

**CITY OF LINCOLN**  
**REGULAR COMMITTEES-OF-THE-WHOLE (COW) MEETING AGENDA**  
**TUESDAY, OCTOBER 29, 2019**  
**CITY HALL COUNCIL CHAMBERS**  
**7:00 PM**

1. Call to Order.
2. Pledge of Allegiance.
3. Public Participation:
4. G.O. Bond Issue, Series 2020 Parameters Ordinance, with John Vezzetti of Bernardi Securities.
5. Crawford, Murphy and Tilly's 2019 Standard Agreement for Professional Services, to be effective January 1, 2020.
6. Update by Lincoln Community High School Student Building Trades Supervisor Matt Puckett on the status of the three City/LCHS building lots, sale of the first lot's home and its paperwork, and request to sell the second lot's home at this time via sealed bids. The home on Lot 2 is half-way completed.
7. Request to Permit the Display of a couple Lincoln Community High School Madrigal Dinner banners within the City in visible places downtown and on Woodlawn Road, from the period of early November, 2019, to come down immediately after the last performance on November 24, 2019. Submitted by Kim Peterson-Quinn, LCHS Choir Director.
8. Request by Logan County Tourism Bureau, Executive Director Morgan Gleason, for the City to support the Lincoln Downtown Christmas Parade at a \$500.00 sponsorship to assist in payment of the sleigh again this year.
9. Request to go out for Proposals to Purchase a Solar Panel System and its Installation for the Sewerage Treatment Plant.
10. City Administrator's HP All-in-One Printer Maintenance and Laser Cartridges contract with Konica Minolta at \$35.00/month for three years. First Year: \$210.00 in City FY2019/2020, \$420.00 for City FY2020/2021, \$420.00 for City FY2021/2022, and \$210.00 for City FY2022-2023, effective 10.25.2019.
11. Discussion Regarding the City of Lincoln's Legalized Cannabis Dispensary Setback Zoning.
12. Update of the Progress on the City's Portion of the Fifth Street Road Project and Eminent Domain Progress.
13. Announcements:
14. Executive Session pursuant to 2(c)(1), Personnel; and 2(c)(11), Possible or Potential Litigation.
15. Adjournment.
16. Upcoming Meetings:
  - Regular City Council Voting Meeting, Monday, November 4, 2019, 7:00 p.m.
  - Committees-of-the-Whole (COW) Meeting: Tuesday, November 12, 2019, 7:00 p.m.

MINUTES of the regular public meeting of the City Council of the City of Lincoln, Logan County, Illinois, held in the Council Chambers at City Hall, 700 Broadway Street, Lincoln, Illinois at 7:00 P.M. on the 4th day of November, 2019.

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

Upon roll call, \_\_\_\_\_, the Mayor, and the following Aldermen at said location answered present: \_\_\_\_\_

\_\_\_\_\_

The following Aldermen were allowed by a majority of the members of the City Council in accordance with and to the extent allowed by rules adopted by the City Council to attend the meeting by video or audio conference: \_\_\_\_\_

\_\_\_\_\_

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

The following Aldermen were absent and did not participate in the meeting in any manner or to any extent whatsoever: \_\_\_\_\_

\_\_\_\_\_

The Mayor announced that the City Council would next consider the adoption of an ordinance providing for the issue of an amount not to exceed \$500,000 General Obligation (Limited Tax) Bonds, Series 2019, of the City, and for the levy of a direct annual tax to pay the principal and interest on said Bonds.

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

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE providing for the issue of an amount not to exceed \$500,000 General Obligation (Limited Tax) Bonds, Series 2019, of the City of Lincoln, Logan County, Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

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

WHEREAS, the City Council of the City (the “*City Council*”) has heretofore determined and does hereby determine that it is necessary, essential and in the best interests of the residents of the City to borrow at this time the sum of an amount not to exceed \$500,000 to be used to (i) finance certain capital expenditures in and for the City (the “*Project*”) and (ii) pay costs associated with the issuance of the Bonds; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, as amended, the Mayor of the City, on the 20th day of September, 2019, executed an Order calling a public hearing (the “*Hearing*”) for the 7th day of October, 2019, concerning the intent of the City Council to sell an amount not to exceed \$500,000 General Obligation (Limited Tax) Bonds to finance the Project; and

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

WHEREAS, the Hearing was held on the 7th day of October, 2019, and at the Hearing, the City Council explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on the 7th day of October, 2019, and not less than seven (7) days have passed since the final adjournment of the Hearing; and

WHEREAS, the City Council deems it advisable, necessary and for the best interests of the City to issue bonds in the amount of not to exceed \$500,000 for the Project; and

WHEREAS, the City Council do hereby find and determine that upon the borrowing of said sum and the issuance of bonds of the City in an amount of not to exceed \$500,000 all in accordance with the provisions of Section 8-5-16 of the Act, the aggregate outstanding bonds of the City issued pursuant to said Section, including the bonds herein authorized, will not exceed one-half of one percent of the assessed value of all of the taxable property located within the City, and accordingly, the City Council is authorized to issue such bonds without submitting the question of such issuance to the electors of the City; and

WHEREAS, the Bonds so authorized shall be issued as limited bonds under the provisions of Section 15.01 of the Debt Reform Act, and as such, it is not necessary to submit the proposition of the issuance of the bonds to the voters of the City for approval;

WHEREAS, the City shall further set forth the terms of the Bonds as provided in the Bond Order, as hereinafter defined; and

NOW, THEREFORE, Be It Ordained by the City Council of the City of Lincoln, Logan County, Illinois, as follows:



*Section 1. Incorporation of Preambles.* The City Council hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

*Section 2. Determination to Issue Bonds.* It is necessary and in the best interests of the City to acquire and construct the Project and to pay all related costs and expenses incidental thereto and to borrow money and issue the Bonds for such purpose. It is hereby found and determined that such borrowing of money is for a proper public purpose and is in the public interest and is authorized pursuant to the Act; and these findings and determinations shall be deemed conclusive.

*Section 3. Bond Details.* There shall be issued and sold the Bonds in the aggregate principal amount of not to exceed \$500,000. The Bonds shall be designated "General Obligation (Limited Tax) Bonds, Series 2019" (the "*Bonds*"), and shall be dated date of closing (the "*Dated Date*"), and shall also bear the date of authentication thereof. The Bonds shall be in fully registered book-entry form (hereinafter "*Book Entry Form*"), shall be in denominations of \$1,000 or integral multiples thereof (but no single Bond shall represent principal maturing on more than one date), shall be numbered consecutively in such fashion as shall be determined by the Bond Registrar. Subject to a Bond Order (the "*Bond Order*"), the Bonds are hereby authorized to bear interest at a rate not to exceed 5.00% and mature in the principal amount on December 1 of each of the years (subject to optional or mandatory redemption, as set forth in the Bond Order), not to exceed \$200,000 for any year commencing not before 2019 and ending not later than 2025, as shall be specified in the Bond Order.

Each Bond shall bear interest from the later of its Dated Date as herein provided or from the most recent interest payment date to which interest has been paid or duly provided for, until

the principal amount of such Bond is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on the date set forth in the Bond Order. Interest on each Bond shall be paid by check or draft of the Paying Agent, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding any interest payment date (the "*Record Date*"), and mailed to the registered owner of the Bond as shown in the Bond Registrar or at such other address furnished in writing by such Registered Owner, or as otherwise may be agreed with the Depository. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the office maintained for the purpose by the Paying Agent or at successor Paying Agent and locality.

*Section 4. Book Entry Provisions.* The Bonds shall be initially issued in the form of a separate single fully-registered Bond for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of "Cede & Co.", or any successor thereto, as nominee of The Depository Trust Company, New York, New York (the "*Depository*"). All of the outstanding Bonds from time to time shall be registered in the Bond Register in the name of Cede & Co., as nominee of the Depository. The City Administrator, as representative of the City, is authorized to execute and deliver on behalf of the City, and as such agent for the City, such letters to or agreements with the Depository as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the "*Representation Letter*"). Without limiting the generality of the authority given with respect to entering into such Representation Letter, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interests

therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices.

With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of the Depository, none of the City, the Paying Agent or the Bond Registrar shall have any responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "Depository Participant") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, the City, the Paying Agent and the Bond Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the applicable record

date, the name "Cede & Co." in this Ordinance shall refer to such new nominee of the Depository.

