

A MOTION AUTHORIZING REIMBURSEMENT OF ROSS FINANCIAL SERVICES, INC.'S EXPENDITURES OF PREDEVELOPMENT FUNDS ON BEHALF OF THE VILLAGE, PURSUANT TO SECTION 5(D) OF A DEVELOPMENT AGREEMENT BETWEEN THE VILLAGE AND ROSS FINANCIAL, FOR A PHASE I ENVIRONMENTAL SITE ASSESSMENT AND MARKET STUDY FOR THE VILLAGE'S APPLICATION WITH THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY REGARDING A POTENTIAL SENIOR AND VETERAN HOUSING FACILITY FOR THE VILLAGE OF BROADVIEW, COUNTY OF COOK, STATE OF ILLINOIS.

I hereby move to authorize reimbursement of Ross Financial Services, Inc.'s expenditures of predevelopment funds on behalf of the Village, pursuant to section 5(d) of a development agreement between the Village and Ross Financial, for a phase i environmental site assessment and market study for the Village's application with the Illinois Housing Development Authority regarding a potential senior and veteran housing facility for the Village of Broadview, County of Cook, State of Illinois.

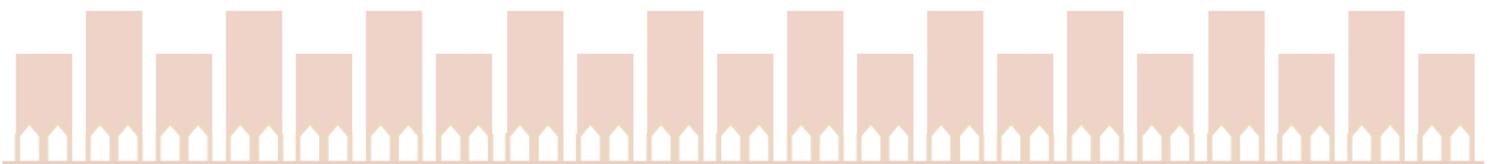
November 12, 2018

Mr. Jim Weglarz
Vice President, Development
Ross Financial Services, Inc.
666 Dundee Road, #1703
Northbrook, IL 60062

Dear Jim:

Thank you for contacting me regarding a site and market study in IHDA's required format for a proposed senior independent living facility in Broadview, IL. We prepared a market assessment for this site a couple of months ago, so we are very familiar with the site and area. Valerie S. Kretchmer Associates, Inc. (VSKA) is designated as a professional member of the National Council of Housing Market Analysts and has the necessary insurance required by IHDA. Valerie S. Kretchmer Associates, Inc. (VSKA) will conduct the following:

- Update your PPA list and map of desirable amenities and services within ½ mile of the property based on the field inspection and prepare a narrative, table and map.
- Prepare additional tables on employment trends, major employers and crime statistics. We have already prepared the necessary demographic data tables.
- Analyze housing and rental trends in the market area. This will also include the required analysis of vacant, abandoned and foreclosed properties in the primary market area and their potential impact on the project's marketability.
- Comment on your proposed rents, unit sizes, unit mix and amenities, and make recommendations as needed.
- Prepare a list of all of the affordable senior and family properties in the market area even if they are not competitive.
- Analyze the affordability of the proposed rents for the targeted income groups.
- Update the overall market area penetration and project capture rates for different AMI levels using IHDA's methodology, and absorption.
- Analyze the competitiveness of your development to other affordable senior buildings in the market area, and compare your proposed rents to those at market rate properties.
- Analyze potential negative impacts of your proposed project on other affordable and market rate properties in the market area.



- Prepare a site and market study that meets all of IHDA's requirements including the site and market study summary form. We will submit an electronic version.

The cost of the above described scope is \$5,000 plus out-of-pocket expenses for travel assuming we receive authorization to proceed by November 30, 2018. If we receive authorization after that date, the fee is \$5,500 plus expenses. We cannot guarantee completion in time for IHDA's February 15, 2019 deadline if the contract is signed after December 15th. We will let you know prior to accepting the assignment if we can meet IHDA's deadline if you decide to proceed after December 15, 2018. Your signature at the bottom of this contract and a 50% retainer will be authorization to proceed. We will not commence work without a signed contract and retainer.

If we identify any issues that could negatively affect the marketability of the property, we will contact you immediately to discuss these concerns. If you decide to terminate the project, you will be billed for the time and expenses incurred up to that date. Changes to the project after the report is completed, and any additional work will be billed at standard hourly rates plus expenses.

In accordance with standard contract terms and conditions, payment is due within 30 days of the invoice date. Valerie S. Kretchmer Associates, Inc. reserves the right to apply a service charge equal to 1.5% per month or fraction thereof to the total unpaid sum. In addition, if legal action is necessary to enforce collection of bills, the client will be responsible for all collection costs, including but not limited to court costs and reasonable legal costs.

Thank you for contacting me about this interesting assignment.

Sincerely,



Valerie Sandler Kretchmer
President

Approved By:

For Ross Financial Services, Inc.

Date: _____



November 20, 2018

Mr. Jim Weglarz
Ross Financial Services, Inc.
666 Dundee Road
Northbrook, Illinois 60062

ECS Proposal No. 53-1261

Reference: Environmental Services, 2047-2125 S 17th Avenue, Broadview, Cook County, Illinois

Dear Mr. Weglarz:

ECS Midwest, LLC (ECS) is pleased to provide you with this proposal for performing a Phase I Environmental Site Assessment (ESA) for the property located at 2047-2125 S 17th Avenue in Broadview, Cook County, Illinois. Our proposal contains a summary of relevant information as we understand it, a project schedule, and the estimated fees for completion of the proposed services.

ECS Midwest annually performs hundreds of Phase I Environmental Site Assessments on a broad variety of property types including Federal, State and Municipal facilities, commercial and industrial buildings, residential buildings, and public schools. All ECS Phase I's are conducted in accordance with the ASTM E1527-13 Standard (which incorporates All Appropriate Inquiry protocols and incorporates 50 year chain of title review, if requested). Further, all Phase I ESA reports are generated using our in-house electronic report platform to ensure consistency in the reports and to comply with current ASTM and AAI requirements. To assure we meet our quality control policies and to assure standardization of reports, ECS has established a policy that requires a Principal review on all deliverables. In addition to principal review, all Phase I site assessors must have successfully completed our in-house Phase I ESA Course, a three day field practicum on performing Phase I site assessments and passed the course exam. Each site assessor must also be closely supervised by a Principal for a period of six months prior to being released as an author for the reports.

PROJECT INFORMATION AND SCOPE OF SERVICES

Project Description

As we understand, the subject property is located at 2047-2125 S 17th Avenue, Broadview, Cook County, Illinois. According to the Cook County Recorder of Deeds, the 1.2 acre subject property is identified as parcel numbers 15-15-416-022, -023, 15-15-424-001 through 010, and 15-15-424-047 and -048. Currently, the subject property is improved with two single-story commercial structures. Edmark Press (a printing company) occupies the 6,800 square foot building located at 2101 S 17th Avenue, and a 1,500 square foot vacant storefront is located at 2125 S 17th Avenue. The remainder of the subject property is undeveloped.

Scope of Services

Based on our understanding of the subject property and plans for future activities, ECS has prepared the following Scope of Services.

Phase I Environmental Site Assessment

The Phase I Environmental Site Assessment (ESA) will be prepared in general accordance with ASTM Standard E1527-13, Standard Practice for Phase I Environmental Site Assessments. Please note that this Phase I will also be prepared in general accordance with the Illinois Housing Development Authority (IHDA) Standards for Environmental Reviews and Professionals.

To expedite the preparation of the Phase I ESA, please provide ECS with the following:

1. Copies of updated site plans/plots which you may have available;
2. A point of contact for site access;
3. A current chain-of-ownership for the subject property (preferably dating back to 1940 or earlier);
4. The name and telephone number of the current owner so that ECS may conduct an interview; and,
5. The completed User Questionnaire which is attached.

In accordance with the ASTM protocol, it is the obligation of the "User" (i.e., the party relying on the report) to report to the environmental professional (i.e., ECS) any environmental liens encumbering the property or any specialized knowledge or experience of the User that would provide information about previous ownership or uses of the property that may be material to identifying recognized environmental conditions. Based on this, ECS requests any previous environmental information related to the property.

We have attached the User Questionnaire to assist the User and the environmental professional (ECS) in gathering information from the User that may be material to identifying recognized environmental conditions with respect to the site. As the User of the report, please complete the attached User Questionnaire and return it with the signed proposal. We request the User Questionnaire be completed and returned to ECS at the same time this proposal is authorized in order to avoid delay to delivering the final report. This User Questionnaire will be included in the Phase I ESA Report and will assist in satisfying the "User's Responsibilities" portion of the ASTM Standard.

In addition, the ASTM standard also requires a search for the existence of environmental liens and activity and use limitations (AULs) in accordance with 40 CFR Part 312. If this information is not readily available, ECS can contract with a third party provider to conduct this search for an additional fee. It should be noted that failure to obtain this information may preclude your ability to qualify for certain liability protections under CERCLA. Please indicate on the attached authorization page if you would prefer ECS to obtain this information on your behalf for an additional fee of \$200 per parcel.

ECS will prepare one Phase I ESA Report for the subject property. A copy of the report will be forwarded electronically upon completion of the project.

Out of Scope Items

If, during the performance of our scope of services, additional environmental issues are identified that are beyond the Scope of Services outlined within this proposal, ECS will contact you to discuss the relevance and significance of the finding in order to determine if the finding merits additional assessment, inclusion in our final report, or a modification to our Scope of Services and fee.

Safety

ECS personnel are responsible for their own personal safety. While on site, if ECS personnel deem a condition unsafe and the performance of our scope of services cannot be completed, you will be notified of the unsafe condition. ECS personnel will not proceed further with the scope of services in that area until the unsafe condition is corrected. Access delays associated with safety concerns may result in additional fees.

PROJECT FEES AND SCHEDULE

Project Fees

ECS will provide the proposed scope of services as indicated on the proposal acceptance page, with the exception of additional services selected by the client. Our fee is based on the chain of title, third party AUL search and property owner/contact information being provided by you or your agents.

Project Schedule

We anticipate that the Phase I ESA can be completed within approximately 2-3 weeks, provided that authorization to proceed is provided and that site access is granted promptly. We will proceed with the accepted services upon receipt of written authorization. If this schedule does not meet your needs, please contact ECS to discuss an expedited deadline.

If areas of the property cannot be observed due to inaccessibility or unsafe conditions beyond the control of ECS, ECS will wait until such time either that the area is accessible or the unsafe conditions are corrected. If ECS must make additional visits to the site, a change order will be provided for our additional fees.

If other items are required because of unexpected field conditions encountered in our fieldwork, or because of a request for additional services, they would be invoiced as an agreed-to lump sum fee or in accordance with the ECS Fee Schedule (available upon request) in effect at the time of the service. Before expanding our scope of service that increased our fee, you would be informed of our intentions for both your review and authorization.

LIMITATIONS AND ASSUMPTIONS

Conclusions and recommendations pertaining to environmental conditions at the subject site are limited to the conditions observed and the materials sampled at the time this study will be undertaken. The assessment is not intended to represent an exhaustive research of every potential hazard or condition that may exist, nor does it claim to represent conditions or events that arise after the assessment.

