 million which are used primarily for economic development and highway and street improvements. Certain resources (e.g. Special Revenue Funds and Debt Service Funds), are generally used only for the purpose restricted by the specific revenue source.

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

Changes in Net Position

The following table shows the revenue and expenses of the governmental and business-type activities for the current and prior year.

**Table 2: Statement of Changes in Net Position
Fiscal Years Ended April 30, 2018 and 2017
(in millions)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 3.4	\$ 4.4	\$ 4.7	\$ 4.8	\$ 8.1	\$ 9.2
Capital Grants	0.2	0.3	-	-	0.2	0.3
Operating Grants	0.1	0.2	-	-	0.1	0.2
General Revenues:						
Property Taxes	7.3	6.3	-	-	7.3	6.3
Sales, income, and use taxes	9.1	9.2	-	-	9.1	9.2
Other Taxes	2.6	2.6	-	-	2.6	2.6
Other	0.8	0.6	-	-	0.8	0.6
Total Revenues	<u>23.5</u>	<u>23.6</u>	<u>4.7</u>	<u>4.8</u>	<u>28.2</u>	<u>28.4</u>
EXPENSES						
General Government	5.2	9.2	-	-	5.2	9.2
Public Safety	12.0	9.8	-	-	12.0	9.8
Water and Sewer			4.3	4.5	4.3	4.5
Parks & Recreation	2.8	2.6	-	-	2.8	2.6
Interest Expense	-	0.1	-	-	-	0.1
Highways and Streets	1.4	2.7	-	-	1.4	2.7
Economic Development	0.9	1.0	-	-	0.9	1.0
Sanitation	1.0	1.0	-	-	1.0	1.0
Total Expenses	<u>23.3</u>	<u>26.4</u>	<u>4.3</u>	<u>4.5</u>	<u>27.6</u>	<u>30.9</u>
Change in Net Position before Transfers	0.2	(2.8)	0.4	0.3	0.6	(2.5)
Transfers	0.2	0.2	(0.2)	(0.2)	-	-
Change in Net Position	0.4	(2.6)	0.2	0.1	0.6	(2.5)
Net Position - Beginning	<u>29.1</u>	<u>31.7</u>	<u>8.7</u>	<u>8.6</u>	<u>37.8</u>	<u>40.3</u>
Net Position - Ending	<u>29.5</u>	<u>29.1</u>	<u>8.9</u>	<u>8.7</u>	<u>38.4</u>	<u>37.8</u>

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

There are eight basic impacts on revenues and expenses as reflected below.

Normal Impacts

Revenues:

Economic Condition - which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/Decrease in Village Approved Rates - While certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fees, building fees, etc.)

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) such as state-shared revenue, etc., may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

Market Impacts on Investment Income –The Village’s investment portfolio consists mainly of certificates of deposit and government securities. Market conditions may cause interest rates and investment income to fluctuate.

Expenses:

Introduction of New Programs - Within the functional expense categories (Public Safety, Public Works, General Government, etc.), individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel - Changes in service demand may cause the Village to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent about 40% of the Village's operating costs.

Salary Increases (annual adjustments/merit) - The ability to attract and retain (employees) resources requires the Village to strive to approach a competitive salary structure in the marketplace.

Inflation - While overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and repair parts. Some functions may experience commodity specific increases.

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

Current Year Impacts

Governmental Activities

Revenue:

For the fiscal year ended April 30, 2018, revenues from the governmental activities totaled \$23.5 million. Property tax revenue is the Village's largest revenue source, totaling \$7.3 million with sales tax revenues second at \$7.1 million. Sales tax receipts had a decrease of \$99,514 when compared to Fiscal 2017. The Village is still experiencing a slow recovery in consumer spending as seen in both our State and National economies. Property tax revenues and sales tax revenues combined with the local utility tax and shared state income tax and other tax revenues total \$19.0 million and represents 81% of the total Governmental Funds revenue. Investment income experienced an increase of \$49,495 due to rate increases the Village earned on the certificates of deposit and other investments.

Expenses:

For the fiscal year ended April 30, 2018, expenses for governmental activities totaled \$23.3 million, a decrease of \$3.1 million when compared to Fiscal 2017. This was due mainly to a surplus distribution from one of the Village's tax increment financing districts in Fiscal 2017.

The Village invested in capital assets during Fiscal 2018. This investment totaled \$2.7 million less the current year depreciation of \$1.9 million for a net increase in capital assets of \$.8 million.

It is important that the Village provide competitive compensation levels for our employees. Fiscal 2018 expenses included funding an average 2% increase for Village personnel along with increases in medical benefits. Spending on various programs and capital assets was done within the constraints of the availability of revenue received.

Business-type Activities

Revenue:

For the fiscal year ended April 30, 2018, revenues from the business-type activities totaled \$4.8 million. The major revenue source is Charges for Services to operate the Water and Sewer Fund. There was no change in the water rate charged to residents and businesses within the Village in Fiscal 2018.

Expenses:

For the fiscal year ended April 30, 2018, expenses for business-type activities totaled \$4.3 million, including depreciation and amortization of \$.7 million. Included therein was an operating transfer to the General Fund of \$.2 million for the reimbursement of administrative expenses.

The Water and Sewer Fund follows the same strict spending guidelines imposed on the Governmental Funds.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2018, the governmental funds (as presented on the income statement on page 11) reported a combined fund balance of \$17.1 million.

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

General Fund Budgetary Highlights

The 2018 fiscal year budget, as originally approved by the Village Board, was not amended during the current year. Below is a table that reflects the original and final budget and the actual for the revenues and expenditures for the General Fund.

**Table 3: General Fund Budgetary Highlights
(in millions)**

	Original/ Final Budget	Actual
Revenues		
Taxes	\$ 14.3	14.1
Intergovernmental	2.3	2.2
Other	4.1	4.1
Total	<u>20.7</u>	<u>20.4</u>
Expenditures	<u>21.4</u>	<u>21.1</u>
Excess of Revenues over Expenditures	<u>(0.7)</u>	<u>(0.7)</u>
Other Financing Sources		
Transfer In	0.3	0.3
Transfer Out	(1.1)	(1.1)
	<u>(0.8)</u>	<u>(0.8)</u>
Change in Fund Balance	<u><u>(1.5)</u></u>	<u><u>(1.5)</u></u>

The Fiscal 2018 General Fund approved budget was balanced with the use of \$1.5 million of excess fund balance. The actual results reflect a \$1,454,528 decrease in fund balance for the year ended April 30, 2018. Total revenues were \$.2 million (1%) less than the original budget amount, and actual expenditures were \$.3 million less than the budget amount. State sales and home rule sales taxes were \$352,599 less than budgeted while state income tax revenues were \$161,886 less than budgeted. The decrease in sales tax revenue reflects the slow growth that the national economy is experiencing. The income tax revenue is received from the state of Illinois based on a per capita basis. The expenditure budget variance was \$.3 million (1%) under budget. This was due a reduction of expenses in many of the Village departments. Transfers out to other funds were as budgeted as expenses in a capital projects fund were as projected.

Other Major Funds Highlights

The Village's major Tax Increment Financing (TIF) Fund experienced an increase of \$41,418 in fund balance for fiscal year ended April 30, 2018. The tax increment revenue received of \$1,358,932 was mainly used to pay debt service costs and construction costs on a public parking lot. Total expenditures and transfers were \$1,356,663 million for the fiscal year ended April 30, 2018.

The Motor Fuel Tax Fund had a \$290,845 increase in fund balance. The Village received a local distributive share of \$321,461 from the State of Illinois. The primary expenditures were for the replacement of streetlights in the Village and other street maintenance costs.

The Debt Service Fund had a minimal decrease in fund balance. Local taxes totaling \$480,792 were allocated to pay the current year's general bond obligations. Other funds transferred in totaled \$207,381 to pay loans for capital asset purchases and street improvements.

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

Capital Assets

At the end of Fiscal Year 2018, the Village had a combined total of capital assets of \$50.2 million invested in a broad range of capital assets including land, streets, sidewalks, alleys, buildings, vehicles, water mains, storm sewers and sanitary sewer lines. (See Table 4 below).

	Governmental Activities	Business-type Activities	Total
Land	\$ 10.9	0.1	11.0
Buildings	3.7	0.3	4.0
Improvements Other Than Buildings	6.0		6.0
Equipment	0.3	0.9	1.2
Vehicle	2.2		2.2
Waterworks System		9.5	9.5
Infrastructure	16.3	-	16.3
	<u>\$ 39.4</u>	<u>10.8</u>	<u>50.2</u>

More detailed information on capital asset activity can be found in Note 4 of the notes to the financial statements beginning on page 34.

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$ 38.6	11.2	49.8
Additions:			
Depreciable	2.7	0.3	3.0
Depreciation	(1.9)	(0.7)	(2.6)
Ending Balance	<u>\$ 39.4</u>	<u>10.8</u>	<u>50.2</u>

Debt Outstanding

The Village of Lincolnwood had total long-term debt and loans payable of \$31.1 million as of April 30, 2018. Long-term debt is comprised of general obligation debt, compensated absences to employees, net pension liabilities/(asset) and loans payable. The Village made payments totaling \$1,579,963 million of general obligation debt and loans payable while compensated absences decreased by \$30,065. In addition, the net pension liability/(asset) decreased by \$2,155,300 million.

**VILLAGE OF LINCOLNWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

The Village has a legal debt limitation not to exceed 8.625% of the total equalized assessed valuation of the taxable property with the Village boundaries. This means that the total of bonds, notes, warrants or any other type of general obligation issued or outstanding will not be greater than 8.625%. The following types of obligations are not considered in determining the debt limitations: certain revenue bonds, special assessment bonds, special service area bonds, and alternate revenue bonds.

At April 30, 2018, the Village had no outstanding general obligation bonds. Under current state statute, the Village's general obligation bonded debt issuances are subject to a legal limitation based on \$670,106,010 of total assessed value of real personal property. As of April 30, 2018, the Village's general obligation bonded debt legal limit was \$57,796,643.

As presented above, the Village is well within the existing debt levels and will continue to be so in the future.

Additional information on the Village's long-term bonded debt can be found in the Note 3 to the basic financial statements.

Economic Factors and Next Year's Budget

The Village continues to provide quality government services funded by a tax base that is basically residential. The local and national economies are still experiencing slow economic growth. The next few years will still continue to be challenging as the Village continues to balance expenditures with the slow growth in revenues while continuing to maintain the current services to our residents and businesses. The Village property tax, sales tax, local utility taxes and the Village's share of the state income tax make a majority of the portion of General Fund revenues. Most of these major revenue sources experienced minimal decreases from the prior year. We still expect revenues to remain in a modest growth pattern in the upcoming year as the global economy is still in a modest growth mode and the current State budget climate could affect certain Village revenue sources.

The Village is also continuing to look for economic development to generate additional sales and real estate tax revenues. There are various developments in the plans to begin in Fiscal 2019 for various sites in the Village, including the TIF districts.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Robert J. Merkel, Finance Director, Village of Lincolnwood, 6900 N. Lincoln Ave. Lincolnwood, IL 60712.

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Fund

Fiduciary Fund

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Net Position
April 30, 2018**

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 16,885,539	1,745,118	18,630,657
Receivables - Net of Allowances	5,846,095	646,194	6,492,289
Due from Other Governments	205,509	-	205,509
Prepays/Inventories	9	55,882	55,891
Total Current Assets	22,937,152	2,447,194	25,384,346
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	10,885,084	96,214	10,981,298
Depreciable Capital Assets	57,700,249	22,271,599	79,971,848
Accumulated Depreciation	(29,179,170)	(11,554,710)	(40,733,880)
Total Capital Assets	39,406,163	10,813,103	50,219,266
Other Assets			
Long-Term Notes Receivable	90,000	-	90,000
Net Pension Asset - IMRF	605,266	103,797	709,063
	695,266	103,797	799,063
Total Noncurrent Assets	40,101,429	10,916,900	51,018,329
Total Assets	63,038,581	13,364,094	76,402,675
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	713,430	122,346	835,776
Deferred Items - Police Pension	2,903,305	-	2,903,305
Total Deferred Outflows of Resources	3,616,735	122,346	3,739,081
Total Assets and Deferred Outflows of Resources	66,655,316	13,486,440	80,141,756

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

	Governmental Activities	Business- Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,881,045	305,884	2,186,929
Accrued Payroll	197,089	15,649	212,738
Deposits Payable	50,658	-	50,658
Other Payables	1,288,026	-	1,288,026
Current Portion of Long-Term Debt			
Compensated Absences Payable	140,911	16,496	157,407
Loans Payable	222,897	631,132	854,029
Total Current Liabilities	<u>3,780,626</u>	<u>969,161</u>	<u>4,749,787</u>
Noncurrent Liabilities			
Compensated Absences Payable	563,642	65,984	629,626
Net Pension Liability - Police Pension	26,853,440	-	26,853,440
Loans Payable	137,500	3,196,982	3,334,482
Total Noncurrent Liabilities	<u>27,554,582</u>	<u>3,262,966</u>	<u>30,817,548</u>
Total Liabilities	<u>31,335,208</u>	<u>4,232,127</u>	<u>35,567,335</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	2,183,817	374,502	2,558,319
Deferred Items - Police Pension	1,136,450	-	1,136,450
Property Taxes	2,508,882	-	2,508,882
Total Deferred Inflows of Resources	<u>5,829,149</u>	<u>374,502</u>	<u>6,203,651</u>
Total Liabilities and Deferred Inflows of Resources	<u>37,164,357</u>	<u>4,606,629</u>	<u>41,770,986</u>
NET POSITION			
Net Investment in Capital Assets	39,045,766	6,984,989	46,030,755
Restricted - Police Forfeiture	79,149	-	79,149
Restricted - Economic Development	1,791,491	-	1,791,491
Restricted - Debt Service	9,800	-	9,800
Restricted - Street and Street Light Maintenance and Replacement	3,783,814	-	3,783,814
Restricted - Transportation Improvement	91,446	-	91,446
Restricted - Devon/Lincoln Tax Increment Financing	106,591	-	106,591
Restricted - Capital Projects	128,315	-	128,315
Unrestricted (Deficit)	<u>(15,545,413)</u>	<u>1,894,822</u>	<u>(13,650,591)</u>
Total Net Position	<u>29,490,959</u>	<u>8,879,811</u>	<u>38,370,770</u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Activities
For the Fiscal Year Ended April 30, 2018**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Primary Government				
Governmental Activities				
General Government	\$ 5,250,954	345,796	59,333	-
Public Safety	11,977,119	1,616,347	4,900	-
Highways and Streets	1,378,411	-	-	205,509
Sanitation	1,013,787	-	-	-
Economic Development	925,780	-	-	-
Culture and Recreation	2,779,123	1,479,765	-	-
Interest Expense	9,601	-	-	-
Total Governmental Activities	23,334,775	3,441,908	64,233	205,509
Business-Type Activities				
Water and Sewer	4,337,874	4,747,808	-	-
Total Primary Government	27,672,649	8,189,716	64,233	205,509

General Revenues
 Taxes
 Property Taxes
 Food and Beverage Taxes
 Utility Taxes
 Other Taxes
 Intergovernmental - Unrestricted
 Sales Taxes
 Income Taxes
 Replacement Taxes
 Use Taxes
 Motor Fuel Taxes
 Investment Income
 Miscellaneous
 Internal Activity - Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(4,845,825)	-	(4,845,825)
(10,355,872)	-	(10,355,872)
(1,172,902)	-	(1,172,902)
(1,013,787)	-	(1,013,787)
(925,780)	-	(925,780)
(1,299,358)	-	(1,299,358)
(9,601)	-	(9,601)
(19,623,125)	-	(19,623,125)
-	409,934	409,934
(19,623,125)	409,934	(19,213,191)
7,289,454	-	7,289,454
494,143	-	494,143
1,281,939	-	1,281,939
894,968	-	894,968
7,132,493	-	7,132,493
1,138,114	-	1,138,114
135,142	-	135,142
329,577	-	329,577
321,461	-	321,461
388,573	1,113	389,686
368,323	10,000	378,323
200,000	(200,000)	-
19,974,187	(188,887)	19,785,300
351,062	221,047	572,109
29,139,897	8,658,764	37,798,661
29,490,959	8,879,811	38,370,770

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2018

	<u>General</u>
ASSETS	
Cash and Investments	\$ 10,575,994
Receivables	
Property Taxes	2,559,293
Other Taxes	2,217,074
Accounts	867,468
Due from Other Governments	-
Due from Other Funds	301,996
Long-Term Notes Receivable	90,000
Prepays	<u>9</u>
Total Assets	<u><u>16,611,834</u></u>
LIABILITIES	
Accounts Payable	1,218,251
Accrued Payroll	197,089
Deposits Payable	50,658
Due to Other Funds	95,917
Other Payables	<u>1,288,026</u>
Total Liabilities	2,849,941
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>2,508,882</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>5,358,823</u></u>
FUND BALANCES	
Nonspendable	90,009
Restricted	79,149
Unassigned	<u>11,083,853</u>
Total Fund Balances	<u><u>11,253,011</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>16,611,834</u></u>

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

<u>Special Revenue</u>				
Northeast Industrial District Tax Increment Financing	Motor Fuel Tax	Debt Service	Nonmajor	Totals
1,767,103	3,827,801	9,800	704,841	16,885,539
108,272	-	-	8,012	2,675,577
-	-	-	-	2,217,074
-	28,822	-	57,154	953,444
-	-	-	205,509	205,509
-	-	-	-	301,996
-	-	-	-	90,000
-	-	-	-	9
<u>1,875,375</u>	<u>3,856,623</u>	<u>9,800</u>	<u>975,516</u>	<u>23,329,148</u>
83,884	72,809	-	410,184	1,785,128
-	-	-	-	197,089
-	-	-	-	50,658
-	-	-	301,996	397,913
-	-	-	-	1,288,026
<u>83,884</u>	<u>72,809</u>	<u>-</u>	<u>712,180</u>	<u>3,718,814</u>
-	-	-	-	2,508,882
<u>83,884</u>	<u>72,809</u>	<u>-</u>	<u>712,180</u>	<u>6,227,696</u>
-	-	-	-	90,009
1,791,491	3,783,814	9,800	326,352	5,990,606
-	-	-	(63,016)	11,020,837
<u>1,791,491</u>	<u>3,783,814</u>	<u>9,800</u>	<u>263,336</u>	<u>17,101,452</u>
<u>1,875,375</u>	<u>3,856,623</u>	<u>9,800</u>	<u>975,516</u>	<u>23,329,148</u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

April 30, 2018

Total Governmental Fund Balances \$ 17,101,452

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

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds. 39,406,163

A net pension asset is not considered to represent a financial resource and
therefore is not reported in the funds. 605,266

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

Deferred Items - IMRF	(1,470,387)
Deferred Items - Police Pension	1,766,855

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Compensated Absences Payable	(704,553)
Net Pension Liability - Police Pension	(26,853,440)
Loan Payable	<u>(360,397)</u>

Net Position of Governmental Activities 29,490,959

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2018**

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2018

	<u>General</u>
Revenues	
Taxes	\$ 8,081,225
Charges for Services	2,043,913
Licenses and Permits	1,095,771
Intergovernmental	8,259,434
Fines and Forfeits	302,224
Investment Income	326,674
Miscellaneous	330,737
Total Revenues	<u>20,439,978</u>
Expenditures	
Current	
General Government	3,740,336
Public Safety	11,153,292
Highways and Streets	1,215,465
Sanitation	1,013,787
Economic Development	925,780
Culture and Recreation	2,280,734
Capital Outlay	812,579
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>21,141,973</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(701,995)</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	56,900
Transfers In	330,000
Transfers Out	<u>(1,139,433)</u>
	<u>(752,533)</u>
Net Change in Fund Balances	(1,454,528)
Fund Balances - Beginning	<u>12,707,539</u>
Fund Balances - Ending	<u><u>11,253,011</u></u>

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

Special Revenue				
Northeast Industrial District Tax Increment Financing	Motor Fuel Tax	Debt Service	Nonmajor	Totals
1,358,932	-	-	520,347	9,960,504
-	-	-	-	2,043,913
-	-	-	-	1,095,771
22,277	321,461	480,792	242,565	9,326,529
-	-	-	-	302,224
10,872	43,918	-	7,109	388,573
-	-	-	37,586	368,323
1,392,081	365,379	480,792	807,607	23,485,837
67,727	-	-	81,609	3,889,672
-	-	-	-	11,153,292
-	71,534	-	24,145	1,311,144
-	-	-	-	1,013,787
-	-	-	-	925,780
-	-	-	-	2,280,734
663,098	-	-	1,392,876	2,868,553
307,500	3,000	679,881	-	990,381
6,338	-	9,763	-	16,101
1,044,663	74,534	689,644	1,498,630	24,449,444
347,418	290,845	(208,852)	(691,023)	(963,607)
-	-	-	-	56,900
-	-	207,381	1,302,933	1,840,314
(306,000)	-	-	(194,881)	(1,640,314)
(306,000)	-	207,381	1,108,052	256,900
41,418	290,845	(1,471)	417,029	(706,707)
1,750,073	3,492,969	11,271	(153,693)	17,808,159
1,791,491	3,783,814	9,800	263,336	17,101,452

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

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

For the Fiscal Year Ended April 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (706,707)

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

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

Capital Outlays	2,746,939
Depreciation Expense	(1,965,444)
Disposals - Cost	(40,263)
Disposals - Accumulated Depreciation	40,263

The net effect of deferred outflows (inflows) of resources related to the pensions
not reported in the funds.

Change in Deferred Items - IMRF	(2,421,651)
Change in Deferred Items - Police Pension	(91,000)

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

Deductions to Net Pension Liability/(Asset) - IMRF	2,532,759
Deductions in Net Pension Liability - Police Pension	(791,492)
Deductions to Compensated Absences Payable	50,777
Retirement of Debt	990,381

Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

6,500

Changes in Net Position of Governmental Activities

351,062

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Statement of Net Position - Proprietary Fund (Business-Type Activities)

April 30, 2018

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

Statement of Net Position - Proprietary Fund (Business-Type Activities)

April 30, 2018

	<u>Water and Sewer</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 1,745,118
Receivables - Net of Allowances Accounts	646,194
Inventories	<u>55,882</u>
Total Current Assets	<u>2,447,194</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	96,214
Depreciable Capital Assets	22,271,599
Accumulated Depreciation	<u>(11,554,710)</u>
	10,813,103
Other Assets	
Net Pension Asset - IMRF	<u>103,797</u>
Total Noncurrent Assets	<u>10,916,900</u>
Total Assets	13,364,094
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>122,346</u>
Total Assets and Deferred Outflows of Resources	<u>13,486,440</u>

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

	<u>Water and Sewer</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 305,884
Accrued Payroll	15,649
Compensated Absences Payable	16,496
Loans Payable	<u>631,132</u>
Total Current Liabilities	<u>969,161</u>
Noncurrent Liabilities	
Compensated Absences Payable	65,984
Loans Payable	<u>3,196,982</u>
Total Noncurrent Liabilities	<u>3,262,966</u>
Total Liabilities	4,232,127
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>374,502</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,606,629</u>
NET POSITION	
Net Investment in Capital Assets	6,984,989
Unrestricted	<u>1,894,822</u>
Total Net Position	<u><u>8,879,811</u></u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Fund (Business-Type Activities)
For the Fiscal Year Ended April 30, 2018

	<u>Water and Sewer</u>
Operating Revenues	
Charges for Services	\$ 4,692,877
Fines and Forfeitures	54,931
Total Operating Revenues	<u>4,747,808</u>
Operating Expenses	
Cost of Sales and Services	3,530,807
Depreciation	714,374
Total Operating Expenses	<u>4,245,181</u>
Operating Income	<u>502,627</u>
Nonoperating Revenues (Expenses)	
Interest Income	1,113
Other Income	10,000
Interest and Fiscal Charges	<u>(92,693)</u>
	<u>(81,580)</u>
Income Before Transfers	421,047
Transfers Out	<u>(200,000)</u>
Change in Net Position	221,047
Net Position - Beginning	<u>8,658,764</u>
Net Position - Ending	<u><u>8,879,811</u></u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Cash Flows - Proprietary Fund (Business Type Activities)
For the Fiscal Year Ended April 30, 2018**

	<u>Water and Sewer</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 4,767,830
Payments to Employees	(634,377)
Payments to Suppliers	(2,768,731)
	<u>1,364,722</u>
Cash Flows from Noncapital Financing Activities	
Transfers Out	<u>(200,000)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(352,966)
Interest and Fiscal Charges	(92,693)
Issuance of Loan Payabl	35,622
Payment of Bond Principal	(589,582)
	<u>(999,619)</u>
Cash Flows from Investing Activities	
Interest Received	<u>1,113</u>
Net Change in Cash and Cash Equivalents	166,216
Cash and Cash Equivalents - Beginning of Year	<u>1,578,902</u>
Cash and Cash Equivalents - End of Year	<u><u>1,745,118</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	<u>502,627</u>
Adjustments to Reconcile Operating	
Income to Net Income to Net Cash	
Provided by (Used In) Operating Activities:	
Depreciation and Amortization Expense	714,374
Other Income (Expense)	(2,202)
(Increase) Decrease in Current Assets	22,224
Increase (Decrease) in Current Liabilities	<u>127,699</u>
Net Cash Provided by Operating Activities	<u><u>1,364,722</u></u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Fiduciary Net Position
April 30, 2018**

	<u>Police Pension</u>
ASSETS	
Cash and Cash Equivalents	\$ 870,361
Investments	
U.S. Government	2,846,662
U.S. Agency	123,098
Corporate Bonds	5,296,997
Equity Mutual Funds	12,085,812
Illinois Funds	1,498
Accrued Interest	56,330
Due from Other Funds	<u>95,917</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>21,376,675</u></u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2018**

	<u>Police Pension</u>
Additions	
Contributions - Employer	\$ 2,195,470
Contributions - Plan Members	<u>269,354</u>
Total Contributions	<u>2,464,824</u>
Investment Income	
Interest Earned	701,310
Net Change in Fair Value	<u>711,629</u>
	1,412,939
Less Investment Expenses	<u>(48,011)</u>
Net Investment Income	<u>1,364,928</u>
Total Additions	<u>3,829,752</u>
Deductions	
Administration	28,400
Benefits and Refunds	<u>2,607,851</u>
Total Deductions	<u>2,636,251</u>
Change in Fiduciary Net Position	1,193,501
Net Position - Beginning	<u>20,183,174</u>
Net Position - Ending	<u><u>21,376,675</u></u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Lincolnwood (Village), Illinois, is a municipal corporation, organized with powers and authorities as established in the Illinois Municipal code (Chapter 65 of the Illinois Compiled Statutes), as is governed by an elected Village President and six-member Board of Trustees.

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

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Lincolnwood
---------------------	------------------------

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

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board.

The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

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

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

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

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.). The Village allocates indirect costs to the proprietary funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid through the General Fund. This government-wide focus concentrates on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

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

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

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

Governmental Funds

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Governmental Funds – Continued

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains two major special revenue funds, the Northeast Industrial District Tax Increment Financing Fund and the Motor Tax Fuel Fund. The Northeast Industrial District Tax Increment Financing Fund is used to account for resources (restricted real estate taxes) received and expenditures made to promote the objectives of the TIF District. The Motor Tax Fuel Fund is used to account for resources (restricted motor fuel taxes) to maintain traffic signal lighting in the Village and for services performed by the Village for upkeep of IDOT street within the Village limits. The Village maintains four nonmajor special revenue funds. The E-911 Fund was closed into the General Fund at the end of the fiscal year.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains four nonmajor capital projects funds.

Proprietary Funds

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

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund, the Water and Sewer Fund, which is used to account for resources to maintain the Village's water distribution system and combined storm/sanitary sewer system.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Governmental Funds – Continued

Fiduciary Funds

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

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund is used to account for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. Financing is provided by employee contributions, the Village's contribution and investment income.

Since by definition the assets of the Village's fiduciary fund are being held for the benefit of a third party (other pension participants) and cannot be used to address activities or obligations of the Village, this fund is not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

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

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

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

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Cash and Investments

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

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

Prepays/Inventories

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

Interfund Receivables, Payables and Activity

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

Receivables

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets

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

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

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

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

Parks and Improvements	10 - 25 Years
Buildings	35 Years
Equipment and Furniture	5 - 30 Years
Vehicles and Heavy Equipment	5 - 30 Years
Streets, Sidewalks and Alleys	30 Years
Waterworks System	30 Years

Compensated Absences

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Deferred Outflows/Inflows of Resources

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

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. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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

Net Position

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

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

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

All departments of the Village submit requests for appropriation to the Village Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Annual appropriated budgets are adopted the for general, special revenue, debt service, capital projects, enterprise and pension trust funds.

Budgets are adopted on a basis consistent with generally accepted accounting principles except of the Water and Sewer Fund. The Water and Sewer Fund is adopted on a modified basis in that depreciation is not budgeted and capital outlay and debt principal retirements, if any, are budgeted. The Village did not budget for the Lincoln/Touhy Tax Increment Financing Fund.

The proposed budget is presented to the governing body for review. The governing body hold public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. The finance director is authorized to transfer budgeted amounts between departments within any fund; however, the governing body must approve any revisions that alter the total expenditures of any fund.

The budget may be amended by the governing body but was not amended during the year.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Lincoln Avenue Medians	\$ 69,683

DEFICIT FUND EQUITY

The following funds had deficit fund equity as of the date of this report:

Fund	Deficit
Lincoln/Touhy Tax Increment Financing	\$ 63,016

The deficit in the Lincoln/Touhy Tax Increment Financing Fund will be retired when the Districts start to receive the tax increment from the increase in the assessed valuation of the TIF Districts.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

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

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$9,628,163 and the bank balances totaled \$10,374,395. The Village also has \$8,103,367 invested in the Illinois Funds and \$899,127 invested in IMET, which have an average maturity of less than one year to three years and are measured at the net asset value per share determined by the pool.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy limits its exposure to interest rate risk by primarily investing in investment with maturities of one year or less, except for US. government and agencies obligations.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village limits its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Village's policy prescribes to the "prudent person" rule which states, "All investments shall be made with sound judgment and extraordinary care by persons of prudence, discretion, and intelligence. The primary objectives of the investment policy shall be safety, liquidity, and return on investment (yield). At year-end, the Village's investment in the Illinois Funds was rated AAAM by Standard & Poor's. The Illinois Metropolitan Investment Trust Convenience Fund is not rated and the Illinois Metropolitan Investment Trust 1-3 Year Fund is rated Aaa by Moody's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy does not mitigate custodial credit risk. The Village's investment in the Illinois Funds and IMET are noncategorizable. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not mitigate custodial credit risk for investments. The investments in the Illinois Fund and IMET are not subject to custodial credit risk.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy does not address concentration risk. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$870,361 and the bank balances totaled \$870,361.

Investments. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 2,846,662	-	1,473,511	1,373,151	-
U.S. Agencies	123,098	-	123,098	-	-
Corporate Bonds	5,296,997	1,630,779	3,477,524	188,694	-
Illinois Funds	1,498	1,498	-	-	-
	<u>8,268,255</u>	<u>1,632,277</u>	<u>5,074,133</u>	<u>1,561,845</u>	<u>-</u>

The Fund has the following recurring fair value measurements as of April 30, 2018:

Investments by Fair Value Level	Totals	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 2,846,662	2,846,662	-	-
U.S. Agencies	123,098	-	123,098	-
Corporate Bonds	5,296,997	-	5,296,997	-
Equity Securities				
Mutual Funds	12,085,812	12,085,812	-	-
Total Investments by Fair Value Level	20,352,569	14,932,474	5,420,095	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	1,498			
Total Investments Measured at Fair Value	<u>20,354,067</u>			

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

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

Interest Rate Risk. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonable anticipated operating requirements while providing a reasonable rate to return based on the current market.

Credit Risk. The Fund limits its exposure to credit risk by primarily investing in U.S. Treasury Obligations and other obligations which are rated AA or better by a national rating agency. At year-end, the Fund's investments in U.S. Agency securities were rated Aaa by Moody's or not available, Corporate Bonds were rated Aaa to Baa2 by Moody's and Illinois Funds was rated AAAM by Standard & Poor's.

Custodial Credit Risk. The Fund's investment policy does not mitigate custodial credit risk for deposits. At year-end \$530,161 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance.

In the case of investments, the Fund limits its exposure to custodial credit risk, the investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by a third-party custodian and evidenced by safekeeping receipts. The investment in the Illinois Funds is not subject to custodial credit risk.