In the event that (a) the City determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the City, the Paying Agent and Bond Registrar, and the Depository evidenced by the Representation Letter shall be terminated for any reason or (c) the City determines that it is in the best interests of the City or of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall notify the Depository and the Depository shall notify the Depository Participants of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of the Depository. The City may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a book-entry system, as may be acceptable to the City, or such depository's agent or designee, but if the City does not select such alternate book-entry system, then the Bonds shall be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

*Section 5. Execution; Authentication.* The Bonds shall be executed on behalf of the City by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the City. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of

authentication, substantially in the form hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance.

*Section 6. Redemption. (a) Optional Redemption.* The Bonds due on and after the date, if any, specified in the Bond Order, shall be subject to redemption prior to maturity at the option of the City from any available funds, as a whole or in part, and if in part in integral multiples of \$1,000 in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on the date specified in the Bond Order, and on any date thereafter, at the redemption price of par plus accrued interest to the date fixed for redemption, as provided in the Bond Order.

*(b) Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated in the Bond Order, are subject to mandatory redemption, in integral multiples of \$1,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date on December 1 of the years, if any, and in the principal amounts, if any, as indicated in the Bond Order.

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

preceding any mandatory redemption date, the Bond Registrar may, and if directed by the Board shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

*Section 7. Redemption Procedure.* For a mandatory redemption, the Bond Registrar shall proceed to redeem Bonds without any further order or direction from the City whatsoever. For optional redemption, the City shall, at least thirty (30) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the maturities and principal amounts of Bonds to be redeemed. For purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than sixty (60) days prior to the redemption date by the Bond Registrar for the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided*, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$1,000 Bond or \$1,000 portion of a Bond shall be as likely to be called for redemption as any other such \$1,000 Bond or \$1,000 portion.

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

Unless waived by the registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by first class mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the

address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall include at least the information as follows:

- (a) the redemption date;
- (b) the redemption price;
- (c) if less than all of the outstanding Bonds of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds within such maturity, the respective principal amounts) of the Bonds to be redeemed;
- (d) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and
- (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the office maintained for the purpose by the Paying Agent.

Such additional notice as may be agreed upon with the Depository shall also be given as long as any Bonds are held by the Depository.

Prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price), such Bonds or portions of Bonds shall cease to bear



interest. Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like tenor, of authorized denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

If any Bond or portion of a Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid or duly provided for, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

The City agrees to provide such additional notice of redemption as it may deem advisable at such time as it determines to redeem Bonds, taking into account any requirements or guidance of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, the



Government Accounting Standards Board, or any other federal or state agency having jurisdiction or authority in such matters; *provided, however*, that such additional notice shall be (1) advisory in nature, (2) solely in the discretion of the City, and (3) not be a condition precedent of a valid redemption or a part of the Bond contract, and any failure or defect in such notice shall not delay or invalidate the redemption of Bonds for which proper official notice shall have been given. Reference is also made to the provisions of the Continuing Disclosure Undertaking of the City with respect to the Bonds, which may contain other provisions relating to notice of redemption of Bonds.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

As part of their respective duties hereunder, the Bond Registrar and Paying Agent shall prepare and forward to the City a statement as to notice given with respect to each redemption together with copies of the notices as mailed and published.

*Section 8. Registration and Exchange or Transfer of Bonds; Persons Treated as Owners.* The City shall cause the Bond Register to be kept at the office maintained for the purpose by the Bond Registrar, which is hereby constituted and appointed the registrar of the City for the Bonds. The City is authorized to prepare, and the Bond Registrar or such other agent as the City may designate shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the office maintained for the purpose by the Bond Registrar,

duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

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

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; *provided, however*, that the principal amount of Bonds of each maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such maturity less the amount of such Bonds which have been paid.

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

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

*Section 9. Form of Bond.* The Bonds shall be in substantially the form hereinafter set forth:

(Form of Bond - Front Side)

REGISTERED  
No. R-1

REGISTERED  
\$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF LOGAN  
CITY OF LINCOLN  
GENERAL OBLIGATION (LIMITED TAX) BOND, SERIES 2019**

See Reverse Side for  
Additional Provisions

Interest                      Maturity                      Dated  
Rate: \_\_\_\_%      Date: December 1, 20 \_\_\_\_      Date: December \_\_, 2019      CUSIP: \_\_\_\_\_

Registered Owner:      CEDE & Co.

Principal Amount:

[1]      KNOW ALL PERSONS BY THESE PRESENTS, that the City of Lincoln, Logan County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, such interest to be payable as set forth in the Bond Order. Principal of this Bond is payable in lawful money of the United States of America at the principal office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as bond registrar and paying agent (the "*Bond Registrar*"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding any interest

payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar.

[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the City, including the issue of bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity. Although this Bond constitutes a general obligation of the City and no limit exists on the rate of said direct annual tax; the amount of said tax is limited by the provisions of the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Law*"). The Law provides that the annual amount of the taxes to be extended to pay the issue of Bonds of which this Bond is one and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) hereafter issued by the City shall not exceed the debt service extension base (as defined in the Law) of the City (the "*Base*"). The City is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the City's limited bonds.

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

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

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

[SEAL]

Date of Authentication: December \_\_, 2019

CERTIFICATE  
OF  
AUTHENTICATION

Bond Registrar and Paying Agent:

\_\_\_\_\_  
\_\_\_\_\_

This Bond is one of the Bonds described in the within mentioned ordinance and is one of the General Obligation (Limited Tax) Bonds, Series 2019, of City of Lincoln, Logan County, Illinois.

\_\_\_\_\_  
as Bond Registrar

By \_\_\_\_\_  
Authorized Officer

[Form of Bond - Reverse Side]

**CITY OF LINCOLN**

**LOGAN COUNTY, ILLINOIS**

**GENERAL OBLIGATION (LIMITED TAX) BOND, SERIES 2019**

[6] This Bond is one of a series of bonds issued by the City to finance certain capital expenditures in and for the City, pursuant to and in full compliance with the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto, and is authorized by the City Council by an ordinance duly and properly adopted for that purpose by the City Council of the City on the 4th day of November, 2019, and a Bond Order executed on the \_\_\_\_ day of November, 2019, in all respects as provided by law.

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

[8] The Bonds are issued in fully registered form in the denomination of \$1,000 each or authorized integral multiples, thereof. This Bond may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the authorizing ordinance.

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

**(ASSIGNMENT)**

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_

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

Dated: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

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

*Section 10. Sale of Bonds.* The Mayor, City Clerk, City Treasurer or the City Administrator (the "Designated Representatives") are hereby authorized to proceed, without any further authorization or direction from the City Council, to sell and deliver the Bonds to the Underwriter upon the payment of the price set forth in the Bond Order, the same being not less than 97% of the principal amount of the Bonds plus accrued interest to date of delivery, it being hereby found and determined that the sale of the Bonds to the Underwriter is in the best interests of the City and that no person holding any office of the City, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the sale of the Bonds to the Underwriter.

Upon the sale of the Bonds, the Designated Officers and any other officers of the City as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or



both, such documents of sale of the Bonds as may be necessary, including, without limitation, a Preliminary Official Statement, Official Statement and closing documents.

The distribution of the Preliminary Official Statement relating to the Bonds is hereby in all respects authorized and approved, and the proposed use by the Underwriter of an Official Statement (in substantially the form of the Preliminary Official Statement but with appropriate variations to reflect the final terms of the Bonds) is hereby approved.

*Section 11. Tax Levy.* In order to provide for the collection of a direct annual tax to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there be and there is hereby levied upon all the taxable property within the City a direct annual tax for each of the years while the Bonds or any of them are outstanding, and that there be and there is hereby levied upon all of the taxable property in the City, in each of the years 2019 (collected in 2020) to 2024 (collected in 2025), a maximum direct annual tax in the amount of \$200,000, such amount to be finalized in the Bond Order.