We have made the following assumptions in developing this proposal:

- Prices presented herein are valid for 120 days from the date of this proposal.
- Two original HUD Environmental Assessment Forms will also be provided.
- One color electronic version (PDF format) of the report will be provided upon completion of the project. If requested, ECS will provide up to two original reports for the quoted fee. Additional bound reports requested will be provided for a nominal fee.
- Please note that ASTM standard indicates that regulatory agency files available for the subject site or adjoining properties should be reviewed and failure to do so may result in data gaps in

our report. The lump sum fee offered for the Phase I ESA does not include expanded reviews of regulatory files for the subject site and/or adjacent properties which are not available electronically, or if the file information may not be reasonably ascertainable within the project schedule. If the site and/or adjacent properties are identified on federal or state regulatory lists, and if a file review is warranted, ECS will contact you. An additional fee may be necessary depending on the location and volume of information pertaining to these regulatory files.

- If requested, ECS will provide up to four reliance letters for our reports for the included cost. Additional reliance letters will be invoiced at \$500/letter. Reliance offered by ECS will be bound to the same contracted Terms & Conditions of Service agreed to between Client and ECS.

PROPOSAL ACCEPTANCE

This proposal and the attached Terms and Conditions of Service constitute the entire agreement between ECS and the Client for this project. To authorize this study, please complete, sign, and return one copy of the attached proposal acceptance sheet to our office. Issuance of a purchase order or other types of notice to proceed (verbal, written or electronic) implicitly acknowledges acceptance of the Terms and Conditions of Service and this proposal.

Thank you for allowing us to offer our services on this project. If you have any questions concerning this proposal, please do not hesitate to contact the undersigned at your convenience. If you have questions concerning the contents of this proposal, or if we can be of further service, please contact us at (847) 279-0366.

Sincerely,

ECS MIDWEST, LLC



Jason Warren
Senior Project Manager



David Kwasiborski, CIAQM
Principal Industrial Hygienist

Attachments

\\S52-53-ARES\data53\2018 Proposals\53-1261 Broadview Phase I.doc

PROPOSAL ACCEPTANCE

| Service | Initial |
|--|----------------|
| Phase I Environmental Site Assessment (\$2,100) | |
| Additional IHDA Scope (\$500) | |
| Optional Environmental Lien Search and AUL Search (\$200/parcel) | |

| Proposal Information | |
|--|--|
| ECS Proposal Number | 53:1261 |
| Scope of Work | Phase I Environmental Site Assessment |
| Location | 2047-2125 S 17 th Avenue, Broadview, Illinois |
| Client Information | |
| Signature – Authorized Representative Responsible for Payment | |
| Print or Type Name of Client and Company | |
| Date of Execution | |
| Proposal Addressee - Company | Ross Financial Services, Inc. |
| INVOICE INFORMATION | |
| Please print or type below if invoice addressee is different than proposal addressee or if there are any special invoice instructions | |
| Invoice Addressee - Name | |
| Invoice Addressee - Company | |
| Invoice Addressee – Street Address | |
| Invoice Addressee – City, State, Zip Code | |
| Invoice Addressee – E-mail | |
| Invoice Addressee – Phone Number | |
| Purchase Order Number | |
| Client Project/Accounting Number | |



Environmental Questionnaire for User

Completion required for conformance with ASTM E 1527-13. Failure to provide this information may preclude CERCLA liability protections for the property purchaser. Please return answered form to ECS.

Site Name: _____

Name and Title of Person Completing Questionnaire (Please Print):

Signature of Person Completing Questionnaire:

Date: _____

Name of Your Company and Your Contact Number (Please Print):

ASTM E 1527-13 indicates that, "Either the user shall make known to the environmental professional the reason why the user wants to have the Phase I Environmental Site Assessment performed or, if the user does not identify the purpose of the Phase I Environmental Site Assessment, the environmental professional shall assume the purpose is to qualify for an LLP to CERCLA liability and state this in the report." As the user of this ESA, what is the reason for conducting the Phase I ESA? If this question is unanswered, ECS will assume that the user's reason for the ESA is to qualify for landowner liability protections to CERCLA liability.

Please state reason for having ESA performed: _____

Will you provide Property Title Records and a Legal Description to ECS?

Please select one: **NO** **YES**

Will you provide a 50-year chain of title abstract to ECS?

Please select one: **NO** **YES**

Please Send Information Promptly

(1a.) **Environmental liens that are filed or recorded against the site (40 CFR 312.25).** ASTM E 1527-13 states that the user should perform a review of recorded land title records and judicial records for environmental liens or activity and use limitations for the site. Please forward the results of the land title record and judicial record review. If you would prefer, ECS can obtain this information from a third party provider for **an additional fee**. Please let ECS know if you would like to contract ECS for this service.

Please select one: **Client to Provide** **ECS to Provide for Additional Fee**



Please select one: **NO** **YES**

If yes, please explain: _____

(4.) Relationship of the purchase price to the fair market value of the property if it were not contaminated (40 CFR 312.29). Does the purchase price being paid for this property reasonably reflect the fair market value of the property?

Please select one: **NO** **YES**

If no, please explain: _____

If you are aware that there is a difference, is the lower purchase price because contamination is known or believed to be present at the property?

Please select one: **NO** **YES**

If yes, please explain: _____

(5.) Parcel Property Owner(s) & Contact Number(s):

- A. _____
- B. _____
- C. _____
- D. _____

Property Manager and Occupant(s) & Contact Number(s)

Property Manager: _____

Occupant/Tenant: _____

Occupant/Tenant: _____

(6.) The degree of obviousness of the presence or likely presence of contamination at the property, and the ability to detect the contamination by appropriate investigation (40 CFR 312.31). As the user of this ESA, based on your knowledge and experience related to the property, are there any obvious indicators that point to the presence or likely presence of contamination at the property?

Please select one: **NO** **YES**

If yes, please explain: _____

ECS MIDWEST, LLC

TERMS AND CONDITIONS OF SERVICE

The professional services (the "Services") to be provided by ECS MIDWEST, LLC ["ECS"] pursuant to the Proposal shall be provided in accordance with these Terms and Conditions of Service ("Terms"), including any addenda as may be incorporated or referenced in writing shall form the Agreement between ECS and Client.

1.0 INDEPENDENT CONSULTANT STATUS - ECS shall serve as an independent professional consultant to CLIENT for Service on the Project, identified above, and shall have control over, and responsibility for, the means and methods for providing the Services identified in the Proposal, including the retention of Subcontractors and Subconsultants

2.0 SCOPE OF SERVICES - It is understood that the fees, reimbursable expenses and time schedule defined in the Proposal are based on information provided by CLIENT and/or CLIENT'S contractors and consultants. CLIENT acknowledges that if this information is not current, is incomplete or inaccurate, if conditions are discovered that could not be reasonably foreseen, or if CLIENT orders additional services, the scope of services will change, even while the Services are in progress.

3.0 STANDARD OF CARE

3.1 In fulfilling its obligations and responsibilities enumerated in the Proposal, ECS shall be expected to comply with and its performance evaluated in light of the standard of care expected of professionals in the industry performing similar services on projects of like size and complexity at that time in the region (the "Standard of Care"). Nothing contained in the Proposal, the agreed-upon scope of Services, these Terms and Conditions of Service or any ECS report, opinion, plan or other document prepared by ECS shall constitute a warranty or guaranty of any nature whatsoever.

3.2 CLIENT understands and agrees that ECS will rely on the facts learned from data gathered during performance of Services as well as those facts provided by the CLIENT. CLIENT acknowledges that such data collection is limited to specific areas that are sampled, bored, tested, observed and/or evaluated. Consequently, CLIENT waives any and all claims based upon erroneous facts provided by the CLIENT, facts subsequently learned or regarding conditions in areas not specifically sampled, bored, tested, observed or evaluated by ECS.

3.3 If a situation arises that causes ECS to believe compliance with CLIENT'S directives would be contrary to sound engineering practices, would violate applicable laws, regulations or codes, or will expose ECS to legal claims or charges, ECS shall so advise CLIENT. If ECS' professional judgment is rejected, ECS shall have the right to terminate its Services in accordance with the provisions of Section 25.0, below.

3.4 If CLIENT decides to disregard ECS' recommendations with respect to complying with applicable Laws or Regulations, ECS shall determine if applicable law requires ECS to notify the appropriate public officials. CLIENT agrees that such determinations are ECS' sole right to make.

4.0 CLIENT DISCLOSURES

4.1 Where the Scope of Services requires ECS to penetrate a Site surface, CLIENT shall furnish and/or shall direct CLIENT'S consultant(s) or agent(s) to furnish ECS information identifying the type and location of utility lines and other man-made objects known, suspected, or assumed to be located beneath or behind the Site's surface. ECS shall be entitled to rely on such information for completeness and accuracy without further investigation, analysis, or evaluation.

4.2 "Hazardous Materials" shall include but not be limited to any substance that poses or may pose a present or potential hazard to human health or the environment whether contained in a product, material, by-product, waste, or sample, and whether it exists in a solid, liquid, semi-solid or gaseous form. CLIENT shall notify ECS of any known, assumed, or suspected regulated, contaminated, or other similar Hazardous Materials that may exist at the Site prior to ECS mobilizing to the Site.

4.3 If any Hazardous Materials are discovered, or are reasonably suspected by ECS after its Services begin, ECS shall be entitled to amend the scope of Services and adjust its fees to reflect the additional work or personal protective equipment and/or safety precautions required by the existence of such Hazardous Materials.

5.0 INFORMATION PROVIDED BY OTHERS - CLIENT waives, releases and discharges ECS from and against any claim for damage, injury or loss allegedly arising out of or in connection with errors, omissions, or inaccuracies in documents and other information in any form provided to ECS by CLIENT or CLIENT'S agents, contractors, or consultants, including such information that becomes incorporated into ECS documents.

6.0 CONCEALED RISKS - CLIENT acknowledges that special risks are inherent in sampling, testing and/or evaluating concealed conditions that are hidden from view and/or neither readily apparent nor easily accessible, e.g., subsurface conditions, conditions behind a wall, beneath a floor, or above a ceiling. Such circumstances require that certain assumptions be made regarding existing conditions, which may not be verifiable without expending additional sums of money or destroying otherwise adequate or serviceable portions of a building or component thereof. Accordingly, ECS shall not be responsible for the verification of such conditions unless verification can be made by simple visual observation. Client agrees to bear any and all costs, losses, damages and expenses (including, but not limited to, the cost of ECS' Additional Services) in any way arising from or in connection with the existence or discovery of such concealed or unknown conditions.

7.0 RIGHT OF ENTRY/DAMAGE RESULTING FROM SERVICES

7.1 CLIENT warrants that it possesses the authority to grant ECS right of entry to the Site for the performance of Services. CLIENT hereby grants ECS and its subcontractors and/or agents, the right to enter from time to time onto the property in order for ECS to perform its Services. CLIENT agrees to indemnify and hold ECS harmless from any claims arising from allegations that ECS trespassed or lacked authority to access the Site.

7.2 CLIENT warrants that it possesses all necessary permits, licenses and/or utility clearances for the Services to be provided by ECS except where ECS' Proposal explicitly states that ECS will obtain such permits, licenses, and/or utility clearances.

7.3 ECS will take reasonable precautions to limit damage to the Site and its improvements during the performance of its Services. CLIENT understands that the use of exploration, boring, sampling, or testing equipment may cause minor, but common, damage to the Site. The correction and restoration of such common damage is CLIENT'S responsibility unless specifically included in ECS' Proposal.

7.4 CLIENT agrees that it will not bring any claims for liability or for injury or loss against ECS arising from (i) procedures associated with the exploration, sampling or testing activities at the Site, (ii) discovery of Hazardous Materials or suspected Hazardous Materials, or (iii) ECS' findings, conclusions, opinions, recommendations, plans, and/or specifications related to discovery of contamination.

8.0 UNDERGROUND UTILITIES

8.1 ECS shall exercise the Standard of Care in evaluating client-furnished information as well as information readily and customarily available from public utility locating services (the "Underground Utility Information") in its effort to identify underground utilities. The extent of such evaluations shall be at ECS' sole discretion.