Concentration Risk. The Fund's investment policy requires diversification of investment to avoid unreasonable risk. No financial institution, except any securities custodians of the Fund, shall hold more than 10% of the Fund's portfolio at any time. In addition to the securities and fair values listed above, the Fund also has \$12,085,812 invested in mutual funds. At year-end, the Fund does not have any investments over 5 percent of the net plan assets available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

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

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	40.70%	1.70% - 5.40%
Domestic Equities	50.60%	8.20% - 10.60%
International Equities	8.40%	6.80% - 10.10%
Cash and Cash Equivalents	0.30%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2018 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2018 are listed in the table above.

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 8.10%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2017 tax levy attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and November 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 10,885,084	-	-	10,885,084
Depreciable Capital Assets				
Parks and Improvements	11,815,167	771,444	-	12,586,611
Buildings	10,424,071	69,750	-	10,493,821
Equipment and Furniture	2,133,129	-	-	2,133,129
Vehicles and Heavy Equipment	4,822,450	446,331	40,263	5,228,518
Streets, Sidewalks and Alleys	25,798,756	1,459,414	-	27,258,170
	<u>54,993,573</u>	<u>2,746,939</u>	<u>40,263</u>	<u>57,700,249</u>
Less Accumulated Depreciation				
Parks and Improvements	6,155,841	460,368	-	6,616,209
Buildings	6,481,781	299,738	-	6,781,519
Equipment and Furniture	1,643,807	99,477	-	1,743,284
Vehicles and Heavy Equipment	2,817,081	271,676	40,263	3,048,494
Streets, Sidewalks and Alleys	10,155,479	834,185	-	10,989,664
	<u>27,253,989</u>	<u>1,965,444</u>	<u>40,263</u>	<u>29,179,170</u>
Total Net Depreciable Capital Assets	<u>27,739,584</u>	<u>781,495</u>	<u>-</u>	<u>28,521,079</u>
Total Net Capital Assets	<u>38,624,668</u>	<u>781,495</u>	<u>-</u>	<u>39,406,163</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Governmental Activities – Continued

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 1,155,780
Public Safety	244,008
Highways and Streets	67,267
Culture and Recreation	498,389
	<u>1,965,444</u>

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 96,214	-	-	96,214
Depreciable Capital Assets				
Buildings and Structures	692,615	-	-	692,615
Waterworks System	19,697,606	153,839	-	19,851,445
Equipment and Vehicles	1,528,412	199,127	-	1,727,539
	<u>21,918,633</u>	<u>352,966</u>	-	<u>22,271,599</u>
Less Accumulated Depreciation				
Buildings and Structures	357,131	28,944	-	386,075
Waterworks System	9,770,083	593,403	-	10,363,486
Equipment and Vehicles	713,122	92,027	-	805,149
	<u>10,840,336</u>	<u>714,374</u>	-	<u>11,554,710</u>
Total Net Depreciable Capital Assets	<u>11,078,297</u>	<u>(361,408)</u>	-	<u>10,716,889</u>
Total Net Capital Assets	<u>11,174,511</u>	<u>(361,408)</u>	-	<u>10,813,103</u>

Depreciation expense was charged to the business-type activities as follows:

Water and Sewer	<u>\$ 714,374</u>
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VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

The composition of interfund balances as of the date of this report is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 301,996
Police Pension	General	<u>95,917</u>
		<u><u>397,913</u></u>

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Northeast Industrial District Tax Increment Financing	\$ 130,000 (1)
General	Water and Sewer	200,000 (1)
Debt Service	General	12,500 (2)
Debt Service	Nonmajor Governmental	194,881 (2)
Nonmajor Governmental	General	1,126,933 (3)
Nonmajor Governmental	Northeast Industrial District Tax Increment Financing	176,000 (1)
		<u><u>1,840,314</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Loans Payable

Loans payable are utilized to acquire capital equipment. Loans payable currently outstanding are as follows:

Issue	Fund Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Finance Authority Loan Payable of 2009 due in annual payments of \$12,500, non-interest bearing through May 9, 2029.	Debt Service	\$ 162,500	-	12,500	150,000
Cook County Intergovernmental Agreement of 2014 due in annual payments of \$500,000 to \$546,834, non-interest bearing through May 1, 2018.	Debt Service	383,077	-	194,881	188,196
	Motor Fuel Tax	25,201	-	3,000	22,201
	Water and Sewer	602,934	35,622	302,119	336,437
		<u>1,173,712</u>	<u>35,622</u>	<u>512,500</u>	<u>696,834</u>

General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Fund Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Refunding Bonds of 2011A - Due in annual installments of \$365,000 to \$410,000 plus interest at 2.00%, through December 1, 2017.	Northeast Industrial District TIF	\$ 307,500	-	307,500	-
	Debt Service	102,500	-	102,500	-

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Fund Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Refunding Bonds of 2011B - Due in annual installments of \$325,000 to \$370,000 plus interest at 2.00%, through December 1, 2017.	Debt Service	\$ 370,000	-	370,000	-
		<u>780,000</u>	<u>-</u>	<u>780,000</u>	<u>-</u>

Illinois Environmental Protection Agency (IEPA) Loans Payable

The Village has entered into loan agreements with the IEPA to provide low interest financing for water and sewer improvements. IEPA loans currently outstanding are as follows:

Issue	Fund Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Water Pollution Control Revolving Fund Loan Payable of 2008 due in semi-annual payments of \$87,660 to \$187,731, plus interest at 2.5% through June 17, 2028.	Water and Sewer	\$ 3,779,140	-	287,463	3,491,677

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 755,330	248,365	299,142	704,553	140,911
Net Pension Liability/(Asset) - IMRF	1,927,493	-	2,532,759	(605,266)	-
Net Pension Liability - Police Pension	26,061,948	791,492	-	26,853,440	-
Loans Payable	570,778	-	210,381	360,397	222,897
General Obligation Bonds Payable	780,000	-	780,000	-	-
	<u>30,095,549</u>	<u>1,039,857</u>	<u>3,822,282</u>	<u>27,313,124</u>	<u>363,808</u>
Business-Type Activities					
Compensated Absences	61,768	33,066	12,354	82,480	16,496
Net Pension Liability/(Asset) - IMRF	310,236	-	414,033	(103,797)	-
Loans Payable	602,934	35,622	302,119	336,437	336,437
IEPA Loans Payable	3,779,140	-	287,463	3,491,677	294,695
	<u>4,754,078</u>	<u>68,688</u>	<u>1,015,969</u>	<u>3,806,797</u>	<u>647,628</u>

For governmental activities, the General Fund makes payments on the compensated absences and the net pension liability/(asset). Payments on the loans payable are being made by the Debt Service Fund, and Motor Fuel Tax Fund. The Northeast Industrial District TIF and the Debt Service Funds make payments on the general obligation bonds payable.

For business-type activities, the Water and Sewer Fund makes payments on the compensated absences, the net pension liability/(asset), the loans payable and the IEPA loans payable.

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities		Business-Type Activities	
	Loans Payable	Loans Payable	IEPA Loans Payable	
	Principal	Principal	Principal	Interest
2019	\$ 222,897	336,437	294,695	85,461
2020	12,500	-	302,108	78,048
2021	12,500	-	309,708	70,448
2022	12,500	-	317,500	62,656
2023	12,500	-	325,486	54,670
2024	12,500	-	333,674	46,482
2025	12,500	-	342,068	38,088
2026	12,500	-	350,673	29,482
2027	12,500	-	359,495	20,661
2028	12,500	-	368,539	11,617
2029	12,500	-	187,731	2,347
2030	12,500	-	-	-
Totals	<u>360,397</u>	<u>336,437</u>	<u>3,491,677</u>	<u>499,960</u>

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2017	<u>\$ 670,106,010</u>
Legal Debt Limit - 8.625% of Assessed Value	57,796,643
Amount of Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>57,796,643</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE CLASSIFICATIONS

Fund Balance Classifications

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

	General	Special Revenue			Nonmajor	Totals
		District Tax Increment Financing	Motor Fuel Tax	Debt Service		
Fund Balances						
Nonspendable						
Notes Receivable	\$ 90,000	-	-	-	-	90,000
Prepays	9	-	-	-	-	9
	<u>90,009</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,009</u>
Restricted						
Police Forfeiture	79,149	-	-	-	-	79,149
Economic Development	-	1,791,491	-	-	106,591	1,898,082
Debt Service	-	-	-	9,800	-	9,800
Street and Streetlight Maintenance and Replacement	-	-	3,783,814	-	-	3,783,814
Transportation Improvements	-	-	-	-	91,446	91,446
Capital Projects	-	-	-	-	128,315	128,315
	<u>79,149</u>	<u>1,791,491</u>	<u>3,783,814</u>	<u>9,800</u>	<u>326,352</u>	<u>5,990,606</u>
Unassigned	<u>11,083,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,016)</u>	<u>11,020,837</u>
Total Fund Balances	<u>11,253,011</u>	<u>1,791,491</u>	<u>3,783,814</u>	<u>9,800</u>	<u>263,336</u>	<u>17,101,452</u>

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE CLASSIFICATIONS – Continued

Fund Balance Classifications – Continued

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

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

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

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

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

Minimum Fund Balance Policy. The Villages policy manual states that the General Fund should maintain a minimum unrestricted fund balance equal 25 to 35 percent of actual expenditures. Fund balances in excess of said levels may be used for the purchase of new or replacement capital equipment and capital expenditures.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE CLASSIFICATIONS – Continued

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2018:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 39,406,163
Less Capital Related Debt:	
Illinois Finance Authority Loan Payable of 2009	(150,000)
Cook County Intergovernmental Agreement of 2014	<u>(210,397)</u>
Net Investment in Capital Assets	<u>39,045,766</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	10,813,103
Less Capital Related Debt:	
Cook County Intergovernmental Agreement of 2014	(336,437)
IEPA Loan Payable of 2008	<u>(3,491,677)</u>
Net Investment in Capital Assets	<u>6,984,989</u>

NOTE 4 – OTHER INFORMATION

CONTINGENT LIABILITIES

Litigation

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

Grants

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Solid Waste Agency of Northern Cook County (SWANCC)

The Village's contract with the Solid Waste Agency of Northern Cook County (SWANCC) provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks are provided for through participation in the public entity risk pool Intergovernmental Risk Management Agency (IRMA). Settled claims from these risks have not exceeded the pool's limit of coverage in any year since the Village became a member in 1989. The Village retains the risk on the first \$10,000 loss per occurrence, and also for losses above the pool's \$10,000,000 coverage limit. At fiscal year end, the Village determined there were no probable unpaid claims for which it retained risk, and, as such, did not record a claims liability.

Intergovernmental Risk Management Agency (IRMA)

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

The Village's payments to IRMA are displayed on the financial statements as expenses in the Liability Insurance Fund. Each member assumes the first \$10,000 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts about that level. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

North Suburban Employee's Benefit Cooperative

The Village participates in the North Suburban Employee's Benefit Cooperative (NSEBC), an agency of governmental entities created to finance and administer medical and dental care benefits to employees of its member organizations. Each municipality appoints one representative to serve on the Board of Directors. The Board determines the general policies, which includes approval of the annual budget. Members are contractually obligated to make all monthly payments and to fund any deficit upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Board. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years. The Village reports insurance activities within the General Fund. The Village's total payments for the year ended April 30, 2018 were \$1,118,439.

COMMITMENTS

Intergovernmental Agreement

Under an Intergovernmental Agreement entered into in September of 1997, the Village agreed to provide a development benefit from the Northeast Industrial TIF District to the Lincolnwood Elementary School District #74. The benefit paid is attributable to any revenues received by the Village for any new development occurring within the Northeast Industrial TIF District. The payment, if applicable, is made each year until the TIF District closes and there is no limit to the amount paid to the School District. There was no payment due for the year ended April 30, 2018 as the School District received a surplus distribution from the TIF District. The surplus distribution was used to offset the current development benefit owed to the School District per the terms of the Intergovernmental Agreement.

Sales Tax Incentive Agreements

The Village has an agreement with an automobile dealership based upon sales tax revenue generated and paid by this dealership during the calendar year. The Village will remit 50% of sales tax revenue, not to exceed the maximum incentive amount of \$5,000,000, for no greater than fifteen years paid by this dealership. For the year ended April 30, 2018, the Village collected and will rebate \$137,191 of sales tax revenue to this dealership. Cumulative payments through April 30, 2018 are \$987,687.

The Village has an agreement with an automobile dealership based upon sales tax revenue generated and paid by this dealership during the calendar year. The Village will remit 50% of sales tax revenue, not to exceed the maximum incentive amount of \$1,200,000, for no greater than twenty years paid by this dealership. For the year ended April 30, 2018, the Village collected and will rebate \$40,000 of sales tax revenue to this dealership. Cumulative payments through April 30, 2018 are \$297,555.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES

Solid Waste Agency of Northern Cook County (SWANCC)

The Village is a member of the Solid Waste Agency of Northern Cook County (SWANCC) which consists of twenty-three municipalities. SWANCC is a municipal corporation and public body politic established pursuant to the Constitution Act of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended.

SWANCC is empowered to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members. SWANCC is governed by a Board of Directors which consists of one appointed representative from each member municipality. Each Director has an equal vote. The officers of SWANCC are appointed by the Board of Directors.

The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by SWANCC, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the SWANCC agreement or the by-laws. Separate audited financial statements are available at 77 W. Hintz Road, Suite 200 Wheeling, IL 60090.

SWANCC's bonds are revenue obligations. They are limited obligations of SWANCC, with a claim for payment solely from and secured by a pledge of the revenues of the system, and amounts in various funds and accounts established by SWANCC resolutions. SWANCC has no power to levy taxes.

Revenues of the system consist of: (a) all receipts derived from Solid Waste Disposal Contracts or any other contracts for the disposal of waste; (b) all income derived from the investment of monies; and (c) all income, fees, service charges, and all grants, rents, and receipts derived by SWANCC from the ownership and operation of the system.

SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

SWANCC has entered into Solid Waste Disposal Contracts with the member municipalities. The Contracts are irrevocable, and may not be terminated or amended, except as provided in the Contract. Each member is obligated, on a "take or pay" basis, to purchase or in any event to pay for a minimum annual cost of the system.

The obligation of the Village to make all payments as required by this Contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under this Contract.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Solid Waste Agency of Northern Cook County (SWANCC) – Continued

The payments required to be made by the Village under this Contract are required to be made solely from revenues to be derived by the Village from the operation of the refuse collection system. The Village is not prohibited by the Contract from using any other funds to make the payments required by the Contract. The Contract shall not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the joint venture agreement, the Village remitted \$218,193 to SWANCC for the year ended April 30, 2018, which is recorded in the Village's General Fund.

Maine Niles Association of Special Recreation (MNASR)

The District is a member of MNASR, which was organized by six area park districts and one Village in order to provide special recreation programs to physically and mentally challenged individuals and to share the expenses of such programs on a cooperative basis.

The MNASR's Board of Directors consists of one representative from each participating park district. The Board of Directors is the governing body of MNASR and is responsible for establishing all major policies and changes therein and for approving all budget, capital outlay, programming, and master plans. The audited financial statements of MNASR are available at 6834 West Dempster, Morton Grove, IL 60053.

The following is a summary of the MNASR's financial statements for the year ended December 31, 2017:

Current Assets	\$ 590,664	Current Liabilities	126,993
Noncurrent Assets		Long-Term Liabilities	8,350
Capital Assets	127,899	Total Liabilities	<u>135,343</u>
Other Assets	<u>24,563</u>	Deferred Inflows	<u>310,450</u>
Total Assets	743,126	Total Liabilities/ Deferred Inflows	<u>445,793</u>
Deferred Outflows	<u>102,579</u>	Net Position	<u><u>399,912</u></u>
Total Assets/ Deferred Outflows	<u>845,705</u>		

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Maine Niles Association of Special Recreation (MNASR) – Continued

Operating Revenues	\$ 2,405,808
Operating Expenses	<u>2,448,312</u>
Operating Income	(42,504)
Nonoperating Revenue (Expenses)	<u>2,143</u>
Change in Net Position	(40,361)
Net Position - Beginning	<u>440,273</u>
Net Position - Ending	<u><u>399,912</u></u>

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), and the Sheriff's Law Enforcement Program (SLEP), which are both defined benefit agent multiple-employer public employee retirement systems administered by the IMRF; and the Police Pension Plan, which is a single-employer, pension plan. A copy of the Police Pension Plan report may be obtained by writing to the Village at 6900 North Lincoln Avenue, Lincolnwood, Illinois 60712. IMRF and SLEP issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

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

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

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

Plan Membership. As of December 31, 2017, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	61
Inactive Plan Members Entitled to but not yet Receiving Benefits	69
Active Plan Members	<u>59</u>
Total	<u><u>189</u></u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2017 was 11.11% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.39% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

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.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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 Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity – Continued

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/(Asset)	\$ 2,254,392	(709,063)	(3,088,967)

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2016	\$ 23,760,690	21,522,961	2,237,729
Changes for the Year:			
Service Cost	403,290	-	403,290
Interest on the Total Pension Liability	1,753,924	-	1,753,924
Difference Between Expected and Actual Experience of the Total Pension Liability	(264,284)	-	(264,284)
Changes of Assumptions	(756,382)	-	(756,382)
Contributions - Employer	-	424,184	(424,184)
Contributions - Employees	-	176,607	(176,607)
Net Investment Income	-	3,805,910	(3,805,910)
Benefit Payments, including Refunds of Employee Contributions	(1,153,373)	(1,153,373)	-
Other (Net Transfer)	-	(323,361)	323,361
Net Changes	(16,825)	2,929,967	(2,946,792)
Balances at December 31, 2017	23,743,865	24,452,928	(709,063)

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended April 30, 2018, the Village recognized pension expense of \$282,522. At April 30, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 22,995	(210,445)	(187,450)
Change in Assumptions	7,627	(568,245)	(560,618)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	640,688	(1,779,629)	(1,138,941)
Total Pension Expense to be Recognized in Future Periods	671,310	(2,558,319)	(1,887,009)
Pension Contributions Made Subsequent to the Measurement Date	164,466	-	164,466
Total Deferred Amounts Related to IMRF	835,776	(2,558,319)	(1,722,543)

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

Fiscal Year	Net Deferred (Inflows) of Resources
2019	\$ (415,073)
2020	(406,746)
2021	(620,282)
2022	(444,908)
2023	-
Thereafter	-
Total	(1,887,009)

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

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

Plan Membership. At April 30, 2018, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	37
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>32</u>
Total	<u><u>69</u></u>

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

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

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2018, the Village's contribution was 74.73% of covered payroll.

Concentrations. At year end, the Pension Plan does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	4.00% - 10.82%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates are based on the assumption study prepared by an independent actuary in 2016. The table combines observed experience of Illinois Firefighters with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 33,132,452	26,853,440	21,684,501

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2017	\$ 46,245,122	20,183,174	26,061,948
Changes for the Year:			
Service Cost	706,470	-	706,470
Interest on the Total Pension Liability	3,145,884	-	3,145,884
Difference Between Expected and Actual Experience of the Total Pension Liability	445,966	-	445,966
Changes of Assumptions	294,524	-	294,524
Contributions - Employer	-	2,195,470	(2,195,470)
Contributions - Employees	-	269,354	(269,354)
Net Investment Income	-	1,364,928	(1,364,928)
Benefit Payments, including Refunds of Employee Contributions	(2,607,851)	(2,607,851)	-
Administrative Expense	-	(28,400)	28,400
Net Changes	1,984,993	1,193,501	791,492
Balances at April 30, 2018	48,230,115	21,376,675	26,853,440

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended April 30, 2018, the Village recognized pension expense of \$3,099,303. At April 30, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 751,921	(89,504)	662,417
Change in Assumptions	1,604,711	(912,969)	691,742
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	546,673	(133,977)	412,696
Total Deferred Amounts Related to Police Pension	<u>2,903,305</u>	<u>(1,136,450)</u>	<u>1,766,855</u>

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2019	\$ 894,725
2020	675,255
2021	(26,821)
2022	139,671
2023	84,025
Thereafter	-
Total	<u>1,766,855</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

The Village has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, only one employee has chosen to stay in the Village's health insurance plan. As the explicit cost of the one retiree paying 100% of the premium is immaterial, there is no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Therefore, the Village has not recorded a liability as of April 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability
 - Illinois Municipal Retirement Fund
 - Police Pension Fund

- Schedule of Investment Returns
 - Police Pension Fund

- Budgetary Comparison Schedule
 - General Fund
 - Northeast Industrial District Tax Increment Financing – Special Revenue Fund
 - Motor Fuel Tax – Special Revenue Fund

Notes to the Required Supplementary Information

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2018**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 426,544	\$ 438,149	\$ 11,605	\$ 3,960,480	11.06%
2017	445,679	510,031	64,352	3,989,965	12.78%
2018	402,172	427,172	25,000	3,843,322	11.11%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMFR specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

Note:

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2018**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,180,180	\$ 1,402,000	\$ 221,820	\$ 2,549,041	55.00%
2016	1,449,717	1,663,647	213,930	2,728,347	60.98%
2017	1,738,640	1,981,909	243,269	2,838,613	69.82%
2018	1,738,640	2,195,470	456,830	2,937,964	74.73%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	4.00% - 10.82%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Independent Actuary 2016 Illinois Police Mortality Rates

Note:

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
 Schedule of Changes in the Employer's Net Pension Liability
 April 30, 2018

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ 415,872	406,906	403,290
Interest	1,616,496	1,680,508	1,753,924
Differences Between Expected and Actual Experience	(65,350)	45,145	(264,284)
Change of Assumptions	29,098	(29,409)	(756,382)
Benefit Payments, Including Refunds of Member Contributions	(1,065,044)	(1,151,404)	(1,153,373)
Net Change in Total Pension Liability	931,072	951,746	(16,825)
Total Pension Liability - Beginning	21,877,872	22,808,944	23,760,690
Total Pension Liability - Ending	22,808,944	23,760,690	23,743,865
Plan Fiduciary Net Position			
Contributions - Employer	\$ 438,149	510,031	424,184
Contributions - Members	204,467	179,548	176,607
Net Investment Income	101,748	1,406,428	3,805,910
Benefit Payments, Including Refunds of Member Contributions	(1,065,044)	(1,151,404)	(1,153,373)
Other (Net Transfer)	179,386	158,769	(323,361)
Net Change in Plan Fiduciary Net Position	(141,294)	1,103,372	2,929,967
Plan Net Position - Beginning	20,560,883	20,419,589	21,522,961
Plan Net Position - Ending	20,419,589	21,522,961	24,452,928
Employer's Net Pension Liability/(Asset)	\$ 2,389,355	2,237,729	(709,063)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.52%	90.58%	102.99%
Covered Payroll	\$ 3,960,480	3,989,965	3,823,612
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	60.33%	56.08%	(18.54%)

Note:

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2018**

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2018**

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 607,303
Interest	2,479,621
Differences Between Expected and Actual Experience	715,929
Change of Assumptions	2,821,996
Benefit Payments, Including Refunds of Member Contributions	<u>(1,964,302)</u>
Net Change in Total Pension Liability	4,660,547
Total Pension Liability - Beginning	<u>36,405,308</u>
Total Pension Liability - Ending	<u><u>41,065,855</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	1,402,000
Contributions - Members	327,215
Net Investment Income	975,130
Benefit Payments, Including Refunds of Member Contributions	(1,964,302)
Administrative Expense	<u>(13,796)</u>
Net Change in Plan Fiduciary Net Position	726,247
Plan Net Position - Beginning	<u>18,219,690</u>
Plan Net Position - Ending	<u><u>18,945,937</u></u>
Employer's Net Pension Liability	<u><u>22,119,918</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.14%
Covered Payroll	\$ 2,549,041
Employer's Net Pension Liability as a Percentage of Covered Payroll	867.77%

Note:

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

2016	2017	2018
604,414	660,252	706,470
2,797,155	3,120,742	3,145,884
(246,911)	681,205	445,966
3,758,373	(1,615,255)	294,524
(2,213,010)	(2,367,698)	(2,607,851)
4,700,021	479,246	1,984,993
41,065,855	45,765,876	46,245,122
45,765,876	46,245,122	48,230,115

1,663,647	1,981,909	2,195,470
368,810	289,868	269,354
37,214	1,533,296	1,364,928
(2,213,010)	(2,367,698)	(2,607,851)
(23,850)	(32,949)	(28,400)

(167,189)	1,404,426	1,193,501
18,945,937	18,778,748	20,183,174
18,778,748	20,183,174	21,376,675
26,987,128	26,061,948	26,853,440

41.03%	43.64%	44.32%
2,728,347	2,838,613	2,937,964
989.14%	918.12%	914.02%

VILLAGE OF LINCOLNWOOD, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

April 30, 2018

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	5.39%
2016	0.73%
2017	8.19%
2018	8.10%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 7,980,000	7,980,000	8,081,225
Charges for Services	2,042,436	2,042,436	2,043,913
Licenses and Permits	1,243,408	1,243,408	1,095,771
Intergovernmental	8,709,300	8,709,300	8,259,434
Fines and Forfeitures	262,900	262,900	302,224
Investment Income	170,000	170,000	326,674
Miscellaneous	280,525	280,525	330,737
Total Revenues	<u>20,688,569</u>	<u>20,688,569</u>	<u>20,439,978</u>
Expenditures			
Current			
General Government	3,863,711	3,863,711	3,740,336
Public Safety	10,945,564	10,945,564	11,153,292
Highways and Streets	1,242,375	1,242,375	1,215,465
Sanitation	1,107,250	1,107,250	1,013,787
Economic Development	1,044,831	1,044,831	925,780
Culture and Recreation	2,392,279	2,392,279	2,280,734
Capital Outlay	812,980	812,980	812,579
Total Expenditures	<u>21,408,990</u>	<u>21,408,990</u>	<u>21,141,973</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(720,421)</u>	<u>(720,421)</u>	<u>(701,995)</u>
Other Financing Sources (Uses)			
Disposal of Capital Assets	-	-	56,900
Transfers In	330,000	330,000	330,000
Transfers Out	(1,134,750)	(1,134,750)	(1,139,433)
	<u>(804,750)</u>	<u>(804,750)</u>	<u>(752,533)</u>
Net Change in Fund Balance	<u>(1,525,171)</u>	<u>(1,525,171)</u>	(1,454,528)
Fund Balance - Beginning			<u>12,707,539</u>
Fund Balance - Ending			<u>11,253,011</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Northeast Industrial District Tax Increment Financing - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Local Taxes	\$ 600,000	600,000	1,358,932
Intergovernmental			
Grants	-	-	22,277
Interest	1,000	1,000	10,872
Total Revenues	<u>601,000</u>	<u>601,000</u>	<u>1,392,081</u>
Expenditures			
Current			
General Government	155,000	155,000	67,727
Capital Outlay	1,637,500	1,637,500	663,098
Debt Service			
Principal Retirement	307,500	307,500	307,500
Interest and Fiscal Charges	6,525	6,525	6,338
Total Expenditures	<u>2,106,525</u>	<u>2,106,525</u>	<u>1,044,663</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,505,525)	(1,505,525)	347,418
Other Financing (Uses)			
Transfers Out	<u>(306,000)</u>	<u>(306,000)</u>	<u>(306,000)</u>
Net Change in Fund Balance	<u>(1,811,525)</u>	<u>(1,811,525)</u>	41,418
Fund Balance - Beginning			<u>1,750,073</u>
Fund Balance - Ending			<u><u>1,791,491</u></u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 300,000	300,000	321,461
Interest	6,000	6,000	43,918
Total Revenues	<u>306,000</u>	<u>306,000</u>	<u>365,379</u>
Expenditures			
Highways and Streets	491,500	491,500	71,534
Debt Service			
Principal Retirement	-	-	3,000
Total Expenditures	<u>491,500</u>	<u>491,500</u>	<u>74,534</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(185,500)	(185,500)	290,845
Other Financing (Uses)			
Transfers Out	<u>(3,000)</u>	<u>(3,000)</u>	-
Net Change in Fund Balance	<u>(188,500)</u>	<u>(188,500)</u>	290,845
Fund Balance - Beginning			<u>3,492,969</u>
Fund Balance - Ending			<u><u>3,783,814</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
 - General Fund
 - Debt Service Fund
- Combining Statements – Nonmajor Governmental Funds
 - Combining Balance Sheet
 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
 - E-911 – Special Revenue Fund
 - Transportation Improvement – Special Revenue Fund
 - Devon/Lincoln Tax Increment Financing – Special Revenue Fund
 - Lincoln Avenue Medians – Capital Projects Fund
 - Comm Ed ROW Bike Path – Capital Projects Fund
 - PEP – Capital Projects Fund
 - Private Water Line Assistance – Capital Projects Fund
- Budgetary Comparison Schedule – Enterprise Fund
 - Water and Sewer Fund
- Budgetary Comparison Schedule – Fiduciary Fund
 - Police Pension – Pension Trust Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Northeast Industrial District Tax Increment Financing Fund

The Northeast Industrial District Tax Increment Financing Fund is used to account for resources (restricted real estate taxes) received and expenditures made to promote the objectives of the TIF District.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for resources to maintain traffic signal lighting in the Village and for services performed by the Village for upkeep of IDOT street within the Village limits.

E-911 Fund

The E-911 Fund is used to account for resources for the emergency communications operation that receives calls from the public for emergency service requests.

Transportation Improvement Fund

The Transportation Improvement Fund is used to account for resources to improve the transportation systems in the Village.

Lincoln/Touhy Tax Increment Financing Fund

The Lincoln/Touhy Tax Increment Financing Fund is used to account for resources generated from the properties within the Lincoln/Touhy Tax Increment Financing District.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS – Continued

Devon/Lincoln Tax Increment Financing Fund

The Devon/Lincoln Tax Increment Financing Fund is used to account for resources generated from the properties within the Devon/Lincoln Tax Increment Financing District. The Devon/Lincoln Tax Increment Financing District was established on June 24, 2014.

DEBT SERVICE FUND

The Debt Service Funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUNDS

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

Lincoln Avenue Medians Fund

The Lincoln Avenue Medians Fund is used to account for the costs associated with the beautifications of the medians on Lincoln Avenue.

Comm Ed ROW Bike Path Fund

The Comm Ed ROW Bike Path Fund is used to account for a grant and other sources to construct a bike path in the utility right-of-way.

PEP Fund

The PEP Fund is used to account for resources to provide business owners to make improvements to their buildings exterior and other property enhancements that will improve the appearance of a business district.

Private Water Line Assistance Fund

The Private Water Line Assistance Fund is used to assist Village residents in replacing their private sewer lines due to damage caused by Village trees located in homeowners' parkways.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUND

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

Water and Sewer Fund

The Water and Sewer Fund is used to account for resources to maintain the Village's water distribution system and combined storm/sanitary sewer system.