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

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

Pursuant to Section 13 of the Debt Reform Act, the moneys deposited or to be deposited into the Bond Fund (as defined herein), including any tax receipts derived from the taxes levied pursuant to this Ordinance, are pledged as security for the payment of the Bonds. While any Bonds remain outstanding and unpaid, the tax levies to be made as provided by this Ordinance shall be for the sole benefit of the owners of the outstanding Bonds and such owners shall have and are granted a security interest in, and a lien upon, all rights, claims and interests of the City arising pursuant to those levies and all present and future proceeds of such levies. The security interest in and lien upon those rights, claims and interests are immediately valid and binding from the time the Bonds are issued, and shall immediately attach to (a) the tax receipts wherever held, (b) amounts held in the Bond Fund and other funds pledged for the benefit of holders of the Bonds, and (c) those rights, claims and interests pledged hereby, without any physical delivery or further act and the lien of such pledge shall be immediately valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City or against the funds, rights, claims or interests pledged hereby irrespective of whether such parties have notice thereof.

The pledge is an agreement between the City and the bondholders to provide security for the Bonds in addition to any statutory lien.

*Section 12. Filing of Ordinance.* Forthwith upon the passage and effective date of this Ordinance, the City Clerk is hereby directed to file a certified copy of this Ordinance with the County Clerk of The County of Logan, Illinois (the "*County Clerk*"), and it shall be the duty of the County Clerk to annually in and for each of the levy years as provided in the Bond Order, inclusive, to ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the City in connection with

other taxes levied in said year for City purposes, in order to raise the amount aforesaid and in said year such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general purposes of the City, and when collected, the taxes hereby levied shall be placed to the credit of a special fund to be designated "Corporate Purpose Bond and Interest Fund of 2019" (the "*Bond Fund*"), which taxes are hereby irrevocably, pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds.

*Section 13. Limitation on Extension; General Obligation Pledge; Additional Obligations.* Notwithstanding any other provision of this Ordinance, the annual amount of the taxes to be extended by the County Clerk to pay the Bonds and all other limited bonds (as defined in the Debt Reform Act) hereafter issued by the City shall not exceed the debt service extension base (as defined in the Property Tax Extension Limitation Law of the State of Illinois, as amended) of the City (the "*Base*").

No limit, however, exists on the rate of the direct annual tax levied herein, and the Bonds shall constitute a general obligation of the City.

The City is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the City's limited bonds.

*Section 14. Creation of Funds and Use of Proceeds.* Any accrued interest received on the delivery of the Bonds is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund. The principal proceeds of the Bonds and any premium received upon the sale of the Bonds are hereby appropriated to paying the costs of issuance of the Bonds and for the purpose of paying the cost of the Project and shall

be deposited into the 2019 Project Fund of the City (the "*Project Fund*"). At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Underwriter on behalf of the City from the proceeds of the Bonds.

Taxes received for the payment of the Bonds shall be deposited into the Bond Fund and used solely and only for paying the Bonds. Interest received from deposits in the Bond Fund shall, at the discretion of the City Council and to the extent permitted by law, either be transferred to the corporate fund of the City or be retained in the Bond Fund for payment of the principal of or interest on the Bonds on the interest payment date next after such interest is received.

*Section 15. Non-Arbitrage and Tax-Exemption.* One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the City Council and the City as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein and at the time of the Closing are made on behalf of the City for the benefit of the owners from time to time of the Bonds. In addition to providing the certifications, covenants and representations contained herein, the City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the hereinafter defined Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the

City is treated as the “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner, to any inquiries from the Internal Revenue Service in connection with such an examination. The City Council and the City certify, covenant and represent as follows:

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

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

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

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

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

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

“*Commingled Fund*” means any fund or account containing both Gross Proceeds and an amount in excess of \$25,000 that are not Gross Proceeds if the amounts in the fund or account are invested and accounted for, collectively, without regard to the source

of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

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

- (a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or
- (b) to require the use of funds or assets of a Controlled Entity for any purpose.

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

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

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

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

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

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

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

“*Gross Proceeds*” means amounts in the Bond Fund and the Project Fund.

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

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



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

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

*“Project Fund”* means that portion of the fund or funds of the City from which the costs of the Project are being paid.

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

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

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

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

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

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

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

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

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

2.1. *Purpose of the Bonds.* The Bonds are being issued to finance the Project in a prudent manner consistent with the revenue needs of the City. A breakdown of the sources and uses of funds is set forth in the preceding Section of this Ordinance. At least 75% of the sum of (i) Sale Proceeds plus (ii) investment earnings thereon less (iii) Costs of Issuance paid from Sale Proceeds or investment earnings thereon, less (iv) Sale Proceeds or investment earnings thereon deposited in a reasonably required reserve or replacement fund, are expected to be used for construction purposes with respect to property owned by a governmental unit or a Section 501(c)(3) organization.

2.2. *The Project — Binding Commitment and Timing.* The City has incurred or expects, within six months of the Closing, to incur a substantial binding obligation (not subject to contingencies within the control of the City or any member of the same Controlled Group as the City) to a third party to expend at least five percent of the Net Sale Proceeds on the Project. It is expected that the work of acquiring and constructing the Project and the expenditure of amounts deposited into the Project Fund will continue to proceed with due diligence through December 1, 2019, at which time it is anticipated that all Sale Proceeds and investment earnings thereon will have been spent.

It is expected that the Sale Proceeds deposited into the Project Fund, including investment earnings on the Project Fund, will be spent to pay costs of the Project and interest on the Bonds not later than the date set forth in the preceding paragraph, the investment earnings on the Bond Fund will be spent to pay interest on the Bonds, or to the extent permitted by law, investment earnings on amounts in the Project Fund and the Bond Fund will be commingled with substantial revenues from the governmental operations of the City, and the earnings are reasonably expected to be spent for governmental purposes within six months of the date earned. Interest earnings on the



Project Fund and the Bond Fund have not been earmarked or restricted by the City Council for a designated purpose. Except for any accrued interest on the Bonds used to pay first interest due on the Bonds, no proceeds of the Bonds will be used more than 30 days after the date of issue of the Bonds for the purpose of paying any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the City or for the purpose of replacing any funds of the City used for such purpose.

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

2.4. *Working Capital.* All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to finance Capital Expenditures other than the following:

(a) an amount not to exceed five percent of the Sale Proceeds for working capital expenditures directly related to Capital Expenditures financed by the Bonds;

(b) payments of interest on the Bonds for a period commencing at Closing and ending on the later of the date three years after Closing or one year after the date on which the Project is Placed-in-Service;

(c) Costs of Issuance and Qualified Administrative Costs of Investments;

(d) payments of rebate or Yield Reduction Payments made to the United States under the Regulations;

(e) principal of or interest on the Bonds paid from unexpected excess Sale Proceeds and investment earnings thereon; and

(f) investment earnings that are commingled with substantial other revenues and are expected to be allocated to expenditures within six months.

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

2.6. *Investment of Bond Proceeds.* Not more than 50% of the Sale Proceeds and investment earnings thereon are or will be invested in investments (other than Qualified Tax Exempt Obligations) having a Yield that is substantially guaranteed for four years or more. No portion of the Bonds is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

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

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

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

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

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

(b) Only the funds and accounts described in said Section will be funded at Closing. There are no other funds or accounts created under the Ordinance.

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

(d) Costs of Issuance incurred in connection with the issuance of the Bonds will be paid from the Expense Fund. Any moneys remaining in the Expense Fund after the payment of all Costs of Issuance shall be transferred to the Project Fund within six months of Closing.

(e) The costs of the Project will be paid from the Project Fund and no other moneys (except for investment earnings on amounts in the Project Fund) are expected to be deposited therein.

3.2. *Purpose of Bond Fund.* The Bond Fund will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Bonds in each bond year. It is expected that the Bond Fund will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment of moneys in the Bond Fund for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Bonds for the immediately preceding bond year.

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

(i) Sale Proceeds;

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

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

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

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

to maintain the amount at a particular level for the direct or indirect benefit of holders of the Bonds or a guarantor of the Bonds); or

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

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes required to be maintained at least at a particular level or similar arrangement exists with respect to, in any way, the Bonds or any credit enhancement or liquidity device related to the Bonds.