8.2 CLIENT recognizes that the Underground Utility Information provided to or obtained by ECS may contain errors or be incomplete. CLIENT understands that ECS may be unable to identify the locations of all subsurface utility lines and man-made features.

8.3 CLIENT waives, releases, and discharges ECS from and against any claim for damage, injury or loss allegedly arising from or related to subterranean structures (pipes, tanks, cables, or other utilities, etc.) which are not called to ECS' attention in writing by CLIENT, not correctly shown on the Underground Utility Information and/or not properly marked or located by the utility owners, governmental or quasi-governmental locators, or private utility locating services as a result of ECS' or ECS' subcontractor's request for utility marking services made in accordance with local industry standards.

9.0 SAMPLES

9.1 Soil, rock, water, building materials and/or other samples and sampling by-products obtained from the Site are and remain the property of CLIENT. Unless other arrangements are requested by CLIENT and mutually agreed upon by ECS in writing, ECS will retain samples not consumed in laboratory testing for up to sixty (60) calendar days after the issuance of any document containing data obtained from such samples. Samples consumed by laboratory testing procedures will not be stored.

9.2 Unless CLIENT directs otherwise, and excluding those issues covered in Section 10.0, CLIENT authorizes ECS to dispose of CLIENT'S non-hazardous samples and sampling or testing process by-products in accordance with applicable laws and regulations.

10.0 ENVIRONMENTAL RISKS

10.1 When Hazardous Materials are known, assumed, suspected to exist, or discovered at the Site, ECS will endeavor to protect its employees and address public health, safety, and environmental issues in accordance with the Standard of Care. CLIENT agrees to compensate ECS for such efforts.

10.2 When Hazardous Materials are known, assumed, or suspected to exist, or discovered at the Site, ECS and/or ECS' subcontractors will exercise the Standard of Care in containerizing and labeling such Hazardous Materials in accordance with applicable laws and regulations, and will leave the containers on Site. CLIENT is responsible for the retrieval, removal, transport and disposal of such contaminated samples, and sampling process byproducts in accordance with applicable law and regulation.

10.3 Unless explicitly stated in the Scope of Services, ECS will neither subcontract for nor arrange for the transport, disposal, or treatment of Hazardous Materials. At CLIENT'S written request, ECS may assist CLIENT in identifying appropriate alternatives for transport, off-site treatment, storage, or disposal of such substances, but CLIENT shall be solely responsible for the final selection of methods and firms to provide such services. CLIENT shall sign all manifests for the disposal of substances affected by contaminants and shall otherwise exercise prudence in arranging for lawful disposal.

10.4 In those instances where ECS is expressly retained by CLIENT to assist CLIENT in the disposal of Hazardous Materials, samples, or wastes as part of the Proposal, ECS shall do so only as CLIENT'S agent (notwithstanding any other provision of this AGREEMENT to the contrary). ECS will not assume the role of, nor be considered a generator, storer, transporter, or disposer of Hazardous Materials.

10.5 Subsurface sampling may result in unavoidable cross-contamination of certain subsurface areas, as when a probe or excavation/boring device moves through a contaminated zone and links it to an aquifer, underground stream, pervious soil stratum, or other hydrous body not previously contaminated, or connects an uncontaminated zone with a contaminated zone. Because sampling is an essential element of the Services indicated herein, CLIENT agrees this risk cannot be eliminated. Provided such services were performed in accordance with the Standard of Care, CLIENT waives, releases and discharges ECS from and against any claim for damage, injury, or loss allegedly arising from or related to such cross-contamination.

10.6 CLIENT understands that a Phase I Environmental Site Assessment (ESA) is conducted solely to permit ECS to render a professional opinion about the likelihood of the site having a Recognized Environmental Condition on, in, beneath, or near the Site at the time the Services are conducted. No matter how thorough a Phase I ESA study may be, findings derived from its conduct are highly limited and ECS cannot know or state for an absolute fact that the Site is unaffected or adversely affected by one or more Recognized Environmental Conditions. CLIENT represents and warrants that it understands the limitations associated with Phase I ESAs.

- 11.0 OWNERSHIP OF DOCUMENTS**
- 11.1 ECS shall be deemed the author and owner (or licensee) of all documents, technical reports, letters, photos, boring logs, field data, field notes, laboratory test data, calculations, designs, plans, specifications, reports, or similar documents and estimates of any kind furnished by it [the "Documents of Service"] and shall retain all common law, statutory and other reserved rights, including copyrights. CLIENT shall have a limited, non-exclusive license to use copies of the Documents of Service provided to it in connection with the Project for which the Documents of Service are provided until the completion of the Project.
- 11.2 ECS' Services are performed and Documents of Service are provided for the CLIENT'S sole use. CLIENT understands and agrees that any use of the Documents of Service by anyone other than the CLIENT, it's licensed consultants and its contractors is not permitted. CLIENT further agrees to indemnify and hold ECS harmless for any errors, omissions or damage resulting from its contractors' use of ECS' Documents of Service.
- 11.3 CLIENT agrees to not use ECS' Documents of Service for the Project if the Project is subsequently modified in scope, structure or purpose without ECS' prior written consent. Any reuse without ECS' written consent shall be at CLIENT'S sole risk and without liability to ECS or to ECS' subcontractor(s). CLIENT agrees to indemnify and hold ECS harmless for any errors, omissions or damage resulting from its use of ECS' Documents of Service after any modification in scope, structure or purpose.
- 11.4 CLIENT agrees to not make any modification to the Documents of Service without the prior written authorization of ECS. To the fullest extent permitted by law, CLIENT agrees to indemnify, defend, and hold ECS harmless from any damage, loss, claim, liability or cost (including reasonable attorneys' fees and defense costs) arising out of or in connection with any unauthorized modification of the Documents of Service by CLIENT or any person or entity that acquires or obtains the Documents of Service from or through CLIENT. CLIENT represents and warrants that the Documents of Service shall be used only as submitted by ECS.
- 12.0 SAFETY**
- 12.1 Unless expressly agreed to in writing in its Proposal, CLIENT agrees that ECS shall have no responsibility whatsoever for any aspect of site safety other than for its own employees. Nothing herein shall be construed to relieve CLIENT and/or its contractors, consultants or other parties from their responsibility for site safety. CLIENT also represents and warrants that the General Contractor is solely responsible for Project site safety and that ECS personnel may rely on the safety measures provided by the General Contractor.
- 12.2 In the event ECS assumes in writing limited responsibility for specified safety issues, the acceptance of such responsibilities does not and shall not be deemed an acceptance of responsibility for any other non-specified safety issues, including, but not limited to those relating to excavating, trenching, shoring, drilling, backfilling, blasting, or other construction activities.
- 13.0 CONSTRUCTION TESTING AND REMEDIATION SERVICES**
- 13.1 CLIENT understands that construction testing and observation services are provided in an effort to reduce, but cannot eliminate, the risk of problems arising during or after construction or remediation. CLIENT agrees that the provision of such Services does not create a warranty or guarantee of any type.
- 13.2 Monitoring and/or testing services provided by ECS shall not in any way relieve the CLIENT'S contractor(s) from their responsibilities and obligations for the quality or completeness of construction as well as their obligation to comply with applicable laws, codes, and regulations.
- 13.3 ECS has no responsibility whatsoever for the means, methods, techniques, sequencing or procedures of construction selected, for safety precautions and programs incidental to work or services provided by any contractor or other consultant. ECS does not and shall not have or accept authority to supervise, direct, control, or stop the work of any contractor or consultant or any of their subcontractors or subconsultants.
- 13.4 ECS strongly recommends that CLIENT retain ECS to provide construction monitoring and testing services on a full time basis to lower the risk of defective or incomplete Work being installed by CLIENT'S contractor(s). If CLIENT elects to retain ECS on a part time basis for any aspect of construction monitoring and/or testing, CLIENT accepts the risks that a lower level of construction quality may occur and that defective or incomplete work may result and not be detected by ECS' part time monitoring and testing. Unless the CLIENT can show that the error or omission is contained in ECS' reports, CLIENT waives, releases and discharges ECS from and against any other claims for errors, omissions, damages, injuries, or loss alleged to arise from defective or incomplete work that was monitored or tested by ECS on a part time basis. Except as set forth in the preceding sentence, CLIENT agrees to indemnify and hold ECS harmless from all damages, costs, and attorneys' fees, for any claims alleging errors, omissions, damage, injury or loss allegedly resulting from Work that was monitored or tested by ECS on a part time basis.
- 14.0 CERTIFICATIONS** - CLIENT may request, or governing jurisdictions may require, ECS to provide a "certification" regarding the Services provided by ECS. Any "certification" required of ECS by the CLIENT or jurisdiction(s) having authority over some or all aspects of the Project shall consist of ECS' inferences and professional opinions based on the limited sampling, observations, tests, and/or analyses performed by ECS at discrete locations and times. Such "certifications" shall constitute ECS' professional opinion of a condition's existence, but ECS does not guarantee that such condition exists, nor does it relieve other parties of the responsibilities or obligations such parties have with respect to the possible existence of such a condition. CLIENT agrees it cannot make the resolution of any dispute with ECS or payment of any amount due to ECS contingent upon ECS signing any such "certification."
- 15.0 BILLINGS AND PAYMENTS**
- 15.1 Billings will be based on the unit rates, plus travel costs, and other reimbursable expenses as stated in the Professional Fees section of the Proposal. Any Estimate of Professional Fees stated in these Terms shall not be considered as a not-to-exceed or lump sum amount unless otherwise explicitly stated. CLIENT understands and agrees that even if ECS agrees to a lump sum or not-to-exceed amount, that amount shall be limited to number of hours, visits, trips, tests, borings, or samples stated in the Proposal.
- 15.2 CLIENT agrees that all Professional Fees and other unit rates shall be adjusted annually to account for inflation based on the most recent 12-month average of the Consumer Price Index (CPI-U) for all items as established by www.bls.gov when the CPI-U exceeds an annual rate of 2.0%.
- 15.3 Should ECS identify a Changed Condition(s), ECS shall notify the CLIENT of the Changed Condition(s). ECS and CLIENT shall promptly and in good faith negotiate an amendment to the Scope of Services, Professional Fees, and time schedule.
- 15.4 CLIENT recognizes that time is of the essence with respect to payment of ECS' invoices, and that timely payment is a material consideration for this agreement. All payment shall be in U.S. funds drawn upon U.S. banks and in accordance with the rates and charges set forth in the Professional Fees. Invoices are due and payable upon receipt.
- 15.5 If CLIENT disputes all or part of an invoice, CLIENT shall provide ECS with written notice stating in detail the facts of the dispute within fifteen (15) calendar days of the invoice. CLIENT agrees to pay the undisputed amount of such invoice promptly.
- 15.6 ECS reserves the right to charge CLIENT an additional charge of one-and-one-half (1.5) percent (or the maximum percentage allowed by Law, whichever is lower) of the invoiced amount per month for any payment received by ECS more than thirty (30) calendar days from the date of the invoice, excepting any portion of the invoiced amount in dispute. All payments will be applied to accrued interest first and then to the unpaid principal amount. Payment of invoices shall not be subject to unilateral discounting or set-offs by CLIENT.
- 15.7 CLIENT agrees that its obligation to pay for the Services is not contingent upon CLIENT'S ability to obtain financing, zoning, approval of governmental or regulatory agencies, permits, final adjudication of a lawsuit, CLIENT'S successful completion of the Project, settlement of a real estate transaction, receipt of payment from CLIENT'S client, or any other event unrelated to ECS provision of Services. Retainage shall not be withheld from any payment, nor shall any deduction be made from any invoice on account of penalty, liquidated damages, or other sums incurred by CLIENT. It is agreed that all costs and legal fees including actual attorney's fees, and expenses incurred by ECS in obtaining payment under this Agreement, in perfecting or obtaining a lien, recovery under a bond, collecting any delinquent amounts due, or executing judgments, shall be reimbursed by CLIENT.
- 15.8 Unless CLIENT has provided notice to ECS in accordance with Section 16.0 of these Terms, payment of any invoice by the CLIENT shall mean that the CLIENT is satisfied with ECS' Services and is not aware of any defects in those Services.
- 16.0 DEFECTS IN SERVICE**
- 16.1 CLIENT, its personnel, its consultants, and its contractors shall promptly inform ECS during active work on any project of any actual or suspected defects in the Services so to permit ECS to take such prompt, effective remedial measures that in ECS' opinion will reduce or eliminate the consequences of any such defective Services. The correction of defects attributable to ECS' failure to perform in accordance with the Standard of Care shall be provided at no cost to CLIENT. However, ECS shall not be responsible for the correction of any deficiency attributable to CLIENT-furnished information, the errors, omissions, defective materials, or improper installation of materials by CLIENT'S personnel, consultants or contractors, or work not observed by ECS. CLIENT shall compensate ECS for the costs of correcting such defects.
- 16.2 Modifications to reports, documents and plans required as a result of jurisdictional reviews or CLIENT requests shall not be considered to be defects. CLIENT shall compensate ECS for the provision of such Services.
- 17.0 INSURANCE** - ECS represents that it and its subcontractors and subconsultants maintain Workers Compensation insurance, and that ECS is covered by general liability, automobile and professional liability insurance policies in coverage amounts it deems reasonable and adequate. ECS shall furnish certificates of insurance upon request. The CLIENT is responsible for requesting specific inclusions or limits of coverage that are not present in ECS insurance package. The cost of such inclusions or coverage increases, if available, will be at the expense of the CLIENT.
- 18.0 LIMITATION OF LIABILITY**
- 18.1 CLIENT AGREES TO ALLOCATE CERTAIN RISKS ASSOCIATED WITH THE PROJECT BY LIMITING ECS' TOTAL LIABILITY TO CLIENT ARISING FROM ECS' PROFESSIONAL LIABILITY, I.E. PROFESSIONAL ACTS, ERRORS, OR OMISSIONS AND FOR ANY AND ALL CAUSES INCLUDING NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT, OR BREACH OF WARRANTY, INJURIES, DAMAGES, CLAIMS, LOSSES, EXPENSES, OR CLAIM EXPENSES (INCLUDING REASONABLE ATTORNEY'S FEES) RELATING TO PROFESSIONAL SERVICES PROVIDED UNDER THIS AGREEMENT TO THE FULLEST EXTENT PERMITTED BY LAW. THE ALLOCATION IS AS FOLLOWS.**
- 18.1.1 If the proposed fees are \$10,000 or less, ECS' total aggregate liability to CLIENT shall not exceed \$20,000, or the total fee received for the services rendered, whichever is greater.
- 18.1.2 If the proposed fees are in excess of \$10,000, ECS' total aggregate liability to CLIENT shall not exceed \$50,000, or two (2) times the total fee for the services rendered, whichever is greater.
- 18.2 CLIENT agrees that ECS shall not be responsible for any injury, loss or damage of any nature, including bodily injury and property damage, arising directly or indirectly, in whole or in part, from acts or omissions by the CLIENT, its employees, agents, staff, consultants, contractors, or subcontractors to the extent such injury, damage, or loss is caused by acts or omissions of CLIENT, its employees, agents, staff, consultants, contractors, subcontractors or person/entities for whom CLIENT is legally liable.
- 18.3 CLIENT agrees that ECS' liability for all non-professional liability arising out of this agreement or the services provided as a result of the Proposal be limited to \$500,000.
- 19.0 INDEMNIFICATION**
- 19.1 Subject Section 18.0, ECS agrees to hold harmless and indemnify CLIENT from and against damages arising from ECS' negligent performance of its Services, but only to the extent that such damages are found to be caused by ECS' negligent acts, errors or omissions, (specifically excluding any damages caused by any third party or by the CLIENT.) ECS does