TRUST FUND

PENSION TRUST FUND

Police Pension Fund

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 5,500,000	5,500,000	5,679,158
Food and Beverage Tax	480,000	480,000	494,143
Auto Rental Tax	4,000	4,000	3,211
Foreign Fire Insurance Tax	26,000	26,000	34,284
Gas Tax for Motor Fuel	420,000	420,000	403,408
E911 Telephone Surcharge	150,000	150,000	185,082
Utility Taxes - Electric	560,000	560,000	573,525
Utility Taxes - Natural Gas	410,000	410,000	319,681
Telecommunications Tax	430,000	430,000	388,733
	<u>7,980,000</u>	<u>7,980,000</u>	<u>8,081,225</u>
Charges for Services			
Accident Report Fee	9,000	9,000	15,801
Alarm Service Fee	92,515	92,515	109,433
Ambulance and EMS Fee	380,000	380,000	392,715
Filing and Variance Fee	5,000	5,000	12,125
Landscape Waste Program Sales	156	156	232
Parks and Recreation	1,516,508	1,516,508	1,479,765
Elevator Inspection Fee	12,000	12,000	10,650
Other Charges for Services	27,257	27,257	23,192
	<u>2,042,436</u>	<u>2,042,436</u>	<u>2,043,913</u>
Licenses and Permits			
Vehicle Licenses	339,870	339,870	328,687
Business Licenses	114,711	114,711	118,739
Liquor Licenses	34,587	34,587	36,142
Building Permits	535,526	535,526	365,175
Franchise Fees	185,000	185,000	207,165
Licenses and Permits - Other	33,714	33,714	39,863
	<u>1,243,408</u>	<u>1,243,408</u>	<u>1,095,771</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Intergovernmental			
State Income Tax	\$ 1,300,000	1,300,000	1,138,114
State Sales Tax	5,238,700	5,238,700	4,586,987
Home Rule Sales Tax	1,765,600	1,765,600	2,064,714
Personal Property Replacement Tax	130,000	130,000	135,142
State Use Tax	270,000	270,000	329,577
State Grants	5,000	5,000	4,900
	<u>8,709,300</u>	<u>8,709,300</u>	<u>8,259,434</u>
Fines and Forfeitures			
Late Payment Penalty	7,000	7,000	6,650
NSF Check Charge	400	400	50
Circuit Court Fines	65,000	65,000	45,018
Court Cost Liens and Fees	30,000	30,000	18,493
Parking Ticket Fines	55,000	55,000	48,517
Red Light Camera Fines	96,000	96,000	171,041
False Alarm Fines	9,500	9,500	12,455
	<u>262,900</u>	<u>262,900</u>	<u>302,224</u>
Investment Income	<u>170,000</u>	<u>170,000</u>	<u>326,674</u>
Miscellaneous			
Rent - Telecommunications Antenna Site Lease	52,000	52,000	68,851
Rent - Parking Lot	55,000	55,000	60,417
Reimbursements	115,000	115,000	134,340
Donations	25,525	25,525	22,130
Miscellaneous	33,000	33,000	44,999
	<u>280,525</u>	<u>280,525</u>	<u>330,737</u>
Total Revenues	<u><u>20,688,569</u></u>	<u><u>20,688,569</u></u>	<u><u>20,439,978</u></u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
General Government			
Village President and Board of Trustees			
Personnel Services	\$ 67,387	67,387	69,688
Contractual Services	15,000	15,000	26,930
Commodities	35,730	35,730	32,460
	<u>118,117</u>	<u>118,117</u>	<u>129,078</u>
Village Clerk			
Personnel Services	8,852	8,852	8,883
Commodities	9,350	9,350	10,788
	<u>18,202</u>	<u>18,202</u>	<u>19,671</u>
Village Manager			
Personnel Services	707,080	707,080	714,583
Contractual Services	18,000	18,000	12,140
Commodities	83,996	83,996	96,664
	<u>809,076</u>	<u>809,076</u>	<u>823,387</u>
Finance Department			
Personnel Services	626,996	626,996	561,477
Contractual Services	144,000	144,000	154,292
Commodities	125,200	125,200	119,819
	<u>896,196</u>	<u>896,196</u>	<u>835,588</u>
Engineering			
Contractual Services	<u>168,750</u>	<u>168,750</u>	<u>108,783</u>
Legal Department			
Contractual Services	<u>347,353</u>	<u>347,353</u>	<u>380,019</u>
Information Services			
Contractual Services	315,920	315,920	348,608
Commodities	47,285	47,285	29,710
	<u>363,205</u>	<u>363,205</u>	<u>378,318</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
General Government - Continued			
Public Works Department			
Personnel Services	\$ 375,178	375,178	333,276
Contractual Services	9,000	9,000	2,900
Commodities	16,990	16,990	13,968
	<u>401,168</u>	<u>401,168</u>	<u>350,144</u>
Vehicle Maintenance Division			
Personnel Services	230,678	230,678	238,338
Commodities	48,450	48,450	33,106
	<u>279,128</u>	<u>279,128</u>	<u>271,444</u>
Building Maintenance Division			
Personnel Services	177,346	177,346	156,475
Contractual Services	34,400	34,400	34,310
Commodities	250,770	250,770	253,119
	<u>462,516</u>	<u>462,516</u>	<u>443,904</u>
Total General Government	<u>3,863,711</u>	<u>3,863,711</u>	<u>3,740,336</u>
Public Safety			
Police Department			
Personnel Services	6,581,415	6,581,415	6,718,249
Contractual Services	783,398	783,398	751,709
Commodities	519,026	519,026	571,076
	<u>7,883,839</u>	<u>7,883,839</u>	<u>8,041,034</u>
Fire Department			
Personnel Services	84,959	84,959	81,204
Contractual Services	2,826,391	2,826,391	2,828,959
Commodities	150,375	150,375	202,095
	<u>3,061,725</u>	<u>3,061,725</u>	<u>3,112,258</u>
Total Public Safety	<u>10,945,564</u>	<u>10,945,564</u>	<u>11,153,292</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Highways and Streets			
Street Maintenance Division			
Personnel Services	\$ 786,725	786,725	775,888
Contractual Services	95,150	95,150	40,553
Commodities	360,500	360,500	399,024
Total Highways and Streets	1,242,375	1,242,375	1,215,465
Sanitation			
Contractual	1,107,250	1,107,250	1,013,787
Economic Development			
Community Development Department			
Personnel Services	513,346	513,346	488,686
Contractual Services	375,000	375,000	242,082
Commodities	156,485	156,485	195,012
Total Economic Development	1,044,831	1,044,831	925,780
Culture and Recreation			
Parks and Recreation Department			
Personnel Services	1,583,359	1,583,359	1,530,910
Contractual Services	310,030	310,030	307,123
Commodities	498,890	498,890	442,701
Total Culture and Recreation	2,392,279	2,392,279	2,280,734
Capital Outlay			
General Government			
Information Services	133,530	133,530	121,971
Building Maintenance Division	17,850	17,850	16,714
Public Safety			
Police Department	37,000	37,000	37,975
Fire Department	278,300	278,300	288,738
Sanitation	175,700	175,700	175,333
Culture and Recreation			
Parks and Recreation Department	170,600	170,600	171,848
Total Capital Outlay	812,980	812,980	812,579
Total Expenditures	21,408,990	21,408,990	21,141,973

VILLAGE OF LINCOLNWOOD, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
State Sales Tax	\$ 482,550	482,550	480,792
Expenditures			
Debt Service			
Principal Retirement	679,881	679,881	679,881
Interest and Fiscal Charges	10,050	10,050	9,763
Total Expenditures	689,931	689,931	689,644
Excess (Deficiency) of Revenues Over (Under) Expenditures	(207,381)	(207,381)	(208,852)
Other Financing Sources			
Transfers In	210,381	210,381	207,381
Net Change in Fund Balance	<u>3,000</u>	<u>3,000</u>	(1,471)
Fund Balance - Beginning			<u>11,271</u>
Fund Balance - Ending			<u><u>9,800</u></u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
April 30, 2018**

	Special Revenue	Capital Projects	Totals
ASSETS			
Cash and Investments	\$ 373,839	331,002	704,841
Receivables			
Property Taxes	8,012	-	8,012
Accounts	57,154	-	57,154
Due from Other Governments	-	205,509	205,509
Total Assets	<u>439,005</u>	<u>536,511</u>	<u>975,516</u>
LIABILITIES			
Accounts Payable	1,988	408,196	410,184
Due to Other Funds	301,996	-	301,996
Total Liabilities	<u>303,984</u>	<u>408,196</u>	<u>712,180</u>
FUND BALANCES			
Restricted	198,037	128,315	326,352
Unassigned	(63,016)	-	(63,016)
Total Fund Balances	<u>135,021</u>	<u>128,315</u>	<u>263,336</u>
Total Liabilities and Fund Balances	<u>439,005</u>	<u>536,511</u>	<u>975,516</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2018**

	Special Revenue	Capital Projects	Totals
Revenues			
Taxes	\$ 520,347	-	520,347
Intergovernmental	37,056	205,509	242,565
Interest	7,109	-	7,109
Miscellaneous	37,586	-	37,586
Total Revenues	<u>602,098</u>	<u>205,509</u>	<u>807,607</u>
Expenditures			
General Government	81,609	-	81,609
Highways and Streets	24,145	-	24,145
Capital Outlay	176,639	1,216,237	1,392,876
Total Expenditures	<u>282,393</u>	<u>1,216,237</u>	<u>1,498,630</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>319,705</u>	<u>(1,010,728)</u>	<u>(691,023)</u>
Other Financing Sources (Uses)			
Transfers In	176,000	1,126,933	1,302,933
Transfers Out	(194,881)	-	(194,881)
	<u>(18,881)</u>	<u>1,126,933</u>	<u>1,108,052</u>
Net Change in Fund Balances	300,824	116,205	417,029
Fund Balances - Beginning	<u>(165,803)</u>	<u>12,110</u>	<u>(153,693)</u>
Fund Balances - Ending	<u><u>135,021</u></u>	<u><u>128,315</u></u>	<u><u>263,336</u></u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2018

	E-911	Transportation Improvement	Lincoln/ Touhy Tax Increment Financing	Devon/ Lincoln Tax Increment Financing	Totals
ASSETS					
Cash and Investments	\$ -	236,312	100	137,427	373,839
Receivables					
Property Taxes	-	-	-	8,012	8,012
Accounts	-	57,154	-	-	57,154
Total Assets	-	293,466	100	145,439	439,005
LIABILITIES					
Accounts Payable	-	235	-	1,753	1,988
Due to Other Funds	-	201,785	63,116	37,095	301,996
Total Liabilities	-	202,020	63,116	38,848	303,984
FUND BALANCES					
Restricted	-	91,446	-	106,591	198,037
Unassigned	-	-	(63,016)	-	(63,016)
Total Fund Balances	-	91,446	(63,016)	106,591	135,021
Total Liabilities and Fund Balances	-	293,466	100	145,439	439,005

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2018**

	E-911	Transportation Improvement	Lincoln/ Touhy Tax Increment Financing	Devon/ Lincoln Tax Increment Financing	Totals
Revenues					
Taxes	\$ -	268,983	-	251,364	520,347
Intergovernmental	37,056	-	-	-	37,056
Interest	3,758	2,946	-	405	7,109
Miscellaneous	-	37,586	-	-	37,586
Total Revenues	40,814	309,515	-	251,769	602,098
Expenditures					
General Government	42,079	-	-	39,530	81,609
Highways and Streets	-	24,145	-	-	24,145
Capital Outlay	-	-	-	176,639	176,639
Total Expenditures	42,079	24,145	-	216,169	282,393
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,265)	285,370	-	35,600	319,705
Other Financing Sources (Uses)					
Transfers In	-	-	-	176,000	176,000
Transfers Out	-	(194,881)	-	-	(194,881)
	-	(194,881)	-	176,000	(18,881)
Net Change in Fund Balances	(1,265)	90,489	-	211,600	300,824
Fund Balances - Beginning	1,265	957	(63,016)	(105,009)	(165,803)
Fund Balances - Ending	-	91,446	(63,016)	106,591	135,021

VILLAGE OF LINCOLNWOOD, ILLINOIS

E-911 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ 30,000	30,000	37,056
Interest	-	-	3,758
Total Revenues	30,000	30,000	40,814
Expenditures			
General Government	43,470	43,470	42,079
Net Change in Fund Balance	<u>(13,470)</u>	<u>(13,470)</u>	(1,265)
Fund Balance - Beginning			<u>1,265</u>
Fund Balance - Ending			<u>-</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Transportation Improvement - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Local Taxes	\$ 300,000	300,000	268,983
Interest	-	-	2,946
Miscellaneous	-	-	37,586
Total Revenues	<u>300,000</u>	<u>300,000</u>	<u>309,515</u>
Expenditures			
Highways and Streets	<u>35,000</u>	<u>35,000</u>	<u>24,145</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	265,000	265,000	285,370
Other Financing (Uses)			
Transfers Out	<u>(194,881)</u>	<u>(194,881)</u>	<u>(194,881)</u>
Net Change in Fund Balance	<u>70,119</u>	<u>70,119</u>	90,489
Fund Balance - Beginning			<u>957</u>
Fund Balance - Ending			<u>91,446</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Devon/Lincoln Tax Increment Financing - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	-	251,364
Intergovernmental			
Grants	304,000	304,000	-
Interest	-	-	405
Total Revenues	<u>304,000</u>	<u>304,000</u>	<u>251,769</u>
Expenditures			
General Government	304,000	304,000	39,530
Capital Outlay	176,000	176,000	176,639
Total Expenditures	<u>480,000</u>	<u>480,000</u>	<u>216,169</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(176,000)	(176,000)	35,600
Other Financing Sources			
Transfers In	176,000	176,000	176,000
Net Change in Fund Balance	<u>-</u>	<u>-</u>	211,600
Fund Balance - Beginning			<u>(105,009)</u>
Fund Balance - Ending			<u>106,591</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

April 30, 2018

	Lincoln Avenue Medians	Comm Ed ROW Bike Path	PEP	Private Water Line Assistance	Totals
ASSETS					
Cash and Investments	\$ 107,774	171,228	50,000	2,000	331,002
Due from Other Governments	-	205,509	-	-	205,509
Total Assets	107,774	376,737	50,000	2,000	536,511
LIABILITIES					
Accounts Payable	107,774	248,422	50,000	2,000	408,196
FUND BALANCES					
Restricted	-	128,315	-	-	128,315
Total Liabilities and Fund Balances	107,774	376,737	50,000	2,000	536,511

VILLAGE OF LINCOLNWOOD, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2018**

	Lincoln Avenue Medians	Comm Ed ROW Bike Path	PEP	Private Water Line Assistance	Totals
Revenues					
Intergovernmental	\$ -	205,509	-	-	205,509
Expenditures					
Capital Outlay	535,933	674,304	-	6,000	1,216,237
Excess (Deficiency) of Revenues Over (Under) Expenditures	(535,933)	(468,795)	-	(6,000)	(1,010,728)
Other Financing Sources					
Transfers In	535,933	581,000	-	10,000	1,126,933
Net Change in Fund Balances	-	112,205	-	4,000	116,205
Fund Balances - Beginning	-	16,110	-	(4,000)	12,110
Fund Balances - Ending	-	128,315	-	-	128,315

VILLAGE OF LINCOLNWOOD, ILLINOIS

Lincoln Avenue Medians - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
State Grants	\$ -	-	-
Expenditures			
Capital Outlay			
Contractual Services	26,250	26,250	33,301
Land Acquisition	440,000	440,000	502,632
Total Expenditures	466,250	466,250	535,933
Excess (Deficiency) of Revenues Over (Under) Expenditures	(466,250)	(466,250)	(535,933)
Other Financing Sources			
Transfers In	466,250	466,250	535,933
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning			-
Fund Balance - Ending			-

VILLAGE OF LINCOLNWOOD, ILLINOIS

Comm Ed ROW Bike Path - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
State Grants	\$ 230,000	230,000	205,509
Expenditures			
Capital Outlay			
Contractual Services	811,000	811,000	674,304
Excess (Deficiency) of Revenues Over (Under) Expenditures	(581,000)	(581,000)	(468,795)
Other Financing Sources			
Transfers In	581,000	581,000	581,000
Net Change in Fund Balance	-	-	112,205
Fund Balance - Beginning			16,110
Fund Balance - Ending			128,315

VILLAGE OF LINCOLNWOOD, ILLINOIS

PEP - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ -	-	-
Expenditures			
Capital Outlay	50,000	50,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	(50,000)	-
Other Financing Sources			
Transfers In	50,000	50,000	-
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning			-
Fund Balance - Ending			-

VILLAGE OF LINCOLNWOOD, ILLINOIS

Private Water Line Assistance - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ -	-	-
Expenditures			
Capital Outlay	25,000	25,000	6,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,000)	(25,000)	(6,000)
Other Financing Sources			
Transfers In	25,000	25,000	10,000
Net Change in Fund Balance	-	-	4,000
Fund Balance - Beginning			(4,000)
Fund Balance - Ending			-

VILLAGE OF LINCOLNWOOD, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 5,045,000	5,045,000	4,692,877
Fines and Forfeitures	50,000	50,000	54,931
Total Operating Revenues	5,095,000	5,095,000	4,747,808
Operating Expenses			
Cost of Sales and Services			
Personnel Services	861,708	861,708	875,338
Contractual	944,713	944,713	311,174
Commodities	2,665,396	2,665,396	2,344,295
Capital Outlay	200,820	200,820	352,966
Less Capital Assets Capitalized	(200,820)	(200,820)	(352,966)
Debt Service			
Principal Payments	589,582	589,582	589,582
Less Principal Payments Capitalized	(589,582)	(589,582)	(589,582)
Depreciation	-	-	714,374
Total Operating Expenses	4,471,817	4,471,817	4,245,181
Operating Income	623,183	623,183	502,627
Nonoperating Revenues (Expenses)			
Interest Income	1,000	1,000	1,113
Other Income	-	-	10,000
Interest and Fiscal Charges	(92,693)	(92,693)	(92,693)
	(91,693)	(91,693)	(81,580)
Income Before Transfers	531,490	531,490	421,047
Transfers Out	(200,000)	(200,000)	(200,000)
Change in Net Position	331,490	331,490	221,047
Net Position - Beginning			8,658,764
Net Position - Ending			8,879,811

VILLAGE OF LINCOLNWOOD, ILLINOIS

Police Pension - Pension Trust Fund

**Schedule of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,016,400	2,016,400	2,195,470
Contributions - Plan Members	383,000	383,000	269,354
Total Contributions	<u>2,399,400</u>	<u>2,399,400</u>	<u>2,464,824</u>
Investment Income			
Interest Earned	700,000	700,000	701,310
Net Change in Fair Value	-	-	711,629
	<u>700,000</u>	<u>700,000</u>	<u>1,412,939</u>
Less Investment Expenses	<u>(76,000)</u>	<u>(76,000)</u>	<u>(48,011)</u>
Net Investment Income	<u>624,000</u>	<u>624,000</u>	<u>1,364,928</u>
Total Additions	<u>3,023,400</u>	<u>3,023,400</u>	<u>3,829,752</u>
Deductions			
Administration	47,150	47,150	28,400
Benefits and Refunds	<u>2,602,644</u>	<u>2,602,644</u>	<u>2,607,851</u>
Total Deductions	<u>2,649,794</u>	<u>2,649,794</u>	<u>2,636,251</u>
Change in Fiduciary Net Position	<u>373,606</u>	<u>373,606</u>	1,193,501
Net Position - Beginning			<u>20,183,174</u>
Net Position - Ending			<u>21,376,675</u>

SUPPLEMENTAL SCHEDULES

VILLAGE OF LINCOLNWOOD, ILLINOIS

Long-Term Debt Requirements

**Illinois Finance Authority Loan Payable of 2009
April 30, 2018**

Date of Issue	May 9, 2009
Date of Maturity	May 9, 2029
Authorized Issue	\$250,000
Interest Rate	Non-Interest Bearing
Principal Maturity Date	May 9
Payable at	Office of the State Fire Marshal

CURRENT AND LONG-TERM PRINCIPAL REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>
2019	\$ 12,500
2020	12,500
2021	12,500
2022	12,500
2023	12,500
2024	12,500
2025	12,500
2026	12,500
2027	12,500
2028	12,500
2029	12,500
2030	12,500
	<u>150,000</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

Long-Term Debt Requirements

**Cook County Intergovernmental Agreement of 2014
April 30, 2018**

Date of Issue	May 1, 2014
Date of Maturity	May 1, 2018
Authorized Issue	\$2,511,211
Interest Rate	Non-Interest Bearing
Principal Maturity Date	May 1
Payable at	Cook County Treasurer

CURRENT AND LONG-TERM PRINCIPAL REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	
2019	<u>\$ 546,834</u>	
	188,196	Debt Service
	22,201	Motor Fuel Tax
	<u>336,437</u>	Water and Sewer
	<u>546,834</u>	

VILLAGE OF LINCOLNWOOD, ILLINOIS

Long-Term Debt Requirements

**Illinois Environmental Protection Agency Loan Payable of 2008
April 30, 2018**

Date of Issue	December 17, 2008
Date of Maturity	June 17, 2028
Authorized Issue	\$5,718,966
Interest Rate	2.50%
Principal Maturity Dates	June 17 and December 17
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2019	\$ 294,695	85,461	380,156
2020	302,108	78,048	380,156
2021	309,708	70,448	380,156
2022	317,500	62,656	380,156
2023	325,486	54,670	380,156
2024	333,674	46,482	380,156
2025	342,068	38,088	380,156
2026	350,673	29,482	380,155
2027	359,495	20,661	380,156
2028	368,539	11,617	380,156
2029	187,731	2,347	190,078
	<u>3,491,677</u>	<u>499,960</u>	<u>3,991,637</u>

STATISTICAL SECTION (Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years*
April 30, 2018 (Unaudited)**

	2009	2010	2011
Governmental Activities			
Net Investment in Capital Assets	\$ 20,057,662	21,129,264	24,011,361
Restricted	7,642,939	8,516,994	7,664,671
Unrestricted (Deficit)	9,054,630	9,618,838	10,140,308
Total Governmental Activities Net Position	36,755,231	39,265,096	41,816,340
Business-Type Activities			
Net Investment in Capital Assets	7,998,375	7,097,003	6,177,316
Restricted	-	-	240,000
Unrestricted	990,528	1,387,413	2,156,907
Total Business-Type Activities Net Position	8,988,903	8,484,416	8,574,223
Primary Government			
Net Investment in Capital Assets	28,056,037	28,226,267	30,188,677
Restricted	7,642,939	8,516,994	7,904,671
Unrestricted	10,045,158	11,006,251	12,297,215
Total Primary Government Net Position	45,744,134	47,749,512	50,390,563

* Accrual Basis of Accounting

Data Source: Village Records

2011	2012	2013	2014	2015	2016	2018
25,625,635	26,637,660	27,626,486	28,404,391	34,823,932	37,273,890	39,045,766
11,211,585	12,260,925	12,353,691	12,637,469	10,929,345	5,338,517	5,990,606
7,590,556	8,193,496	9,402,780	9,965,159	(14,079,642)	(13,472,510)	(15,545,413)
44,427,776	47,092,081	49,382,957	51,007,019	31,673,635	29,139,897	29,490,959
6,576,698	6,521,402	6,299,012	6,248,147	6,504,767	6,792,437	6,984,989
-	-	-	-	-	-	-
1,969,054	2,144,850	2,337,049	2,284,624	2,148,483	1,866,327	1,894,822
8,545,752	8,666,252	8,636,061	8,532,771	8,653,250	8,658,764	8,879,811
32,202,333	33,159,062	33,925,498	34,652,538	41,328,699	44,066,327	46,030,755
11,211,585	12,260,925	12,353,691	12,637,469	10,929,345	5,338,517	5,990,606
9,559,610	10,338,346	11,739,829	12,249,783	(11,931,159)	(11,606,183)	(13,650,591)
52,973,528	55,758,333	58,019,018	59,539,790	40,326,885	37,798,661	38,370,770

VILLAGE OF LINCOLNWOOD, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years*
April 30, 2018 (Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
General Government	\$ 7,717,680	8,543,683	8,368,482	8,425,153	8,584,081	8,575,330	7,684,121	10,954,427	12,919,609	8,955,857
Public Safety	9,396,466	8,743,302	8,854,696	9,309,941	9,211,302	9,406,734	9,588,612	10,010,892	9,803,007	11,977,119
Public Works	2,141,803	2,092,928	2,182,058	2,307,646	2,372,041	2,759,369	3,659,649	3,645,814	3,670,241	2,392,198
Interest on Long-Term Debt	427,695	369,448	345,551	274,942	169,973	132,128	87,897	49,222	25,441	9,601
Total Governmental Activities Expenses	19,683,644	19,749,361	19,750,787	20,317,682	20,337,397	20,873,561	21,020,279	24,660,355	26,418,298	23,334,775
Business-Type Activities										
Water and Sewer	2,188,047	3,010,490	3,317,525	3,290,392	3,719,065	4,012,613	4,062,562	4,274,948	4,464,309	4,337,874
Total Business-Type Activities Expenses	2,188,047	3,010,490	3,317,525	3,290,392	3,719,065	4,012,613	4,062,562	4,274,948	4,464,309	4,337,874
Total Primary Government Expenses	21,871,691	22,759,851	23,068,312	23,608,074	24,056,462	24,886,174	25,082,841	28,935,303	30,882,607	27,672,649
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	1,813,687	1,859,319	2,023,209	1,731,344	1,841,064	1,804,892	1,736,500	1,748,840	1,835,516	1,825,561
Public Safety	1,087,079	917,706	1,065,490	1,575,783	1,532,619	1,555,281	1,498,731	1,583,595	2,623,677	1,616,347
Public Works	4,605	2,858	733	-	-	-	-	-	-	-
Operating Grants/Contributions	304,282	80,817	602,356	105,533	250,393	347,483	205,573	3,847,125	241,414	64,233
Capital Grants/Contributions	-	-	-	388,795	392,023	104,024	182,199	79,245	302,582	205,509
Total Governmental Activities Program Revenues	3,380,917	3,209,653	2,860,700	3,691,788	3,801,455	4,016,099	3,811,680	3,623,003	5,003,189	3,711,650
Business-Type Activities										
Charges for Services										
Water and Sewer	2,508,912	2,639,221	3,576,490	3,455,950	4,035,302	4,163,619	4,156,613	4,643,875	4,770,964	4,747,808
Total Business-Type Activities Program Revenues	2,508,912	2,639,221	3,576,490	3,455,950	4,035,302	4,163,619	4,156,613	4,643,875	4,770,964	4,747,808
Total Primary Government Program Revenues	5,889,829	5,848,874	6,437,190	7,147,738	7,836,757	8,179,718	7,968,293	8,266,878	9,774,153	8,459,458
Net (Expenses) Revenues										
Governmental Activities										
Governmental Activities	(16,302,727)	(16,539,708)	(16,890,087)	(16,625,894)	(16,535,942)	(16,857,462)	(17,208,599)	(21,037,352)	(21,415,109)	(19,623,125)
Business-Type Activities										
Business-Type Activities	320,865	(371,269)	258,965	165,558	316,237	151,006	94,051	368,927	306,655	409,934
Total Primary Government Net (Expenses) Revenues	(15,981,862)	(16,910,977)	(16,631,122)	(16,460,336)	(16,219,705)	(16,706,456)	(17,114,548)	(20,668,425)	(21,108,454)	(19,213,191)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	\$ 6,960,014	8,124,554	6,699,698	7,612,055	6,516,497	6,879,900	6,227,314	6,754,910	6,258,757	7,289,454
Utility	1,682,754	1,595,804	1,601,218	1,546,490	1,545,378	1,565,985	1,482,244	1,323,632	1,334,684	1,281,939
Intergovernmental - Unrestricted										
State Sales, Income Taxes and Use Taxes	9,072,290	8,099,811	8,681,973	8,448,621	8,683,316	8,860,471	9,045,745	8,916,421	8,731,925	8,600,184
Replacement Taxes	150,040	124,581	153,684	135,608	143,399	150,349	157,314	126,382	179,298	135,142
Other	507,724	866,145	872,480	799,404	1,330,642	1,339,288	1,337,757	1,528,313	1,543,672	1,710,572
Interest	222,002	200,209	238,760	196,040	152,448	176,067	186,750	231,769	339,078	388,573
Miscellaneous	435,209	212,422	187,430	189,445	413,923	180,697	384,214	326,367	293,957	368,323
Transfers	150,000	175,000	175,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total Governmental Activities	19,180,033	19,398,526	18,610,243	19,127,663	18,985,603	19,352,757	19,021,338	19,407,794	18,881,371	19,974,187
Business-Type Activities										
Interest	125,529	41,782	5,842	5,971	4,263	2,653	2,659	2,813	4,591	1,113
Miscellaneous	-	-	-	-	-	16,150	-	10,000	(105,732)	10,000
Transfers	(150,000)	(175,000)	(175,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Total Business-Type Activities	(24,471)	(133,218)	(169,158)	(194,029)	(195,737)	(181,197)	(197,341)	(187,187)	(301,141)	(188,887)
Total Primary Government General Revenue	19,155,562	19,265,308	18,441,085	18,933,634	18,789,866	19,171,560	18,823,997	19,220,607	18,580,230	19,785,300
Changes in Net Position										
Governmental Activities	2,877,306	2,858,818	1,720,156	2,501,769	2,449,661	2,495,295	1,812,739	(1,629,558)	(2,533,738)	351,062
Business-Type Activities	296,394	(504,487)	89,807	(28,471)	120,500	(30,191)	(103,290)	181,740	5,514	221,047
Total Primary Government	3,173,700	2,354,331	1,809,963	2,473,298	2,570,161	2,465,104	1,709,449	(1,447,818)	(2,528,224)	572,109

* Accrual Basis of Accounting

Data Source: Village Records

VILLAGE OF LINCOLNWOOD, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years*
April 30, 2018 (Unaudited)

	2009	2010	2011	2012
General Fund				
Reserved	\$ 625	400,625	150,478	-
Unreserved	9,158,204	8,914,733	9,805,693	-
Nonspendable	-	-	-	511,884
Restricted	-	-	-	-
Unassigned	-	-	-	9,047,480
Total General Fund	<u>9,158,829</u>	<u>9,315,358</u>	<u>9,956,171</u>	<u>9,559,364</u>
All Other Governmental Funds				
Reserved	7,642,939	8,516,994	7,664,671	-
Unreserved, Reported in,				
Special Revenue Funds	1,778,703	2,084,554	1,632,933	-
Debt Service Funds	-	453	703	-
Capital Projects Funds	17,842	18,102	485,611	-
Restricted	-	-	-	11,221,347
Unassigned	-	-	-	(103,757)
Total All Other Governmental Funds	<u>9,439,484</u>	<u>10,620,103</u>	<u>9,783,918</u>	<u>11,117,590</u>
Total Governmental Funds	<u><u>18,598,313</u></u>	<u><u>19,935,461</u></u>	<u><u>19,740,089</u></u>	<u><u>20,676,954</u></u>

* Modified Accrual Basis of Accounting

Data Source: Village Records

The Village implemented GASB No. 54 for the fiscal year ended April 30, 2012.