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

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

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

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

4.4. *Fair Market Value; Certificates of Deposit and Investment Agreement.* In making investments of Gross Proceeds, the City shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States

purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination; price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

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

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

(b) Investments in GICs shall be made only if:

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

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

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

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

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (*i.e.*, providers that have established industry reputations as competitive providers of the type of investments being purchased);

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

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

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

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

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

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

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

(i) a copy of the GIC;

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

(iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and

(iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified; a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States shall be invested to mature on or prior to the anticipated rebate payment date. All investments made with Gross Proceeds shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in this section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market"



includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

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

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

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

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

**4.6. Small Issuer Exception.** The City is a governmental unit that has the power to impose a tax or to cause another entity to impose a tax of general applicability that, when collected, may be used for the governmental purposes of the City. The power to impose such tax is not contingent on approval by another governmental unit; a tax of general applicability is one that is not limited to a small number of persons. The City is not subject to Control by any other governmental unit or political subdivision. None of the Bonds is or will be a "private activity bond" (as defined in Section 141 of the Code). Ninety-five percent or more of the Sale Proceeds will be used for local governmental activities of the City. None of the City, any entity that issues tax-exempt bonds on behalf of the City or any entity subject to Control by the City will issue, during the calendar year 2019, any tax-exempt bonds (other than current refunding bonds to the extent of the aggregate face amount of the tax exempt bonds currently refunded thereby) in an aggregate face amount in excess of the *maximum aggregate face amount* (as hereinafter defined). As used herein, (a) "*tax-exempt bonds*" means obligations of any kind, the

interest on which is excludable from gross income of the holders or owners thereof for federal income tax purposes pursuant to Section 103 of the Code but not including (i) "private activity bonds" (as defined in Section 141 of the Code) or (ii) obligations issued to refund another obligation if it is issued not more than 90 days before the redemption of the refunded obligation to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation, (b) "*aggregate face amount*" means, if an issue has more than a De minimis Amount of Original Issue Discount or Premium, the issue price of the issue and otherwise means the face amount of the issue and (c) "*maximum aggregate face amount*" means, the sum of (i) \$5,000,000 and (ii) the aggregate face amount of bonds issued during the calendar year that are allocable to financing construction expenditures for public school facilities, but in no event can the *maximum aggregate face amount* exceed \$10,000,000. As of the date hereof, no tax-exempt bonds or other obligations (other than the Bonds) have been issued by the City, any entity that issues tax-exempt bonds on behalf of the City or any entity subject to Control by the City during the calendar year 2019. The City does not reasonably expect that it, any entity that issues tax-exempt bonds on behalf of the City or any entity subject to Control by the City (including but not limited to the City) will issue any such tax-exempt bonds or other obligations within calendar year 2019. Therefore, subject to compliance with all the terms and provisions hereof, the City is excepted from the required rebate of arbitrage profits on the Bonds under Section 148(f)(4)(D) of the Code and from the terms and provisions of this Ordinance that need only be complied with if the City is subject to the arbitrage rebate requirement.

5.1. *Issue Price.* For purposes of determining the Yield on the Bonds, the purchase price of the Bonds is equal to the first offering price (including accrued interest) at which the Underwriter sold at least ten percent of the principal amount of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). All of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at prices equal to those set forth in the Official Statement. Based upon prevailing market conditions, such prices are not less than the fair market value of each Bond as of the sale date for the Bonds.

5.2. *Yield Limits.* Except as provided in paragraph (a) or (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Bonds plus, if only amounts in the Project Fund are subject to this yield limitation, 1/8th of one percent.

The following may be invested without Yield restriction:

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



(ii) amounts on deposit in the Project Fund that are reasonably expected to pay for the costs of the Project, costs of issuance of the Bonds, or interest on the Bonds during the three year period beginning on the date of issue of the Bonds prior to three years after Closing;

(iii) amounts in the Bond Fund to be used to pay capitalized interest on the Bonds prior to the earlier of three years after Closing or the payment of all capitalized interest;

(b) (i) An amount not to exceed the lesser of \$100,000 or five percent of the Sale Proceeds;

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

(iii) amounts in the Rebate Fund;

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

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

5.3. *Continuing Nature of Yield Limits.* Except as provided in paragraph 7.9, once moneys are subject to the Yield limits of paragraph 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

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

Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

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

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

(b) The payment of more than 10 percent of the principal of or the interest on the Bonds will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the City or a member of the same Controlled Group as the City) in respect of property, or borrowed money, used or to be used in any Private Business Use.

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

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

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

6.3. *Bank Qualification.* Pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, the City as applicable at the time of sale and delivery of Bonds shall designate such Bonds as “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The City by any such designation represents that the reasonably anticipated amount of tax-exempt obligations that will be issued by the City and all subordinate entities (of which there are none) of the City during the calendar year in which the Bonds are issued will not exceed \$10,000,000 within the meaning of or to be taken into account under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The City by any such designation covenants that in that connection it will not so designate and issue more than \$10,000,000 aggregate principal amount of tax-exempt obligations in such calendar year. For purposes of this Section, the term “tax-exempt obligations” includes “qualified 501(c)(3) Bonds” (as defined in the Section 145 of the Internal Revenue Code of 1986, as amended) but does not include other “private activity bonds” (as defined in Section 141 of the Internal Revenue Code of 1986, as amended).

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

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

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

purposes on the date of disposition; and (D) the City deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the City reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

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

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

7.5. *[Reserved].*

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

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

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

7.9. *Records Retention.* The City agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Bonds from federal income taxation, to demonstrate compliance with the covenants in this Agreement, and to show that all tax-exempt Bond related tax returns related to the Bonds submitted or required to be submitted to the Internal Revenue Service are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Bond transaction (including this Ordinance and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (including copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the information required under Section 4.3 and Section 4.4 hereof and in particular information related to the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments if any,

actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Bonds are outstanding, plus the period ending three years after the latest of the final payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds.

7.10. *Permitted Changes; Opinion of Bond Counsel.* The Yield restrictions contained in paragraph 5.2 or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled and the City receives an opinion of Bond Counsel to such effect. Unless the City otherwise directs, such opinion shall be in such form and contain such disclosures and disclaimers as may be required so that such opinion will not be treated as a covered opinion or a state or local bond opinion for purposes of Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230) 31 C.F.R. pt. 10.

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

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

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

The City Council hereby authorizes the officials of the City responsible for issuing the Bonds, the same being the Mayor, City Clerk and City Treasurer, to make such further covenants



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

*Section 16. List of Bondholders.* The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

*Section 17. Duties of Bond Registrar.* If requested by the Bond Registrar, the Mayor and City Clerk of the City Council are authorized to execute the Bond Registrar's Standard form of agreement between the City and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

- (a) to act as bond registrar, authenticating, agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the City upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of Bonds as provided herein;

(d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

(e) to furnish the City at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(f) to furnish the City at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

*Section 18. Record-Keeping Policy and Post-Issuance Compliance Matters.* It is necessary and in the best interest of the City to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Bonds or other bonds or debt obligations of the City (each a “*Tax Advantaged Obligation*” and, collectively, the “*Tax Advantaged Obligations*”), certain of which the interest on which is excludable from “gross income” for federal income tax purposes (including the Bonds, the “*Tax-Exempt Obligations*”). Further, it is necessary and in the best interest of the City that (i) the Board adopt policies with respect to record-keeping and (ii) the Compliance Officer (as hereinafter defined) shall at least annually review the City’s Contracts (as hereinafter defined) to determine whether the Tax Advantaged Obligations comply with the federal tax requirements applicable to each issue of the Tax Advantaged Obligations.

(a) *Compliance Officer Is Responsible for Records.* The City Treasurer (the “*Compliance Officer*”) is hereby designated as the keeper of all records of the City with respect to each issue of the Tax Advantaged Obligations, and such officer shall report to the City Council at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.



(b) *Closing Transcripts.* For each issue of Tax Advantaged Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax Advantaged Obligations, including without limitation (i) the proceedings of the City authorizing the Tax Advantaged Obligations, (ii) any offering document with respect to the offer and sale of the Tax Advantaged Obligations, (iii) any legal opinions with respect to the Tax Advantaged Obligations delivered by any lawyers, and (iv) all written representations of any person delivered in connection with the issuance and initial sale of the Tax Advantaged Obligations.

(c) *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the City with respect to each issue of Tax Advantaged Obligations and shall prepare a report for the City Council stating whether or not the City has any rebate liability to the U.S. Treasury, and setting forth any applicable exemptions that each issue of Tax Advantaged Obligations may have from rebate liability. Such report shall be updated annually and delivered to the City Council.