- not waive any limitations it may have on its liability under the Illinois Workers Compensation Act, or any other statute.
- 19.2 To the fullest extent permitted by Law, CLIENT agrees to indemnify, and hold ECS harmless from and against any and all liability, claims, damages, demands, fines, penalties, costs and expenditures (including reasonable attorneys' fees and costs of litigation defense and/or settlement) ["Damages"] caused in whole or in part by the negligent acts, errors, or omissions of the CLIENT or CLIENT'S employees, agents, staff, contractors, subcontractors, consultants, and clients, provided such Damages are attributable to: (a) the bodily injury, personal injury, sickness, disease and/or death of any person; (b) the injury to or loss of value to tangible personal property; or (c) a breach of these Terms. The foregoing indemnification shall not apply to the extent such Damage is found to be caused by the sole negligence, errors, omissions or willful misconduct of ECS.
- 19.3 It is specifically understood and agreed that in no case shall ECS be required to pay an amount of Damages disproportional to ECS' culpability. **IF CLIENT IS A HOMEOWNER, HOMEOWNERS' ASSOCIATION, CONDOMINIUM OWNER, CONDOMINIUM OWNER'S ASSOCIATION, OR SIMILAR RESIDENTIAL OWNER, ECS RECOMMENDS THAT CLIENT RETAIN LEGAL COUNSEL BEFORE ENTERING INTO THIS AGREEMENT TO EXPLAIN CLIENT'S RIGHTS AND OBLIGATIONS HEREUNDER, AND THE LIMITATIONS, AND RESTRICTIONS IMPOSED BY THIS AGREEMENT. CLIENT AGREES THAT FAILURE OF CLIENT TO RETAIN SUCH COUNSEL SHALL BE A KNOWING WAIVER OF LEGAL COUNSEL AND SHALL NOT BE ALLOWED ON GROUNDS OF AVOIDING ANY PROVISION OF THIS AGREEMENT.**
- 19.4 **IF CLIENT IS A RESIDENTIAL BUILDER OR RESIDENTIAL DEVELOPER, CLIENT SHALL INDEMNIFY AND HOLD HARMLESS ECS AGAINST ANY AND ALL CLAIMS OR DEMANDS DUE TO INJURY OR LOSS INITIATED BY ONE OR MORE HOMEOWNERS, UNIT-OWNERS, OR THEIR HOMEOWNER'S ASSOCIATION, COOPERATIVE BOARD, OR SIMILAR GOVERNING ENTITY AGAINST CLIENT WHICH RESULTS IN ECS BEING BROUGHT INTO THE DISPUTE.**
- 19.5 **IN NO EVENT SHALL THE DUTY TO INDEMNIFY AND HOLD ANOTHER PARTY HARMLESS UNDER THIS SECTION 19.0 INCLUDE THE DUTY TO DEFEND.**
- 20.0 CONSEQUENTIAL DAMAGES**
- 20.1 CLIENT shall not be liable to ECS and ECS shall not be liable to CLIENT for any consequential damages incurred by either due to the fault of the other or their employees, consultants, agents, contractors or subcontractors, regardless of the nature of the fault or whether such liability arises in breach of contract or warranty, tort, statute, or any other cause of action. Consequential damages include, but are not limited to, loss of use and loss of profit.
- 20.2 ECS shall not be liable to CLIENT, or any entity engaged directly or indirectly by CLIENT, for any liquidated damages due to any fault, or failure to act, in part or in total by ECS, its employees, agents, or subcontractors.
- 21.0 SOURCES OF RECOVERY**
- 21.1 All claims for damages related to the Services provided under this agreement shall be made against the ECS Entity contracting with the CLIENT for the Services, and no other person or entity. CLIENT agrees that it shall not name any affiliated entity including parent, peer, or subsidiary entity or any individual officer, director, or employee of ECS, specifically including its professional engineers and geologists.
- 21.2 In the event of any dispute or claim between CLIENT and ECS arising out of in connection with the Project and/or the Services, CLIENT and ECS agree that they will look solely to each other for the satisfaction of any such dispute or claim. Moreover, notwithstanding anything to the contrary contained in any other provision herein, CLIENT and ECS' agree that their respective shareholders, principals, partners, members, agents, directors, officers, employees, and/or owners shall have no liability whatsoever arising out of or in connection with the Project and/or Services provided hereunder. In the event CLIENT brings a claim against an affiliated entity, parent entity, subsidiary entity, or individual officer, director or employee in contravention of this Section 21, CLIENT agrees to hold ECS harmless from and against all damages, costs, awards, or fees (including attorneys' fees) attributable to such act.
- 22.0 THIRD PARTY CLAIMS EXCLUSION** - CLIENT and ECS agree that the Services are performed solely for the benefit of the CLIENT and are not intended by either CLIENT or ECS to benefit any other person or entity. To the extent that any other person or entity is benefited by the Services, such benefit is purely incidental and such other person or entity shall not be deemed a third party beneficiary to the AGREEMENT. No third-party shall have the right to rely on ECS' opinions rendered in connection with ECS' Services without written consent from both CLIENT and ECS, which shall include, at a minimum, the third-party's agreement to be bound to the same Terms and Conditions contained herein and third-party's agreement that ECS' Scope of Services performed is adequate.
- 23.0 DISPUTE RESOLUTION**
- 23.1 In the event any claims, disputes, and other matters in question arising out of or relating to these Terms or breach thereof (collectively referred to as "Disputes"), the parties shall promptly attempt to resolve all such Disputes through executive negotiation between senior representatives of both parties familiar with the Project. The parties shall arrange a mutually convenient time for the senior representative of each party to meet. Such meeting shall occur within fifteen (15) days of either party's written request for executive negotiation or as otherwise mutually agreed. Should this meeting fail to result in a mutually agreeable plan for resolution of the Dispute, CLIENT and ECS agree that either party may bring litigation.
- 23.2 CLIENT shall make no claim (whether directly or in the form of a third-party claim) against ECS unless CLIENT shall have first provided ECS with a written certification executed by an independent engineer licensed in the jurisdiction in which the Project is located, reasonably specifying each and every act or omission which the certifier contends constitutes a violation of the Standard of Care. Such certificate shall be a precondition to the institution of any judicial proceeding and shall be provided to ECS thirty (30) days prior to the institution of such judicial proceedings.
- 23.3 Litigation shall be instituted in a court of competent jurisdiction in the county or district in which ECS' office contracting with the CLIENT is located. The parties agree that the law applicable to these Terms and the Services provided pursuant to the Proposal shall be the laws of the Commonwealth of Virginia, but excluding its choice of law rules. Unless otherwise mutually agreed to in writing by both parties, CLIENT waives the right to remove any litigation action to any other jurisdiction. Both parties agree to waive any demand for a trial by jury.
- 24.0 CURING A BREACH**
- 24.1 A party that believes the other has materially breached these Terms shall issue a written cure notice identifying its alleged grounds for termination. Both parties shall promptly and in good faith attempt to identify a cure for the alleged breach or present facts showing the absence of such breach. If a cure can be agreed to or the matter otherwise resolved within thirty (30) calendar days from the date of the termination notice, the parties shall commit their understandings to writing and termination shall not occur.
- 24.2 Either party may waive any right provided by these Terms in curing an actual or alleged breach; however, such waiver shall not affect future application of such provision or any other provision.
- 25.0 TERMINATION**
- 25.1 CLIENT or ECS may terminate this agreement for breach or these terms, non-payment, or a failure to cooperate. In the event of termination, the effecting party shall so notify the other party in writing and termination shall become effective fourteen (14) calendar days after receipt of the termination notice.
- 25.2 Irrespective of which party shall effect termination, or the cause therefore, ECS shall promptly render to CLIENT a final invoice and CLIENT shall immediately compensate ECS for Services rendered and costs incurred including those Services associated with termination itself, including without limitation, demobilizing, modifying schedules, and reassigning personnel.
- 26.0 TIME BAR TO LEGAL ACTION** - Unless prohibited by law, and notwithstanding any Statute that may provide additional protection, CLIENT and ECS agree that a lawsuit by either party alleging a breach of this agreement, violation of the Standard of Care, non-payment of invoices, or arising out of the Services provided hereunder, must be initiated in a court of competent jurisdiction no more than two (2) years from the time the party knew, or should have known, of the facts and conditions giving rise to its claim, and shall under no circumstances shall such lawsuit be initiated more than three (3) years from the date of substantial completion of ECS' Services.
- 27.0 ASSIGNMENT** - CLIENT and ECS respectively bind themselves, their successors, assigns, heirs, and legal representatives to the other party and the successors, assigns, heirs and legal representatives of such other party with respect to all covenants of these Terms. Neither CLIENT nor ECS shall assign these Terms, any rights thereunder, or any cause of action arising therefrom, in whole or in part, without the written consent of the other. Any purported assignment or transfer, except as permitted above, shall be deemed null, void and invalid, the purported assignee shall acquire no rights as a result of the purported assignment or transfer and the non-assigning party shall not recognize any such purported assignment or transfer.
- 28.0 SEVERABILITY** - Any provision of these Terms later held to violate any law, statute, or regulation, shall be deemed void, and all remaining provisions shall continue in full force and effect. CLIENT and ECS shall endeavor to quickly replace a voided provision with a valid substitute that expresses the intent of the issues covered by the original provision.
- 29.0 SURVIVAL** - All obligations arising prior to the termination of the agreement represented by these Terms and all provisions allocating responsibility or liability between the CLIENT and ECS shall survive the substantial completion of Services and the termination of the agreement.
- 30.0 TITLES; ENTIRE AGREEMENT**
- 30.1 The titles used herein are for general reference only and are not part of the Terms and Conditions.
- 30.2 These Terms and Conditions of Service together with the Proposal, including all exhibits, appendixes, and other documents appended to it, constitute the entire agreement between CLIENT and ECS. CLIENT acknowledges that all prior understandings and negotiations are superseded by this agreement.
- 30.3 CLIENT and ECS agree that subsequent modifications to the agreement represented by these shall not be binding unless made in writing and signed by authorized representatives of both parties.
- 30.4 All preprinted terms and conditions on CLIENT'S purchase order, Work Authorization, or other service acknowledgement forms, are inapplicable and superseded by these Terms and Conditions of Service.
- 30.5 CLIENT'S execution of a Work Authorization, the submission of a start work authorization (oral or written) or issuance of a purchase order constitutes CLIENT'S acceptance of this Proposal and its agreement to be fully bound the foregoing Terms. If CLIENT fails to provide ECS with a signed copy of these Terms or the attached Work Authorization, CLIENT agrees that by authorizing and accepting the services of ECS, it will be fully bound by these Terms as if they had been signed by CLIENT.