2013	2014	2015	2016	2017	2017
-	-	-	-	-	-
-	-	-	-	-	-
408,967	435,356	142,887	110,482	102,822	90,009
-	-	-	-	72,372	79,149
9,370,395	10,206,133	10,639,883	11,113,026	12,532,345	11,083,853
9,779,362	10,641,489	10,782,770	11,223,508	12,707,539	11,253,011
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,270,687	12,363,453	12,647,231	10,939,074	5,272,645	5,911,457
(59,987)	(63,017)	(106,302)	(310,218)	(172,025)	(63,016)
12,210,700	12,300,436	12,540,929	10,628,856	5,100,620	5,848,441
21,990,062	22,941,925	23,323,699	21,852,364	17,808,159	17,101,452

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
April 30, 2018 (Unaudited)**

	2009	2010	2011
Revenues			
Taxes	\$ 18,798,722	18,837,235	18,036,316
Charges for Services	1,563,533	1,654,481	1,789,585
Licenses, Permits and Fees	983,497	922,356	1,007,370
Intergovernmental - Grants	301,604	166,993	667,400
Fines and Forfeitures	183,904	176,706	265,214
Interest	213,404	200,209	238,758
Miscellaneous	195,022	129,033	135,559
Total Revenues	<u>22,239,686</u>	<u>22,087,013</u>	<u>22,140,202</u>
Expenditures			
Current			
General Government	3,709,003	3,889,439	3,825,017
Public Safety	9,068,488	8,668,806	9,489,960
Public Works	1,131,520	1,141,803	1,873,033
Sanitation	956,426	1,006,848	1,000,832
Economic Development	940,667	1,415,550	1,105,001
Culture and Recreation	2,086,397	2,064,504	2,142,897
Capital Outlay	336,409	1,449,975	2,111,785
Debt Service			
Principal Retirement	1,905,000	1,190,000	1,242,500
Interest and Fiscal Charges	410,218	347,940	312,201
Total Expenditures	<u>20,544,128</u>	<u>21,174,865</u>	<u>23,103,226</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,695,558</u>	912,148	(963,024)
Other Financing Sources (Uses)			
Debt Issuance	-	250,000	592,652
Disposal of Capital Assets	-	-	-
Transfers In	418,279	310,000	422,094
Transfers Out	(268,279)	(135,000)	(247,094)
	<u>150,000</u>	<u>425,000</u>	<u>767,652</u>
Net Change in Fund Balances	<u>1,845,558</u>	<u>1,337,148</u>	<u>(195,372)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>11.40%</u>	<u>7.90%</u>	<u>8.10%</u>

* Modified Accrual Basis of Accounting

Data Source: Village Records

2012	2013	2014	2015	2016	2017	2018
18,715,559	18,219,232	18,795,993	18,250,374	18,649,658	8,818,001	9,960,504
1,764,893	1,940,107	1,902,915	1,903,730	1,968,852	2,042,559	2,043,913
1,009,122	1,074,728	1,109,864	1,033,923	1,072,394	2,075,684	1,095,771
494,328	642,416	451,507	387,772	3,926,370	9,774,331	9,326,529
359,731	358,848	347,394	297,578	291,189	340,950	302,224
196,040	152,448	176,067	186,750	231,769	339,078	388,573
189,445	413,923	180,697	384,214	326,367	293,957	368,323
22,729,118	22,801,702	22,964,437	22,444,341	26,466,599	23,684,560	23,485,837
3,858,935	3,723,651	3,965,888	3,722,000	4,155,775	7,909,328	3,889,672
9,051,421	9,200,803	9,393,305	9,518,972	9,767,597	10,029,278	11,153,292
1,171,370	1,257,315	1,768,165	2,670,998	2,605,336	2,608,717	1,311,144
1,042,760	1,003,569	977,975	1,001,538	1,000,930	985,348	1,013,787
1,137,237	1,184,987	1,191,511	1,314,624	950,667	960,386	925,780
2,100,417	2,210,831	2,091,160	2,194,920	2,195,582	2,266,129	2,280,734
2,106,974	1,521,896	1,202,232	1,016,945	6,017,661	2,167,423	2,868,553
1,330,550	1,402,751	1,478,386	1,718,674	1,375,553	970,381	990,381
351,695	182,791	143,952	105,817	68,834	31,775	16,101
22,151,359	21,688,594	22,212,574	23,264,488	28,137,935	27,928,765	24,449,444
577,759	1,113,108	751,863	(820,147)	(1,671,336)	(4,244,205)	(963,607)
159,106	-	-	1,001,921	-	-	-
-	-	-	-	-	-	56,900
1,264,655	883,513	518,392	768,716	1,066,060	1,541,414	1,840,314
(1,064,655)	(683,513)	(318,392)	(568,716)	(866,060)	(1,341,414)	(1,640,314)
359,106	200,000	200,000	1,201,921	200,000	200,000	256,900
936,865	1,313,108	951,863	381,774	(1,471,336)	(4,044,205)	(706,707)
8.37%	7.80%	7.76%	8.53%	6.79%	4.08%	4.64%

VILLAGE OF LINCOLNWOOD, ILLINOIS

Sales Tax by Category - Last Ten Calendar Years
April 30, 2018 (Unaudited)

	2017		2016		2015		2014	
	Amount	% Change from Previous Year						
General Merchandise	\$ 275,882	(8.4%)	\$ 301,209	(4.1%)	\$ 314,147	(4.2%)	\$ 328,058	(0.3%)
Food	178,417	8.3%	164,796	(17.8%)	200,513	(1.7%)	204,020	(45.7%)
Drinking and Eating Places	511,412	3.2%	495,695	0.7%	492,393	2.0%	482,730	6.8%
Apparel	197,995	(7.5%)	214,093	(0.3%)	214,716	10.5%	194,259	(3.0%)
Furniture, Households and Radio	60,555	(24.5%)	80,154	(0.5%)	80,594	(9.0%)	88,558	1.2%
Lumber, Building and Hardware	183,337	(4.3%)	191,497	(13.1%)	220,429	(0.2%)	220,960	1.5%
Automotive Filing Stations	2,498,148	(1.6%)	2,539,884	(8.3%)	2,769,625	4.1%	2,661,791	11.2%
Drugs and Other Retail	548,537	9.4%	501,291	15.3%	434,860	(15.8%)	516,760	(1.9%)
Agriculture and Extractive Manufacturers	231,177	2.2%	226,221	(4.9%)	237,989	(1.5%)	241,719	13.1%
	<u>97,578</u>	<u>(3.9%)</u>	<u>101,561</u>	<u>22.3%</u>	<u>83,010</u>	<u>3.3%</u>	<u>80,379</u>	<u>2.0%</u>
	<u>4,783,038</u>	<u>(0.7%)</u>	<u>4,816,401</u>	<u>(4.6%)</u>	<u>5,048,276</u>	<u>0.6%</u>	<u>5,019,234</u>	<u>3.0%</u>
Village Statutory Allocated Sales Tax Rate	<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>	

Note: Sales Tax information for the calendar year 2017 is the most current available.

Data Source: Illinois Department of Revenue

2013		2012		2011		2010		2009		2008	
Amount	% Change from Previous Year										
\$ 328,933	20.3%	\$ 273,486	(2.9%)	\$ 281,587	(19.3%)	\$ 349,013	(2.4%)	\$ 357,635	(7.7%)	\$ 387,343	(13.6%)
375,458	(4.2%)	392,096	0.8%	388,828	14.3%	340,290	0.2%	339,654	(3.8%)	352,895	7.5%
452,061	4.4%	433,003	11.5%	388,243	3.5%	375,025	(1.4%)	380,518	(9.4%)	420,113	2.9%
200,338	(10.0%)	222,703	(4.1%)	232,302	(4.9%)	244,264	0.6%	242,758	(11.5%)	274,233	(14.5%)
87,519	14.3%	76,548	13.5%	67,414	(9.6%)	74,594	(2.2%)	76,302	(17.4%)	92,403	(8.4%)
217,737	4.2%	208,967	(2.1%)	213,529	(6.6%)	228,726	(2.6%)	234,730	(15.2%)	276,899	(13.8%)
2,392,776	0.3%	2,385,103	0.0%	2,384,220	14.6%	2,080,078	14.0%	1,824,494	(17.1%)	2,201,509	(13.0%)
526,540	11.6%	471,864	15.7%	407,778	16.9%	348,743	(0.6%)	350,756	(6.7%)	375,877	(9.1%)
213,816	(6.2%)	227,959	(4.3%)	238,146	(35.3%)	367,963	(0.5%)	369,838	(13.6%)	428,148	(1.2%)
78,803	(41.9%)	135,689	1.0%	134,346	(19.3%)	166,420	17.1%	142,106	(12.0%)	161,443	21.6%
<u>4,873,981</u>	1.0%	<u>4,827,418</u>	1.9%	<u>4,736,393</u>	3.5%	<u>4,575,116</u>	5.9%	<u>4,318,791</u>	(13.1%)	<u>4,970,863</u>	(8.6%)
<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>	

VILLAGE OF LINCOLNWOOD, ILLINOIS

Home Rule Sales Tax by Category - Last Ten Calendar Years
 April 30, 2018 (Unaudited)

	2017		2016		2015		2014	
	Amount	% Change from Previous Year						
General Merchandise	\$ 275,716	(8.41%)	\$ 301,042	(4.2%)	\$ 314,098	(4.2%)	\$ 327,862	(0.3%)
Food	147,358	9.93%	134,047	(8.9%)	147,100	4.5%	140,820	(24.3%)
Drinking and Eating Places	506,427	2.87%	492,308	0.7%	489,053	2.0%	479,509	6.7%
Apparel	197,917	(7.54%)	214,059	(0.3%)	214,718	10.5%	194,257	(3.0%)
Furniture, Households and Radio	60,555	(24.45%)	80,154	(0.5%)	80,595	(9.0%)	88,559	1.2%
Lumber, Building and Hardware	182,889	(4.27%)	191,045	(13.2%)	220,124	(0.2%)	220,540	1.6%
Automotive Filing Stations	366,417	6.15%	345,203	(1.4%)	350,202	(17.9%)	426,815	(7.1%)
Drugs and Other Retail	354,994	15.55%	307,210	20.5%	255,043	(22.5%)	329,188	(6.2%)
Agriculture and Extractive	220,576	3.72%	212,664	(6.5%)	227,516	5.6%	215,448	11.9%
Manufacturers	94,375	(3.90%)	98,204	23.0%	79,825	3.2%	77,353	2.0%
	<u>2,407,224</u>	1.32%	<u>2,375,936</u>	(0.1%)	<u>2,378,274</u>	(4.9%)	<u>2,500,351</u>	(1.9%)
Village Home Rule Sales Tax Rate	<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>	

Note: Sales Tax information for the calendar year 2017 is the most current available.

Data Source: Illinois Department of Revenue

2013		2012		2011		2010		2009		2008	
Amount	% Change from Previous Year										
\$ 328,934	21.4%	\$ 270,971	0.1%	\$ 270,834	(22.4%)	\$ 349,013	(2.4%)	\$ 357,635	(7.7%)	\$ 387,343	(13.6%)
186,143	(4.1%)	194,097	2.9%	188,624	63.3%	115,542	26.2%	91,548	2.4%	89,392	6.4%
449,239	4.3%	430,734	11.5%	386,324	3.5%	373,285	(1.3%)	378,311	(9.5%)	417,838	3.0%
200,339	(10.0%)	222,704	(4.1%)	232,285	(4.9%)	244,246	0.7%	242,561	(11.5%)	274,140	(14.5%)
87,521	14.3%	76,548	13.5%	67,414	(9.6%)	74,592	(2.2%)	76,305	(17.6%)	92,642	(8.1%)
216,994	4.1%	208,436	(2.3%)	213,421	(6.4%)	228,116	(2.3%)	233,600	(15.2%)	275,450	(14.2%)
459,580	2.6%	448,000	3.8%	431,588	52.8%	282,472	2.4%	275,854	(23.4%)	360,287	8.1%
350,943	13.5%	309,144	11.5%	277,149	13.8%	243,535	16.3%	209,486	(11.6%)	236,960	(14.2%)
192,520	(9.4%)	212,591	2.2%	208,091	(33.6%)	313,544	(10.6%)	350,667	(15.3%)	413,990	(0.9%)
75,836	(43.7%)	134,729	1.0%	133,396	(13.4%)	154,123	17.0%	131,713	(14.3%)	153,676	23.3%
<u>2,548,049</u>	1.6%	<u>2,507,954</u>	4.1%	<u>2,409,126</u>	1.3%	<u>2,378,468</u>	1.3%	<u>2,347,680</u>	(13.1%)	<u>2,701,718</u>	(4.6%)
<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>		<u>1.00%</u>	

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years (in Thousands)
April 30, 2018 (Unaudited)**

Tax Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2008	\$ 588,860	\$ 136	\$ 194,846	\$ 86,963	\$ -	\$ 870,805	0.576
2009	596,660	49	183,818	76,573	-	857,100	0.585
2010	514,583	130	181,926	82,205	57	778,787	0.661
2011	464,664	49	155,217	73,887	N/A	693,817	0.753
2012	428,515	49	143,447	71,069	N/A	643,080	0.836
2013	368,229	49	134,578	70,450	N/A	573,306	0.954
2014	377,532	108	156,369	42,453	N/A	576,462	0.963
2015	368,908	107	154,132	43,037	N/A	566,184	0.988
2016	437,199	118	177,507	43,241	N/A	658,065	0.857
2017	441,536	122	185,419	43,029	N/A	670,106	0.859

Data Source: Office of the County Clerk

Property in the Village is reassessed every three years.

N/A - Not Available

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2018 (Unaudited)**

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2018 (Unaudited)**

	2008	2009	2010
Village Direct Rates			
General	0.327	0.328	0.366
Police Pension	0.130	0.137	0.165
Special Recreation	0.013	0.013	0.015
Playgrounds and Recreation	0.106	0.107	0.115
Total Direct Rates	0.576	0.585	0.661
Overlapping Rates			
Lincolnwood Public Library	0.280	0.286	0.289
School District #74	2.313	2.363	2.666
High School District #219	2.120	2.267	2.538
Oakton Community College District #535	0.140	0.140	0.160
Niles Township	0.027	0.029	0.032
Niles Township General Assistance	0.003	0.003	0.004
North Shore Mosquito Abatement District	0.008	0.008	0.009
County of Cook	0.224	0.203	0.228
Cook County Health Facilities	0.086	0.086	0.082
Forest Preserve District of Cook County	0.051	0.049	0.051
Cook County Consolidated Elections	-	0.021	-
Cook County Public Safety	0.105	-	0.113
Suburban Cook County T.B. Sanitarium District	-	0.105	-
Metro Water Reclamation District of Greater Chicago	0.252	0.261	0.274
Total Overlapping Rates	5.609	5.821	6.446
Total Direct and Overlapping Rates	6.185	6.406	7.107

Data Source: Office of the County Clerk

Note: Rates are per \$100 of Assessed Value

2011	2012	2013	2014	2015	2016	2016
0.395	0.450	0.522	0.541	0.530	0.428	0.437
0.210	0.226	0.252	0.243	0.276	0.273	0.269
0.016	0.018	0.020	0.019	0.020	0.017	0.017
0.132	0.143	0.160	0.160	0.162	0.139	0.137
0.753	0.836	0.954	0.963	0.988	0.857	0.859
0.330	0.368	0.421	0.426	0.442	0.384	0.386
3.034	3.366	3.383	3.421	3.891	3.244	3.256
2.904	3.256	3.707	3.650	3.741	3.460	3.409
0.196	0.219	0.256	0.258	0.271	0.231	0.232
0.037	0.042	0.049	0.050	0.052	0.046	0.047
0.005	0.006	0.007	0.007	0.008	0.007	0.007
0.010	0.010	0.007	0.011	0.012	0.010	0.010
0.223	0.287	0.275	0.296	0.289	0.316	0.327
0.078	0.063	0.066	0.031	0.116	0.087	0.060
0.058	0.063	0.069	0.069	0.069	0.063	0.062
0.025	-	0.031	-	0.034	-	0.031
0.161	0.181	0.219	0.241	0.147	0.130	0.109
-	-	-	-	-	-	-
0.320	0.370	0.417	0.430	0.426	0.406	0.402
7.381	8.231	8.907	8.890	9.498	8.384	8.338
8.134	9.067	9.861	9.853	10.486	9.241	9.197

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2018 (Unaudited)**

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Syndicated Equities	\$ 43,714,547	1	6.52%	\$ 34,419,036	1	4.19%
WLH Lincolnwood LLC	10,992,411	2	1.64%	7,683,740	6	0.93%
Grossprops Assoc.	8,979,028	3	1.34%	13,143,897	2	1.60%
Imperial Realty	6,286,061	4	0.94%			
Lowes Companies	6,085,353	5	0.91%	9,818,340	4	1.19%
Joe Koenig	6,017,362	6	0.90%			
Loeber Motors Corp	5,613,241	7	0.84%	7,110,310	7	0.86%
MCRIL LLC	5,263,263	8	0.79%	9,662,915	5	1.18%
Puig Holding Co.	5,061,468	9	0.76%	10,969,431	3	1.33%
Bryn Mawr Country Club	4,469,888	10	0.67%			
Lincolnwood Town PLZ				6,967,552	8	0.85%
Safe Way, Inc.				6,097,529	9	0.74%
First Industrial				6,056,620	10	0.74%
	<u>102,482,622</u>		<u>15.29%</u>	<u>111,929,370</u>		<u>13.61%</u>

Data Source: Office of the County Clerk and Assessor's Office

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2009	2008	\$ 5,008,652	\$ -	0.00%	\$ 4,942,904	\$ 4,942,904	98.69%
2010	2009	5,014,344	2,379,592	47.46%	2,526,706	4,906,298	97.85%
2011	2010	5,148,487	2,653,434	51.54%	2,456,162	5,109,596	99.24%
2012	2011	5,224,442	2,657,978	50.88%	2,479,071	5,137,049	98.33%
2013	2012	5,382,584	2,563,342	47.62%	2,765,655	5,328,997	99.00%
2014	2013	5,469,347	2,769,183	50.63%	2,610,222	5,379,405	98.36%
2015	2014	5,551,337	2,722,099	49.04%	2,691,416	5,413,515	97.52%
2016	2015	5,599,559	2,847,165	50.85%	2,871,768	5,718,933	102.13%
2017	2016	5,639,624	2,870,430	50.90%	2,539,178	5,409,608	95.92%
2018	2017	5,752,159	3,089,568	53.71%	-	3,089,568	53.71%

Data Source: Office of the County Clerk

Property in the Village is reassessed every three years. Property is assessed at 33% of actual value.

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Loan Payable	Loan Payable	IEPA Loan Payable			
2009	\$ 10,120,000	\$ -	\$ -	\$ 4,371,277	\$ 14,491,277	3.27%	\$ 1,173
2010	8,930,000	250,000	-	4,992,058	14,172,058	3.19%	1,147
2011	7,662,129	830,152	-	5,361,696	13,853,977	2.82%	1,100
2012	6,405,878	869,602	-	5,114,044	12,389,524	2.52%	984
2013	5,078,564	806,851	-	4,860,162	10,745,577	2.19%	854
2014	3,705,000	708,465	-	4,599,893	9,013,358	1.84%	716
2015	2,285,000	1,411,712	1,207,172	4,333,077	9,236,961	1.88%	734
2016	1,540,000	752,958	905,053	4,059,549	7,257,560	1.48%	576
2017	780,000	545,577	602,934	3,779,140	5,707,651	1.16%	453
2018	-	360,397	336,437	3,491,677	4,188,511	0.85%	333

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

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

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available for Debt Service	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
2009	\$ 10,120,000	\$ -	\$ 10,120,000	1.16%	\$ 819
2010	8,930,000	-	8,930,000	1.04%	723
2011	7,662,129	-	7,662,129	0.98%	609
2012	6,405,878	-	6,405,878	0.92%	509
2013	5,078,564	-	5,078,564	0.79%	403
2014	3,705,000	-	3,705,000	0.65%	294
2015	2,285,000	-	2,285,000	0.40%	181
2016	1,540,000	-	1,540,000	0.27%	122
2017	780,000	4,771	775,229	0.12%	62
2018	-	9,800	(9,800)	0.00%	-

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

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Debt
April 30, 2018 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village*	Village's Share of Debt
Village - Payable from Property Taxes	\$ 360,397	100.000%	\$ 360,397
Overlapping Debt			
Cook County - Including Forest Preserve	3,236,196,750	0.462%	14,951,229
Metropolitan Water Reclamation District	2,558,386,000 (1)	0.468%	11,973,246
School District #74	16,345,000	100.000%	16,345,000
School District #219	126,938,951 (2)	16.268%	20,650,429
Lincolnwood Library District	2,185,000	100.000%	2,185,000
Oakton Community College #535	34,150,000	2.953%	1,008,450
Total Overlapping Debt	5,974,201,701		67,113,354
Total Direct and Overlapping Debt	5,974,562,098		67,473,751

Data Source: Cook County Tax Extension Department

* Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

Notes:

(1) Includes Illinois EPA Revolving Loan Bonds

(2) Includes original principal and interest amounts of outstanding General Obligation Capital Appreciation Bonds

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

	2009	2010	2011
Issuing Body			
Direct (Locally Imposed)			
Village of Lincolnwood	1.00%	1.00%	1.00%
Village of Lincolnwood Home Rule	1.00%	1.00%	1.00%
Total Direct Rates	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>
Overlapping (State Imposed)			
State of Illinois	5.00%	5.00%	5.00%
Cook County	2.00%	2.00%	2.00%
RTA	1.00%	1.00%	1.00%
Total Overlapping Rates	<u>8.00%</u>	<u>8.00%</u>	<u>8.00%</u>
Total Direct and Overlapping Rates	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>

Data Source: Illinois Department of Revenue

2012	2013	2014	2015	2016	2017	2018
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Retailers' Occupation, Service Occupation and Use Tax Distribution - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

Fiscal Year	State Sales Tax Distributions	Annual Change	
		Amount	Percentage
2009	\$ 7,580,207	\$ (803,301)	(2.90%)
2010	6,759,593	(820,614)	(10.83%)
2011	7,303,975	544,382	8.05%
2012	7,373,902	69,927	0.96%
2013	7,502,274	128,372	1.74%
2014	7,443,297	(58,977)	(0.79%)
2015	7,504,348	61,051	0.82%
2016	7,351,368	(152,980)	(2.04%)
2017	7,232,007	(119,361)	(1.62%)
2018	7,132,493	(99,514)	(1.38%)

Data Source: State of Illinois

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Schedule of Legal Debt Margin - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Schedule of Legal Debt Margin - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

	2008	2009	2010	2012
Legal Debt Limit	\$ -	-	-	59,841,718
Total Net Debt Applicable to Limit	-	-	-	6,425,000
Legal Debt Margin	-	-	-	53,416,718
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	10.74%

Data Source: Audited Financial Statements

2013	2014	2015	2016	2017	2018
55,465,700	49,447,717	49,719,915	48,833,359	56,758,179	57,796,643
5,085,000	3,705,000	2,285,000	1,540,000	780,000	-
50,380,700	45,742,717	47,434,915	47,293,359	55,978,179	57,796,643
9.17%	7.49%	4.60%	3.15%	1.37%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed Value	<u>\$ 670,106,010</u>
Bonded Debt Limit - 8.625% of Assessed Value	57,796,643
Amount of Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>57,796,643</u>

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Demographic and Economic Statistics - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

Fiscal Year	Population (1)	Estimated Personal Income	Per Capita Personal Income (1)	Unemployment Rate (2)	
				Village	State
2009	12,359	\$ 443,824,049	\$ 35,911	6.00%	10.50%
2010	12,359	443,824,049	35,911	7.20%	10.30%
2011	12,590	491,161,080	39,012	6.80%	9.80%
2012	12,590	491,161,080	39,012	6.50%	8.60%
2013	12,590	491,161,080	39,012	5.20%	7.10%
2014	12,590	491,161,080	39,012	N/A	N/A
2015	12,590	491,161,080	39,012	N/A	N/A
2016	12,590	491,161,080	39,012	N/A	N/A
2017	12,590	491,161,080	39,012	N/A	N/A
2018	12,590	491,161,080	39,012	N/A	N/A

Data Source:

(1) U.S. Department of Commerce, Bureau of Census

(2) Illinois Department of Labor, Illinois Department of Commerce and Economic Opportunity and Northeastern Illinois Planning Commission

The U.S. Department of Commerce, Bureau of Census defines personal income as a measure of income received from all sources by residents of the Village during a calendar year.

N/A - Not Available

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Construction - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

Fiscal Year	Commercial Construction		Residential Construction		Other Construction Alterations, Etc.	
	Number of Units	Property Value	Number of Units	Property Value	Number of Permits	Property Value
2009	N/A	\$ N/A	4	\$ 3,724,600	943	\$ 10,446,483
2010	N/A	N/A	1	567,000	829	10,459,481
2011	N/A	N/A	N/A	N/A	869	13,856,843
2012	4	1,524,154	3	2,457,029	1,056	14,867,739
2013	-	-	5	3,484,700	707	11,575,025
2014	2	2,580,916	4	3,122,250	965	14,109,942
2015	-	-	5	3,744,549	887	12,710,383
2016	-	-	1	411,060	1,139	18,967,347
2017	3	73,058,659	4	2,401,886	1,139	14,677,527
2018	2	2,803,525	2	2,072,412	792	17,989,635

Data Source: Village's Building Department Records

N/A - Not Available

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2018 (Unaudited)**

Employer	2018			2009		
	Employees	Rank	Percentage of Total Village Population	Employees	Rank	Percentage of Total Village Population
ATF	283	1	2.25%	235	2	1.90%
Carson Pirie Scott	140	2	1.11%	121	5	0.98%
Lincolnwood Place	135	3	1.07%	227	3	1.84%
Loeber Motors	131	4	1.04%			
Lowe's	125	5	0.99%			
Trim Tex	120	6	0.95%	180	4	1.46%
Kohl's	112	7	0.89%			
Grossinger Autoplex	109	8	0.87%			
Olive Garden	106	9	0.84%	118	6	0.95%
Village of Lincolnwood	103	10	0.82%	99	8	0.80%
Food for Thought				373	1	3.02%
Lou Malnatti's				104	7	0.84%
L'Woods Tap				97	9	0.78%
Dominick's				98	10	0.79%
	<u>1,364</u>		<u>10.83%</u>	<u>1,652</u>		<u>13.36%</u>

Data Source: Village Community Development Department Records and U.S. Census Bureau.

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

See Following Page

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

Function	2009	2010	2011
General Government			
Executive	9.0	9.0	9.0
Administration	5.5	5.0	5.0
Finance	5.0	5.0	5.0
Public Safety			
Police			
Sworn	33.0	32.0	32.0
Non-Sworn	13.0	13.0	12.5
Fire			
Sworn*	-	-	-
Non-Sworn	1.0	1.0	1.0
Building	4.5	-	-
Village Services			
Community Development	1.0	4.0	4.0
Public Works	22.5	22.5	22.5
Parks and Recreation	11.5	11.5	10.5
Total	106.0	103.0	101.5

Data Source: Village Records

* The Village contracts for Fire and EMS Services.

2012	2013	2014	2015	2016	2017	2018
9.0	9.0	9.0	9.0	9.0	9.0	9.0
5.0	5.0	5.0	5.0	5.0	5.0	5.0
5.0	5.0	5.0	5.0	5.0	5.0	5.0
32.0	32.0	32.0	33.0	33.0	33.0	33.0
12.5	12.5	12.5	12.0	12.0	6.5	6.5
-	-	-	-	-	-	-
1.0	1.0	1.0	1.0	1.0	1.0	1.0
-	-	-	-	-	-	-
4.0	4.0	4.0	4.5	5.0	5.0	5.0
22.5	22.5	22.5	23.0	23.0	23.3	23.3
10.5	10.5	10.5	10.0	10.0	10.3	10.3
101.5	101.5	101.5	102.5	103.0	98.0	98.0

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

Function/Program	2009	2010	2011
General Government			
Building and Zoning			
Permits Issued	949	822	869
Inspections Conducted	1,932	1,390	1,336
Contractors Licenses Issued	682	339	599
Business Licenses Issued	340	416	505
Legal Notices Published	25	25	26
Personnel			
Employment Exams Given	83	83	-
Full-Time Employees Hired	9	5	3
Part-Time/Seasonal Employees Hired	166	109	187
Legal			
Ordinances Written	46	69	61
Resolutions Written	74	44	74
Vehicles			
Vehicles Replaced	3	3	3
Public Safety			
Police			
Part I Offenses	625	500	496
Part II Offenses	1,314	827	1,047
Traffic Accidents	810	897	948
Criminal Arrests	886	808	957
Total Calls for Service	12,978	18,128	20,118
Fire			
EMS Related Incidents	1,276	1,262	1,264
Structural Fire Incidents	9	38	18
Other Fire and Rescue Incidents	10	291	26
Hazardous Materials Incidents	28	63	30
All Other Received	685	293	645
Mutual Aid Received	70	24	28
Mutual Aid Given	43	32	36
Total Incidents	2,066	1,947	1,983
Highways and Streets			
Complete Sweeps of the Village	10	10	10
Tons of Salt Used	600	600	800
Reconstruction by Contractor (Feet)	-	-	-
Tons of Asphalt Installed	150	700	200
Public Service			
Waterworks and Sewerage Systems			
Metered Customers	4,215	4,232	4,226
Gallons of Water Delivered to Residences and Businesses (Thousands of Gallons)	577,695	508,073	529,871
Feet of Sanitary Sewer Televised	-	235,000	-
Feet of Sanitary Sewer Cleaned	100,000	500	57,000
Water Meters Installed	4,500	10	40

Data Source: Village Departments

2012	2013	2014	2015	2016	2017	2018
861	801	971	920	1,147	921	796
1,337	1,398	1,239	1,450	3,657	2,033	1,086
499	557	560	506	664	606	676
406	559	602	613	828	590	620
23	25	19	25	14	24	35
46	-	86	67	14	70	80
7	7	19	8	10	7	10
180	180	180	180	180	180	237
53	59	47	64	52	59	71
79	60	64	58	63	69	70
4	5	5	8	3	1	3
576	748	575	444	404	472	516
1,394	1,071	978	1,260	998	941	1,229
851	897	818	853	897	964	830
946	1,177	725	835	678	549	483
20,688	21,449	18,228	21,881	22,522	34,087	23,094
1,263	1,416	1,338	1,365	1,395	1,538	1,549
7	13	12	10	11	15	15
23	23	24	39	40	20	47
18	52	20	26	25	25	67
570	585	682	584	600	565	724
26	27	16	35	35	17	18
41	33	39	50	40	33	35
1,948	2,089	2,131	2,109	2,146	2,213	2,402
10	10	10	10	10	10	10
800	800	1,000	750	600	600	600
4,625	-	-	-	-	-	-
500	700	900	800	405	400	400
4,228	4,228	4,228	4,223	4,231	4,236	4,225
483,640	500,000	498,000	447,000	451,000	441,000	441,000
500	1,000	1,500	1,000	400	300	300
57,000	57,000	50,000	55,000	105,600	150,000	50,000
30	50	100	35	35	24	23

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

Function/Program	2009	2010	2011
General Government			
Land, General (Acres)	47	47	47
Land, Right of Way (Acres)	352	352	352
Buildings	3	3	3
Public Safety			
Police			
Land (Acres)	1	1	1
Buildings	1	1	1
Vehicles	20	20	19
Fire			
Land (Acres)	1	1	1
Buildings	1	1	1
Vehicles	12	12	13
Public Works			
Land (Acres)	3	3	3
Streets (Lane Miles)	35	35	35
Buildings	1	1	1
Vehicles	29	29	29
Enterprise			
Land (Acres)	35.0	35	35
Combined Sanitary/Storm (Miles)	59	59	59
Water Mains (Miles)	53	53	53
Buildings	1	1	1
Vehicles	17	17	17

Data Source: Various Village Departments

2012	2013	2014	2015	2016	2017	2018
47	47	47	47	47	47	47
352	352	352	352	352	352	352
3	3	3	3	3	3	3
1	1	1	1	1	1	1
1	1	1	1	1	1	1
19	19	22	26	26	28	28
1	1	1	1	1	1	1
1	1	1	1	1	1	1
13	12	12	13	13	13	11
3	3	3	3	3	3	3
35	35	35	35	35	35	35
1	1	1	19	19	19	19
29	29	29	26	26	28	28
35	35	35	35	35	35	35
59	59	59	59	59	59	59
53	53	53	53	53	53	53
1	1	1	1	1	1	1
17	17	17	17	17	17	17

VILLAGE OF LINCOLNWOOD, ILLINOIS

**Surety Bonds of Principal Officials
April 30, 2018 (Unaudited)**

Principal Official

Village President	\$	3,000
Village Clerk		3,000
Finance Director/Treasurer		50,000

Data Source: Village Records

Request For Board Action

REFERRED TO BOARD: October 16, 2018

AGENDA ITEM NO: 4

ORIGINATING DEPARTMENT: Community Development

SUBJECT: Consideration of an Ordinance Approving: 1) a Special Use for Extended Hours of Operation; 2) a Modification to the Zoning Ordinance to allow Accessory Structures in the Front Yard; 3) Modifications to the Zoning Ordinance to allow the Requested Amount and Sizes of Certain Wall Signs; and 4) a Series of Amendments to Ordinances Adopted Between 1999 and 2015 and Related to a Planned Unit Development that Would Allow the Operation of a New Grocery Store Use at 6850 North McCormick Boulevard

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

Walmart, Inc., the Petitioner, proposes to establish a drive-up grocery store for the southern portion of the former Dominick's grocery store that is currently vacant. The northern portion of the building is occupied by Planet Fitness. The remaining portion (approximately 41,700-square feet) would be occupied by the proposed grocery store.

According to the Zoning Ordinance, the proposed use is considered a "grocery store" which is permitted based on the original Planned Unit Development (PUD) Agreement for this property adopted in 2000. However, rather than entering the store to purchase goods, customers would place orders online and goods would be brought to their vehicles in designated parking bays. In order to accommodate this proposed use, the Petitioner is proposing extended hours of operation and physical modifications to the property related to signage, on-site circulation, landscaping, and canopies located in the front parking area and along the south side of the existing building. These changes to the property would require the following approvals:

1. Approval of a Special Use and an amendment to Section 2.a of Ordinance No. 2004-236 to permit extended hours of operation between 4:30 a.m. and 12:00 a.m. within 150 feet of a residentially-zoned property;
2. An amendment to the "2008 Sign Plans" attached to Ordinance No. 2008-2824 to allow the installation of on-site directional signs;
3. An amendment to the "2008 Sign Plans" attached to Ordinance No. 2008-2824 to allow for the proposed wall signage;
4. An amendment to Section 3.F.3 in Ordinance No. 2015-3173, and a Modification to Section 11.04(2)I of the Zoning Ordinance to allow three wall signs in a building with two tenants;
5. An amendment to Exhibit G in Ordinance No. 2015-3173, and a Modification to Section 11.04(2)iii to modify the signable area;
6. Amendments to Ordinance No. 2015-3173 to relocate parking islands, parking capacity, and vehicular circulation;
7. Modification from Section 3.08.b of the Zoning Code to allow a detached accessory structure in the front yard;

8. An amendment to Section 4.3.c of Ordinance No. Z2000-064 to allow non-masonry construction for the canopies; and
9. An amendment to Exhibit H (Photometric Plan) of Ordinance No. 2015-3173 to reflect the new photometric resulting from the proposed lighting for the canopies.