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax Advantaged Obligations and shall determine what requirements the City must meet in order to maintain the tax-exemption of interest paid on the Tax-Exempt Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that (i) the interest paid on the Tax-Exempt Obligations is entitled to be excluded from “gross income” for federal income tax purposes. Notwithstanding any other policy of the City, such retained records shall be kept for as long as the Tax Advantaged Obligations relating to such records (and any

obligations issued to refund the Tax Advantaged Obligations) are outstanding, plus three years, and shall at least include:

(i) complete copies of the bond transcripts delivered when any issue of Tax Advantaged Obligations is initially issued and sold;

(ii) copies of account statements showing the disbursements of all bond proceeds for their intended purposes;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax Advantaged obligations has been held;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax Advantaged Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at fair market value;

(v) copies of any subscriptions to the U.S. Treasury for the purchase of State and Local Government Series (SLGS) obligations;

(vi) any calculations of liability for arbitrage rebate that is or may become due with respect to any issue of Tax Advantaged Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the U.S. Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the City, including any leases (the "*Contracts*"), with respect to the use of any property owned by the City and acquired or financed with the proceeds of the Tax Advantaged Obligations, any part of which property is used by a private person at any time when such Tax Advantaged Obligations are or have been outstanding.

(e) *IRS Examination.* In the event the Internal Revenue Service ("*IRS*") commences an examination of any issue of Tax Advantaged Obligations, the Compliance Officer shall inform the City Council of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination.

(f) *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax Advantaged Obligations then

outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the City Council, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2008-31 or similar program instituted by the IRS.

(g) *Amendment and Waiver.* The City may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax Advantaged Obligations and as authorized by passage of an ordinance by the City Council.

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

ADOPTED: November 4, 2019

AYES: \_\_\_\_\_  
\_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

Approved November 4, 2019.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

Recorded in the City Records on November 4, 2019.

Alderman \_\_\_\_\_ moved and Alderman \_\_\_\_\_ seconded the motion that said ordinance as presented and read by title be adopted.

After a full and complete discussion thereof, the Mayor directed that the roll be called for a vote upon the motion to adopt said ordinance.

Upon the roll being called, the following Aldermen voted AYE: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

NAY: \_\_\_\_\_

\_\_\_\_\_

Whereupon the Mayor declared the motion carried and said ordinance was adopted and approved by the Mayor, and the Mayor directed the City Clerk to record the same in full in the records of the City Council of the City of Lincoln, Logan County, Illinois, which was done.

Other business not pertinent to the adoption of said ordinance was duly transacted at the meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

\_\_\_\_\_  
City Clerk

STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF LOGAN            )

**CERTIFICATION OF MINUTES AND ORDINANCE**

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Lincoln, Logan County, Illinois (the “City”), and as such official I am the keeper of the records and files of the City Council of the City (the “City Council”).

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the City Council held on the 4th day of November, 2019, insofar as same relates to the adoption of Ordinance No. \_\_\_\_\_ entitled:

AN ORDINANCE providing for the issue of an amount not to exceed \$500,000 General Obligation (Limited Tax) Bonds, Series 2019, of the City of Lincoln, Logan County, Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the City Council on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the City Council, at least 48 hours in advance of the holding of said meeting, that said agenda contained a separate specific item concerning the proposed adoption of said ordinance, that said meeting was called and held in strict compliance with the provisions the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Illinois Municipal Code, as amended, and that the City Council have complied with all of the applicable provisions of said Act and said Code and its procedural rules in the adoption of said ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the City, this 4th day of November, 2019.

---

City Clerk

STATE OF ILLINOIS       )  
  ) SS  
COUNTY OF LOGAN       )

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of Logan County, Illinois, and as such official I do further certify that on the \_\_\_\_ day of \_\_\_\_\_, 2019, there was filed in my office a duly certified copy of Ordinance No. \_\_\_\_\_ entitled:

AN ORDINANCE providing for the issue of an amount not to exceed \$500,000 General Obligation (Limited Tax) Bonds, Series 2019, of the City of Lincoln, Logan County, Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

duly adopted by the City Council of the City of Lincoln, Logan County, Illinois, on the 4th day of November, 2019, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this \_\_\_\_ day of \_\_\_\_\_, 2019.

(SEAL)

\_\_\_\_\_  
County Clerk of Logan County, Illinois



## 2019 STANDARD AGREEMENT FOR PROFESSIONAL SERVICES

**THIS AGREEMENT** made between City of Lincoln, whose address is 700 Broadway Street, Lincoln, Illinois 62656, hereinafter called the **CLIENT** and Crawford, Murphy & Tilly, Inc., Consulting Engineers, 2750 West Washington Street, Springfield, Illinois 62702, hereinafter called the **ENGINEER**.

**WITNESSETH**, that whereas the **CLIENT** desires the following described professional engineering, land surveying or architectural services:

**Field surveys, title work, and surveyor determination of the property boundary of the Client's existing wastewater plant located on South Kickapoo Street. Upon boundary determination, the property corners will be monumented for use during the upcoming CSO Treatment Facility construction project.**

**NOW THEREFORE**, the **ENGINEER** agrees to provide the above described services and the **CLIENT** agrees to compensate the **ENGINEER** for these services in the manner checked below:

- ☒ On a time and expense basis in accordance with the attached Schedule of Hourly Charges which is subject to change at the beginning of each calendar year. Reimbursable direct expenses will be invoiced at cost. Professional or Subconsultant services performed by another firm will be invoiced at cost plus ten percent.
- ☐ At the lump sum amount of \$\_\_\_\_\_.

**IT IS MUTUALLY AGREED THAT**, payment for services rendered shall be made monthly in accordance with invoices rendered by the **ENGINEER**.

**IT IS FURTHER MUTUALLY AGREED:**

- **The cost for providing surveying services for this contract will not exceed \$16,000 without Client's approval.**
- **No formal plats or tract surveys will be generated or recorded**
- **A final Legal Description of the boundary will not be prepared**

The **CLIENT** and the **ENGINEER** each binds himself, his partners, successors, executors, administrators and assignees to each other party hereto in respect to all the covenants and agreements herein and, except as above, neither the **CLIENT** nor the **ENGINEER** shall assign, sublet or transfer any part of his interest in this **AGREEMENT** without the written consent of the other party hereto. This **AGREEMENT**, and its construction, validity and performance, shall be governed and construed in accordance with the laws of the State of Illinois. This **AGREEMENT** is subject to the General Conditions attached hereto.

**IN WITNESS WHEREOF**, the parties hereto have affixed their hands and seals this \_\_\_\_ day of \_\_\_\_, 2019.

**CLIENT:**

**ENGINEER:**

\_\_\_\_\_  
(Client Name)

\_\_\_\_\_  
**CRAWFORD, MURPHY & TILLY, INC.**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name and Title)

\_\_\_\_\_  
**Christina L. Crites, Business Unit Manager**  
(Name and Title)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**CMT Job No.** \_\_\_\_\_

**STANDARD GENERAL CONDITIONS**  
**Crawford, Murphy & Tilly, Inc.**

**1. Standard of Care**

In performing its professional services hereunder, the **ENGINEER** will use that degree of care and skill ordinarily exercised, under similar circumstances, by members of its profession practicing in the same or similar locality. No other warranty, express or implied, is made or intended by the **ENGINEER'S** undertaking herein or its performance of services hereunder.

**2. Reuse of Document**

All documents including Drawings and Specifications prepared by **ENGINEER** pursuant to this Agreement are instruments of service. They are not intended or represented to be suitable for reuse by **CLIENT** or others on extensions of the Project or on any other project. Any reuse without written verification or adaptation by **ENGINEER** for the specific purpose intended will be at **CLIENT'S** sole risk and without liability or legal exposure to **ENGINEER**; and **CLIENT** shall indemnify and hold harmless **ENGINEER** from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom.

**3. Termination**

This Agreement may be terminated by either party upon seven days prior written notice. In the event of termination, the **ENGINEER** shall be compensated by the client for all services performed up to and including the termination date, including reimbursable expenses, and for the completion of such services and records as are necessary to place the **ENGINEER'S** files in order and/or to protect its professional reputation.

**4. Parties to the Agreement**

The services to be performed by the **ENGINEER** under this Agreement are intended solely for the benefit of the **CLIENT**. Nothing contained herein shall confer any rights upon or create any duties on the part of the **ENGINEER** toward any person or persons not a party to this Agreement including, but not limited to any contractor, subcontractor, supplier, or the agents, officers, employees, insurers, or sureties of any of them.