**A MOTION TO AUTHORIZE THE BOARD OF FIRE AND POLICE
COMMISSIONERS TO PROCEED WITH THE HIRING OF A
FIREFIGHTER/PARAMEDIC FOR THE VILLAGE OF BROADVIEW, ILLINOIS
FIRE DEPARTMENT.**

I hereby move to authorize the Board of Fire and Police Commissioners to proceed with the hiring of a firefighter/paramedic for the Village of Broadview, Illinois Fire Department.

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 2, SECTIONS 5-2-1 AND 5-2-3 OF THE BROADVIEW VILLAGE CODE IN CONNECTION WITH ADOPTING CERTAIN FIRE CODES AND LIFE SAFETY CODES FOR THE VILLAGE OF BROADVIEW, COUNTY OF COOK, STATE OF ILLINOIS.

* * * * *

WHEREAS, the Village of Broadview, County of Cook, State of Illinois (the “Village”) is a duly organized and existing village created under the provisions of the laws of the State of Illinois and is now operating under the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto, with full powers to enact ordinances and adopt resolutions for the benefit of the residents of the Village; and

WHEREAS, pursuant to Section 1-3-2 of the Illinois Municipal Code (65 ILCS 5/1-3-2), a municipality may adopt by reference, as criteria for the issuance of construction, reconstruction, alteration or installation permits, all or part of the provisions of regulations without setting forth those provisions in full if at least one (1) copy of those regulations is filed in the Office of the Clerk of the municipality and is kept available for public use, inspection and examination; and

WHEREAS, the Village President (the “President”) and Board of Trustees of the Village (the “Village Board” and together with the President, the “Corporate Authorities”) are committed to protecting the health, safety and welfare of individuals residing in, working in and visiting the Village; and

WHEREAS, fire codes and life safety codes provide safeguards to help ensure that buildings are constructed, altered, repaired and maintained in a safe and efficient manner, thereby reducing deaths, injuries and property damage; and

WHEREAS, based on the foregoing, the Corporate Authorities have determined that it is necessary, advisable and in the best interests of the Village to amend Chapter 2, Sections 5-2-1 and 5-2-3 of the Village Code of Broadview, Illinois (the “Village Code”) in connection with adopting a certain fire code and a certain life safety code for the Village;

NOW, THEREFORE, BE IT ORDAINED by the President and the Village Board of the Village of Broadview, County of Cook, State of Illinois, as follows:

**ARTICLE I.
IN GENERAL**

Section 01. Incorporation Clause.

All of the recitals hereinbefore stated as contained in the preambles to this Ordinance are full, true and correct, and the Corporate Authorities do hereby, by reference, incorporate and make them part of this Ordinance as legislative findings.

Section 02. Purpose.

The purpose of this Ordinance is to amend Chapter 2, Sections 5-2-1 and 5-2-3 of the Village Code in connection with adopting certain fire codes for the Village.

Section 03. Invocation of Authority.

This Ordinance is enacted pursuant to the authority granted to the Village by the Constitution of the State of Illinois and the Illinois Compiled Statutes.

Section 04. State Law Adopted.

All applicable provisions of the Illinois Compiled Statutes, including the Illinois Municipal Code, as may be amended from time to time, relating to the purposes of this Ordinance are hereby incorporated herein by reference.

Sections 05-09. Reserved.

**ARTICLE II.
AUTHORIZATION;
AMENDMENT OF CHAPTER 2, SECTIONS 5-2-1 AND 5-2-3 OF THE
BROADVIEW VILLAGE CODE**

Section 10. Amendment of Chapter 2, Sections 5-2-1 and 5-2-3

That the Municipal Code of Broadview, Illinois is hereby amended, notwithstanding any provision, ordinance, resolution or Village Code section to the contrary, by amending Chapter 2, Section 5-2-1 as follows,

5-2-1: FIRE PREVENTION CODE ADOPTED:

There is hereby adopted for the purpose of prescribing regulations governing conditions hazardous to life and property from fire or explosion, those certain codes known as the International Fire Code (2015 edition) ~~BOCA National Fire Prevention Code, latest edition, as published by the Building Officials and Code Administrators International, Inc., and the Life Safety Code, NFPA 101 (2012 edition), latest edition, as published by the National Fire Protection Association,~~ save and except those portions as are hereinafter deleted, modified or amended, of which codes not less than three (3) copies have been for at least thirty (30) days and now are on file in the office of the Village Clerk and the same are hereby adopted and incorporated as if fully set forth herein, and from the effective date hereof, the provisions thereof shall be controlling within the limits of the Village.

~~5-2-3: AMENDMENTS TO FIRE PREVENTION CODE:~~

~~The section numbers hereinafter set forth refer to sections of the BOCA National Fire Prevention Code to be amended as aforesaid. The following sections of the BOCA National Fire Prevention Code are amended as follows:~~

~~Section F-112.0 – Means of Appeal:~~

~~Sections F 112.2 through F 112.7 shall be deleted and amended as follows: (Ord. 92-4, 2-17-1992)~~

~~Decisions: The Village President, Fire Chief and the Chief Enforcement Officer shall act as a committee to determine and specify, after giving affected persons an opportunity to be heard, any new materials, processes or occupancies which shall require permits, in addition to those now enumerated in such Code.~~

~~Section F-306.0 – Decorative Materials:~~

~~Add section F 306.4 Christmas Fire Safety Regulations to read as follows:~~

~~All holiday decorative material used in all use groups, with the exception of Use Group R, (Residential) shall be made of noncombustible material wherever possible. When other materials must be used they are to be flame proofed.~~

~~Section F 317.0 – Cellulose Nitrate (Pyroxylin) Plastics:~~

~~Section F 317.1 – General.~~

~~Delete "shall comply with NFPA 40E listed in Appendix A" and add "shall be prohibited within the Municipality limits".~~

~~Sections F 317.2 through F 317.4 – delete in its entirety.~~

~~Section F 404.0 – Fire Protection Systems:~~

~~Section F 404.3 – Fire Standpipes:~~

~~Delete "six" stories and change to "three" stories.~~

~~Section F 404.4 – Single and multiple station smoke detectors:~~

~~Add: In any and all multiple family dwellings, all common areas, such as hallways, stairways, basements and laundry/storage areas are required to have smoke detectors that provide an alarm suitable to warn the occupants of the building.~~

~~Section F 406.0 – Mechanical Equipment Control:~~

~~Section F 406.1 – Delete "six" stories and change to "three" stories.~~

~~Section F 500.0 – General:~~

~~Add Section F 500.7 – Supervision of Fire Alarm Systems.~~

~~All fire alarm systems and fire suppression systems shall be supervised by the municipal fire dispatch center or other authorized agency as approved by the Fire Prevention Bureau.~~

~~Section F 700.0 – General:~~

~~Add Section F 700.2 – Access Key Boxes.~~

~~Where access to or within a structure, space or area is not provided twenty four (24) hours per day, all days of the year because of secured openings, or where immediate access is necessary for life or firefighting purposes, an approved key box shall be of a type approved by the Fire Prevention Bureau and shall contain keys necessary to gain access as required by the Fire Prevention Bureau.~~

~~Where access to or within a structure, space or area is not provided twenty four (24) hours per day, all days of the year because of secured openings, or where immediate entry into buildings and property without forced entry damage or delay is necessary for life or firefighting purposes, a key box shall be installed of a type approved by the Fire Prevention Bureau. Each Key Box is keyed for master key controlled by the Broadview Fire Department. Property owners will purchase and store their master keys, access cards, door codes, gate keys, etc. necessary to gain access to building. Security Keyed Boxes will be mounted near building entrances at approved locations as determined by the Authority Having Jurisdiction.~~

Section 809.0 – Number of Exits:

~~Section 809.3 – Delete and amend as follows:~~

~~All use group occupancies within the municipality limits are required to have a minimum of two (2) exits per floor, which shall include above and/or below grade level.~~

Section 1016.0 – Fire Protective Signaling Systems:

~~Section 1016.4 – Where Required: Add:~~

~~Use Groups F, H, M, S.: A fire protective signaling system shall be installed in each of these occupancies and shall include manual fire alarm boxes and visible and audible alarms installed at each exit of each occupancy.~~

Section F-2400.0 – General:

Section F 2400.1 – Scope:

~~The limits referred to in this article on storage of flammable compressed gas shall be deleted and read as follows: No bulk storage of Liquefied Petroleum Gases (LPG) or any other flammable compressed gases shall be prohibited to be stored above ground within the municipality limited.~~

Section F-2600.0 – General:

~~Section F 2600.1 – Scope:~~

~~The limits referred to in this article for the storage, manufacturing, possession, sale and transportation of explosives, ammunition and blasting agents shall be deleted and read as follows: Storage, sale, possession, manufacturing and transportation of explosives, ammunition and blasting agents is prohibited within the Municipality limits.~~

Exception:

~~Where small arms ammunition is for sale for the use of sport or other use in an official capacity as deemed appropriate by the Fire Prevention Bureau.~~

Section F 2805.0 – Above Ground Tank Storage:

Sections F 2805.1 through F 2805.4:

~~Delete and amend as follows: Above ground storage of flammable and/or combustible liquids is prohibited within the municipality limits.~~

Exceptions:

~~A. Class III B combustible liquid having a flash point at or above 350 degrees Fahrenheit.~~

~~B. All other limited quantities of flammable and/or combustible liquids allowed above ground as permitted by the Fire Prevention Bureau shall be stored in approved flammable liquids cabinets and/or storage rooms designed for such purposes.~~

Section F 3000.0 – General:

Section F 3001.1 – Above Ground:

~~Delete section pertaining to above ground storage and amend as follows: Above ground bulk storage of Liquefied Petroleum Gases is prohibited within the municipality limits.~~

The officers, employees and/or agents of the Village shall take all action necessary or reasonably required to carry out and give effect to this Ordinance and shall take all action necessary in conformity therewith. The officers, employees and/or agents of the Village are specifically authorized and directed to draft and disseminate any and all necessary forms to be utilized in connection with this Ordinance.