October 3, 2018, Village Board Discussion

During its October 3, 2018 meeting, the Village Board considered the Plan Commission recommendation to approve a Special Use for the requested hours of operation, Zoning Modification for accessory structures, and amendments to previous Planned Unit Development Ordinances. Trustees discussed the following concerns:

Trustee Hlepas-Nickell sought information regarding the design of the canopies and the sturdiness of the proposed materials. The Petitioner stated that the structures are made from a durable metal and coating that should resist weathering. It was also stated that the canopy is made of a material that is designed for extreme winds and snow loads beyond what is typically required for in this region.

Trustees discussed on-site circulation and potential traffic impacts on Pratt Avenue. Trustee Patel suggested signage that would encourage vehicular egress to Northeast Parkway rather than Pratt Avenue. However, based on the reduced number of trips compared to a traditional grocery store and the presence of another tenant in the shopping center, the suggested signage was not included in the motion for approval.

Much of the discussion focused on the requested hours of operation. Trustee Patel stated concerns regarding hours of operation prior to 6:00 a.m. He specifically cited the beeping of trucks as a potential nuisance. The Petitioner was asked to state whether or not store operations could work with an operating time beginning at 6:00 a.m. or 7:00 a.m. The Petitioner stated that waiting that long for the first delivery would limit their ability to meet morning orders for fresh products. The concept of a look-back clause was also discussed. However, Trustees and the Petitioner agreed that providing as much predictability as possible is in everyone's interest. Ultimately, the Petitioner requested hours of operation from 5:00 a.m. to 12:00 a.m.

Public Comment

Public comment was offered by Mark Yohanna, Chairman of the Plan Commission. He stated his concerns regarding the requested hours of operation, and requested that the Petitioner consider 5:30 a.m. as the permitted opening time.

Village Board Action

Trustee Cope made a motion, and Trustee Ikezoe-Halevi seconded that motion, to approve: 1) a Special Use for extended hours of operation for 5:00 a.m. to 12:00 a.m.; 2) a Modification to the Zoning Ordinance to allow accessory structures in the front yard; and 3) a series of amendments to Ordinances adopted between 1999 and 2015 and related to a Planned Unit Development that would allow the operation of a new grocery store use at 6850 North McCormick Boulevard, and to direct the Village Attorney to draft an Ordinance for adoption. The motions passed by a vote of 3-1, with Trustee Patel casting the dissenting vote based on his concerns related to the requested hours of operation.

FINANCIAL IMPACT:

None

DOCUMENTS ATTACHED:

1. Proposed Ordinance

RECOMMENDED MOTION:

Move to approve an Ordinance approving: 1) a Special Use for extended hours of operation from 5:00 a.m. to 12:00 a.m.; 2) a Zoning Modification to permit accessory structures in the front yard; 3) Modifications to the Zoning Ordinance to allow the requested amount and sizes of certain wall signs; and 4) a series of amendments to Ordinances adopted between 1999 and 2015 and related to a Planned Unit Development that would allow the operation of a new grocery store use at 6850 North McCormick Boulevard.

VILLAGE OF LINCOLNWOOD

ORDINANCE NO. 2018-____

**AN ORDINANCE APPROVING AN AMENDMENT TO
THE PRATT/MCCORMICK PLANNED UNIT DEVELOPMENT**

(6850 North McCormick Boulevard)

ADOPTED BY THE
PRESIDENT AND BOARD OF TRUSTEES
OF THE VILLAGE OF LINCOLNWOOD
THIS _____ DAY OF _____, 2018.

Published in pamphlet form
by the authority of the
President and Board of Trustees
of the Village of Lincolnwood,
Cook County, Illinois this
_____ day of _____, 2018

Village Clerk

**AN ORDINANCE APPROVING AN AMENDMENT TO
THE PRATT/MCCORMICK PLANNED UNIT DEVELOPMENT**
(6850 North McCormick Boulevard)

WHEREAS, Lincolnwood Holdings, LLC (“*Owner*”) is the record title owner of that certain parcel of real property consisting of approximately 6.59 acres, located at the address commonly known as 6850 North McCormick Boulevard, Lincolnwood, Illinois, and legally described in **Exhibit A** attached to and, by this reference, made a part of this Ordinance (“*Property*”); and

WHEREAS, the Village President and Board of Trustees adopted: (i) Ordinance No. Z99-044 on June 17, 1999, approving a special use permit for a planned unit development of the Property and an adjacent property and a preliminary plat of planned unit development; and (ii) Ordinance No. Z2000-064 on March 16, 2000, approving a final plat of planned unit development for the Property and the adjacent property (collectively, the “*PUD Ordinances*”); and

WHEREAS, the PUD Ordinances authorized the development of the Property as a planned unit development for use as a grocery store; and

WHEREAS, the Village President and Board of Trustees subsequently amended the PUD Ordinances by adopting Ordinance Nos. Z99-051, 2000-018, Z2003-179, Z2003-228, Z2004-236, 2008-2824, and 2015-3173 (collectively, the PUD Ordinances and their amendments are the “*Pratt/McCormick Planned Unit Development*”); and

WHEREAS, pursuant to the Pratt/McCormick Planned Unit Development, the Property was developed and is improved with: (i) one 62,000-square-foot building designed for use by three tenants for various possible retail or commercial uses (“*Large Building*”); (ii) a 6,000-square-foot building designed for use by two tenants for various possible retail or commercial uses (“*Small Building*”); and (iii) surface parking lot located adjacent to, and to the east of, the Large Building; and

WHEREAS, Walmart, Inc. (“*Applicant*”) has entered into an agreement with the Owner to lease an approximately 41,700-square-foot portion of the Large Building for the operation of a grocery store (“*Proposed Development*”); and

WHEREAS, pursuant to Section 4.07(15) of “The Village of Lincolnwood Zoning Ordinance” as amended (“*Zoning Ordinance*”), businesses located on the Property and within 150 feet of another property zoned or used for residential purposes may not be operated before 7:00 a.m. or after 11:00 p.m. on any day, except upon issuance of a special use permit therefor; and

WHEREAS, pursuant to Section 3.08(4)b of the Zoning Ordinance, detached accessory buildings may not be located within the front yard of a property; and

WHEREAS, Section Two of Ordinance No. 2004-236 prohibits operation of a grocery store on the Property before 6:00 a.m. or after 11:00 p.m., and prohibits deliveries to a grocery store on the Property before 7:00 a.m. or after 10:00 p.m.; and

WHEREAS, all signs installed on the Property must comply with the various plans attached to the ordinances that comprise the Pratt/McCormick Planned Unit Development, including, without limitation, the “2008 Sign Plans” attached to Ordinance No. 2008-2824 and that certain plan attached as Exhibit G to Ordinance No. 2015-3173; and

WHEREAS, Section 11.04(2)i of the Zoning Ordinance, and Section 3.F.3 of Ordinance No. 2015-3173, limit the quantity of wall signs installed on the east elevations of the Large Building and the Small Building to the number of tenants then occupying each respective Building; and

WHEREAS, Section 11.04(2)iii of the Zoning Ordinance limits the size of each wall sign to the greater of one-third of the signable wall area (up to 100 square feet) or 10 square feet; and

WHEREAS, the off-street vehicular circulation and parking areas on the Property, and the lighting structures and improvements, must comply with the various plans attached to Ordinance No. 2015-3173; and

WHEREAS, Section 4.3.c of Ordinance No. Z2000-064 requires all structures on the Property to be constructed of masonry, and to be compatible and unified in architecture and appearance; and

WHEREAS, in order to permit the construction and operation of the Proposed Development, and pursuant to Article VIII, Part A of the “The Village of Lincolnwood Zoning Ordinance,” as amended (“**Zoning Ordinance**”), the Applicant, with the consent of the Owner, filed an application with the Village for approval of: (i) amendments to the Pratt/McCormick Planned Unit Development; (ii) additional zoning modifications within the Pratt/McCormick Planned Unit Development; and (iii) a special use permit to allow the operation of, and deliveries to, the grocery store before 6:00 a.m. and after 11:00 p.m. (“**Requested Relief**”); and

WHEREAS, a public hearing of the Plan Commission of the Village of Lincolnwood to consider approval of the Requested Relief was duly advertised in the *Lincolnwood Review* on August 23, 2018, and was held on September 12, 2018; and

WHEREAS, on September 12, 2018, the Plan Commission made findings and recommendations in support of the Requested Relief, subject to specified conditions; and

WHEREAS, the Village President and Board of Trustees have determined that the Proposed Development complies with the required standards for special use permits and planned unit developments set forth in Articles V and VIII of the Zoning Ordinance; and

WHEREAS, consistent with the Plan Commission recommendation, the President and Board of Trustees have determined that it will serve and be in the best interests of the Village and its residents to approve the Requested Relief, in accordance with, and subject to, the conditions, restrictions, and provisions of this Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE VILLAGE PRESIDENT AND BOARD OF TRUSTEES OF LINCOLNWOOD, COOK COUNTY, ILLINOIS, as follows:

SECTION 1. RECITALS. The facts and statements contained in the preamble to this Ordinance are found to be true and correct and are hereby adopted as part of this Ordinance.

SECTION 2. APPROVAL OF AMENDMENTS TO PRATT/MCCORMICK PLANNED UNIT DEVELOPMENT. Subject to, and contingent upon, the conditions, restrictions, and provisions set forth in Section 5 of this Ordinance, the Village President and Board of Trustees hereby approve amendments to the Pratt/McCormick Planned Unit Development, as follows:

- A. Proposed Development. The Pratt/McCormick Planned Unit Development is hereby amended to permit the development of the Proposed Development on the Property, in accordance with, and pursuant to, Articles V and VIII of the Zoning Ordinance and the home rule powers of the Village;
- B. Hours of Operation. The Pratt/McCormick Planned Unit Development is hereby amended to permit the operation of, and deliveries to, a grocery store on the Property between the hours of 5:00 a.m. and 12:00 a.m.; and
- C. Signage. The Pratt/McCormick Planned Unit Development is hereby amended to permit the installation and maintenance of signs in accordance with the Final Development Plan (as that term is defined in Section 5.B of this Ordinance). Specifically, and without limitation of the foregoing:
 - 1. The Applicant may install a 450-square-foot “Walmart Pickup” wall sign on the Large Building;
 - 2. The Applicant may install a secondary 41.86-square-foot “Pickup” sign on the Property;
 - 3. The Applicant may install on-site directional signs guiding customers of the grocery store to specific parking bays, and requiring vehicles to turn northbound at the end of the one-way parking aisle that provides egress from the bays;
 - 4. Notwithstanding Section 3.F.3 of Ordinance No. 2015-3173, the Applicant may install more wall signs installed on the east elevation of the Large Building than the number of tenants then occupying the Large Building; and
 - 5. Notwithstanding Exhibit G to Ordinance No. 2015-3173, the Applicant may modify the signable area of the primary new proposed sign for the Property.
- D. Vehicular Circulation and Parking Areas. The Pratt/McCormick Planned Unit Development is hereby amended to permit the modification of the vehicular circulation and parking areas on the Property. Specifically, and without limitation of the foregoing, notwithstanding the various plans attached to Ordinance No. 2015-3173, the Applicant may reduce the total on-site, off-street vehicular

parking capacity by 30 parking spaces, and may modify the parking lot to require one-way eastbound circulation.

- E. Construction Materials. The Pratt/McCormick Planned Unit Development is hereby amended to permit the construction of a proposed detached accessory structure on the Property that is not constructed of masonry materials, and that is not compatible and unified in architecture and appearance with the other buildings on the Property.
- F. Lighting Improvements. The Pratt/McCormick Planned Unit Development is hereby amended to permit the modification of the lighting structures and improvements on the Property.

SECTION 3. APPROVAL OF ZONING MODIFICATIONS WITHIN A PLANNED DEVELOPMENT. In accordance with and pursuant to Section 8.03(3) of the Zoning Ordinance and the home rule powers of the Village, and subject to, and contingent upon, the conditions, restrictions, and provisions set forth in Section 5 of the Ordinance, the President and Board of Trustees hereby approve the following modifications from the provisions of the Zoning Ordinance:

A. Accessory Structure. A modification from Section 3.08(4)b of the Zoning Ordinance to permit the construction of a detached accessory structure within the required front yard of the Property.

B. Quantity of Wall Signs. A modification from Section 11.04(2)i of the Zoning Ordinance to permit the installation of more wall signs on the east elevation of the Large Building than the number of tenants then occupying the Large Building.

C. Area of Wall Signs. Modifications from Section 11.04(2)iii of the Zoning Ordinance to permit the installation of wall signs that exceed 100 square feet in size, and that exceed one-third of the signable wall area of the walls on which they will be installed.

SECTION 4. APPROVAL OF SPECIAL USE PERMIT – HOURS OF OPERATION. In accordance with, and pursuant to, Article V and Section 4.07(15) of the Zoning Ordinance and the home rule powers of the Village, and subject to, and contingent upon, the conditions, restrictions, and provisions set forth in Section 5 of the Ordinance, the President and Board of Trustees hereby grant a special use permit to the Applicant to allow the operation of, and deliveries to, a grocery store on the Property between the hours of 5:00 a.m. and 12:00 a.m.

SECTION 5. CONDITIONS. Notwithstanding any use or development right that may be applicable or available pursuant to the provisions of the Zoning Ordinance, or any other rights the Applicant may have, the approvals granted in Sections 2, 3 and 4 of this Ordinance are hereby expressly subject to and contingent upon the development, use, and maintenance of the Proposed Development and the Property in compliance with each and all of the following conditions:

A. Standard Conditions.

1. Compliance with Regulations. The development, use, operation, and maintenance of the Proposed Development and the Property must comply with all applicable Village codes and ordinances, as the same have been or may be amended from time to time, except to the extent specifically provided otherwise in this Ordinance or the Development Agreement.

2. Compliance with Final Development Plan. Except for minor changes and site work approved by the Village Zoning Officer or the Village Engineer (for matters within their respective permitting authorities) in accordance with all applicable Village standards, the development, use, operation, and maintenance of the Proposed Development and the Property must comply with the following plans and documents (collectively, the “*Final Development Plan*”):
 - a. The Site Plan, prepared by Carlson Consulting Engineers, Inc., consisting of one sheet, with a latest revision date of September 17, 2018, a copy of which is attached to and, by this reference, made a part of this Ordinance as **Exhibit B**;

 - b. The Site Circulation Signage Plan, prepared by Carlson Consulting Engineers, Inc., consisting of one sheet, with a latest revision date of September 17, 2018, a copy of which is attached to and, by this reference, made a part of this Ordinance as **Exhibit C**;

 - c. The Paving Plan, prepared by Carlson Consulting Engineers, Inc., consisting of one sheet, with a latest revision date of September 17, 2018, a copy of which is attached to and, by this reference, made a part of this Ordinance as **Exhibit D**;

 - d. The Planting Plan and Planting Details, prepared by Carlson Consulting Engineers, Inc., consisting of two sheets, with a latest revision date of September 17, 2018, a copy of which is attached to and, by this reference, made a part of this Ordinances as **Exhibit E**;

 - e. The Canopy Photometric Plan, prepared by Carlson Consulting Engineers, Inc., consisting of one sheet, with a latest revision date of August 20, 2018, a copy of which is attached to and, by this reference, made a part of this Ordinance as **Exhibit F**;

 - f. The Canopy Detail Drawings, prepared by LK Architecture, Inc., consisting of two sheets, with a latest revision date of August 29, 2018, a copy of which is attached to and, by this reference, made a part of this Ordinance as **Exhibit G**; and

- g. The Signage and Elevations Plan, prepared by LK Architecture, Inc., consisting of two sheets, with a latest revision date of September 17, 2018, a copy of which is attached to and, by this reference, made a part of this Ordinance as **Exhibit H**.
- B. Traffic Control Devices. The Village will have the right to refuse to issue a certificate of occupancy for the Proposed Development prior to the installation by the Applicant, to the satisfaction of the Village Manager, of appropriate traffic control devices that direct vehicular traffic travelling east from the parking canopies through the parking lot on the Property to turn northbound.
- C. Reimbursement of Village Costs. In addition to any other costs, payments, fees, charges, contributions, or dedications required under applicable Village codes, ordinances, resolutions, rules, or regulations, the Applicant must pay to the Village, promptly upon presentation of a written demand or demands therefor, all legal fees, costs, and expenses incurred or accrued in connection with the review, negotiation, preparation, consideration, and review of this Ordinance. Payment of all such fees, costs, and expenses for which demand has been made must be made by a certified or cashier's check. Further, the Applicant must pay upon demand all costs incurred by the Village for publications and recordings required in connection with the aforesaid matters.

SECTION 6. CONTINUED EFFECT; CONFLICTS.

- A. Except as expressly modified by this Ordinance, the Pratt/McCormick Planned Unit Development will remain in full force and effect, and the Applicant must comply with all requirements, conditions, and restrictions in the Pratt/McCormick Planned Unit Development. Any violation of this Ordinance will be deemed a violation of the Pratt/McCormick Planned Unit Development and the Zoning Ordinance.
- B. In the event of a conflict between the provisions of any of the Ordinances comprising the Pratt/McCormick Planned Unit Development and the provisions of this Ordinance, the provisions of this Ordinance will control.

SECTION 7. ACKNOWLEDGMENT OF COMPLIANCE. The President and Board of Trustees acknowledge that the use of the Property for a grocery store complies with, and is consistent with the intent of, the requirement set forth in Section 5.B of Village Resolution No. R2015-1873 that the Property be occupied by tenants primarily engaged in transactions that generate sales taxes.

SECTION 8. RECORDATION; BINDING EFFECT. A copy of this Ordinance must be recorded in the Office of the Cook County Recorder of Deeds. This Ordinance and the privileges, obligations, and provisions contained herein run with the Property and inure to the benefit of, and are binding upon, the Owner, the Applicant, and their respective personal representatives, successors, and assigns.

SECTION 9. FAILURE TO COMPLY WITH CONDITIONS. Upon the failure or refusal of the Owner or the Applicant to comply with any or all of the conditions, restrictions, or provisions of this Ordinance, in addition to all other remedies available to the Village, the approvals granted in Sections 2, 3, and 4 of this Ordinance will, at the sole discretion of the Village President and Board of Trustees, by ordinance duly adopted, be revoked and become null and void; provided, however, that the Village President and Board of Trustees may not so revoke the approval granted in Sections 2, 3, and 4 unless they first provide the Owner and the Applicant with two months advance written notice of the reasons for revocation and an opportunity to be heard at a regular meeting of the Village President and Board of Trustees. In the event of such revocation, the Village Manager and Village Attorney are hereby authorized and directed to bring such zoning enforcement action as may be appropriate under the circumstances.

SECTION 10. AMENDMENTS. Any amendment to any provision of this Ordinance may be granted only pursuant to the procedures, and subject to the standards and limitations, provided in the Zoning Ordinance.

SECTION 11. SEVERABILITY. If any provision of this Ordinance or part thereof is held invalid by a court of competent jurisdiction, the remaining provisions of this Ordinance will remain in full force and effect, and will be interpreted, applied, and enforced so as to achieve, as near as may be, the purpose and intent of this Ordinance to the greatest extent permitted by applicable law.

SECTION 12. EFFECTIVE DATE.

- A. This Ordinance will be effective only upon the occurrence of all of the following events:
1. Passage by the Village President and Board of Trustees in the manner required by law;
 2. Publication in pamphlet form in the manner required by law;
 3. Recordation of this Ordinance, together with such exhibits as the Village Clerk deems appropriate for recordation, with the office of the Recorder of Cook County; and
 4. The filing by the Owner and the Applicant with the Village Clerk of an Unconditional Agreement and Consent, in the form of **Exhibit I** attached to and, by this reference, made a part of this Ordinance, to accept and abide by each and all of the terms, conditions, and limitations set forth in this Ordinance and to indemnify the Village for any claims that may arise in connection with the approval of this Ordinance.
- B. In the event that the Owner or the Applicant does not deliver fully executed copies of the Unconditional Agreement and Consent within 30 days after the date of final passage of this Ordinance by the Village President and Board of Trustees, as required by Section 12.A.4 of this Ordinance, the Village President and Board

of Trustees will have the right, in their sole discretion, to declare this Ordinance null and void and of no force or effect.

[SIGNATURE PAGE FOLLOWS]

PASSED this ____ day of _____, 2018.

AYES:

NAYS:

ABSENT:

ABSTENTION:

APPROVED by me this ____ day of _____, 2018.

Barry I. Bass, President
Village of Lincolnwood, Cook County, Illinois

ATTESTED and FILED in my office this
____ day of _____, 2018

Beryl Herman, Village Clerk
Village of Lincolnwood, Cook County, Illinois

#61185198_v1

EXHIBIT A

Legal Description of the Property

A PARCEL OF LAND IN THE NORTHEAST 1/ 4 OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, BEING PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHEAST 1/ 4 OF SECTION 35, TOWNSHIP 41, RANGE 13 EAST, THENCE NORTHWESTERLY ALONG THE WEST LINE OF THE NORTHEAST 1/ 4 OF SAID SECTION, N 00 DEGREES 14' 59" W FOR A DISTANCE OF 658. 58 FEET; THENCE N 88 DEGREES 10' 15" E FOR A DISTANCE OF 572.35 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE ALONGTHE LAST DESCRIBED COURSE N 88 DEGREES 10' 15" FOR A DISTANCE OF 941.62 FEET THENCE S 01 DEGREES 54' 22" E FOR A DISTANCE OF 617.48 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY OF PRATT AVENUE; THENCE S 88 DEGREES 07' 30" W FOR A DISTANCE OF 941. 95 FEET ALONG THE NORTH RIGHT-OF-WAY OF PRATT AVENUE; THENCE LEAVING SAID RIGHT-OF- WAY N 01 DEGREES 52' 30" W FOR A DISTANCE OF 618.23 FEET TO THE POINT OF BEGINNING.

PIN: 10 - 35 - 203 - 009

Commonly Known As: 6850 McCormick Boulevard, Lincolnwood, Illinois.

EXHIBIT B

Site Plan

EXHIBIT C

Site Circulation Signage Plan

EXHIBIT D

Paving Plan

EXHIBIT E

Planting Plan and Planting Details

EXHIBIT F

Canopy Photometric Plan

EXHIBIT G

Canopy Detail Drawings

EXHIBIT H

Signage and Elevations Plan

EXHIBIT I

Unconditional Agreement and Consent

TO: The Village of Lincolnwood, Illinois ("**Village**");

WHEREAS, Lincolnwood Holdings, LLC ("**Owner**") is the record title owner of that certain property commonly known as 6850 North McCormick Boulevard, in the Village ("**Property**"); and

WHEREAS, Ordinance No. 2018-_____, adopted by the Village President and Board of Trustees on _____, 2018 ("**Ordinance**"), approves amendments to an existing planned unit development for the Property, and approves zoning modifications and a special use permit for the Property, to permit the operation of a grocery store on the Property; and

WHEREAS, Section 12 of the Ordinance provides, among other things, that the Ordinance will be of no force or effect unless and until the Owner and Walmart, Inc. ("Applicant") have filed, within 30 days following the passage of the Ordinance, their unconditional agreement and consent to accept and abide by each and all of the terms, conditions, and limitations set forth in the Ordinance;

NOW, THEREFORE, the Owner and the Applicant do hereby agree and covenant as follows:

1. The Owner and the Applicant do hereby unconditionally agree to, accept, consent to, and will abide by, each and all of the terms, conditions, limitations, restrictions, and provisions of the Ordinance.

2. The Owner and the Applicant acknowledge that public notices and hearings have been properly given and held with respect to the adoption of the Ordinance, have considered the possibility of the revocation provided for in the Ordinance, and agree not to challenge any such revocation on the grounds of any procedural infirmity or a denial of any procedural right.

3. The Owner and the Applicant acknowledge and agree that the Village is not and will not be, in any way, liable for any damages or injuries that may be sustained as a result of the Village's granting of a variation for the Property or its adoption of the Ordinance, and that the Village's approvals do not, and will not, in any way, be deemed to insure the Owner or the Applicant against damage or injury of any kind and at any time.

4. The Owner and the Applicant do hereby agree to hold harmless and indemnify the Village, the Village's corporate authorities, and all Village elected and appointed officials, officers, employees, agents, representatives, and attorneys, from any and all claims that may, at any time, be asserted against any of such parties in connection with the Village's adoption of the Ordinance granting the variation for the Property.

[SIGNATURES ON FOLLOWING PAGE]

Dated: _____, 2018

ATTEST:

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

LINCOLNWOOD HOLDINGS, LLC

By: _____

Its: _____

WALMART, INC.

By: _____

Its: _____

Request For Board Action

REFERRED TO BOARD: October 16, 2018

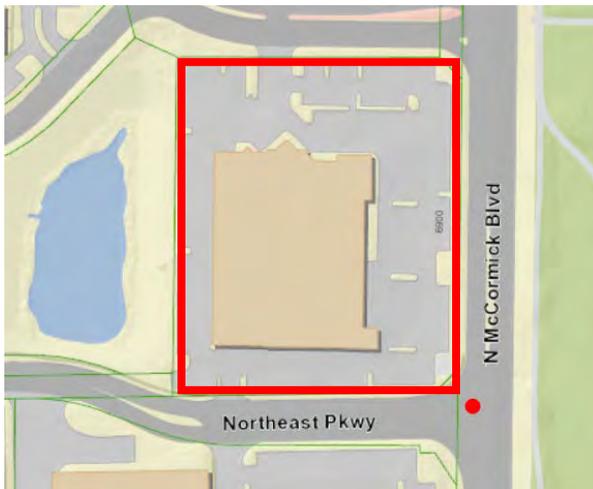
AGENDA ITEM NO.: 5

ORIGINATING DEPARTMENT: Community Development

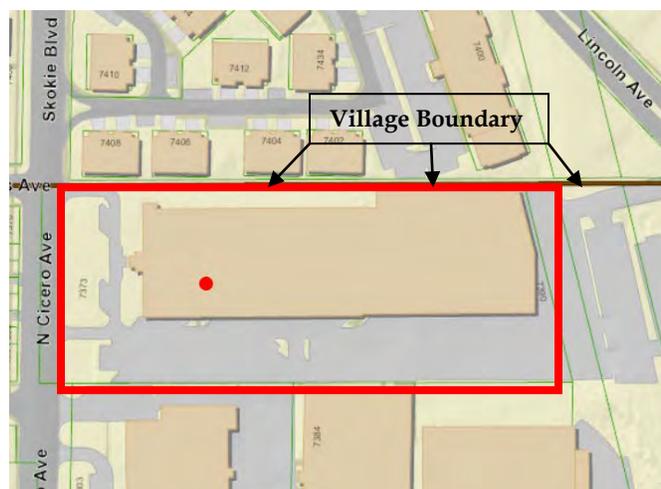
SUBJECT: Approval of a Resolution Approving an Economic Incentive Agreement By and Between the Village and AJZ-Lincolnwood LLC (Zeigler Auto Group), for the Property at 6900 North McCormick Boulevard and 7373 North Cicero Avenue

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

Zeigler Auto Group (Zeigler), owner of the Autoplex at 6900 North McCormick Boulevard and contract purchaser of an existing vacant industrial building at 7373 North Cicero Avenue, applied for economic incentives from the Village this past August. Zeigler proposes to relocate the existing Cadillac dealership from the Autoplex building, in which it is currently housed, along with Buick and GMC dealerships, to 7373 North Cicero Avenue where it will build a new state-of-the-art prototype Cadillac dealership. As part of this incentive request, Zeigler also plans to completely renovate the existing Autoplex on McCormick Boulevard for the remaining Buick/GMC dealers. The proposed projects would bring a modern design and sales tax revenue generating business to a vacant light-industrial site on Cicero Avenue, while also positioning all three brands for a long-term future in the Village at the Autoplex site.



6900 North McCormick Boulevard (Autoplex)



7373 North Cicero Avenue (vacant building)

EDC Recommendation

Mr. Aaron Zeigler, President of Zeigler Auto Group, made a preliminary presentation at the August 22, 2018 Economic Development Commission (EDC) meeting to introduce his company and their incentive request. At a subsequent Special EDC meeting, held on September 5, 2018, the EDC recommended approval, by a vote of 6-1, of economic incentives for Zeigler Auto Group, with specific deal points. Prior to the October 3, 2018 Village Board meeting, staff worked with Zeigler to define the specifics of

two remaining deal points. The final recommendation to the Village Board, based on the EDC's recommendation, with these negotiated deal points (**highlighted** and ~~removed~~) was as follows:

- 1) **Fifteen-year term for the Economic Incentive Agreement covering all dealerships;**
- 2) **A cap of \$10 million;**
- 3) **The Buick/GMC dealership will have 50/50 sales tax sharing; however, a "target amount" of \$420,000 in sales tax that the Village must receive each year for the Buick/GMC dealership will be set. If the target amount is not achieved in a given year, the Village distribution to Zeigler will be adjusted so that the Village is made whole;**
- 4) **The "target amount" would be adjusted by 5% every five years;**
- 5) **No "target amount" for the Cadillac dealership, which will have 50/50 sales tax sharing from the first dollar, annually;**
- 6) **No waiver of Village permit fees; and**
- 7) **Consent to a Cook County Class 7C Tax Abatement request for 7373 North Cicero Avenue.**
- 8) ~~To the extent Class 7c savings are greater than \$75,000 in any given year, deduct the overage from the sales tax cap.~~

October 3 Village Board Meeting

At the October 3, 2018 Village Board meeting, Dan Scheid, Chief Financial Officer of Zeigler Auto Group, presented their request. This request differed from the stipulations in the EDC approval and subsequent negotiations which had been previously agreed to in discussions with staff. Mr. Scheid stated that Zeigler believed the "target amount" should be less than \$420,000 for the Buick/GMC dealership, based on Zeigler's estimates of auto sales prior to their acquisition of the dealership from Grossinger. In addition, Mr. Scheid requested removal of the 5% "inflation" adjustment every five years. At that meeting, the Village Board voted 4-0 to authorize the Village Attorney to draft the attached Agreement, entitled "Alternative A", and accompanying Resolution, per the deal points listed below, subject to the 5% adjustment stipulation being removed, and with the \$420,000 "target amount" applying to all three dealerships:

- 1) **Fifteen-year term for the Economic Incentive Agreement covering all dealerships;**
- 2) **A cap of \$10 million;**
- 3) **The Buick/GMC/Cadillac dealership will have 50/50 sales tax sharing; however, a "target amount" of \$420,000 in sales tax that the Village must receive each year for the Buick/GMC/Cadillac dealership will be set. If the target amount is not achieved in a given year, the Village distribution to Zeigler will be adjusted so that the Village is made whole;**
- 4) **No waiver of Village permit fees; and**
- 5) **Consent to a Cook County Class 7C Tax Abatement request for 7373 North Cicero Avenue.**

In addition, standard stipulations found in all of the Village's sales tax sharing agreements with auto dealers have been incorporated into the attached Alternative A. Also, please note that Alternative A references the Village's Consent to the Cook County Class 7C Tax Abatement request, for which staff intends to bring a separate Resolution for approval at the November 6 2018 Village Board meeting. Finally, as per the Village Attorney's recommendation at the October 3, 2018 meeting, Alternative A incorporates a prohibition on any real estate tax protest or appeal, on the proposed Cicero Avenue Cadillac dealership property during the life of the Class 7C abatement.

Discussion Since October 3, 2018 Village Board Meeting

Since the October 3, 2018 meeting, Aaron Zeigler, President of Zeigler Auto Group, has notified staff that there are three points in the Agreement that they do not agree with, despite two of those three points previously being discussed, with direction from the Board. The Village Attorney has prepared the attached "Alternative B" which contains language proposed by Mr. Zeigler should the Board wish to

consider these proposed revisions. Alternative B is the same in all regards as Alternative A, with the exception of the points listed below:

1. **Apply the \$420,000 Base to Buick/GMC only** – The EDC recommended this, but there was a request by a Trustee that it cover all three dealerships. Staff recommends maintaining the EDC recommendation.
2. **Property Tax Protest Prohibition** – The Village Attorney suggested at the October 3, 2018 Village Board meeting that consideration should be given to prohibiting property tax appeals by Zeigler during the five years that the Cook County Class 7C Tax Abatement is in effect. Zeigler is concerned that if the Cook County assessment is unfairly high, they should be permitted to protest such an assessment, otherwise the tax abatement loses its value. Given the minimal property tax the Village currently receives from this property, and the fact that the property has been vacant for three years (and the property tax has reduced every year of that vacancy), in addition to the potential larger property tax increase after this short five-year window in which the Class 7C abatement is in effect, staff believes the upside to the Village, and other taxing bodies, outweighs any short term downside. Staff recommends eliminating this prohibition.
3. **“Go Dark” and Transfer Provision** – This is a provision that was alluded to at the October 3, 2018 meeting and was to be a part of the agreement, but no details were discussed. Zeigler Auto Group is willing to agree with a stipulation whereby they will agree to refund a certain percentage of sales taxes they receive, based upon the number of years they have been in operation (75 percent if in first 5 years, 50 percent if in years 6-10, 25 percent if after 10 years), if they leave before the end of the 15-year agreement. Zeigler also requests the right to be able to transfer the agreement to a successor car dealer and the right to allow one new car dealer to replace another (i.e., if Cadillac goes, another new car dealer could replace) and still maintain the agreement (and not consider such actions a closure). Finally, they request the right to continue the agreement on only one property if for some reason the other property should be sold for a non-car sales use. In this scenario, they would still rebate the taxes they received, as noted above, on the property that “goes dark”. The Village does not have a “Go Dark” stipulation that allows a rebate of taxes back to the Village in the other auto dealer incentive agreements, but the Village does allow transfers so this provides more protection for the Village than in other agreements. This is a policy decision regarding whether or not the Board believes this agreement must strictly be for three dealerships, or if the agreement should be able to continue even if only one of the two properties continues to operate as an auto dealership(s).