**5. Construction and Safety**

The **ENGINEER** shall not be responsible for the means, methods, procedures, techniques, or sequences of construction, nor for safety on the job site, nor shall the **ENGINEER** be responsible for the contractor's failure to carry out the work in accordance with the contract documents.

**6. Payment**

Payment for services rendered shall be made monthly in accordance with invoices rendered by the **ENGINEER**. If payment is to be on a lump sum basis, monthly payments will be based on the portion of total services completed during the month. Invoices, or any part thereof, which are not paid within 30 days after the date of issue shall bear interest at the rate of 1-1/2% for each month or fraction thereof from the date 30 days after issue to time of payment. **CLIENT** will pay on demand all collection costs, legal expenses and attorneys' fees incurred or paid by **ENGINEER** in collecting payment, including interest, for services rendered.

**7. Indemnification for Release of Pollutants**

If this project does not involve pollutants, this provision will not apply. This provision may not be deleted if the project involves pollutants.

If, due to the nature of the service covered under this Agreement including the potential for damages arising out of the release of pollutants, **CLIENT** agrees that in the event of one or more suits or judgments against **ENGINEER** in favor of any person or persons, or any entity, for death or bodily injury or loss of or damage to property or for any other claimed injury or damages arising from services performed by **ENGINEER**, **CLIENT** will indemnify and hold harmless **ENGINEER** from and against liability to **CLIENT** or to any other persons or entities irrespective of Engineer's compensation and without limitation. It is understood that the total aggregate liability of **ENGINEER** arising from services performed by **ENGINEER** shall in no event exceed \$50,000 or the total compensation received under this agreement whichever is greater, irrespective of the number of or amount of such claims, suits, or judgments.

**8. Risk Allocation ☐ Check box if this does not apply**

The total liability, in the aggregate, of the **ENGINEER** and **ENGINEER'S** officers, directors, employees, agents and consultants, and any of them, to **CLIENT** and anyone claiming by, through or under **CLIENT**, for any and all injuries, claims, losses, expenses or damages arising out of the **ENGINEER'S** services, the project or this agreement, including but not limited to the negligence, errors, omissions, strict liability or breach of contract of **ENGINEER** or **ENGINEER'S** officers, directors, employees, agents or consultants, or any of them, shall not exceed the total compensation received by **ENGINEER** under this agreement, or the total amount of \$50,000, whichever is greater.

**9. Project Schedule and Scope**

Based on the schedule objectives provided by **CLIENT**, **ENGINEER** will develop a schedule of important milestones as necessary for the project for **CLIENT'S** review and approval. **ENGINEER** will monitor performance of services for conformance with the schedule and will notify **CLIENT** of any necessary changes to or deviations from the schedule. Where required by approved project schedule, **ENGINEER** will present the required deliverables and complete the required tasks at the appropriate intervals for **CLIENT'S** review and approval prior to payment.

**CRAWFORD, MURPHY & TILLY, INC.**  
**STANDARD SCHEDULE OF HOURLY CHARGES**  
**JANUARY 1, 2019**

<b>Classification</b>	<b>Regular Rate</b>
Principal	\$ 220
Project Engineer II Project Architect II Project Manager II Project Environmental Specialist II	\$ 210
Project Engineer I Project Architect I Project Manager I Project Environmental Specialist I Project Structural Engineer I	\$ 185
Sr. Structural Engineer II	\$ 170
Sr. Technician II	\$ 155
Aerial Mapping Specialist	\$ 150
Sr. Engineer I Sr. Architect I Sr. Structural Engineer I Land Surveyor	\$ 145
Technical Manager II Environmental Specialist III	\$ 135
Sr. Technician I	\$ 130
Sr. Planner I GIS Specialist Engineer I Architect I Structural Engineer I	\$ 125
Environmental Specialist II Technician II	\$ 110
Planner I Technical Manager I Environmental Specialist I Technician I Project Administrative Assistant	\$ 90
Administrative/Accounting Assistant	\$ 50

If the completion of services on the project assignment requires work to be performed on an overtime basis, labor charges above are subject to a 15% premium. These rates are subject to change upon reasonable and proper notice. In any event this schedule will be superseded by a new schedule effective January 1, 2020.

Out of pocket direct costs will be added at actual cost for blueprints, supplies, transportation and subsistence and other miscellaneous job-related expenses directly attributable to the performance of services. A usage charge may be made when specialized equipment is used directly on the project.

Subconsultant services furnished to CMT by another company will be invoiced at actual cost, plus ten percent.

OCT 22 2019

# Lincoln Community High School District #404

*...inspiring each student to be a successful lifelong learner*

RECEIVED

Robert B. Bagby, Superintendent  
Todd Poelker, Principal

October 17, 2019

Dear Lincoln City Council,

I am writing to you to ask for permission to display a couple of Lincoln Community High School Madrigal Dinner banners in town. I was hoping to place it in a visible spot near the downtown area and perhaps on Woodlawn. The banners would go up a couple of weeks before the performances on November 21<sup>st</sup>, 22<sup>nd</sup>, and 24<sup>th</sup> and then come down immediately after the last performance. If you have any further questions, please feel free to contact me at 217-732-4131 ext. 1259 or by email at [kquinn@lchsraiders.org](mailto:kquinn@lchsraiders.org). Thank you for your time and consideration.

Sincerely,



Kim Peterson-Quinn  
Choir director  
Lincoln Community High School

OCT 24 2019

RECEIVED



101 N Chicago St | Lincoln, IL 62656 | 217.732.8687

October 23, 2019

Dear Lincoln City Council,

It is once again that time of the year, the Annual Downtown Lincoln Christmas Parade is scheduled for Thursday December 5, 2019 at 6:30 pm. This is a favorite tradition for many people in this community, and myself! In year's past the City of Lincoln has been a valuable supporter of this event, your generosity helps cover the cost of the sleigh that bring Santa to live during the parade!

We would once again like to ask for your support for the Annual Downtown Lincoln Christmas Parade. Would you be willing to sponsor again this year at a level of \$500 to help cover the cost of the sleigh? City of Lincoln signs would hang on both sides of the sleigh to advertise the sponsorship from the city!

Thank you again for continued generosity in helping to make this parade one of the favorite events. If you have any further questions, please do not hesitate to contact me here at the Tourism office at 217-732-8687 or email me at [director@destinationlogancountyil.com](mailto:director@destinationlogancountyil.com).

Sincerely,

A handwritten signature in black ink that reads "Morgan Gleason".

Morgan Gleason  
Executive Director

**SETH A. GOODMAN**  
MAYOR

**ELIZABETH KAVELMAN**  
CITY ADMINISTRATOR

**PEGGY S. BATEMAN**  
CITY CLERK

**CHARLES N. CONZO**  
CITY TREASURER

**JOHN A. HOBLIT**  
CITY ATTORNEY



## **CITY OF LINCOLN, ILLINOIS**

700 Broadway St., P.O. Box 509, Lincoln, IL 62656

*Named for and Christened by Abraham Lincoln, 1853—Incorporated February 16, 1865*  
CITY COUNCIL MEETS FIRST AND THIRD MONDAY NIGHTS EACH MONTH

# **REQUEST FOR PROPOSAL**

## **Solar Energy Provider/Power Purchase Agreement for the City of Lincoln's Wastewater Treatment Plant**

Date Released:

Due Date:

Mrs. Beth Kavelman  
City Administrator  
700 Broadway Street  
Lincoln, IL 62656

Sewer Plant Location: 150 W. Kickapoo St.  
Lincoln, IL 62656

### **Introduction**

City of Lincoln is soliciting proposals from qualified solar PV (solar) providers to finance, design, build and operate a Power Purchase Agreement (PPA) for the installation of a minimum of 1750 kW DC ground mount solar photovoltaic project at the City of Lincoln Wastewater Treatment Plant. The contractor is responsible for all project permitting and if City of Lincoln decides to move forward with a PPA or lease financed project, the contractor is required to maintain the system for the term of the agreement. Respondents shall demonstrate experience in: designing, planning, scheduling, permitting, constructing complete solar electric systems, have relationships with/knowledge of local utilities, provide project financial analysis and rebate support, providing system monitoring and maintenance, and have established onsite safety standards.