**ARTICLE III.
HEADINGS, SAVINGS CLAUSES, EFFECTIVE DATE**

Section 11. Headings.

The headings of the articles, sections, paragraphs and subparagraphs of this Ordinance are inserted solely for the convenience of reference and form no substantive part of this Ordinance nor should they be used in any interpretation or construction of any substantive provision of this Ordinance.

Section 12. Severability.

The provisions of this Ordinance are hereby declared to be severable and should any provision of this Ordinance be determined to be in conflict with any law, statute or regulation by a court of competent jurisdiction, said provision shall be excluded and deemed inoperative, unenforceable and as though not provided for herein and all other provisions shall remain unaffected, unimpaired, valid and in full force and effect.

Section 13. Superseder.

All code provisions, ordinances, resolutions, rules and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby superseded.

Section 14. Effective Date.

This Ordinance shall be effective and in full force upon its passage and approval.

[THE REMAINDER OF THIS SPACE INTENTIONALLY LEFT BLANK]

ADOPTED by the Village Board of the Village of Broadview, Cook County, Illinois on this ___ day of _____ 2018, pursuant to a roll call vote, as follows:

| | YES | NO | ABSENT | PRESENT |
|------------------|------------|-----------|---------------|----------------|
| Brown-Marino | | | | |
| Ealey | | | | |
| Tierney | | | | |
| Horne | | | | |
| Abraham | | | | |
| Jones | | | | |
| (Mayor Thompson) | | | | |
| TOTAL | | | | |

SO PASSED, ADOPTED, APPROVED AND ENACTED IN AND AT THE VILLAGE OF BROADVIEW, COUNTY OF COOK, STATE OF ILLINOIS, THIS _____ DAY OF _____ 2018.

APPROVED,

VILLAGE PRESIDENT

ATTEST: _____
Village Clerk

**Recorded in the Municipal Records:
Published in Pamphlet Form:**

ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE 5 OF THE BROADVIEW VILLAGE CODE REGARDING FIRE ALARM SYSTEMS IN THE VILLAGE OF BROADVIEW, COUNTY OF COOK, STATE OF ILLINOIS.

* * * * *

WHEREAS, the Village of Broadview, County of Cook, State of Illinois (the “Village”) is a duly organized and existing village created under the provisions of the laws of the State of Illinois and is now operating under the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto, with full powers to enact ordinances and adopt resolutions for the benefit of the residents of the Village; and

WHEREAS, the Village President (the “President”) and the Village Board (the “Village Board” and with the President, the “Corporate Authorities”) are committed to ensuring the effective administration of government; and

WHEREAS, the Code of Ordinances for the Village of Broadview (the “Village Code”) currently regulates fire protection and prevention under Title 5 of the Village Code (the “Existing Regulations”); and

WHEREAS, the Corporate Authorities have determined that it is in the best interests of the Village and its residents to amend Title 5 of the Village Code to add Chapter 5, Fire Alarm Systems, in order to adopt certain regulations related to fire alarm systems throughout the Village;

NOW, THEREFORE, BE IT ORDAINED by the President and the Village Board of the Village of Broadview, County of Cook, State of Illinois, as follows:

**ARTICLE I.
IN GENERAL**

Section 01. Incorporation Clause.

All of the recitals hereinbefore stated as contained in the preambles to this Ordinance are full, true and correct, and the Corporate Authorities do hereby, by reference, incorporate and make them part of this Ordinance as legislative findings.

Section 02. Purpose.

The purpose of this Ordinance is to amend Title 5 to add Chapter 5 regarding fire alarm system regulations and to authorize the President and other Village officials to take all action necessary to carry out the intent of this Ordinance.

Section 03. Invocation of Authority.

This Ordinance is enacted pursuant to the authority granted to the Village by the Constitution of the State of Illinois and the Illinois Compiled Statutes.

Section 04. State Law Adopted.

All applicable provisions of the Illinois Compiled Statutes, including the Illinois Municipal Code, as may be amended from time to time, relating to the purposes of this Ordinance are hereby incorporated herein by reference.

Sections 05-09. Reserved.

**ARTICLE II.
AMENDMENT TO TITLE 5 OF THE VILLAGE CODE**

Section 10. Amendment to Title 5.

That Title 5 of the Village Code is hereby amended, notwithstanding any provision, ordinance, resolution or Village Code section to the contrary, by adding Chapter 5 as follows:

Chapter 5

FIRE ALARM SYSTEMS

5-5-1: PLAN SUBMISSION/PERMITS REQUIRED:

5-5-2: PLAN REVIEW:

5-5-3: INSTALLATION REQUIREMENTS:

5-5-4: COMPLETION AND INSPECTION:

5-5-1: PLAN SUBMISSION:

All persons seeking to install any fire alarm, sprinkler/fire protection or kitchen or special hazard protection system shall complete and submit a set of plans and a plan submittal checklist, which can be obtained from the Village or by emailing fireinspector@broadview-il.gov before any permits will be issued to allow any work to proceed. The installation of a fire alarm, sprinkler/fire protection or kitchen or special hazard protection system shall require a permit issued by the Village. The cost of said permit shall be determined in accordance with the village code and the work being performed.

5-5-2: PLAN REVIEW:

Any applicant wishing to install a fire alarm, sprinkler/fire protection or kitchen or special hazard protection system shall submit an application for plan review of said planned installation. The minimum information required before a plan review will be initiated is as follows:

- a) The address where the work is to be performed including the name and phone number of the building owner.
- b) Name, address, phone, fax, e-mail, and state contractor's license number of any contractors or subcontractors who are installing or otherwise working on a fire alarm, sprinkler/fire protection or special hazard protection system, including the designated contact person.
- c) All plans shall include a statement indicating that "This installation and design is in accordance with Village of Broadview Fire Alarm Requirements, {current adopted version, contact Fire Prevention Bureau} National Fire Protection Association ("NFPA") 70/72, ICC, IFC Sec 907, and manufacturer's specifications".
- d) Creation date of plan, revision dates, point of compass, scale and graphic representation of scale shall be clearly indicated on the plans.
- e) Description of the scope of work and legend of devices on drawing shall be indicated on or appended to the plans.
- f) Manufacturers cut sheets for all equipment, clearly indicating which models will be utilized shall be included with the plans. If components from different manufacturer are to be used, then manufacturer statement of compatibility of said parts shall be included in submission.

- g) Floor plan(s) indicating all device locations and clearly identifying rooms, use of said rooms, use of areas, etc. shall be included with the plans.
- h) The plans shall include a 1-line diagram (riser), including power connection and conductor type and sizes.
- i) Clear description of ceiling construction and height or detailed elevation drawing shall be included.
- j) The name and the contact information of the fire alarm designer is to be listed on plans with proof of their qualifications in accordance with NFPA 72 4.3.2.2.
- k) Plan or drawing revisions shall be submitted with changes clouded. Other changes or corrections shall be clearly identified.
- l) The plans shall indicate the AES Radio and Central station in your submittal document. All New or Existing Fire alarms shall utilize only an AES radio for transmitting alarm to UL approved Central station. All required test results shall be transmitted to Broadview Fire Prevention Bureau or to approved vender (company) in timely manner.

Failure to provide the necessary information may delay the review process or result in the rejection of an application.

5-5-3: INSTALLATION REQUIREMENTS

The following shall be required for all fire alarm installations:

- a) As per NFPA 72 4.3.3 (1) and (2), installation personnel shall be qualified or shall be supervised by persons who are qualified and experienced in the installation, inspection, and testing of the fire alarm systems. The installer shall be at least NICET (or equivalent) Level II certified in the field of fire alarm systems and/or be factory trained on the control equipment being installed.
- b) All fire alarm systems must be 24 volts. All previous or abandoned system components will be removed per NFPA 70/72
- c) Two sets of stamped plans, drawn to an indicated scale (1/8" scale), must be submitted for review and approval. A minimum of two (2) sets of pictured product data submittals with highlighted and/or indicated model numbers including the manufacturer information sheets for all control units, all initiating devices, all notification devices, all control/monitor modules, and all supplementary equipment shall be included.
- d) Supply Battery calculations must be provided. Storage batteries require the capacity to monitor the protected-premises system for at least forty-eight (48) hours, plus five (5) minutes sounding the alarms. Max voltage drop of 15% shall be allowed. The installation date shall be written or otherwise indicated on all batteries.
- e) Fire Alarm Control Panel ("FACP") must note Circuit breaker location, FACP position number, and emergency contact info as are to be posted on or inside of the FACP door.
- f) The Village of Broadview will not approve the installation and use of any panel that requires codes or special knowledge to operate or reset. Remote annunciators will be

key controlled (no password) and be capable of silencing and resetting using a one button function. FACP will be keyed alike.

- g) Fire detection equipment shall not be integrated into a burglar alarm system.
- h) “Pull stations” shall be flush mounted (back box when needed) and will be installed to NFPA 72 specifications. Pull stations located where they are subject to impact damage are to be fitted with protective covers. Pull stations will be dual action. FACP and pull stations will be keyed alike.
- i) All detectors located in concealed areas and spaces shall have remote indicating lights mounted in a clearly visible area as close as possible to the location of the detector. Remote test station shall be installed. The indicating light shall latch to remain solid red in color until panel is reset.
- j) Location of any automatic extinguishing systems shall be shown on plans and riser diagrams. All systems of this type must be tied into the fire alarm system and zoned separately. All Valves controlling any part of a new or existing suppression system(s) shall be electronically supervised by the Fire Alarm panel.
- k) All smoke or heat detectors to be used are to be equipped with a steady red indicator light that illuminates upon activation. Light must remain illuminated until panel is reset.
- l) Strobes will be placed outside occupancy. The strobes shall be: (1) a weatherproof (A loop wire installation) red strobe to be installed on the exterior of the building, facing street, to activate on general alarm; and (2) a weatherproof (A loop wire installation) white strobe to be placed by FDC to activate on water flow only. End of line resistors (“EOLs”) may not be placed outdoors.
- m) System will be remotely monitored by a UL approved Central Station utilizing AES radio only. A 24-hour central station contact number is to be conspicuously posted by the FACP. A 6 hour check in or 12 hours with tamper system shall be placed on door of radio.
- n) Smoke detectors shall be required to be located near all FACP, notification appliance circuit (“NAC”) or Horn Boosters as provided for in the NFPA 72.
- o) Firewire shall be placed in all conduit to minimal stub height of 10’ with chaffing protection & service loop.
- p) Horn/Strobe circuits to be minimum 14-gauge jacketed fire wire or 14-gauge THHN for piped runs.
- q) All initiating (SLC) circuits shall use, at a minimum a 16-gauge wire.
- r) All duct/smoke detectors will shut down their respective fans on air handler and be hardwired to FACP on resettable circuit per NFPA 92/96.
- s) When a Fire Alarm is required by NFPA 101 2012, IFC 2015 or Village of Broadview Ordinance it shall be an addressable-type automatic fire alarm system (new or replacement system); such systems are required

Under the following conditions:

(a) Where buildings are two (2) stories in height, multi-tenant, multiple protection systems; or

(b) Where any one building is greater than 5,000 SF; or

(c) In all A1, A2, E, I1, I2, I3, R1, R2, H type occupancies (*R2 requirement number of sleeping units shall be reduced from 16 to 12):

5-5-4: COMPLETION AND INSPECTION:

At a minimum, during the installation of any fire systems the following inspections are required:

- a) Rough-in inspection to be completed before wiring or wiring methods is concealed.
- b) Overhead inspections to be completed before the installation of ceiling tiles or ceiling system.
- c) Final Inspection shall include but not be limited to: verification of device placement, functional test of system, response time test, and a review of contractors 100% self-inspection documentation.