Please note that the Village Board may consider approving Alternative A or B of the Economic Incentive Agreement or deny the incentive request. Staff has attached a redlined version of Alternative B to demonstrate revisions based on Zeigler’s request after the October 3, 2018 Village Board meeting discussion.

FINANCIAL IMPACT:

None

DOCUMENTS ATTACHED:

1. Proposed Resolution
2. Proposed Draft Agreement - Alternative A
3. Proposed Draft Agreement - Alternative B
4. Proposed Draft Agreement - Alternative B (Redline Version)

RECOMMENDED MOTION:

Approval of a Resolution Approving an Economic Incentive Agreement by and between the Village and AJZ-Lincolnwood LLC (Zeigler Auto Group) for the property at 6900 North McCormick Boulevard and 7373 North Cicero Avenue.

VILLAGE OF LINCOLNWOOD

RESOLUTION NO. R2018-_____

**A RESOLUTION APPROVING AN ECONOMIC INCENTIVE AGREEMENT BY
AND BETWEEN THE VILLAGE AND AJZ-LINCOLNWOOD, LLC**
(6900 North McCormick Boulevard and 7373 North Cicero Avenue)

WHEREAS, the Village of Lincolnwood is a home rule municipal corporation in accordance with Article VII, Section 6(a) of the Constitution of the State of Illinois of 1970; and

WHEREAS, the Village and AJZ-Lincolnwood, LLC (“**AJZ**”) desire to enter into an economic incentive agreement to enhance the long-term viability of the Village’s tax base and strengthen the competitive advantage of conducting business within the Village (“**Agreement**”); and

WHEREAS, the President and Board of Trustees have determined that entering into the Agreement with AJZ will serve and be in the best interest of the Village;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LINCOLNWOOD, COOK COUNTY, ILLINOIS, as follows:

SECTION 1. RECITALS. The facts and statements contained in the preamble to this Resolution are found to be true and correct and are hereby adopted as part of this Resolution.

SECTION 2. APPROVAL OF AGREEMENT. The Agreement by and between the Village and AJZ is hereby approved in substantially the form attached to this Resolution as **Exhibit A**, and in a final form to be approved by the Village Manager and the Village Attorney.

SECTION 3. EXECUTION OF AGREEMENT. The Village President and the Village Clerk are authorized and directed to execute and seal, on behalf of the Village, the Agreement, only after receipt by the Village Clerk of at least two original copies of the Agreement executed by AJZ; provided, however, that if the executed copies of the Agreement are not received by the Village Clerk within 30 days after the effective date of this Resolution, then this authority to execute and attest will, at the option of the President and Board of Trustees, be null and void.

SECTION 4. EFFECTIVE DATE. This Resolution will be in full force and effect from and after its passage and approval as provided by law.\

[SIGNATURE PAGE FOLLOWS]

PASSED this ___ day of _____, 2018.

AYES: _____

NAYS: _____

ABSENT: _____

ABSTENTION: _____

APPROVED by me this _____ day of _____, 2018.

Barry I. Bass, President
Village of Lincolnwood, Cook County, Illinois

ATTESTED and FILED in my office this
_____ day of _____, 2018

Beryl Herman, Village Clerk
Village of Lincolnwood, Cook County, Illinois
#61237773_v1

EXHIBIT A
AGREEMENT

**This Document Prepared by
and after Recording Return To:**

Hart M. Passman, Esq.
Holland & Knight LLP
131 South Dearborn, 30th Floor
Chicago, IL 60603
312.263.3600

This Space for Recorder's Use Only

**ECONOMIC INCENTIVE AGREEMENT BY AND BETWEEN
THE VILLAGE OF LINCOLNWOOD and AJZ-LINCOLNWOOD, LLC**

DATED AS OF _____, 2018

**ECONOMIC INCENTIVE AGREEMENT BY AND BETWEEN
THE VILLAGE OF LINCOLNWOOD AND AJZ-LINCOLNWOOD, LLC**

THIS ECONOMIC INCENTIVE AGREEMENT (“Agreement”) is made and entered into as of this ____ day of _____, 2018, by and between the **VILLAGE OF LINCOLNWOOD**, an Illinois home rule municipal corporation (“*Village*”), and **AJZ-LINCOLNWOOD, LLC**, an Illinois limited liability company (“*Owner*”).

IN CONSIDERATION OF the recitals and mutual covenants and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Owner and the Village hereby agree as follows:

SECTION 1. RECITALS.

A. In recognition of the importance of a successful business environment to the Village’s tax base, the Village desires to enhance the long-term viability of the Village’s tax base and strengthen business within the Village by providing assistance and incentives to owners of local businesses for the improvement of their businesses.

B. The Owner, is the record title owner of the approximately four-acre parcel located at 6900 North McCormick Boulevard, Lincolnwood, Illinois, and legally described in **Exhibit A** attached to and, by this reference, incorporated herein (“*McCormick Property*”).

C. The Owner is the contract purchaser of the approximately four-acre parcel located at 7373 North Cicero Avenue, Lincolnwood, Illinois, and legally described in **Exhibit B** attached to and, by this reference, incorporated herein (“*Cicero Property*”).

D. The Owner currently operates Buick, Cadillac, and GMC automobile dealerships on the McCormick Property.

E. The Owner desires to: (1) construct new buildings and improvements on, and relocate the Cadillac dealership to, the Cicero Property and (2) renovate the McCormick Property to facilitate the continued operation of the Buick and GMC dealerships thereon.

F. The Village and the Owner desire to enter into this Agreement to foster the long-term use and development of the McCormick Property and the Cicero Property (collectively, the “*Properties*”) and to enable the use of the Properties in a manner that will enhance the business environment of the Village.

SECTION 2. DEFINITIONS. Whenever used in this Agreement, the following terms have the following meanings unless a different meaning is required by the context.

A. “Cicero Property” means that certain parcel of real property legally described in **Exhibit B** attached hereto and, by this reference, incorporated herein.

B. “Commencement Date” means the date established pursuant to Section 3 of this Agreement.

C. “Corporate Authorities” means the President and Village Board of the Village of Lincolnwood.

D. “Dealership” means each of the automobile dealership franchise owned and operated by the Owner on the Properties, and engaged in the sale of new and used Buick, Cadillac, and GMC automobiles and related parts and services.

E. “Force Majeure” means a strike, lockout, act of God, or other factor beyond a party’s reasonable control and reasonable ability to remedy; provided, however, that Force Majeure does not include (i) delays caused by weather conditions, unless those conditions are unusually severe or abnormal considering the time of year and the particular location of the subject property; and (ii) economic hardship, impracticability of performance, or commercial, economic, or market conditions.

F. “Gross Receipts” has the meaning ascribed to it in the Retailers’ Occupation Tax Act.

G. “McCormick Property” means that certain parcel of real property legally described in **Exhibit A** attached hereto and, by this reference, incorporated herein.

H. “Municipal Sales Tax” means that portion or component of the Sales Taxes generated by the Owner from sales on any portion of any of the Properties that the Village actually receives from the State of Illinois.

I. “Properties” means the Cicero Property and the McCormick Property, collectively.

J. “Retailers’ Occupation Tax Act” means the Illinois Retailers’ Occupation Tax Act, 35 ILCS 120/1 *et seq.*, as the same has been, and may, from time to time hereafter be, amended.

K. “Sales Taxes” means only those taxes imposed and collected by the State of Illinois pursuant to the Retailer’s Occupation Tax Act, the Service Use Tax Act, 35 ILCS 110/1 *et seq.*, the Service Occupation Tax Act, 35 ILCS 115/1 *et seq.*, and the Use Tax Act, 35 ILCS 105/1 *et seq.*, including, without limitation, a vehicle lease tax that is substituted, in whole or in part, for any or all of the foregoing. Sales Taxes specifically, but without limitation, do not include any home rule retailers' occupation tax or retailers' service occupation tax imposed from time-to-time by the Village.

L. "Sales Tax Rebate" means the rebate payment to the Owner of a portion of the Municipal Sales Taxes that the Village receives and that it is required to make pursuant to this Agreement.

M. “Sales Tax Year” means the 12-month period of time commencing on the Commencement Date, and each of the 14 succeeding Sales Tax Years thereafter.

SECTION 3. COMMENCEMENT OF SALES TAX REBATE; OTHER APPROVALS.

A. **Commencement Date.** The “Commencement Date” under this Agreement is hereby declared to be the first day of the calendar month after the month during which the Village issues a certificate of occupancy for the operation of the Cadillac Dealership on the Cicero Property. In the event that such certificate of occupancy is not issued on or before May 31, 2021, then either party will have the right to terminate this Agreement upon the provision of written notice to the other party.

B. **Zoning Approvals Required.** The Owner acknowledges and agrees that: (1) pursuant to the applicable provisions of the “Village of Lincolnwood Zoning Ordinance,” as amended, the Owner may not operate an automobile dealership on the Cicero Property prior to the issuance by the Corporate Authorities of a special use permit therefor; (2) neither the execution of this Agreement, nor any provision of this Agreement, is to be deemed or interpreted as requiring the Corporate Authorities to issue such special use permit or any other zoning relief required for the operation of an automobile dealership on the Cicero Property; and (3) the granting or the denial of such special use permit and other will be at the sole and absolute discretion of the Corporate Authorities.

C. **Class 7C Property Tax Classification Consent.** The Village agrees to adopt a resolution supporting and consenting to the approval by the County of Cook of Class 7c property tax classification for the Cicero Property. The Village may condition such resolution on the ongoing operation of a Dealership on the Cicero Property. In the event that the Village does not adopt such resolution on or before November 30, 2018, the Owner will have the right to terminate this Agreement upon the provision of written notice to the Village.

SECTION 4. SALES TAX REBATE.

A. **Maximum Total Rebate.** In no event shall the Village rebate to the Owner more than a total of \$10,000,000 as a result of this Agreement (***“Maximum Total Rebate”***).

B. **Calculation of Sales Tax Rebate.** Beginning on the Commencement Date, the Village will pay to the Owner 50 percent of that portion of the Municipal Sales Tax generated by the Owner during each Sales Tax Year; provided, however, that in the event that the Municipal Sales Tax generated by the Owner during any Sales Tax Year is not equal to or greater than \$840,000.00, then, for that Sales Tax Year, the Village will pay to the Owner the amount equal to the Municipal Sales Tax generated by the Owner for that Sales Tax Year minus \$420,000.00.

C. **Village Payment.** Within 120 days after the end of the 12th month of each Sales Tax Year, the Village will pay the applicable Sales Tax Rebate for that particular Sales Tax Year to the Owner, based on the records of the Illinois Department of Revenue. If, for any reason, the State of Illinois fails to distribute the Municipal Sales Tax revenue to the Village in sufficient time for the Village to make the annual payments, the Village must provide notice of that fact to the Owner. In that event, the Village must make the required

Sales Tax Rebate payment within 60 days after the date on which the Village actually receives the Municipal Sales Tax revenue due the Village for the applicable annual payment period. To the extent necessary, as determined by the Village, the parties agree that the Village may require the Owner to submit such specified financial statements and copies of the applicable State of Illinois Sales Tax Reports as are necessary to verify the amount of Sales Tax generated by the Owner. The Owner must sign a release authorizing the State of Illinois to issue the reports to the Village.

D. **Change in the Law.**

1. The Village and the Owner acknowledge and agree that the Village's obligation to pay the Sales Tax Rebate to the Owner is predicated on existing State law governing the distribution of Sales Taxes to the Village, including, without limitation, the Retailers' Occupation Tax Act. The Village and the Owner further acknowledge that the General Assembly of the State has, from time to time, considered proposals to modify or eliminate the distribution of Sales Taxes to Illinois municipalities. The Village and the Owner make express provision for the effect of any change upon the operation of this Agreement in Section 4.D.2 of this Agreement.

2. In the event that the State of Illinois amends or repeals the Retailers' Occupation Tax Act or makes any other promulgation, enactment, or change in law ("***Change in Law***") that eliminates the distribution of Sales Taxes to the Village, or otherwise alters the distribution formula in a manner that prevents the Village and the Owner from determining with a reasonable degree of certainty the precise amount of the Municipal Sales Tax, the provisions of this Agreement with regard to Municipal Sales Tax generated from the Properties on or after the effective date of the Change in Law will automatically terminate and become null and void and be of no further force or effect, and the Village will have no obligation whatsoever to pay to the Owner any of the Municipal Sales Tax generated on or after the effective date of the Change in Law. However, if a Change in Law results in replacement taxes for the Sales Taxes directly resulting from Gross Receipts of the Owner as contemplated pursuant to this Agreement, then, for purposes of this Agreement, the replacement taxes will be defined as Sales Taxes, subject in all respects to the Village's actual receipt of its portion of the replacement taxes as well as the Village's authority under state law to provide for rebate of the replacement taxes, as contemplated in this Agreement.

E. **No Guarantee.** The parties acknowledge and agree that none of the terms, conditions, or provisions of this Agreement are to be construed, deemed, or interpreted as either: (1) a guarantee that the Village will receive any Sales Taxes as a result of the operation of the Dealerships on the Properties; or (2) a requirement or obligation by the Owner to generate Gross Receipts from the Properties.

F. **Limited Liability.** Notwithstanding any other provision of this Agreement to the contrary, the Village's obligation to pay the Sales Tax Rebate payments is not and will not be a general debt of the Village or a charge against its general credit or taxing powers, but is and will be a special limited obligation payable solely out of the Municipal Sales Tax received by the Village, as specifically defined in Section 2 of this Agreement. The Owner has and will have no right to, and agrees that it may not, compel any exercise of the

taxing power of the Village to pay the Sales Tax Rebate payments, and no execution of any claim, demand, cause of action or judgment may be levied upon or collected from the general credit, general funds or other property of the Village. No recourse may be had for any payment pursuant to this Agreement against any past, present, or future director, member, elected or appointed officer, official, agent, representative, employee, or attorney of the Village in his or her individual capacity.

G. Closure; Refund of Rebate.

1. In the event that, at any time during the Term of this Agreement, the Owner abandons, closes, or terminates the use of either of the Properties for any of the Dealerships ("**Closure**"), then: (a) the provisions of this Agreement with regard to Municipal Sales Tax generated from the Properties will, as of the date of the Closure, automatically terminate and become null and void and be of no further force or effect, and the Village will have no obligation whatsoever to perform any of the Municipal Sales Tax Rebate obligations in Section 4 of this Agreement; and (b) the Owner must refund to the Village a portion of the Sales Tax Rebate received by the Owner prior to the date of the Closure, as follows:

i. If the Closure occurs within the first five Sales Tax Years, the Owner must refund 75% of the Sales Tax Rebate;

ii. If the Closure occurs within the sixth through tenth Sales Tax Years, the Owner must refund 50% of the Sales Tax Rebate; and

iii. If the Closure occurs after the first ten Sales Tax Years, the Owner must refund 25% of the Sales Tax Rebate.

2. The Owner must provide the Village with no less than 60 days written notice prior to any abandonment, closure, or termination of the use of either of the Properties for any of the Dealerships.

3. The parties agree that the replacement of a Dealership with another new automobile dealership for a different manufacturer, or the transfer of legal or beneficial interest in all or any portion of either of the Properties or any of the Dealerships in accordance with Section 13.C of this Agreement, does not constitute a Closure for purposes of this Agreement.

SECTION 5. REAL PROPERTY VALUATION.

The Owner recognizes that the Village has legitimate interests and concerns regarding the valuation and assessment of the Properties for real estate tax purposes. Accordingly, the Owner must: (a) not initiate any protest or appeal that seeks any reduction of any kind in the property valuation established by the Cook County Assessor for the Cicero Property, for any period for which the Cicero Property has been granted the Class 7c property tax classification by the County of Cook; (b) not otherwise initiate any protest or appeal that seeks a property valuation for either of the Properties that is substantially disproportionate to, or substantially inconsistent with, the actual use of either of the

Properties; and (c) notify the Village prior to the commencement or initiation of any protest or appeal by the Owner of the real property valuation established by the Cook County Assessor for either of the Properties.

SECTION 6. FORCE MAJEURE.

Whenever a period of time is provided for in this Agreement for either the Owner or the Village to perform any act or obligation, and the Owner or the Village, as the case may be, is unable to perform or complete the act or obligation because of a Force Majeure, then upon the occurrence of the Force Majeure, the time period for the performance and completion of the acts or obligations will be extended automatically for a reasonable time to accommodate the delay caused by the Force Majeure.

SECTION 7. LITIGATION AND DEFENSE OF AGREEMENT.

A. **Litigation.** If, during the term of this Agreement, any lawsuits or proceedings are filed or initiated against either party before any court, commission, board, bureau, agency, unit of government or sub-unit thereof, arbitrator, or other instrumentality, that may materially affect or inhibit the ability of either party to perform its obligations under, or otherwise to comply with, this Agreement ("***Litigation***"), the party against which the Litigation is filed or initiated must promptly deliver a copy of the complaint or charge to the party and must thereafter keep the other party fully informed concerning all aspects of the Litigation.

B. **Defense.** The Village and the Owner must use their respective best efforts to defend the validity of this Agreement, and all ordinances and resolutions adopted and agreements executed pursuant to this Agreement, including every portion thereof and every approval given, and every action taken, pursuant thereto. Each party has the right to retain its own independent legal counsel, at its own expense, for any matter. The Village and the Owner agree to reasonably cooperate with each other to carry out the purpose and intent of this Agreement.

SECTION 8. TERM.

This Agreement will be in full force and effect for a period commencing on the Commencement Date and through the first to occur of: (a) the date that is 15 years after the Commencement Date; and (b) the date on which or until the Owner receives \$10,000,000 in cumulative Sales Tax Rebate payments from the Village pursuant to the terms of this Agreement ("***Term***"); provided, however, that the Village's obligation to make Sales Tax Rebate payments will survive the expiration of the Term to the extent that the Village has not at that time received from the State the Municipal Sales Taxes from which the Sales Tax Rebate payments will be made. During the Term, this Agreement runs with and binds the Properties and inures to the benefit of and is enforceable by the Owner and the Village, and any of their respective permitted legal representatives, heirs, grantees, successors, and assigns.

SECTION 9. RELEASE OF INFORMATION.

The Owner agrees to execute and provide all documentation necessary to cause the Illinois Department of Revenue to release to the Village the Sales Tax generated by the Owner from the Properties, including copies of State of Illinois Sales Tax Reports, during each of the Sales Tax Years pursuant to applicable State law.

SECTION 10. PAYMENT OF VILLAGE FEES AND COSTS.

A. **General Requirements.** In addition to any other costs, payments, fees, charges, contributions, or dedications specifically required by this Agreement, the Owner must pay to the Village, as and when due, all application, inspection, and permit fees, and all other fees, charges, and contributions required by applicable Village codes, ordinances, resolutions, rules, or regulations.

B. **Village Lien Rights.** If any money due from the Owner to the Village pursuant to this Agreement is not paid to the Village by the Owner, within 30 days after a demand for the payment, then that money, together with interest and costs of collection, including legal fees and administrative expenses, will become a lien upon all portions of the specific Property with respect to which such payment is due, and will be a debt of, and an obligation owed by, the Owner to the Village, and the Village will have the right to collect that amount, with interest and costs, including legal fees and administrative expenses, by deducting that amount, interest, costs, fees, and expenses from any Sales Tax Rebate payment otherwise required under this Agreement. The Village will also have the right to enforce the lien in the same manner as in statutory mortgage foreclosure proceedings. The lien will be subordinate to any first mortgage now or hereafter placed upon the applicable Property; provided, however, that the subordination will apply only to charges that have become due and payable prior to a sale or transfer of the Property pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure. The sale or transfer will not relieve the Property from liability for any charges thereafter becoming due, nor from the lien of any subsequent charge.

SECTION 11. LIABILITY AND INDEMNITY OF VILLAGE.

A. **No Liability for Village Review.** The Owner acknowledges and agrees that: (i) the Village is not, and will not be, in any way liable for any violations of restrictive covenants applicable to the Properties that may occur, or for any damages or injuries that may be sustained, as the result of the Village's review and approval of any plans for the Properties, or as a result of the issuance of any approvals, permits, certificates, or acceptances relating to the use and development of the Properties; and (2) the Village's review and approval of any of the plans and the issuance of any of the approvals, permits, certificates, or acceptances does not, and will not, in any way, be deemed to insure the Owner, or any of its heirs, successors, assigns, tenants, or licensees, or any third party, against restrictive covenant violations or damage or injury of any kind at any time.

B. **Village Procedures.** The Owner acknowledges that notices, meetings, and hearings have been properly given and held by the Village with respect to the approval of

this Agreement, and agrees not to challenge any of those actions on the grounds of any procedural infirmity or of any denial of any procedural right.

C. **Indemnity.** The Owner agrees to, and does hereby, hold harmless and indemnify the Village, the Corporate Authorities, all Village elected and appointed officials, officers, employees, agents, representatives, and attorneys, from any and all third-party claims that may, at any time, be asserted against any of those parties in connection with (i) the Village's review and approval of any plans, or the issuance of any approvals, permits, certificates, or acceptances relating to the use and development of the Properties; (ii) any actions taken by the Village pursuant to this Agreement; (iii) the development, construction, and maintenance of the Properties; and (iv) the performance by the Owner of its obligations under this Agreement and all related ordinances, resolutions, or other agreements.

D. **Defense Expenses.** The Owner must, and does hereby agree to, pay, without protest, all expenses incurred by the Village in defending itself with regard to any and all of the claims identified in Section 11.C of this Agreement. These expenses may include, without limitation: (1) all out-of-pocket expenses, including attorneys' and experts' fees, not to exceed their usual and customary fee rates to the Village; and (2) the reasonable value of any services rendered by any employees of the Village, not to exceed their actual salaries.

SECTION 12. ENFORCEMENT.

A. **Enforcement.** The parties to this Agreement may, in law or in equity, by suit, action, mandamus, or any other proceeding, including without limitation specific performance (including, without limitation, payment by the Village to the Owner of payments due to Owner under this Agreement), enforce or compel the performance of this Agreement; provided, however, that the Owner agrees that it will not seek, and does not have the right to seek, to recover a judgment for monetary damages against the Village, or any past, present, or future director, member, elected or appointed officer, official, agent, representative, employee, or attorney, of the Village on account of the negotiation, execution, or breach of this Agreement. In addition to every other remedy permitted by law for the enforcement of the terms of this Agreement, the Village will be entitled to withhold the issuance of building permits or certificates of occupancy for any and all buildings and structures within either of the Properties at any time when the Owner has failed or refused to meet fully any of its obligations under this Agreement. In the event of a judicial proceeding brought by one party to this Agreement against the other party to this Agreement pursuant to this Section, the prevailing party will be entitled to reimbursement from the unsuccessful party of all costs and expenses, including without limitation reasonable attorneys' fees, incurred in connection with the judicial proceeding.

B. **Notice and Cure.** Neither party may exercise the right to bring any suit, action, mandamus, or any other proceeding pursuant to Section 12.A of this Agreement, or to commence enforcement of a lien pursuant to Section 10.B of this Agreement, without first providing written notice to the other party of the breach or alleged breach and allowing 15 days to cure the breach or alleged breach. If the breach cannot be cured within the 15-day period ("***Time for Cure***"), then the Time for Cure will be extended accordingly,

provided that the notified party has promptly commenced to cure the breach within the Time for Cure and continued to prosecute the cure of the breach with diligence.

SECTION 13. NATURE, SURVIVAL, AND TRANSFER OF OBLIGATIONS.

A. **Obligations.** The parties agree that all charges payable pursuant to this Agreement, together with interest and costs of collection, including attorneys' fees, constitutes both the personal obligation of the party liable for its payment, and the successors of that party.

B. **Binding Effect.** The Owner acknowledges and agrees that this Agreement is binding upon the Owner, and any and all of its heirs, successors, assigns, and successor owners of record of all or any portion of either of the Properties.

C. **Transferee Assumption.** To assure that any potential heir, successor, or assign has notice of this Agreement and the obligations created by it, the Owner agrees:

- (i) that this Agreement is to be recorded with the Cook County Recorder of Deeds;
- (ii) to require, prior to the transfer of a legal or beneficial interest in all or any portion of either of the Properties or any of the Dealerships, the transferee to execute an enforceable transferee assumption agreement in a form acceptable to the Village Attorney ("***Transferee Assumption Agreement***"). The Village agrees that, upon a successor becoming bound to the personal obligation created in this Agreement in the manner provided, the personal liability of the Owner or other predecessor obligor will be released to the extent of the transferee's assumption of liability. The Owner agrees to notify the Village in writing at least 30 days prior to the date on which the Owner proposes to transfer a legal or beneficial interest in all or any portion of any Dealership or Property to a transferee. The Owner must, at the same time, provide the Village with a fully executed copy of the Transferee Assumption Agreement.

D. **Transfer Defined.** For purposes of this Agreement, the term "transfer" includes any assignment, transfer, sale, transfer to a receiver or to a trustee in bankruptcy, transfer in trust, or other disposition of any Dealership or Property, or any beneficial interest in any Property, in whole or in part, by voluntary or involuntary sale, foreclosure, restructuring, merger, sale and leaseback, consolidation, or otherwise.

E. **[Intentionally Omitted]**

F. **Prohibited Assignments.** It is the express intent of the parties that, except as expressly provided or allowed herein, this Agreement, and all of the rights and privileges granted herein, are for the sole and exclusive benefit of the Owner for operation of the Dealerships. Accordingly, notwithstanding any provision of this Agreement, in the event that the Owner does, or attempts to, voluntarily or involuntarily transfer its interest in any Dealership or any Property, in whole or in part, without the prior consent of the Corporate Authorities, which consent may be granted or denied in the sole and absolute discretion of

the Corporate Authorities, this Agreement, and all of the rights and privileges granted herein, will, at the option of the Village, become null and void and be of no force or effect.

SECTION 14. REPRESENTATIONS AND WARRANTIES.

In order to induce the Village to enter into this agreement and to adopt the ordinances and grant the rights herein provided for, the Owner hereby warrants and represents to the Village as follows:

A. The Owner is a duly organized, validly existing limited liability company in good standing under the laws of the State of Illinois.

B. The Owner has the authority and the legal right to make, deliver, execute, and perform this Agreement and has taken all necessary corporate, partnership, and venture actions to authorize the execution, delivery, and performance of this Agreement.

C. No mortgagee or any other secured party, other than those listed on *Exhibit C* attached hereto and, by this reference, incorporated herein, that has an interest in either of the Properties as of the date of this Agreement has an objection to either: (i) the execution and performance of this Agreement by the Owners or (ii) the binding nature of this Agreement with respect to the applicable Property. The Owner must deliver to the Village Clerk, at the time of the Owner's execution of this Agreement, a document acceptable in form to the Village Attorney and executed by all secured parties referenced in *Exhibit C* acknowledging this warranty and confirming the validity thereof.

D. All necessary consents of any board of directors, shareholders, creditors, investors, partners, judicial, or administrative bodies, governmental authorities, or other parties including specifically, but without limitation, all secured parties referenced on *Exhibit C* regarding the execution and delivery of this Agreement have been obtained.

E. The consent or authorization of, filing with, or other act by or in respect of any governmental authority (other than the Village, and the State of Illinois with respect to distribution of Sales Taxes) is required in connection with the execution, delivery, performance, validity, or enforceability of this Agreement.

F. The individuals executing this Agreement on behalf of the Owner have the power and authority to execute and deliver this Agreement on behalf of the Owner.

G. The execution, delivery, and performance of this Agreement: (i) is not prohibited by any requirement of law or under any contractual obligation of the Owner; (ii) will not result in a breach or default under any agreement to which the Owner is a party or to which the Owner, in whole or in part, is bound; and (iii) will not violate any restriction, court order, or agreement to which the Owner or either of the Properties, in whole or in part, is or are subject.

SECTION 15. GENERAL PROVISIONS.

A. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes any and all prior agreements and negotiations between the parties, whether written or oral, relating to the subject matter of this Agreement.

B. **Amendments and Modifications.** No amendment or modification to this Agreement will be effective until it is reduced to writing and approved and executed by all parties to this Agreement in accordance with all applicable statutory procedures.

C. **Notices.** Any notice, communication, or demand required or permitted to be given under this Agreement must be in writing and must be delivered: (i) personally, (ii) by a reputable overnight courier, or (iii) by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid. Unless otherwise provided in this Agreement, notices will be deemed received after the first to occur of: (a) the date of actual receipt; or (b) the date that is one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (b) the date that is three business days after deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this Section, each party to this Agreement has the right to change the address or the addressee, or both, for all future notices and communications to them, but no notice of a change of addressee or address will be effective until actually received.

Notices and communications to the Village must be addressed to, and delivered at, the following address:

Village of Lincolnwood
Village Hall
6900 North Lincoln Avenue
Lincolnwood, Illinois 60712
Attention: Village Manager

With a copy to:

Holland & Knight LLP
131 S. Dearborn, 30th Floor
Chicago, Illinois 60603
Attention: Hart M. Passman

Notices and communications to the Owner must be addressed to, and delivered at, the following address:

AJZ Lincolnwood, LLC
3939 Stadium Drive
Kalamazoo, Michigan 49008
Attention: Aaron J. Zeigler

With a copy to:

AJZ Lincolnwood, LLC
3939 Stadium Drive
Kalamazoo, Michigan 49008
Attention: Daniel J. Scheid

D. **Governing Law.** This Agreement is to be governed by, and enforced in accordance with, the internal laws, but not the conflict of laws rules, of the State of Illinois.

E. **Interpretation.** This Agreement is to be construed without regard to the identity of the party who drafted the various provisions of this Agreement. Moreover, each and every provision of this Agreement is to be construed as though all parties to this Agreement participated equally in the drafting of this Agreement. As a result of the foregoing, any rule or construction that a document is to be construed against the drafting party is not applicable to this Agreement.

F. **Change in Laws.** Except as otherwise explicitly provided in this Agreement, any reference to laws, ordinances, rules, or regulations of any kind includes the laws, ordinances, rules, or regulations of any kind as they may be amended or modified from time to time hereafter.

G. **Headings.** The headings, titles, and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend, or describe the scope or intent of this Agreement.

H. **Time of Essence.** Time is of the essence in the performance of this Agreement.

I. **No Third Party Beneficiaries.** Except as expressly provided in this Agreement, no claim as a third party beneficiary under this Agreement by any person, firm, or corporation may be made or will be valid against the Village.

J. **Severability.** If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions will remain in full force and effect and will in no way be affected, impaired, or invalidated.

K. **Calendar Days and Time.** Unless otherwise provided in this Agreement, any reference in this Agreement to "day" or "days" means calendar days and not business days. If the date for giving of any notice required to be given, or the performance of any obligation, under this Agreement falls on a Saturday, Sunday, or federal holiday, then the notice or obligation may be given or performed on the next business day after that Saturday, Sunday, or federal holiday.

L. **Exhibits.** Exhibits A through C are attached to this Agreement, and by this reference incorporated in and made a part of, this Agreement. In the event of a conflict between an Exhibit and the text of this Agreement, the text of this Agreement will control.

M. **Counterparts.** This Agreement may be executed in several counterparts, each of which, when executed, is to be deemed to be an original, but all of which together constitute one and the same instrument.