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TRACY WELCH

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KATHRYN SCHMIDT  
SAM DOWNS

**THIRD WARD**  
KEVIN BATEMAN  
RON KELLER

**FOURTH WARD**  
JEFF HOINACKI  
KATHY HORN

## **General Conditions**

Each respondent is responsible for reviewing and understanding all terms of this Request for Proposal. Failure to thoroughly examine or request clarification on RFP terms may result in disqualification.

Any bid may be withdrawn at any time prior to the due date with a written request signed by the authorized respondent representative. Revised proposals may be submitted up to the original due date/time.

Issuance of this RFP and receipt of proposals does not commit the City of Lincoln to move forward with an award or complete the project described. City of Lincoln reserves the right to postpone the RFP award process, to accept or reject any or all proposals received in response to this RFP, and to modify the scope of the project at any time.

An award under this RFP may not be based solely on the lowest price but will be made to the respondent with the overall best value proposal. The successful proposal will meet the project site design guidelines and provide service level acceptable to the City of Lincoln.

Bid proposals shall remain valid for 60 days after the proposals are opened. If City of Lincoln decides to move forward with a certain respondent, a contract will be executed within the 60 day timeframe.

Upon award, successful respondent shall secure all appropriate licenses to complete the scope of work included in this RFP.

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KATHY HORN



### **RFP Schedule**

The schedule for this RFP is as indicated below. It may be modified at the discretion of the City of Lincoln. An addendum will be issued in the event of any scheduling changes.

<b>Schedule</b>	<b>Date/Time</b>
RFP Released	
Site Visit and/or Walk-Thru	
Requests for Information (RFIs) Due	
Answers to RFIs distributed	
Notice of Intent to Submit Proposal	
Proposal Due	
Proposal Evaluations	
Anticipated Award Date	

### **Request for Information**

Please submit questions via email to Beth Kavelman at [ekavelman@lincolnil.gov](mailto:ekavelman@lincolnil.gov) by **DATE NEEDED** Responses to questions will be shared with all bidders.

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 RON KELLER

**FOURTH WARD**  
 JEFF HOINACKI  
 KATHY HORN

### **Notice of Intent to Submit Proposal**

Respondents must present their notice of intent to submit a proposal by email to Beth Kavelman by 4 pm local time on **DATE NEEDED** to ensure receipt of all addendums and other project documents. Addendums to this RFP based on submitted technical questions, along with changes to the proposal schedule, will be issued via email.

### **Selection Process**

Depending on the number and quality of the proposals received, City of Lincoln reserves the right to either select a vendor or shortlist two to three companies. Shortlisted companies will be asked to meet with City of Lincoln to present their proposal to the decision team and answer any outstanding questions.

### **Project Background**

The City of Lincoln is interested in pursuing a solar photovoltaic project that reflects the following prioritized goals:

1. Offset or reduce grid electricity use/electricity bills
2. Meets the City's sustainability goal or lessen the City's impact on the environment

### **Project Description**

The project site is adjacent to the WWTP located at: 150 W. Kickapoo St. Lincoln, IL 62656

**Description of Site:** included as Exhibit A.

**Desired System Size:** The solar system shall be comprised of an array of photovoltaic panels and electrical equipment components generating a minimum of 1750 kW DC.

**Description of Desired Solar System:** Fixed Ground Mounted System

**Project Financing:** Power Purchase Agreement or Lease Purchase

**System Ownership Information:** Ownership remains the Power Providers until the end of the PPA or lease agreement.

**Operation & Maintenance:** The selected Company will provide O&M services for the term of the agreement following installation of the project.

**Monitoring:** To be integrated into City of Lincoln Website.

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## **Scope of Work**

City of Lincoln is soliciting proposals from qualified solar providers to finance, design, build and operate a Power Purchase Agreement (PPA) or lease services for the installation of 1750 kW DC ground mount solar photovoltaic project at the site address. The goal of this RFP is to identify a solar partner with the necessary experience to ensure a fully managed and well executed process. The successful respondent will have demonstrated experience financing, designing, planning, scheduling, permitting, constructing, maintaining, grid interconnection and owning a solar PV system. Contractor is responsible for all permitting. Respondents must have experience working with all state and federal regulations related to the installation and operations of a solar array, provide project financial analysis and have established onsite safety standards.

## **Design Guidelines**

Contractor should consider the following guidelines when designing the solar system.

### **Ground Mounted Solar**

The contractor shall develop a design for a new photovoltaic system. It is the responsibility of the contractor to assess site topography and geotechnical attributes to estimate costs related to project installation. Contractor is responsible for securing the environmental permits necessary to install a ground-mounted system. Mounting system shall be directly anchored into the ground utilizing either: driven piers, concrete footers, ground screws, etc.

Mounting system design needs to meet applicable local building code requirements with respect to snow, wind, and earthquake factors.

- Mounting system must be a fixed system.
- Panels' tilt shall be based on site latitude and wind conditions.
- Ground cover and vegetation management shall be included in the proposal and environmental friendly.
- Stormwater Management and erosion control management plan shall be included in the proposal.
- All lines interconnecting solar arrays to point of interconnection shall be underground.

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## Code Specifications

All power generation and transmission equipment must be UL listed for its designed use. Construction must comply with current adopted State Building Code, which includes: International Building Code, National Electric Code (NEC) and any other codes that might be required to construct a solar array (if applicable).

**Modules:** System modules shall be UL1703 listed, and CEC-listed

**Inverters:** Shall be UL1741 listed and must be CEC-listed with an efficiency of 95% or higher

## Contractor Responsibilities

The final design package and documents shall include the following but are not required in the proposal stage. Please reference the proposal requirement section for detailed bid submission requirements:

Description of the solar system

Construction documents and engineering calculations that are signed and sealed by a licensed architect or engineer

Layout drawing of installation site providing location of all equipment

Equipment details and specifications

Schedule for equipment procurement and installation

Description of how grid interconnection requirements will be met

Description of controls, monitors, and instrumentation to be used for the solar system

Equipment and installation manuals

Safety plan, Quality Control plan, Environmental Protection plan

Operations and Maintenance manuals for system operations and performance monitoring over the life of the contract

Web-based monitoring for term of the agreement

Close out report that will include the following: system nameplate size, overall installed cost of the system and estimated and guaranteed annual kilowatt hour (kWh) production.

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## Warranties

The solar provider's standard system minimum warranty coverage should cover modules, inverter, racking and workmanship.

- **Modules:** 25-Year Power Output & 10 Workmanship Limited Warranty
- **Inverter:** 10-Year Limited Warranty, Provide a price and/or plan for inverter replacement in year 11 and beyond
- **Racking:** 10-Year Limited Warranty priority
- **Workmanship:** 1 Year Limited Warranty

## System Monitoring

Monitoring of system performance and providing public education and outreach is an important element of this RFP. The City of Lincoln will favor a proposal that includes a turnkey monitoring system that can be integrated into the City of Lincoln computer system for display on the City of Lincoln website. The system should display and analyze historical and live solar electricity generation data. Additionally, the regularly collected data should reflect, but not be limited to the following:

- Average and accumulated output (kWh/kW and total kWh)
- Percent Capacity usage
- Air quality emissions averted and real world equivalents conversion

## Operation and Maintenance of System

The successful respondent will be required to provide operation and maintenance of the entire solar electric system for the length of the PPA or lease. Operations and maintenance services shall include:

- Online monitoring
- Performance monitoring, notification, and troubleshooting – must have personnel available to notify the City of Lincoln of an outage or decrease in system production
- Corrective maintenance to mitigate any risk to the system or minimize downtime
- System Performance Reports that compares actual production to predicted production
- Preventative maintenance and inspections to identify and fix problems before they occur, including infrared photography for hot spots, manufacturer recommended maintenance, hardware torque checks, and array cleanings
- Weed abatement for ground mount

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If City of Lincoln decides to own the system at the end of the term, the successful respondent shall supply City of Lincoln two copies of all Component Product Data and Component Operation and Maintenance manuals. The information shall be sufficient for City of Lincoln to evaluate and ensure appropriate O&M has been completed over the life of the system. Examples of components include solar panels, conduit, inverter, net metering equipment, etc. Project as-builts that detail the location of all above and underground utilities and components shall be submitted within 30 days of transfer of ownership.

### **Proposal Requirements**

Please provide 1 original copy and a thumb (flash) drive with electronic files.