**If work is found to have commenced without approved plans and/or a proper permit, the Broadview Fire Prevention Bureau may shut down any/all portions of the project deemed necessary to inspect, investigate and confirm that work has been done. If any portion of the work performed is not clearly visible or readily accessible, the owner or applicant will be ordered to demolish, disassemble or remove any and all obstructions regardless of the cost incurred. Failure to comply will result in the suspension/revocation of any building or other permits related to the site and the issuance of a code violation citation.

Failure to call for an inspection may result in delays or required covered work to be uncovered for visual inspections.

- d) An acceptance test of the entire system will be conducted by the main installer, not supervisors or testers. All equipment and personnel needed will be supplied by installing contractor. AS BUILT drawings will be submitted to Fire Chief or designees, or the Fire Prevention Officer or designee prior to test. Electronic copy to be emailed to fireinspector@broadview-il.gov upon acceptance.
- e) Complete the "Fire Alarm System - Record of Completion" form (or equivalent) as found in the adopted issue of. NFPA 72.
- f) Zone maps/floor plan drawings a minimum size of 11" x 17" or as required by the Fire Chief or designees, or the Fire Prevention Officer or designee will be supplied. Maps shall be permanently mounted, framed and suitably protected and located by FACP and annunciator.
- g) A cabinet for permanent fire alarm records is required to be installed in every new building with a fire alarm system and in existing buildings when a new fire alarm system is installed. The cabinet for permanent fire alarm records is to be located adjacent to the fire alarm control panel, or as approved by the authority having jurisdiction. The cabinet is required to meet the following specifications:

- Be of durable construction; and

- Securable if keyed, keyed the same as the control panel; and
- Marked in contrasting letters, “Permanent Fire Alarm System Records Do Not Remove”.

h) The cabinet is required to contain the following:

- Complete set of as-built drawings, as well as system modification drawings; and
- A copy of the NFPA Record of Completion; and
- A copy of the original test printout; and
- A complete copy of the operating instructions for the entire system; and
- A copy of previous testing and inspection forms. (min of last 3 years).

**ARTICLE III.
AUTHORIZATION, HEADINGS, SAVINGS CLAUSES, EFFECTIVE
DATE**

Section 12. Authorization.

The officers, employees and/or agents of the Village shall take all action necessary or reasonably required to carry out, give effect to and consummate the amendment contemplated by this Ordinance and shall take all action necessary in conformity therewith. The officers, employees and/or agents of the Village are specifically authorized and directed to draft and disseminate any and all necessary forms to be utilized in connection with this amendment.

Section 13. Headings.

The headings of the articles, sections, paragraphs and subparagraphs of this Ordinance are inserted solely for the convenience of reference and form no substantive part of this Ordinance nor should they be used in any interpretation or construction of any substantive provision of this Ordinance.

Section 14. Severability.

The provisions of this Ordinance are hereby declared to be severable and should any provision of this Ordinance be determined to be in conflict with any law, statute or

regulation by a court of competent jurisdiction, said provision shall be excluded and deemed inoperative, unenforceable and as though not provided for herein and all other provisions shall remain unaffected, unimpaired, valid and in full force and effect.

Section 15. Superseder.

All code provisions, ordinances, resolutions, rules and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby superseded.

Section 16. Effective Date.

This Ordinance shall be effective immediately upon its passage and approval in accordance with Illinois law.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

ADOPTED by the Village Board of the Village of Broadview, Cook County, Illinois on this ___ day of _____ 2018, pursuant to a roll call vote, as follows:

| | YES | NO | ABSENT | PRESENT |
|------------------|------------|-----------|---------------|----------------|
| Brown-Marino | | | | |
| Ealey | | | | |
| Tierney | | | | |
| Horne | | | | |
| Abraham | | | | |
| Jones | | | | |
| (Mayor Thompson) | | | | |
| TOTAL | | | | |

SO PASSED, ADOPTED, APPROVED AND ENACTED IN AND AT THE VILLAGE OF BROADVIEW, COUNTY OF COOK, STATE OF ILLINOIS, THIS _____ DAY OF _____ 2018.

APPROVED,

VILLAGE PRESIDENT

ATTEST: _____
Village Clerk

**Recorded in the Municipal Records:
Published in Pamphlet Form:**

RESOLUTION NO. _____

A RESOLUTION ADOPTING A CERTAIN DEBT MANAGEMENT POLICY FOR THE VILLAGE OF BROADVIEW, COUNTY OF COOK, STATE OF ILLINOIS.

* * * * *

WHEREAS, the Village of Broadview, County of Cook, State of Illinois (the “Village”) is a duly organized and existing village created under the provisions of the laws of the State of Illinois and is now operating under the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto, with full powers to enact ordinances and adopt resolutions for the benefit of the residents of the Village; and

WHEREAS, the Village President (the “President”) and the Board of Trustees of the Village (the “Village Board” and with the President, the “Corporate Authorities”) are committed to ensuring the effective administration of government; and

WHEREAS, the Finance Director and/or the Treasurer of the Village are responsible for the administration of the Village’s financial policies; and

WHEREAS, the Finance Director and the Village Treasurer believe that having a debt management policy in place will help ensure a consistent approach to debt issuance which will benefit existing and future holders of Village debt; and

WHEREAS, the Corporate Authorities have determined that it is necessary and in the best interests of the residents of the Village to adopt a debt management policy which will be applicable to and govern all debt obligations of the Village, whether for the purpose of acquisition or construction of Village assets and the refunding of existing debt (the “Policy”), a copy of which is attached hereto and incorporated herein as Exhibit A;

NOW, THEREFORE, BE IT RESOLVED by the President and the Village Board of the Village of Broadview, County of Cook, State of Illinois, as follows:

**ARTICLE I.
IN GENERAL**

Section 01. Incorporation Clause.

All of the recitals hereinbefore stated as contained in the preambles to this Resolution are full, true and correct, and the Corporate Authorities do hereby, by reference, incorporate and make them part of this Resolution as legislative findings.

Section 02. Purpose.

The purpose of this Resolution is to adopt the Policy, to further authorize the President or her designee to take all steps necessary to carry out the adoption of the Policy and to ratify any steps taken to effectuate those goals.

Section 03. Invocation of Authority.

This Resolution is enacted pursuant to the authority granted to the Village by the Constitution of the State of Illinois and the Illinois Compiled Statutes.

Section 04. State Law Adopted.

All applicable provisions of the Illinois Compiled Statutes, including the Illinois Municipal Code, as may be amended from time to time, relating to the purposes of this Resolution are hereby incorporated herein by reference.

Sections 05-09. Reserved.

**ARTICLE II.
AUTHORIZATION**

Section 10. Authorization.

The Village Board hereby adopts the Policy and ratifies any and all previous action taken to effectuate the intent of this Resolution. The Village Board further authorizes the President or her designee to execute any and all additional documentation that may be necessary to carry out the intent of this Resolution. No insertions, omissions or changes

may be made to the documents approved herein without further authorization by the Corporate Authorities. The Village Clerk is hereby authorized and directed to attest to and countersign any documentation as may be necessary to carry out and effectuate the purpose of this Resolution. The Village Clerk is also authorized and directed to affix the Seal of the Village to such documentation as is deemed necessary. The officers, employees and/or agents of the Village shall take all action necessary or reasonably required to carry out and give effect to this Resolution and shall take all action necessary in conformity therewith. The Village Clerk is also authorized and directed to affix the Seal of the Village to such documentation as is deemed necessary. The Corporate Authorities hereby ratify any previous actions taken to effectuate the goals of this Resolution.

**ARTICLE III.
HEADINGS, SAVINGS CLAUSES, EFFECTIVE DATE**

Section 11. Headings.

The headings of the articles, sections, paragraphs and subparagraphs of this Resolution are inserted solely for the convenience of reference and form no substantive part of this Resolution nor should they be used in any interpretation or construction of any substantive provision of this Resolution.

Section 12. Severability.

The provisions of this Resolution are hereby declared to be severable and should any provision of this Resolution be determined to be in conflict with any law, statute or regulation by a court of competent jurisdiction, said provision shall be excluded and deemed inoperative, unenforceable and as though not provided for herein and all other provisions shall remain unaffected, unimpaired, valid and in full force and effect.

Section 13. Superseder.

All code provisions, ordinances, resolutions, rules and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby superseded.

Section 14. Effective Date.

This Resolution shall be effective and in full force immediately upon passage and approval.

(REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK)

ADOPTED by the Village Board of the Village of Broadview, Cook County, Illinois on this ___ day of _____ 2018, pursuant to a roll call vote, as follows:

| | YES | NO | ABSENT | PRESENT |
|------------------|------------|-----------|---------------|----------------|
| Brown-Marino | | | | |
| Ealey | | | | |
| Tierney | | | | |
| Horne | | | | |
| Abraham | | | | |
| Jones | | | | |
| (Mayor Thompson) | | | | |
| TOTAL | | | | |

SO PASSED, ADOPTED, APPROVED AND ENACTED IN AND AT THE VILLAGE OF BROADVIEW, COUNTY OF COOK, STATE OF ILLINOIS, THIS _____ DAY OF _____ 2018.

APPROVED,

VILLAGE PRESIDENT

ATTEST: _____
Village Clerk

**Recorded in the Municipal Records:
Published in Pamphlet Form:**

EXHIBIT A

VILLAGE OF BROADVIEW DEBT MANAGEMENT POLICY

1. **Administration of debt policy:** The Finance Director and/or the Treasurer of the Village of Broadview (the “Village”) is charged with overseeing and implementing the provisions of this policy. It shall be his/her specific responsibility to recommend to the Village President (Mayor) and the Village Board the selection of any external agents (bond counsel, financial advisors, underwriters, arbitrage rebate consultants, paying agents, trustees, printers, etc.), to review the proposed annual capital expenditures and financing plan, to recommend specific projects for debt financing, to participate as members of the financing team in the issuance of any debt obligations of the Village, and to ensure all continuing disclosure requirements are met following the sale of bonds. The Finance Director and/or the Treasurer of the Village are responsible for administration of the Village’s financial policies. The Village President (Mayor) and Village Board is responsible for the approval of any form of the Village’s borrowing and the details associated therewith. Unless otherwise designated, the Finance Director coordinates the administration and issuance of debt.

2. **Purpose and Objective:** The adoption of a written debt policy by the Village President (Mayor) and Village Board and its active use help ensure a consistent approach to debt issuance which will benefit existing and future holders of Village debt. Access to capital markets at reasonable interest rates and credit terms is a fundamental goal that is facilitated through the adoption of appropriate debt policies taking into consideration the amount and types of fixed and variable rate debt given the Village’s risk tolerance to market fluctuations, capital market outlook, future capital needs, credit, rating agency considerations, tax implications and industry competition.