N. **Waiver.** Neither the Village nor the Owner are or will be under any obligation to exercise any of the rights granted to them in this Agreement except as it determines to be in its best interest from time to time. The failure of the Village or the Owner to exercise at any time any of those rights is not to be deemed or construed as a waiver of that right, nor will the failure void or affect the Village's or the Owner's right, as the case may be, to enforce those rights or any other rights.

O. **Rights Cumulative.** Unless expressly provided to the contrary in this Agreement, each and every one of the rights, remedies, and benefits provided by this Agreement are cumulative and are not exclusive of any other rights, remedies, and benefits allowed by law.

P. **Consents.** Unless otherwise provided in this Agreement, whenever the consent, permission, authorization, approval, acknowledgement, or similar indication of assent of any party to this Agreement, or of any duly authorized officer, employee, agent, or representative of any party to this Agreement, is required in this Agreement, the consent, permission, authorization, approval, acknowledgement, or similar indication of assent must be in writing.

Q. **Grammatical Usage and Construction.** In construing this Agreement, pronouns include all genders and the plural includes the singular and vice versa.

R. **Village Authority to Execute.** The Village hereby warrants and represents to the Owner that the persons executing this Agreement on its behalf have been properly authorized to do so by the Corporate Authorities.

S. **Recording.** After the execution of this Agreement, the Village will promptly cause this Agreement to be recorded in the office of the Recorder of Cook County.

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

ATTEST:

VILLAGE OF LINCOLNWOOD

Village Clerk

Village President

ATTEST:

AJZ- LINCOLNWOOD, LLC

By: _____

By: _____

Its: _____

Its: _____

ACKNOWLEDGEMENTS

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

This instrument was acknowledged before me on _____, 2018 by Barry I. Bass, the Village President of the **VILLAGE OF LINCOLNWOOD**, an Illinois home rule municipal corporation, and by Beryl Herman, the Village Clerk of said municipal corporation.

Notary Public

My Commission Expires:

(SEAL)

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____, personally known to me to be the _____ of **AJZ-LINCOLNWOOD, LLC**, an Illinois limited liability company, and _____, personally known to me to be the _____ of said limited liability company, appeared before me this day in person and acknowledged that as such _____ and _____, they signed and delivered said instrument as their free and voluntary act and as the free and voluntary act of **AJZ LINCOLNWOOD, LLC**, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, 2018.

Notary Public

My Commission Expires:

(SEAL)

EXHIBIT A

Legal Description of the McCormick Property

(INSERT LEGAL DESCRIPTION)

P.I.N.: 10-35-204-033-0000

Commonly known as 6900 North McCormick Boulevard, Lincolnwood, Illinois.

EXHIBIT B

Legal Description of the Cicero Property

(INSERT LEGAL DESCRIPTION)

P.I.N.: 10-27-307-024-0000

Commonly known as 7373 North Cicero Avenue, Lincolnwood, Illinois.

EXHIBIT C

Secured Parties

**This Document Prepared by
and after Recording Return To:**

Hart M. Passman, Esq.
Holland & Knight LLP
131 South Dearborn, 30th Floor
Chicago, IL 60603
312.263.3600

This Space for Recorder's Use Only

**ECONOMIC INCENTIVE AGREEMENT BY AND BETWEEN
THE VILLAGE OF LINCOLNWOOD and AJZ-LINCOLNWOOD, LLC**

DATED AS OF _____, 2018

**ECONOMIC INCENTIVE AGREEMENT BY AND BETWEEN
THE VILLAGE OF LINCOLNWOOD AND AJZ-LINCOLNWOOD, LLC**

THIS ECONOMIC INCENTIVE AGREEMENT (“Agreement”) is made and entered into as of this ____ day of _____, 2018, by and between the **VILLAGE OF LINCOLNWOOD**, an Illinois home rule municipal corporation (“*Village*”), and **AJZ-LINCOLNWOOD, LLC**, an Illinois limited liability company (“*Owner*”).

IN CONSIDERATION OF the recitals and mutual covenants and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Owner and the Village hereby agree as follows:

SECTION 1. RECITALS.

A. In recognition of the importance of a successful business environment to the Village’s tax base, the Village desires to enhance the long-term viability of the Village’s tax base and strengthen business within the Village by providing assistance and incentives to owners of local businesses for the improvement of their businesses.

B. The Owner, is the record title owner of the approximately four-acre parcel located at 6900 North McCormick Boulevard, Lincolnwood, Illinois, and legally described in **Exhibit A** attached to and, by this reference, incorporated herein (“*McCormick Property*”).

C. The Owner is the contract purchaser of the approximately four-acre parcel located at 7373 North Cicero Avenue, Lincolnwood, Illinois, and legally described in **Exhibit B** attached to and, by this reference, incorporated herein (“*Cicero Property*”).

D. The Owner currently operates Buick, Cadillac, and GMC automobile dealerships on the McCormick Property.

E. The Owner desires to: (1) construct new buildings and improvements on, and relocate the Cadillac dealership to, the Cicero Property and (2) renovate the McCormick Property to facilitate the continued operation of the Buick and GMC dealerships thereon.

F. The Village and the Owner desire to enter into this Agreement to foster the long-term use and development of the McCormick Property and the Cicero Property (collectively, the “*Properties*”) and to enable the use of the Properties in a manner that will enhance the business environment of the Village.

SECTION 2. DEFINITIONS. Whenever used in this Agreement, the following terms have the following meanings unless a different meaning is required by the context.

A. “Cicero Property” means that certain parcel of real property legally described in **Exhibit B** attached hereto and, by this reference, incorporated herein.

B. “Commencement Date” means the date established pursuant to Section 3 of this Agreement.

C. “Corporate Authorities” means the President and Village Board of the Village of Lincolnwood.

D. “Dealership” means each of the automobile dealership franchise owned and operated by the Owner on the Properties, and engaged in the sale of new and used Buick, Cadillac, and GMC automobiles and related parts and services.

E. “Force Majeure” means a strike, lockout, act of God, or other factor beyond a party’s reasonable control and reasonable ability to remedy; provided, however, that Force Majeure does not include (i) delays caused by weather conditions, unless those conditions are unusually severe or abnormal considering the time of year and the particular location of the subject property; and (ii) economic hardship, impracticability of performance, or commercial, economic, or market conditions.

F. “Gross Receipts” has the meaning ascribed to it in the Retailers’ Occupation Tax Act.

G. “McCormick Property” means that certain parcel of real property legally described in **Exhibit A** attached hereto and, by this reference, incorporated herein.

H. “Municipal Sales Tax” means that portion or component of the Sales Taxes generated by the Owner from sales on any portion of any of the Properties that the Village actually receives from the State of Illinois.

I. “Properties” means the Cicero Property and the McCormick Property, collectively.

J. “Retailers’ Occupation Tax Act” means the Illinois Retailers’ Occupation Tax Act, 35 ILCS 120/1 *et seq.*, as the same has been, and may, from time to time hereafter be, amended.

K. “Sales Taxes” means only those taxes imposed and collected by the State of Illinois pursuant to the Retailer’s Occupation Tax Act, the Service Use Tax Act, 35 ILCS 110/1 *et seq.*, the Service Occupation Tax Act, 35 ILCS 115/1 *et seq.*, and the Use Tax Act, 35 ILCS 105/1 *et seq.*, including, without limitation, a vehicle lease tax that is substituted, in whole or in part, for any or all of the foregoing. Sales Taxes specifically, but without limitation, do not include any home rule retailers' occupation tax or retailers' service occupation tax imposed from time-to-time by the Village.

L. "Sales Tax Rebate" means the rebate payment to the Owner of a portion of the Municipal Sales Taxes that the Village receives and that it is required to make pursuant to this Agreement.

M. “Sales Tax Year” means the 12-month period of time commencing on the Commencement Date, and each of the 14 succeeding Sales Tax Years thereafter.

SECTION 3. COMMENCEMENT OF SALES TAX REBATE; OTHER APPROVALS.

A. **Commencement Date.** The “Commencement Date” under this Agreement is hereby declared to be the first day of the calendar month after the month during which the Village issues a certificate of occupancy for the operation of the Cadillac Dealership on the Cicero Property. In the event that such certificate of occupancy is not issued on or before May 31, 2021, then either party will have the right to terminate this Agreement upon the provision of written notice to the other party.

B. **Zoning Approvals Required.** The Owner acknowledges and agrees that: (1) pursuant to the applicable provisions of the “Village of Lincolnwood Zoning Ordinance,” as amended, the Owner may not operate an automobile dealership on the Cicero Property prior to the issuance by the Corporate Authorities of a special use permit therefor; (2) neither the execution of this Agreement, nor any provision of this Agreement, is to be deemed or interpreted as requiring the Corporate Authorities to issue such special use permit or any other zoning relief required for the operation of an automobile dealership on the Cicero Property; and (3) the granting or the denial of such special use permit and other will be at the sole and absolute discretion of the Corporate Authorities.

C. **Class 7C Property Tax Classification Consent.** The Village agrees to adopt a resolution supporting and consenting to the approval by the County of Cook of Class 7c property tax classification for the Cicero Property. The Village may condition such resolution on the ongoing operation of a Dealership on the Cicero Property. In the event that the Village does not adopt such resolution on or before November 30, 2018, the Owner will have the right to terminate this Agreement upon the provision of written notice to the Village.

SECTION 4. SALES TAX REBATE.

A. **Maximum Total Rebate.** In no event shall the Village rebate to the Owner more than a total of \$10,000,000 as a result of this Agreement (***“Maximum Total Rebate”***).

B. **Calculation of Sales Tax Rebate.** Beginning on the Commencement Date, the Village will pay to the Owner the following:

1. 50 percent of that portion of the Municipal Sales Tax generated by the Owner at the Cicero Property during each Sales Tax Year; and

2. 50 percent of that portion of the Municipal Sales Tax generated by the Owner at the McCormick Property during each Sales Tax Year; provided, however, that in the event that the Municipal Sales Tax generated by the Owner at the McCormick Property during any Sales Tax Year is not equal to or greater than \$840,000.00, then, for that Sales Tax Year, the Village will pay to the Owner the amount equal to the Municipal Sales Tax generated by the Owner at the McCormick Property for that Sales Tax Year minus \$420,000.00.

C. **Village Payment.** Within 120 days after the end of the 12th month of each Sales Tax Year, the Village will pay the applicable Sales Tax Rebate for that particular Sales Tax Year to the Owner, based on the records of the Illinois Department of Revenue. If, for any reason, the State of Illinois fails to distribute the Municipal Sales Tax revenue to the Village in sufficient time for the Village to make the annual payments, the Village must provide notice of that fact to the Owner. In that event, the Village must make the required Sales Tax Rebate payment within 60 days after the date on which the Village actually receives the Municipal Sales Tax revenue due the Village for the applicable annual payment period. To the extent necessary, as determined by the Village, the parties agree that the Village may require the Owner to submit such specified financial statements and copies of the applicable State of Illinois Sales Tax Reports as are necessary to verify the amount of Sales Tax generated by the Owner. The Owner must sign a release authorizing the State of Illinois to issue the reports to the Village.

D. **Change in the Law.**

1. The Village and the Owner acknowledge and agree that the Village's obligation to pay the Sales Tax Rebate to the Owner is predicated on existing State law governing the distribution of Sales Taxes to the Village, including, without limitation, the Retailers' Occupation Tax Act. The Village and the Owner further acknowledge that the General Assembly of the State has, from time to time, considered proposals to modify or eliminate the distribution of Sales Taxes to Illinois municipalities. The Village and the Owner make express provision for the effect of any change upon the operation of this Agreement in Section 4.D.2 of this Agreement.

2. In the event that the State of Illinois amends or repeals the Retailers' Occupation Tax Act or makes any other promulgation, enactment, or change in law ("***Change in Law***") that eliminates the distribution of Sales Taxes to the Village, or otherwise alters the distribution formula in a manner that prevents the Village and the Owner from determining with a reasonable degree of certainty the precise amount of the Municipal Sales Tax, the provisions of this Agreement with regard to Municipal Sales Tax generated from the Properties on or after the effective date of the Change in Law will automatically terminate and become null and void and be of no further force or effect, and the Village will have no obligation whatsoever to pay to the Owner any of the Municipal Sales Tax generated on or after the effective date of the Change in Law. However, if a Change in Law results in replacement taxes for the Sales Taxes directly resulting from Gross Receipts of the Owner as contemplated pursuant to this Agreement, then, for purposes of this Agreement, the replacement taxes will be defined as Sales Taxes, subject in all respects to the Village's actual receipt of its portion of the replacement taxes as well as the Village's authority under state law to provide for rebate of the replacement taxes, as contemplated in this Agreement.

E. **No Guarantee.** The parties acknowledge and agree that none of the terms, conditions, or provisions of this Agreement are to be construed, deemed, or interpreted as either: (1) a guarantee that the Village will receive any Sales Taxes as a result of the operation of the Dealerships on the Properties; or (2) a requirement or obligation by the Owner to generate Gross Receipts from the Properties.

F. **Limited Liability.** Notwithstanding any other provision of this Agreement to the contrary, the Village's obligation to pay the Sales Tax Rebate payments is not and will not be a general debt of the Village or a charge against its general credit or taxing powers, but is and will be a special limited obligation payable solely out of the Municipal Sales Tax received by the Village, as specifically defined in Section 2 of this Agreement. The Owner has and will have no right to, and agrees that it may not, compel any exercise of the taxing power of the Village to pay the Sales Tax Rebate payments, and no execution of any claim, demand, cause of action or judgment may be levied upon or collected from the general credit, general funds or other property of the Village. No recourse may be had for any payment pursuant to this Agreement against any past, present, or future director, member, elected or appointed officer, official, agent, representative, employee, or attorney of the Village in his or her individual capacity.

G. **Closure; Refund of Rebate.**

1. In the event that, at any time during the Term of this Agreement, the Owner abandons, closes, or terminates the use of either of the Properties for any of the Dealerships ("**Closure**"), then: (a) the provisions of this Agreement with regard to Municipal Sales Tax generated from the Property at which the Closure occurred (the "**Closure Property**") will, as of the date of the Closure, automatically terminate and become null and void and be of no further force or effect, and the Village will have no obligation whatsoever to perform any of the Municipal Sales Tax Rebate obligations in Section 4 of this Agreement for the Closure Property and only the Closure Property; and (b) the Owner must refund to the Village a portion of the Sales Tax Rebate generated from the Closure Property and received by the Owner prior to the date of the Closure, as follows:

i. If the Closure occurs within the first five Sales Tax Years, the Owner must refund 75% of the Sales Tax Rebate from the Closure Property;

ii. If the Closure occurs within the sixth through tenth Sales Tax Years, the Owner must refund 50% of the Sales Tax Rebate from the Closure Property; and

iii. If the Closure occurs after the first ten Sales Tax Years, the Owner must refund 25% of the Sales Tax Rebate from the Closure Property.

2. The Owner must provide the Village with no less than 60 days written notice prior to any abandonment, closure, or termination of the use of either of the Properties for any of the Dealerships.

3. The parties agree that the replacement of a Dealership with another new automobile dealership for a different manufacturer, or the transfer of legal or beneficial interest in all or any portion of either of the Properties or any of the Dealerships in accordance with Section 13.C of this Agreement, does not constitute a Closure for purposes of this Agreement.

SECTION 5. **[INTENTIONALLY OMITTED]**

SECTION 6. **FORCE MAJEURE.**

Whenever a period of time is provided for in this Agreement for either the Owner or the Village to perform any act or obligation, and the Owner or the Village, as the case may be, is unable to perform or complete the act or obligation because of a Force Majeure, then upon the occurrence of the Force Majeure, the time period for the performance and completion of the acts or obligations will be extended automatically for a reasonable time to accommodate the delay caused by the Force Majeure.

SECTION 7. LITIGATION AND DEFENSE OF AGREEMENT.

A. **Litigation.** If, during the term of this Agreement, any lawsuits or proceedings are filed or initiated against either party before any court, commission, board, bureau, agency, unit of government or sub-unit thereof, arbitrator, or other instrumentality, that may materially affect or inhibit the ability of either party to perform its obligations under, or otherwise to comply with, this Agreement ("***Litigation***"), the party against which the Litigation is filed or initiated must promptly deliver a copy of the complaint or charge to the party and must thereafter keep the other party fully informed concerning all aspects of the Litigation.

B. **Defense.** The Village and the Owner must use their respective best efforts to defend the validity of this Agreement, and all ordinances and resolutions adopted and agreements executed pursuant to this Agreement, including every portion thereof and every approval given, and every action taken, pursuant thereto. Each party has the right to retain its own independent legal counsel, at its own expense, for any matter. The Village and the Owner agree to reasonably cooperate with each other to carry out the purpose and intent of this Agreement.

SECTION 8. TERM.

This Agreement will be in full force and effect for a period commencing on the Commencement Date and through the first to occur of: (a) the date that is 15 years after the Commencement Date; and (b) the date on which or until the Owner receives \$10,000,000 in cumulative Sales Tax Rebate payments from the Village pursuant to the terms of this Agreement ("***Term***"); provided, however, that the Village's obligation to make Sales Tax Rebate payments will survive the expiration of the Term to the extent that the Village has not at that time received from the State the Municipal Sales Taxes from which the Sales Tax Rebate payments will be made. During the Term, this Agreement runs with and binds the Properties and inures to the benefit of and is enforceable by the Owner and the Village, and any of their respective permitted legal representatives, heirs, grantees, successors, and assigns.

SECTION 9. RELEASE OF INFORMATION.

The Owner agrees to execute and provide all documentation necessary to cause the Illinois Department of Revenue to release to the Village the Sales Tax generated by the Owner from the Properties, including copies of State of Illinois Sales Tax Reports, during each of the Sales Tax Years pursuant to applicable State law.

SECTION 10. PAYMENT OF VILLAGE FEES AND COSTS.

A. **General Requirements.** In addition to any other costs, payments, fees, charges, contributions, or dedications specifically required by this Agreement, the Owner must pay to the Village, as and when due, all application, inspection, and permit fees, and all other fees, charges, and contributions required by applicable Village codes, ordinances, resolutions, rules, or regulations.

B. **Village Lien Rights.** If any money due from the Owner to the Village pursuant to this Agreement is not paid to the Village by the Owner, within 30 days after a demand for the payment, then that money, together with interest and costs of collection, including legal fees and administrative expenses, will become a lien upon all portions of the specific Property with respect to which such payment is due, and will be a debt of, and an obligation owed by, the Owner to the Village, and the Village will have the right to collect that amount, with interest and costs, including legal fees and administrative expenses, by deducting that amount, interest, costs, fees, and expenses from any Sales Tax Rebate payment otherwise required under this Agreement. The Village will also have the right to enforce the lien in the same manner as in statutory mortgage foreclosure proceedings. The lien will be subordinate to any first mortgage now or hereafter placed upon the applicable Property; provided, however, that the subordination will apply only to charges that have become due and payable prior to a sale or transfer of the Property pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure. The sale or transfer will not relieve the Property from liability for any charges thereafter becoming due, nor from the lien of any subsequent charge.

SECTION 11. LIABILITY AND INDEMNITY OF VILLAGE.

A. **No Liability for Village Review.** The Owner acknowledges and agrees that: (i) the Village is not, and will not be, in any way liable for any violations of restrictive covenants applicable to the Properties that may occur, or for any damages or injuries that may be sustained, as the result of the Village's review and approval of any plans for the Properties, or as a result of the issuance of any approvals, permits, certificates, or acceptances relating to the use and development of the Properties; and (2) the Village's review and approval of any of the plans and the issuance of any of the approvals, permits, certificates, or acceptances does not, and will not, in any way, be deemed to insure the Owner, or any of its heirs, successors, assigns, tenants, or licensees, or any third party, against restrictive covenant violations or damage or injury of any kind at any time.

B. **Village Procedures.** The Owner acknowledges that notices, meetings, and hearings have been properly given and held by the Village with respect to the approval of this Agreement, and agrees not to challenge any of those actions on the grounds of any procedural infirmity or of any denial of any procedural right.

C. **Indemnity.** The Owner agrees to, and does hereby, hold harmless and indemnify the Village, the Corporate Authorities, all Village elected and appointed officials, officers, employees, agents, representatives, and attorneys, from any and all third-party claims that may, at any time, be asserted against any of those parties in connection with (i) the Village's review and approval of any plans, or the issuance of any approvals, permits, certificates, or acceptances relating to the use and development of the Properties; (ii) any actions taken by the Village pursuant to this Agreement; (iii) the development,

construction, and maintenance of the Properties; and (iv) the performance by the Owner of its obligations under this Agreement and all related ordinances, resolutions, or other agreements.

D. **Defense Expenses.** The Owner must, and does hereby agree to, pay, without protest, all expenses incurred by the Village in defending itself with regard to any and all of the claims identified in Section 11.C of this Agreement. These expenses may include, without limitation: (1) all out-of-pocket expenses, including attorneys' and experts' fees, not to exceed their usual and customary fee rates to the Village; and (2) the reasonable value of any services rendered by any employees of the Village, not to exceed their actual salaries.

SECTION 12. ENFORCEMENT.

A. **Enforcement.** The parties to this Agreement may, in law or in equity, by suit, action, mandamus, or any other proceeding, including without limitation specific performance (including, without limitation, payment by the Village to the Owner of payments due to Owner under this Agreement), enforce or compel the performance of this Agreement; provided, however, that the Owner agrees that it will not seek, and does not have the right to seek, to recover a judgment for monetary damages against the Village, or any past, present, or future director, member, elected or appointed officer, official, agent, representative, employee, or attorney, of the Village on account of the negotiation, execution, or breach of this Agreement. In addition to every other remedy permitted by law for the enforcement of the terms of this Agreement, the Village will be entitled to withhold the issuance of building permits or certificates of occupancy for any and all buildings and structures within either of the Properties at any time when the Owner has failed or refused to meet fully any of its obligations under this Agreement. In the event of a judicial proceeding brought by one party to this Agreement against the other party to this Agreement pursuant to this Section, the prevailing party will be entitled to reimbursement from the unsuccessful party of all costs and expenses, including without limitation reasonable attorneys' fees, incurred in connection with the judicial proceeding.

B. **Notice and Cure.** Neither party may exercise the right to bring any suit, action, mandamus, or any other proceeding pursuant to Section 12.A of this Agreement, or to commence enforcement of a lien pursuant to Section 10.B of this Agreement, without first providing written notice to the other party of the breach or alleged breach and allowing 15 days to cure the breach or alleged breach. If the breach cannot be cured within the 15-day period ("***Time for Cure***"), then the Time for Cure will be extended accordingly, provided that the notified party has promptly commenced to cure the breach within the Time for Cure and continued to prosecute the cure of the breach with diligence.

SECTION 13. NATURE, SURVIVAL, AND TRANSFER OF OBLIGATIONS.

A. **Obligations.** The parties agree that all charges payable pursuant to this Agreement, together with interest and costs of collection, including attorneys' fees, constitutes both the personal obligation of the party liable for its payment, and the successors of that party.

B. **Binding Effect.** The Owner acknowledges and agrees that this Agreement is binding upon the Owner, and any and all of its heirs, successors, assigns, and successor owners of record of all or any portion of either of the Properties.

C. **Transferee Assumption.** To assure that any potential heir, successor, or assign has notice of this Agreement and the obligations created by it, the Owner agrees:

- (i) that this Agreement is to be recorded with the Cook County Recorder of Deeds;
- (ii) to require, prior to the transfer of a legal or beneficial interest in all or any portion of either of the Properties or any of the Dealerships, the transferee to execute an enforceable transferee assumption agreement in a form acceptable to the Village Attorney ("***Transferee Assumption Agreement***"). The Village agrees that, upon a successor becoming bound to the personal obligation created in this Agreement in the manner provided, the personal liability of the Owner or other predecessor obligor will be released to the extent of the transferee's assumption of liability. The Owner agrees to notify the Village in writing at least 30 days prior to the date on which the Owner proposes to transfer a legal or beneficial interest in all or any portion of any Dealership or Property to a transferee. The Owner must, at the same time, provide the Village with a fully executed copy of the Transferee Assumption Agreement.

D. **Transfer Defined.** For purposes of this Agreement, the term "transfer" includes any assignment, transfer, sale, transfer to a receiver or to a trustee in bankruptcy, transfer in trust, or other disposition of any Dealership or Property, or any beneficial interest in any Property, in whole or in part, by voluntary or involuntary sale, foreclosure, restructuring, merger, sale and leaseback, consolidation, or otherwise.

E. **[Intentionally Omitted]**

F. **Prohibited Assignments.** It is the express intent of the parties that, except as expressly provided or allowed herein, this Agreement, and all of the rights and privileges granted herein, are for the sole and exclusive benefit of the Owner for operation of the Dealerships. Accordingly, notwithstanding any provision of this Agreement, in the event that the Owner does, or attempts to, voluntarily or involuntarily transfer its interest in any Dealership or any Property, in whole or in part, without the prior consent of the Corporate Authorities, which consent may be granted or denied in the sole and absolute discretion of the Corporate Authorities, this Agreement, and all of the rights and privileges granted herein, will, at the option of the Village, become null and void and be of no force or effect.

SECTION 14. REPRESENTATIONS AND WARRANTIES.

In order to induce the Village to enter into this agreement and to adopt the ordinances and grant the rights herein provided for, the Owner hereby warrants and represents to the Village as follows:

A. The Owner is a duly organized, validly existing limited liability company in good standing under the laws of the State of Illinois.

B. The Owner has the authority and the legal right to make, deliver, execute, and perform this Agreement and has taken all necessary corporate, partnership, and venture actions to authorize the execution, delivery, and performance of this Agreement.

C. No mortgagee or any other secured party, other than those listed on *Exhibit C* attached hereto and, by this reference, incorporated herein, that has an interest in either of the Properties as of the date of this Agreement has an objection to either: (i) the execution and performance of this Agreement by the Owners or (ii) the binding nature of this Agreement with respect to the applicable Property. The Owner must deliver to the Village Clerk, at the time of the Owner's execution of this Agreement, a document acceptable in form to the Village Attorney and executed by all secured parties referenced in *Exhibit C* acknowledging this warranty and confirming the validity thereof.

D. All necessary consents of any board of directors, shareholders, creditors, investors, partners, judicial, or administrative bodies, governmental authorities, or other parties including specifically, but without limitation, all secured parties referenced on *Exhibit C* regarding the execution and delivery of this Agreement have been obtained.

E. The consent or authorization of, filing with, or other act by or in respect of any governmental authority (other than the Village, and the State of Illinois with respect to distribution of Sales Taxes) is required in connection with the execution, delivery, performance, validity, or enforceability of this Agreement.

F. The individuals executing this Agreement on behalf of the Owner have the power and authority to execute and deliver this Agreement on behalf of the Owner.

G. The execution, delivery, and performance of this Agreement: (i) is not prohibited by any requirement of law or under any contractual obligation of the Owner; (ii) will not result in a breach or default under any agreement to which the Owner is a party or to which the Owner, in whole or in part, is bound; and (iii) will not violate any restriction, court order, or agreement to which the Owner or either of the Properties, in whole or in part, is or are subject.

SECTION 15. GENERAL PROVISIONS.

A. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes any and all prior agreements and negotiations between the parties, whether written or oral, relating to the subject matter of this Agreement.

B. **Amendments and Modifications.** No amendment or modification to this Agreement will be effective until it is reduced to writing and approved and executed by all parties to this Agreement in accordance with all applicable statutory procedures.

C. **Notices.** Any notice, communication, or demand required or permitted to be given under this Agreement must be in writing and must be delivered: (i) personally, (ii) by a reputable overnight courier, or (iii) by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid. Unless otherwise provided in this Agreement, notices will be deemed received after the first to occur of: (a) the date of actual receipt; or (b) the date that is one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (b) the date that is three business days after deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this Section, each party to this Agreement has the right to change the address or the addressee, or both, for all future notices and communications to them, but no notice of a change of addressee or address will be effective until actually received.

Notices and communications to the Village must be addressed to, and delivered at, the following address:

Village of Lincolnwood
Village Hall
6900 North Lincoln Avenue
Lincolnwood, Illinois 60712
Attention: Village Manager

With a copy to:

Holland & Knight LLP
131 S. Dearborn, 30th Floor
Chicago, Illinois 60603
Attention: Hart M. Passman

Notices and communications to the Owner must be addressed to, and delivered at, the following address:

AJZ-Lincolnwood, LLC
3939 Stadium Drive
Kalamazoo, Michigan 49008
Attention: Aaron J. Zeigler

With a copy to:

AJZ-Lincolnwood, LLC
3939 Stadium Drive
Kalamazoo, Michigan 49008
Attention: Daniel J. Scheid

D. **Governing Law.** This Agreement is to be governed by, and enforced in accordance with, the internal laws, but not the conflict of laws rules, of the State of Illinois.

E. **Interpretation.** This Agreement is to be construed without regard to the identity of the party who drafted the various provisions of this Agreement. Moreover, each and every provision of this Agreement is to be construed as though all parties to this Agreement participated equally in the drafting of this Agreement. As a result of the foregoing, any rule or construction that a document is to be construed against the drafting party is not applicable to this Agreement.

F. **Change in Laws.** Except as otherwise explicitly provided in this Agreement, any reference to laws, ordinances, rules, or regulations of any kind includes the laws, ordinances, rules, or regulations of any kind as they may be amended or modified from time to time hereafter.

G. **Headings.** The headings, titles, and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend, or describe the scope or intent of this Agreement.

H. **Time of Essence.** Time is of the essence in the performance of this Agreement.

I. **No Third Party Beneficiaries.** Except as expressly provided in this Agreement, no claim as a third party beneficiary under this Agreement by any person, firm, or corporation may be made or will be valid against the Village.

J. **Severability.** If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions will remain in full force and effect and will in no way be affected, impaired, or invalidated.

K. **Calendar Days and Time.** Unless otherwise provided in this Agreement, any reference in this Agreement to "day" or "days" means calendar days and not business days. If the date for giving of any notice required to be given, or the performance of any obligation, under this Agreement falls on a Saturday, Sunday, or federal holiday, then the notice or obligation may be given or performed on the next business day after that Saturday, Sunday, or federal holiday.

L. **Exhibits.** Exhibits A through C are attached to this Agreement, and by this reference incorporated in and made a part of, this Agreement. In the event of a conflict between an Exhibit and the text of this Agreement, the text of this Agreement will control.

M. **Counterparts.** This Agreement may be executed in several counterparts, each of which, when executed, is to be deemed to be an original, but all of which together constitute one and the same instrument.

N. **Waiver.** Neither the Village nor the Owner are or will be under any obligation to exercise any of the rights granted to them in this Agreement except as it determines to be in its best interest from time to time. The failure of the Village or the Owner to exercise at any time any of those rights is not to be deemed or construed as a waiver of that right, nor will the failure void or affect the Village's or the Owner's right, as the case may be, to enforce those rights or any other rights.

O. **Rights Cumulative.** Unless expressly provided to the contrary in this Agreement, each and every one of the rights, remedies, and benefits provided by this Agreement are cumulative and are not exclusive of any other rights, remedies, and benefits allowed by law.

P. **Consents.** Unless otherwise provided in this Agreement, whenever the consent, permission, authorization, approval, acknowledgement, or similar indication of assent of any party to this Agreement, or of any duly authorized officer, employee, agent, or representative of any party to this Agreement, is required in this Agreement, the consent, permission, authorization, approval, acknowledgement, or similar indication of assent must be in writing.

Q. **Grammatical Usage and Construction.** In construing this Agreement, pronouns include all genders and the plural includes the singular and vice versa.

R. **Village Authority to Execute.** The Village hereby warrants and represents to the Owner that the persons executing this Agreement on its behalf have been properly authorized to do so by the Corporate Authorities.

S. **Recording.** After the execution of this Agreement, the Village will promptly cause this Agreement to be recorded in the office of the Recorder of Cook County.

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

ATTEST:

VILLAGE OF LINCOLNWOOD

Village Clerk

Village President

ATTEST:

AJZ- LINCOLNWOOD, LLC

By: _____

By: _____

Its: _____

Its: _____

ACKNOWLEDGEMENTS

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

This instrument was acknowledged before me on _____, 2018 by Barry I. Bass, the Village President of the **VILLAGE OF LINCOLNWOOD**, an Illinois home rule municipal corporation, and by Beryl Herman, the Village Clerk of said municipal corporation.

Notary Public

My Commission Expires:

(SEAL)

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____, personally known to me to be the _____ of **AJZ-LINCOLNWOOD, LLC**, an Illinois limited liability company, and _____, personally known to me to be the _____ of said limited liability company, appeared before me this day in person and acknowledged that as such _____ and _____, they signed and delivered said instrument as their free and voluntary act and as the free and voluntary act of **AJZ-LINCOLNWOOD, LLC**, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, 2018.