Hard copies must be delivered to the City Administrator no later than 4:00 PM October 18, 2019.

Proposals received after this time will be returned to the respondent un-opened. Proposals will not be considered for award unless submitted in the format described below. It is the responsibility of the respondent to ensure that the submittal is received in a timely manner. Fax proposals will not be accepted. Hard copy proposal must be submitted to the following address:

Mrs. Beth Kavelman  
City Administrator  
700 Broadway Street  
Lincoln, IL 62656  
[ekavelman@lincolnil.gov](mailto:ekavelman@lincolnil.gov)

### **Proposal Format**

Please include the following sections in your proposal submittal in the following order.

**Cover/Transmittal letter:** Cover letter must be addressed to Mrs. Beth Kavelman, city administrator for the City of Lincoln and signed by a legally authorized representative of the respondent. Cover letter must summarize key provisions of the proposal and must include name, address, phone and email of the respondent contact.

**Executive Summary:** Include key provisions of the proposal, including understanding of City of Lincoln goals, pricing, respondent's role on project, brief description of proposed system, financing, relevant experience of respondent/company, and key timeline dates.

**Company Profile:** Years in business, description of respondent/company background, applicable state licensing, OSHA background and safety protocol, Insurance, Quality Assurance/Quality Control documentation.

**Project Experience:** Include projects completed in the last 3 years similar in scope and size to the proposed project. Include project name, system size, location, and brief 2-3 sentence project description. Highlight companies permitting and interconnection experience with local utility.

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**References:** Provide 3 project references with direct client phone numbers.

**Project Team:** Organization chart and bios (length of time with firm, key projects) of key team members, capability to perform work/workload capacity. Please only profile individual that will directly be working on this project. Clearly identify the project manager.

**Technical Solution/Scope of Work:** Describe your technical approach to the design and construction of the solar project including:

- Technical Approach, Design, Equipment, Installation
- Panel, inverter, racking specifications
- Equipment and workmanship warranties
- Exhibits showing proposed layouts and system single line diagrams
- PVSYST Report indicating production of the proposed system
- Proposed monitoring system/solution
- Operations & Maintenance Plan offered for the project.

**Production Guarantee:** Provide at least a 90% kWh guarantee for year 1, degrading by a maximum of 0.5% per year for the length of the term. Performance guarantee should be measured and damages should be paid on an annual basis.

**Price Proposal:** Provide a PPA and lease price for the system.

- Present year and 5, 10 and 20 year financial savings
- PPA proposal should include a percent escalator for the PPA rate

**Safety:** Please include a brief description of the safety practices of your firm, as well as the OSHA Reporting Indicators for the last 3 years.

**Proposed Schedule:** Identify key project milestones and include any necessary review periods for the City.

### Evaluation/Selection Criteria:

The City of Lincoln will evaluate proposals according to the evaluation criteria below. Result of this step will be the identification of the selection of a proposal for negotiation of a contract. Points will be awarded based on the relative merit of the information provided in response to the solicitation. Selection based on the total number of points awarded by the evaluation committee will be based on:

- |  |                |
|--|----------------|
| • Proposal Cost Effectiveness                | 0 to 35 points |
| • Technical Approach/Implementation Schedule | 0 to 30 points |
| • Company Qualifications/Project Experience  | 0 to 20 points |
| • Project team, experience and approach      | 0 to 15 points |

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KATHY HORN



**SETH A. GOODMAN**   **ELIZABETH KAVELMAN**   **PEGGY S. BATEMAN**   **CHARLES N. CONZO**   **JOHN A. HOBLIT**  
*MAYOR*   *CITY ADMINISTRATOR*   *CITY CLERK*   *CITY TREASURER*   *CITY ATTORNEY*

City of Lincoln may elect to conduct interviews with selected respondents to ask questions or for more detail on the proposed project. The City of Lincoln reserves the right to seek supplemental information from any respondent at any time after the official proposal opening and before award. This will be limited to clarification or more detail on information included in the original proposal. Upon acceptance of a proposal and intent to award, the successful respondent will be required to execute and return all required project documents and certificates of insurance within 30 days from the Notice of Award. Should the selected firm fail or refuse to execute the project documents, the City of Lincoln reserves the right to accept the proposal of the firm offering the next best value to the City of Lincoln.

#### **RFP Exhibits**

- **Exhibit A:** Map of Site plan with solar areas identified (Black X)
- **Exhibit B:** Energy Usage & Cost History

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**HOBLIT**

*MAYOR*

**ELIZABETH KAVELMAN**

*CITY ADMINISTRATOR*

**PEGGY S. BATEMAN**

*CITY CLERK*

**CHARLES N. CONZO**

*CITY TREASURER*

**JOHN A.**

*CITY ATTORNEY*

**Exhibit A**



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**HOBLIT**

*MAYOR*

**ELIZABETH KAVELMAN**

*CITY ADMINISTRATOR*

**PEGGY S. BATEMAN**

*CITY CLERK*

**CHARLES N. CONZO**

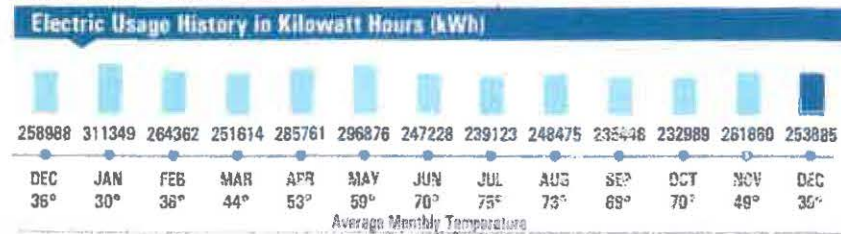
*CITY TREASURER*

**JOHN A.**

*CITY ATTORNEY*

## Exhibit B

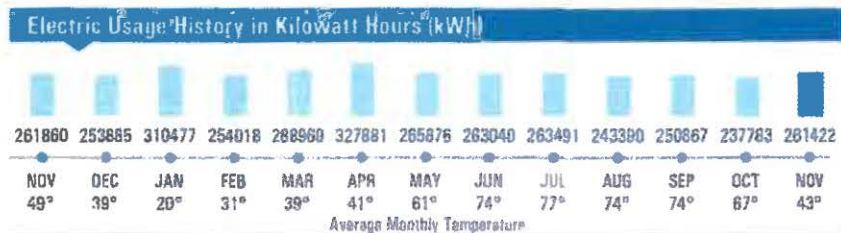
### December 2016 - 2017



**Average Daily Electric Use (kWh)**

TIME PERIOD	AVG. DAILY USE
CURRENT MONTH	8462.83 kWh
LAST MONTH	8183.12 kWh
LAST YEAR	8632.93 kWh

### November 2017 - 2018



**Average Daily Electric Use (kWh)**

TIME PERIOD	AVG. DAILY USE
CURRENT MONTH	8169.44 kWh
LAST MONTH	8199.41 kWh
LAST YEAR	8183.12 kWh

### Wastewater Treatment Plant - Monthly Energy Cost

Sewer - 150 W Kickapoo St	01/16/2018	\$14,117.36
Sewer - 150 W Kickapoo St	02/05/2018	\$20,103.31
Sewer - 150 W Kickapoo St	03/29/2018	\$16,422.67
Sewer - 150 W Kickapoo St	04/30/2018	\$18,459.19
Sewer - 150 W Kickapoo St	06/18/2018	\$16,308.64
Sewer - 150 W Kickapoo St	07/02/2018	\$16,953.13
Sewer - 150 W Kickapoo St	08/06/2018	\$17,445.83
Sewer - 150 W Kickapoo St	09/04/2018	\$15,643.63
Sewer - 150 W Kickapoo St	10/01/2018	\$16,115.87
Sewer - 150 W Kickapoo St	11/02/2018	\$15,439.23
Sewer - 150 W Kickapoo St	12/17/2018	\$16,166.93
Sewer - 150 W Kickapoo St	01/07/2019	\$17,767.20

#### CITY COUNCIL

**FIRST WARD**  
STEVE PARROTT  
TRACY WELCH

**SECOND WARD**  
KATHRYN SCHMIDT  
SAM DOWNS

**THIRD WARD**  
KEVIN BATEMAN  
RON KELLER

**FOURTH WARD**  
JEFF HOINACKI  
KATHY HORN