Notary Public

My Commission Expires:

(SEAL)

EXHIBIT A

Legal Description of the McCormick Property

(INSERT LEGAL DESCRIPTION)

P.I.N.: 10-35-204-033-0000

Commonly known as 6900 North McCormick Boulevard, Lincolnwood, Illinois.

EXHIBIT B

Legal Description of the Cicero Property

(INSERT LEGAL DESCRIPTION)

P.I.N.: 10-27-307-024-0000

Commonly known as 7373 North Cicero Avenue, Lincolnwood, Illinois.

EXHIBIT C

Secured Parties

**This Document Prepared by
and after Recording Return To:**

Hart M. Passman, Esq.
Holland & Knight LLP
131 South Dearborn, 30th Floor
Chicago, IL 60603
312.263.3600

This Space for Recorder's Use Only

**ECONOMIC INCENTIVE AGREEMENT BY AND BETWEEN
THE VILLAGE OF LINCOLNWOOD and AJZ-LINCOLNWOOD, LLC**

DATED AS OF _____, 2018

**ECONOMIC INCENTIVE AGREEMENT BY AND BETWEEN
THE VILLAGE OF LINCOLNWOOD AND AJZ-LINCOLNWOOD, LLC**

THIS ECONOMIC INCENTIVE AGREEMENT (“Agreement”) is made and entered into as of this ____ day of _____, 2018, by and between the **VILLAGE OF LINCOLNWOOD**, an Illinois home rule municipal corporation (“**Village**”), and **AJZ-LINCOLNWOOD, LLC**, an Illinois limited liability company (“**Owner**”).

IN CONSIDERATION OF the recitals and mutual covenants and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Owner and the Village hereby agree as follows:

SECTION 1. RECITALS.

A. In recognition of the importance of a successful business environment to the Village’s tax base, the Village desires to enhance the long-term viability of the Village’s tax base and strengthen business within the Village by providing assistance and incentives to owners of local businesses for the improvement of their businesses.

B. The Owner, is the record title owner of the approximately ____-acre parcel located at 6900 North McCormick Boulevard, Lincolnwood, Illinois, and legally described in **Exhibit A** attached to and, by this reference, incorporated herein (“**McCormick Property**”).

C. The Owner is the contract purchaser of the approximately four-acre parcel located at 7373 North Cicero Avenue, Lincolnwood, Illinois, and legally described in **Exhibit B** attached to and, by this reference, incorporated herein (“**Cicero Property**”).

D. The Owner currently operates Buick, Cadillac, and GMC automobile dealerships on the McCormick Property.

E. The Owner desires to: (1) construct new buildings and improvements on, and relocate the Cadillac dealership to, the Cicero Property and (2) renovate the McCormick Property to facilitate the continued operation of the Buick and GMC dealerships thereon.

F. The Village and the Owner desire to enter into this Agreement to foster the long-term use and development of the McCormick Property and the Cicero Property (collectively, the “**Properties**”) and to enable the use of the Properties in a manner that will enhance the business environment of the Village.

SECTION 2. DEFINITIONS. Whenever used in this Agreement, the following terms have the following meanings unless a different meaning is required by the context.

A. “Cicero Property” means that certain parcel of real property legally described in **Exhibit B** attached hereto and, by this reference, incorporated herein.

B. “Commencement Date” means the date established pursuant to Section 3 of this Agreement.

C. “Corporate Authorities” means the President and Village Board of the Village of Lincolnwood.

D. “Dealership” means each of the automobile dealership franchise owned and operated by the Owner on the Properties, and engaged in the sale of new and used Buick, Cadillac, and GMC automobiles and related parts and services.

E. “Force Majeure” means a strike, lockout, act of God, or other factor beyond a party’s reasonable control and reasonable ability to remedy; provided, however, that Force Majeure does not include (i) delays caused by weather conditions, unless those conditions are unusually severe or abnormal considering the time of year and the particular location of the subject property; and (ii) economic hardship, impracticability of performance, or commercial, economic, or market conditions.

F. “Gross Receipts” has the meaning ascribed to it in the Retailers’ Occupation Tax Act.

G. “McCormick Property” means that certain parcel of real property legally described in **Exhibit A** attached hereto and, by this reference, incorporated herein.

H. “Municipal Sales Tax” means that portion or component of the Sales Taxes generated by the Owner from sales on any portion of any of the Properties that the Village actually receives from the State of Illinois.

I. “Properties” means the Cicero Property and the McCormick Property, collectively.

J. “Retailers’ Occupation Tax Act” means the Illinois Retailers’ Occupation Tax Act, 35 ILCS 120/1 *et seq.*, as the same has been, and may, from time to time hereafter be, amended.

K. “Sales Taxes” means only those taxes imposed and collected by the State of Illinois pursuant to the Retailer’s Occupation Tax Act, the Service Use Tax Act, 35 ILCS 110/1 *et seq.*, the Service Occupation Tax Act, 35 ILCS 115/1 *et seq.*, and the Use Tax Act, 35 ILCS 105/1 *et seq.*, including, without limitation, a vehicle lease tax that is substituted, in whole or in part, for any or all of the foregoing. Sales Taxes specifically, but without limitation, do not include any home rule retailers’ occupation tax or retailers’ service occupation tax imposed from time-to-time by the Village.

L. “Sales Tax Rebate” means the rebate payment to the Owner of a portion of the Municipal Sales Taxes that the Village receives and that it is required to make pursuant to this Agreement.

M. “Sales Tax Year” means the 12-month period of time commencing on the Commencement Date, and each of the 14 succeeding Sales Tax Years thereafter.

SECTION 3. COMMENCEMENT OF SALES TAX REBATE; OTHER APPROVALS.

A. **Commencement Date.** The “Commencement Date” under this Agreement is hereby declared to be the first day of the calendar month after the month during which the Village issues a certificate of occupancy for the operation of the Cadillac Dealership on the Cicero Property. In the event that such certificate of occupancy is not issued on or before May 31, 2021, then either party will have the right to terminate this Agreement upon the provision of written notice to the other party.

B. **Zoning Approvals Required.** The Owner acknowledges and agrees that: (1) pursuant to the applicable provisions of the “Village of Lincolnwood Zoning Ordinance,” as amended, the Owner may not operate an automobile dealership on the Cicero Property prior to the issuance by the Corporate Authorities of a special use permit therefor; (2) neither the execution of this Agreement, nor any provision of this Agreement, is to be deemed or interpreted as requiring the Corporate Authorities to issue such special use permit or any other zoning relief required for the operation of an automobile dealership on the Cicero Property; and (3) the granting or the denial of such special use permit and other will be at the sole and absolute discretion of the Corporate Authorities.

C. **Class 7C Property Tax Classification Consent.** The Village agrees to adopt a resolution supporting and consenting to the approval by the County of Cook of Class 7c property tax classification for the Cicero Property. The Village may condition such resolution on the ongoing operation of a Dealership on the Cicero Property. In the event that the Village does not adopt such resolution on or before November 30, 2018, the Owner will have the right to terminate this Agreement upon the provision of written notice to the Village.

SECTION 4. SALES TAX REBATE.

A. **Maximum Total Rebate.** In no event shall the Village rebate to the Owner more than a total of \$10,000,000 as a result of this Agreement (***“Maximum Total Rebate”***).

B. **Calculation of Sales Tax Rebate.** Beginning on the Commencement Date, the Village will pay to the Owner [the following](#):

[1. 50 percent of that portion of the Municipal Sales Tax generated by the Owner at the Cicero Property during each Sales Tax Year; and](#)

[2. 50 percent of that portion of the Municipal Sales Tax generated by the Owner at the McCormick Property during each Sales Tax Year; provided, however, that in the event that the Municipal Sales Tax generated by the Owner at the McCormick Property during any Sales Tax Year is not equal to or greater than \\$840,000.00, then, for](#)

that Sales Tax Year, the Village will pay to the Owner the amount equal to the Municipal Sales Tax generated by the Owner [at the McCormick Property](#) for that Sales Tax Year minus \$420,000.00.

C. **Village Payment.** Within 120 days after the end of the 12th month of each Sales Tax Year, the Village will pay the applicable Sales Tax Rebate for that particular Sales Tax Year to the Owner, based on the records of the Illinois Department of Revenue. If, for any reason, the State of Illinois fails to distribute the Municipal Sales Tax revenue to the Village in sufficient time for the Village to make the annual payments, the Village must provide notice of that fact to the Owner. In that event, the Village must make the required Sales Tax Rebate payment within 60 days after the date on which the Village actually receives the Municipal Sales Tax revenue due the Village for the applicable annual payment period. To the extent necessary, as determined by the Village, the parties agree that the Village may require the Owner to submit such specified financial statements and copies of the applicable State of Illinois Sales Tax Reports as are necessary to verify the amount of Sales Tax generated by the Owner. The Owner must sign a release authorizing the State of Illinois to issue the reports to the Village.

D. **Change in the Law.**

1. The Village and the Owner acknowledge and agree that the Village's obligation to pay the Sales Tax Rebate to the Owner is predicated on existing State law governing the distribution of Sales Taxes to the Village, including, without limitation, the Retailers' Occupation Tax Act. The Village and the Owner further acknowledge that the General Assembly of the State has, from time to time, considered proposals to modify or eliminate the distribution of Sales Taxes to Illinois municipalities. The Village and the Owner make express provision for the effect of any change upon the operation of this Agreement in Section 4.D.2 of this Agreement.

2. In the event that the State of Illinois amends or repeals the Retailers' Occupation Tax Act or makes any other promulgation, enactment, or change in law ("***Change in Law***") that eliminates the distribution of Sales Taxes to the Village, or otherwise alters the distribution formula in a manner that prevents the Village and the Owner from determining with a reasonable degree of certainty the precise amount of the Municipal Sales Tax, the provisions of this Agreement with regard to Municipal Sales Tax generated from the Properties on or after the effective date of the Change in Law will automatically terminate and become null and void and be of no further force or effect, and the Village will have no obligation whatsoever to pay to the Owner any of the Municipal Sales Tax generated on or after the effective date of the Change in Law. However, if a Change in Law results in replacement taxes for the Sales Taxes directly resulting from Gross Receipts of the Owner as contemplated pursuant to this Agreement, then, for purposes of this Agreement, the replacement taxes will be defined as Sales Taxes, subject in all respects to the Village's actual receipt of its portion of the replacement taxes as well as the Village's authority under state law to provide for rebate of the replacement taxes, as contemplated in this Agreement.

E. **No Guarantee.** The parties acknowledge and agree that none of the terms, conditions, or provisions of this Agreement are to be construed, deemed, or interpreted as either: (1) a guarantee that the Village will receive any Sales Taxes as a result of the operation of the Dealerships on the Properties; or (2) a requirement or obligation by the Owner to generate Gross Receipts from the Properties.

F. **Limited Liability.** Notwithstanding any other provision of this Agreement to the contrary, the Village's obligation to pay the Sales Tax Rebate payments is not and will not be a general debt of the Village or a charge against its general credit or taxing powers, but is and will be a special limited obligation payable solely out of the Municipal Sales Tax received by the Village, as specifically defined in Section 2 of this Agreement. The Owner has and will have no right to, and agrees that it may not, compel any exercise of the taxing power of the Village to pay the Sales Tax Rebate payments, and no execution of any claim, demand, cause of action or judgment may be levied upon or collected from the general credit, general funds or other property of the Village. No recourse may be had for any payment pursuant to this Agreement against any past, present, or future director, member, elected or appointed officer, official, agent, representative, employee, or attorney of the Village in his or her individual capacity.

G. **Closure; Refund of Rebate.**

1. In the event that, at any time during the Term of this Agreement, the Owner abandons, closes, or terminates the use of either of the Properties for any of the Dealerships ("**Closure**"), then: (a) the provisions of this Agreement with regard to Municipal Sales Tax generated from the ~~Properties~~Property at which the Closure occurred (the "**Closure Property**") will, as of the date of the Closure, automatically terminate and become null and void and be of no further force or effect, and the Village will have no obligation whatsoever to perform any of the Municipal Sales Tax Rebate obligations in Section 4 of this Agreement for the Closure Property and only the Closure Property; and (b) the Owner must refund to the Village a portion of the Sales Tax Rebate generated from the Closure Property and received by the Owner prior to the date of the Closure, as follows:

i. If the Closure occurs within the first five Sales Tax Years, the Owner must refund 75% of the Sales Tax Rebate from the Closure Property;

ii. If the Closure occurs within the sixth through tenth Sales Tax Years, the Owner must refund 50% of the Sales Tax Rebate from the Closure Property; and

iii. If the Closure occurs after the first ten Sales Tax Years, the Owner must refund 25% of the Sales Tax Rebate from the Closure Property.

2. The Owner must provide the Village with no less than 60 days written notice prior to any abandonment, closure, or termination of the use of either of the Properties for any of the Dealerships.

3. The parties agree that the replacement of a Dealership with another new automobile dealership for a different manufacturer, or the transfer of legal or

beneficial interest in all or any portion of either of the Properties or any of the Dealerships in accordance with Section 13.C of this Agreement, does not constitute a Closure for purposes of this Agreement.

SECTION 5. REAL PROPERTY VALUATION. INTENTIONALLY OMITTED

~~The Owner recognizes that the Village has legitimate interests and concerns regarding the valuation and assessment of the Properties for real estate tax purposes. Accordingly, the Owner must: (a) not initiate any protest or appeal that seeks any reduction of any kind in the property valuation established by the Cook County Assessor for the Cicero Property, for any period for which the Cicero Property has been granted the Class 7c property tax classification by the County of Cook; (b) not otherwise initiate any protest or appeal that seeks a property valuation for either of the Properties that is substantially disproportionate to, or substantially inconsistent with, the actual use of either of the Properties; and (c) notify the Village prior to the commencement or initiation of any protest or appeal by the Owner of the real property valuation established by the Cook County Assessor for either of the Properties.~~

SECTION 6. FORCE MAJEURE.

Whenever a period of time is provided for in this Agreement for either the Owner or the Village to perform any act or obligation, and the Owner or the Village, as the case may be, is unable to perform or complete the act or obligation because of a Force Majeure, then upon the occurrence of the Force Majeure, the time period for the performance and completion of the acts or obligations will be extended automatically for a reasonable time to accommodate the delay caused by the Force Majeure.

SECTION 7. LITIGATION AND DEFENSE OF AGREEMENT.

A. **Litigation.** If, during the term of this Agreement, any lawsuits or proceedings are filed or initiated against either party before any court, commission, board, bureau, agency, unit of government or sub-unit thereof, arbitrator, or other instrumentality, that may materially affect or inhibit the ability of either party to perform its obligations under, or otherwise to comply with, this Agreement ("**Litigation**"), the party against which the Litigation is filed or initiated must promptly deliver a copy of the complaint or charge to the party and must thereafter keep the other party fully informed concerning all aspects of the Litigation.

B. **Defense.** The Village and the Owner must use their respective best efforts to defend the validity of this Agreement, and all ordinances and resolutions adopted and agreements executed pursuant to this Agreement, including every portion thereof and every approval given, and every action taken, pursuant thereto. Each party has the right to retain its own independent legal counsel, at its own expense, for any matter. The Village and the Owner agree to reasonably cooperate with each other to carry out the purpose and intent of this Agreement.

SECTION 8. TERM.

This Agreement will be in full force and effect for a period commencing on the Commencement Date and through the first to occur of: (a) the date that is 15 years after the Commencement Date; and (b) the date on which or until the Owner receives \$10,000,000 in cumulative Sales Tax Rebate payments from the Village pursuant to the terms of this Agreement ("***Term***"); provided, however, that the Village's obligation to make Sales Tax Rebate payments will survive the expiration of the Term to the extent that the Village has not at that time received from the State the Municipal Sales Taxes from which the Sales Tax Rebate payments will be made. During the Term, this Agreement runs with and binds the Properties and inures to the benefit of and is enforceable by the Owner and the Village, and any of their respective permitted legal representatives, heirs, grantees, successors, and assigns.

SECTION 9. RELEASE OF INFORMATION.

The Owner agrees to execute and provide all documentation necessary to cause the Illinois Department of Revenue to release to the Village the Sales Tax generated by the Owner from the Properties, including copies of State of Illinois Sales Tax Reports, during each of the Sales Tax Years pursuant to applicable State law.

SECTION 10. PAYMENT OF VILLAGE FEES AND COSTS.

A. **General Requirements.** In addition to any other costs, payments, fees, charges, contributions, or dedications specifically required by this Agreement, the Owner must pay to the Village, as and when due, all application, inspection, and permit fees, and all other fees, charges, and contributions required by applicable Village codes, ordinances, resolutions, rules, or regulations.

B. **Village Lien Rights.** If any money due from the Owner to the Village pursuant to this Agreement is not paid to the Village by the Owner, within 30 days after a demand for the payment, then that money, together with interest and costs of collection, including legal fees and administrative expenses, will become a lien upon all portions of the specific Property with respect to which such payment is due, and will be a debt of, and an obligation owed by, the Owner to the Village, and the Village will have the right to collect that amount, with interest and costs, including legal fees and administrative expenses, by deducting that amount, interest, costs, fees, and expenses from any Sales Tax Rebate payment otherwise required under this Agreement. The Village will also have the right to enforce the lien in the same manner as in statutory mortgage foreclosure proceedings. The lien will be subordinate to any first mortgage now or hereafter placed upon the applicable Property; provided, however, that the subordination will apply only to charges that have become due and payable prior to a sale or transfer of the Property pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure. The sale or transfer will not relieve the Property from liability for any charges thereafter becoming due, nor from the lien of any subsequent charge.

SECTION 11. LIABILITY AND INDEMNITY OF VILLAGE.

A. **No Liability for Village Review.** The Owner acknowledges and agrees that: (i) the Village is not, and will not be, in any way liable for any violations of restrictive covenants applicable to the Properties that may occur, or for any damages or injuries that may be sustained, as the result of the Village's review and approval of any plans for the Properties, or as a result of the issuance of any approvals, permits, certificates, or acceptances relating to the use and development of the Properties; and (2) the Village's review and approval of any of the plans and the issuance of any of the approvals, permits, certificates, or acceptances does not, and will not, in any way, be deemed to insure the Owner, or any of its heirs, successors, assigns, tenants, or licensees, or any third party, against restrictive covenant violations or damage or injury of any kind at any time.

B. **Village Procedures.** The Owner acknowledges that notices, meetings, and hearings have been properly given and held by the Village with respect to the approval of this Agreement, and agrees not to challenge any of those actions on the grounds of any procedural infirmity or of any denial of any procedural right.

C. **Indemnity.** The Owner agrees to, and does hereby, hold harmless and indemnify the Village, the Corporate Authorities, all Village elected and appointed officials, officers, employees, agents, representatives, and attorneys, from any and all third-party claims that may, at any time, be asserted against any of those parties in connection with (i) the Village's review and approval of any plans, or the issuance of any approvals, permits, certificates, or acceptances relating to the use and development of the Properties; (ii) any actions taken by the Village pursuant to this Agreement; (iii) the development, construction, and maintenance of the Properties; and (iv) the performance by the Owner of its obligations under this Agreement and all related ordinances, resolutions, or other agreements.

D. **Defense Expenses.** The Owner must, and does hereby agree to, pay, without protest, all expenses incurred by the Village in defending itself with regard to any and all of the claims identified in Section 11.C of this Agreement. These expenses may include, without limitation: (1) all out-of-pocket expenses, including attorneys' and experts' fees, not to exceed their usual and customary fee rates to the Village; and (2) the reasonable value of any services rendered by any employees of the Village, not to exceed their actual salaries.

SECTION 12. ENFORCEMENT.

A. **Enforcement.** The parties to this Agreement may, in law or in equity, by suit, action, mandamus, or any other proceeding, including without limitation specific performance (including, without limitation, payment by the Village to the Owner of payments due to Owner under this Agreement), enforce or compel the performance of this Agreement; provided, however, that the Owner agrees that it will not seek, and does not have the right to seek, to recover a judgment for monetary damages against the Village, or any past, present, or future director, member, elected or appointed officer, official, agent, representative, employee, or attorney, of the Village on account of the negotiation,

execution, or breach of this Agreement. In addition to every other remedy permitted by law for the enforcement of the terms of this Agreement, the Village will be entitled to withhold the issuance of building permits or certificates of occupancy for any and all buildings and structures within either of the Properties at any time when the Owner has failed or refused to meet fully any of its obligations under this Agreement. In the event of a judicial proceeding brought by one party to this Agreement against the other party to this Agreement pursuant to this Section, the prevailing party will be entitled to reimbursement from the unsuccessful party of all costs and expenses, including without limitation reasonable attorneys' fees, incurred in connection with the judicial proceeding.

B. **Notice and Cure.** Neither party may exercise the right to bring any suit, action, mandamus, or any other proceeding pursuant to Section 12.A of this Agreement, or to commence enforcement of a lien pursuant to Section 10.B of this Agreement, without first providing written notice to the other party of the breach or alleged breach and allowing 15 days to cure the breach or alleged breach. If the breach cannot be cured within the 15-day period ("**Time for Cure**"), then the Time for Cure will be extended accordingly, provided that the notified party has promptly commenced to cure the breach within the Time for Cure and continued to prosecute the cure of the breach with diligence.

SECTION 13. NATURE, SURVIVAL, AND TRANSFER OF OBLIGATIONS.

A. **Obligations.** The parties agree that all charges payable pursuant to this Agreement, together with interest and costs of collection, including attorneys' fees, constitutes both the personal obligation of the party liable for its payment, and the successors of that party.

B. **Binding Effect.** The Owner acknowledges and agrees that this Agreement is binding upon the Owner, and any and all of its heirs, successors, assigns, and successor owners of record of all or any portion of either of the Properties.

C. **Transferee Assumption.** To assure that any potential heir, successor, or assign has notice of this Agreement and the obligations created by it, the Owner agrees:

- (i) that this Agreement is to be recorded with the Cook County Recorder of Deeds;
- (ii) to require, prior to the transfer of a legal or beneficial interest in all or any portion of either of the Properties or any of the Dealerships, the transferee to execute an enforceable transferee assumption agreement in a form acceptable to the Village Attorney ("**Transferee Assumption Agreement**"). The Village agrees that, upon a successor becoming bound to the personal obligation created in this Agreement in the manner provided, the personal liability of the Owner or other predecessor obligor will be released to the extent of the transferee's assumption of liability. The Owner agrees to notify the Village in writing at least 30 days prior to the date on which the Owner proposes to transfer a legal or beneficial interest in all or any portion of any

Dealership or Property to a transferee. The Owner must, at the same time, provide the Village with a fully executed copy of the Transferee Assumption Agreement.

D. **Transfer Defined.** For purposes of this Agreement, the term “transfer” includes any assignment, transfer, sale, transfer to a receiver or to a trustee in bankruptcy, transfer in trust, or other disposition of any Dealership or Property, or any beneficial interest in any Property, in whole or in part, by voluntary or involuntary sale, foreclosure, restructuring, merger, sale and leaseback, consolidation, or otherwise.

E. **[Intentionally Omitted]**

F. **Prohibited Assignments.** It is the express intent of the parties that, except as expressly provided or allowed herein, this Agreement, and all of the rights and privileges granted herein, are for the sole and exclusive benefit of the Owner for operation of the Dealerships. Accordingly, notwithstanding any provision of this Agreement, in the event that the Owner does, or attempts to, voluntarily or involuntarily transfer its interest in any Dealership or any Property, in whole or in part, without the prior consent of the Corporate Authorities, which consent may be granted or denied in the sole and absolute discretion of the Corporate Authorities, this Agreement, and all of the rights and privileges granted herein, will, at the option of the Village, become null and void and be of no force or effect.

SECTION 14. REPRESENTATIONS AND WARRANTIES.

In order to induce the Village to enter into this agreement and to adopt the ordinances and grant the rights herein provided for, the Owner hereby warrants and represents to the Village as follows:

A. The Owner is a duly organized, validly existing limited liability company in good standing under the laws of the State of Illinois.

B. The Owner has the authority and the legal right to make, deliver, execute, and perform this Agreement and has taken all necessary corporate, partnership, and venture actions to authorize the execution, delivery, and performance of this Agreement.

C. No mortgagee or any other secured party, other than those listed on ***Exhibit C*** attached hereto and, by this reference, incorporated herein, that has an interest in either of the Properties as of the date of this Agreement has an objection to either: (i) the execution and performance of this Agreement by the Owners or (ii) the binding nature of this Agreement with respect to the applicable Property. The Owner must deliver to the Village Clerk, at the time of the Owner's execution of this Agreement, a document acceptable in form to the Village Attorney and executed by all secured parties referenced in ***Exhibit C*** acknowledging this warranty and confirming the validity thereof.

D. All necessary consents of any board of directors, shareholders, creditors, investors, partners, judicial, or administrative bodies, governmental authorities, or other

parties including specifically, but without limitation, all secured parties referenced on **Exhibit C** regarding the execution and delivery of this Agreement have been obtained.

E. The consent or authorization of, filing with, or other act by or in respect of any governmental authority (other than the Village, and the State of Illinois with respect to distribution of Sales Taxes) is required in connection with the execution, delivery, performance, validity, or enforceability of this Agreement.

F. The individuals executing this Agreement on behalf of the Owner have the power and authority to execute and deliver this Agreement on behalf of the Owner.

G. The execution, delivery, and performance of this Agreement: (i) is not prohibited by any requirement of law or under any contractual obligation of the Owner; (ii) will not result in a breach or default under any agreement to which the Owner is a party or to which the Owner, in whole or in part, is bound; and (iii) will not violate any restriction, court order, or agreement to which the Owner or either of the Properties, in whole or in part, is or are subject.

SECTION 15. GENERAL PROVISIONS.

A. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes any and all prior agreements and negotiations between the parties, whether written or oral, relating to the subject matter of this Agreement.

B. **Amendments and Modifications.** No amendment or modification to this Agreement will be effective until it is reduced to writing and approved and executed by all parties to this Agreement in accordance with all applicable statutory procedures.

C. **Notices.** Any notice, communication, or demand required or permitted to be given under this Agreement must be in writing and must be delivered: (i) personally, (ii) by a reputable overnight courier, or (iii) by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid. Unless otherwise provided in this Agreement, notices will be deemed received after the first to occur of: (a) the date of actual receipt; or (b) the date that is one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (b) the date that is three business days after deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this Section, each party to this Agreement has the right to change the address or the addressee, or both, for all future notices and communications to them, but no notice of a change of addressee or address will be effective until actually received.

Notices and communications to the Village must be addressed to, and delivered at, the following address:

Village of Lincolnwood
Village Hall
6900 North Lincoln Avenue
Lincolnwood, Illinois 60712

Attention: Village Manager
With a copy to:

Holland & Knight LLP
131 S. Dearborn, 30th Floor
Chicago, Illinois 60603
Attention: Hart M. Passman

Notices and communications to the Owner must be addressed to, and delivered at, the following address:

AJZ -Lincolnwood, LLC
3939 Stadium Drive
Kalamazoo, Michigan 49008
Attention: Aaron J. Zeigler

With a copy to:

AJZ -Lincolnwood, LLC
3939 Stadium Drive
Kalamazoo, Michigan 49008
Attention: Daniel J. Scheid

D. **Governing Law.** This Agreement is to be governed by, and enforced in accordance with, the internal laws, but not the conflict of laws rules, of the State of Illinois.

E. **Interpretation.** This Agreement is to be construed without regard to the identity of the party who drafted the various provisions of this Agreement. Moreover, each and every provision of this Agreement is to be construed as though all parties to this Agreement participated equally in the drafting of this Agreement. As a result of the foregoing, any rule or construction that a document is to be construed against the drafting party is not applicable to this Agreement.

F. **Change in Laws.** Except as otherwise explicitly provided in this Agreement, any reference to laws, ordinances, rules, or regulations of any kind includes the laws, ordinances, rules, or regulations of any kind as they may be amended or modified from time to time hereafter.

G. **Headings.** The headings, titles, and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend, or describe the scope or intent of this Agreement.

H. **Time of Essence.** Time is of the essence in the performance of this Agreement.

I. **No Third Party Beneficiaries.** Except as expressly provided in this Agreement, no claim as a third party beneficiary under this Agreement by any person, firm, or corporation may be made or will be valid against the Village.

J. **Severability.** If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions will remain in full force and effect and will in no way be affected, impaired, or invalidated.

K. **Calendar Days and Time.** Unless otherwise provided in this Agreement, any reference in this Agreement to "day" or "days" means calendar days and not business days. If the date for giving of any notice required to be given, or the performance of any obligation, under this Agreement falls on a Saturday, Sunday, or federal holiday, then the notice or obligation may be given or performed on the next business day after that Saturday, Sunday, or federal holiday.

L. **Exhibits.** Exhibits A through C are attached to this Agreement, and by this reference incorporated in and made a part of, this Agreement. In the event of a conflict between an Exhibit and the text of this Agreement, the text of this Agreement will control.

M. **Counterparts.** This Agreement may be executed in several counterparts, each of which, when executed, is to be deemed to be an original, but all of which together constitute one and the same instrument.

N. **Waiver.** Neither the Village nor the Owner are or will be under any obligation to exercise any of the rights granted to them in this Agreement except as it determines to be in its best interest from time to time. The failure of the Village or the Owner to exercise at any time any of those rights is not to be deemed or construed as a waiver of that right, nor will the failure void or affect the Village's or the Owner's right, as the case may be, to enforce those rights or any other rights.

O. **Rights Cumulative.** Unless expressly provided to the contrary in this Agreement, each and every one of the rights, remedies, and benefits provided by this Agreement are cumulative and are not exclusive of any other rights, remedies, and benefits allowed by law.

P. **Consents.** Unless otherwise provided in this Agreement, whenever the consent, permission, authorization, approval, acknowledgement, or similar indication of assent of any party to this Agreement, or of any duly authorized officer, employee, agent, or representative of any party to this Agreement, is required in this Agreement, the consent, permission, authorization, approval, acknowledgement, or similar indication of assent must be in writing.

Q. **Grammatical Usage and Construction.** In construing this Agreement, pronouns include all genders and the plural includes the singular and vice versa.

R. **Village Authority to Execute.** The Village hereby warrants and represents to the Owner that the persons executing this Agreement on its behalf have been properly authorized to do so by the Corporate Authorities.

S. **Recording.** After the execution of this Agreement, the Village will promptly cause this Agreement to be recorded in the office of the Recorder of Cook County.

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

ATTEST:

VILLAGE OF LINCOLNWOOD

Village Clerk

Village President

ATTEST:

AJZ- LINCOLNWOOD, LLC

By: _____

By: _____

Its: _____

Its: _____

ACKNOWLEDGEMENTS

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

This instrument was acknowledged before me on _____, 2018 by Barry I. Bass, the Village President of the **VILLAGE OF LINCOLNWOOD**, an Illinois home rule municipal corporation, and by Beryl Herman, the Village Clerk of said municipal corporation.

Notary Public

My Commission Expires:

(SEAL)

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____, personally known to me to be the _____ of **AJZ-LINCOLNWOOD, LLC**, an Illinois limited liability company, and _____, personally known to me to be the _____ of said limited liability company, appeared before me this day in person and acknowledged that as such _____ and _____, they signed and delivered said instrument as their free and voluntary act and as the free and voluntary act of **AJZ -LINCOLNWOOD, LLC**, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, 2018.

Notary Public

My Commission Expires:

(SEAL)

EXHIBIT A

Legal Description of the McCormick Property

(INSERT LEGAL DESCRIPTION)

P.I.N.: _____

Commonly known as 6900 North McCormick Boulevard, Lincolnwood, Illinois.

EXHIBIT B

Legal Description of the Cicero Property

(INSERT LEGAL DESCRIPTION)

P.I.N.: _____

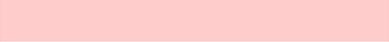
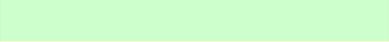
Commonly known as 7373 North Cicero Avenue, Lincolnwood, Illinois.

EXHIBIT C

Secured Parties

Document comparison by Workshare Compare on Friday, October 12, 2018
1:51:53 PM

Input:	
Document 1 ID	interwovenSite://HKDMS/Active/61171339/5
Description	#61171339v5<Active> - LW: Zeigler Sales Tax Rebate Agreement - Alternative A
Document 2 ID	interwovenSite://HKDMS/Active/61236734/1
Description	#61236734v1<Active> - LW: Zeigler Sales Tax Rebate Agreement - Alternative B
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	20
Deletions	7
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	27