3. **Scope:** This policy shall apply to all debt obligations of the Village, whether for the purpose of acquisition or construction of Village assets and the refunding of existing debt.

4. **Exceptions:** Exceptions to this policy will be approved by the Village President (Mayor) and Village Board.

VILLAGE OF BROADVIEW DEBT MANAGEMENT POLICY

5. **Reporting Practices:** The Finance Director and/or Treasurer shall also respond to all inquiries from creditors, investors, and rating agencies in a complete and prompt fashion.

6. **General Debt Issue Policies:**

a. **Structure:** The Village's capital structure would only consist of fixed rate financial instruments. The risks associated with any given structure and the financial instruments used shall be fully explained to those who must decide and approve any final financing structure.

b. **Borrowing:** The Village Board shall have the authority to borrow money, contract loans and issue bonds in accordance with the provisions of the Constitution of the State of Illinois and the general laws of the state. However, approval by voter referendum shall be required prior to the issuance of any of the following categories of bonds per the Village Charter:

1. General obligation bonds which pledge the full faith and credit of the taxing power of the Village,
2. Revenue bonds intended to finance enterprises or projects which involve the purchase, lease and/or acquisition of real property by the Village or agencies thereof, or
3. Revenue bonds which pledge specific non ad valorem taxes as the primary source(s) of revenue to pay principal and interest and which have a principal value in excess of one (1) million dollars. This dollar limitation shall be adjusted annually as of the end of each fiscal year in accordance with changes in the cost of living index as published by the federal government. Revenue bonds issued to finance the purchase, lease and/or acquisition of park real property and/or park projects by the Village or agencies thereof would not be limited by this requirement.

VILLAGE OF BROADVIEW DEBT MANAGEMENT POLICY

6. General Debt Issue Policies: (continued)

- c. **Pay-As-You-Go:** The Village will strive to maintain a high reliance on pay-as-you go financing for its capital improvements and capital assets.
- d. **General Obligation Debt Levels:** As a goal, the Village will maintain its net general obligation bonded debt at a level not to exceed 8.65% of the assessed valuation of taxable property within the Village unless otherwise directed by the Village President and Village Board.
- e. **Reserves:** The Village will maintain revenue bond reserves to comply with the covenants of the bond issues and ensure adherence to federal arbitrage regulations.
- f. **Purpose and Projects:** Long-term borrowing will not be used to finance current operating expenditures. However, this does not preclude the Village from using debt to meet short-term operating needs in the event of an emergency such as a natural or man-made disaster.
- g. **Term:** The following guidelines should govern the issuance of new money financing.
- The maturities of debt will be equal to or less than the useful economic life of the item financed.
 - Where practicable the debt service structure on new money financing should be level debt service if economically feasible.
 - The use of credit enhancement should be evaluated on a maturity-by-maturity basis and only used where the economic benefits exceed the costs of issuing rated or unrated debt obligations.
 - Call features should be utilized when prudent in order to provide future flexibility.
 - The use of a fully funded debt service reserve should always be evaluated against the use of a surety or other debt service reserve product.

VILLAGE OF BROADVIEW

DEBT MANAGEMENT POLICY

6. General Debt Issue Policies: (continued)

h. **Bond Insurance:** Bond insurance is an insurance policy purchased by an issuer or an underwriter for either an entire issue or specific maturities, which guarantees the payment of principal and interest. This insurance provides a higher credit rating and must result in a lower borrowing cost for an issuer after consideration of the premium rate and underlying ratings. Bond insurance can be purchased directly by the Village prior to the bond sale (direct purchase) or at the underwriter's option and expense (bidder's option). When insurance is purchased directly by the Village, the present value of the estimated debt service savings from insurance should be at least equal to or greater than the insurance premium. The bond insurance company will usually be chosen based on an estimate of the greatest net present value insurance benefit (present value of debt service savings less insurance premium). Credit enhancement may take other forms such as Letters of Credit (LOC) or other securitization products and may be used if economically beneficial to the Village.

i. **Credit Ratings:** Credit ratings have wide investor acceptance as tools for differentiating credit quality of investments. The Village shall attempt to continually improve its credit ratings. Comprehensive annual credit rating reviews should be provided to the rating agencies as well as periodic updates and ongoing communication of events affecting the Village's overall credit, including asset and liability management issues.

j. **Non-Rated:** Non-rated securities may be issued if the credit rating on the issue does not perform any economic benefit or add any value to capital market participants.

k. **Tax Status:** The Village has traditionally issued tax-exempt debt which results in significant interest cost savings compared with the interest cost on taxable debt. Accordingly, all of the Village's debt should be issued to take advantage of the exemption from federal income taxes unless prohibited by federal law or applicable federal regulations.

VILLAGE OF BROADVIEW

DEBT MANAGEMENT POLICY

6. General Debt Issue Policies: (continued)

l. **Subordinated Debt:** The lien status and credit rating on this type of debt is inferior and protection to the bondholder is lower, therefore, this type of debt should be minimized to reduce the Village's overall borrowing costs, unless it is the only method available to finance a project. There may be occasions when this type of debt is issued for potential restructuring reasons, when current senior-lien debt covenants are undesirable and this debt is soon to be retired or refunded.

m. **Capital Leasing:** Over the lifetime of a lease, the total cost to the Village will generally be higher than purchasing the asset outright. As a result, the use of lease/purchase agreements and certificates of participation in the acquisition of vehicles, equipment and other capital assets shall generally be avoided, particularly if smaller quantities of the capital asset(s) can be purchased on a "pay-as-you-go" basis.

n. **Callable Bonds:** Call provisions on bonds provide future flexibility to refinance or restructure debt and eliminate onerous covenants. Consequently, the Village shall attempt to always have call provisions on its debt. Call provisions on each transaction should be analyzed upon marketing the bond issue and determined at the time, upon recommendation of the Financial Advisor.

o. **Refunding Criteria:** Generally, the Village issues refunding bonds to achieve debt service savings on its outstanding bonds by redeeming high interest rate debt with lower interest rate debt. Refunding bonds may also be issued to restructure debt or modify covenants contained in the bond documents. Current tax law limits to one time the issuance of tax-exempt advance refunding bonds to refinance bonds issued after 1986. There is no similar limitation for tax-exempt current refunding bonds. The following guidelines should apply to the issuance of refunding bonds, unless circumstances warrant a deviation therefrom:

- refunding bonds should generally be structured to achieve level annual debt service savings;

VILLAGE OF BROADVIEW

DEBT MANAGEMENT POLICY

6. General Debt Issue Policies: (continued)

- the life of the refunding bonds should not exceed the remaining life of the bonds being refunded or the assets financed, whichever is longer;
- in the case tax-exempt advance refundings are allowed for in the future advance refunding bonds issued to achieve debt service savings should have a minimum target savings level measured on a present value basis equal to 5% of the par amount of the bonds being refunded;
- current refunding bonds issued to achieve debt service savings should have a minimum target savings level measured on a present value basis equal to 3% of the par amount of the bonds being refunded;
- refunding bonds which do not achieve debt service savings may be issued to restructure debt or provisions of bond documents only if such refunding serves a compelling Village interest or under extraordinary conditions.

p. **Debt Service Coverages:** Debt service coverages shall conform to bond resolutions and remain at those levels to ensure that the Village's credit rating is not diminished.

7. **Method of Sale:** The Village's policy is to sell public debt using the method of sale expected to achieve the best result, taking into consideration short-term and long-term implications. The following section of this policy is intended to ensure that the most appropriate method of sale is selected in light of financial, market, transaction-specific and issuer conditions.

- a. **Competitive vs. Negotiated Preference:** Competitive method sale should be preferred and considered when the following conditions are present:
- The Village has been a stable and regular borrower in the public market.
 - There is an active secondary market for the Village's debt.
 - The Village has an underlying credit rating of A or above.
 - The issue is neither too large to be absorbed by the market or too small to attract investors.
 - The issue is not composed of complex or innovative features.
 - Interest rates are stable, market demand is strong and the market is able to absorb reasonable levels of buying and selling with reasonable price reliability.

VILLAGE OF BROADVIEW DEBT MANAGEMENT POLICY

7. Method of Sale: (continued)

If conditions for a competitive bond sale are not available then the following practice will apply to negotiated bond sales:

- A competitive underwriter-selection process that ensures that multiple proposals are considered will be used.
 - The Finance Director and/or Treasurer and the Financial Advisor will remain actively involved in Each step of the negotiation and sale processes to uphold the public trust.
 - The Finance Director and/or Treasurer and Financial Advisor, who are familiar with and abreast of the condition of the municipal market shall assist in structuring the issue, pricing, and monitoring sales activities. The Financial Advisor will submit recommendations regarding the method of sale, structure and timeline of events for the issue to the Village in written form.
- b. **Financial Advisor Serving as Underwriter:** The financial advisor to the Village may not act as underwriter on any loan, bond or other undertaking of the Village of Broadview. Additionally, no affiliate of the financial advisor shall act as an underwriter on any financial undertaking, issue or bond of the Village of Broadview unless the loan, bond or other undertaking is competitively bid through a process that does not give an affiliate of the financial advisor an advantage. For purposes of this policy, an affiliate of the financial advisor would include a subsidiary, division, holding company, sister corporation, or partner of the financial advisor. Additionally, a firm that has acted as a financial advisor to the Village of Broadview or any affiliate thereof may be an underwriter if the firm is not under contract or retained to be the financial advisor to the Village at the time of the issue or bond.
- c. **Private Placements:** The Village may determine to seek funding by way of a private placement or bank loan where the size and structure of the borrowing does not warrant the issuance of publicly offered debt. The Village's Financial Advisor will compare the overall

VILLAGE OF BROADVIEW DEBT MANAGEMENT POLICY

7. Method of Sale: (continued)

costs of a private placement with those of a public offering and recommend the most cost effective approach. In the event the Village chooses to use a negotiated or private placement sale, staff shall document the reasons this method was chosen.

8. Capital Improvement Plan

The Finance Department will prepare, as part of the annual budget process, a Capital Improvement Plan that will be submitted to the Village Board for approval. Such Capital Improvement Plan will address at a minimum the amount of debt projected to be issued during the next five fiscal years.

Factors to be considered in the final projections are:

- The forecast of spending levels for capital projects.
- The availability of internal funds to pay for capital projects.
- Desired debt service coverage levels consistent with a highly-rated municipality.
- The additional bonds test calculation outlined in the applicable bond ordinances or related documents.

9. Fixed Rate Debt

a. Overview: Fixed rate debt is authorized to finance capital projects and for any other allowable purpose as stipulated in the governing bond ordinances and tax regulations.

b. Type: The Village may issue any type of fixed rate debt as authorized by the Village's various bond ordinances and recommended by the Village's Financial Advisor.

c. Maturity, Structure, and Call Provisions: Prudent debt management requires that there be a proper matching of the lives of the assets and the length of the debt, whether taxable or tax-exempt, used to finance such asset. In addition, the Village will, at all times, structure the amortization and maturity of any fixed rate debt to comply with the appropriate tax regulations.

To provide the maximum amount of flexibility, the Village will utilize call provisions whenever

VILLAGE OF BROADVIEW

DEBT MANAGEMENT POLICY

9. Fixed Rate Debt (continued)

possible. Village staff, along with the financial advisor and underwriter, will assess the market at the time of pricing to determine its ability to issue bonds with such features while minimizing interest costs.

d. Providers: The Village is allowed to sell debt by either negotiated sale or competitive bid. The determination of the method is to be made prior to each financing. If the Village selects the “competitive sale” method, determination of the winning bid will be based on the underwriting firm with the lowest True Interest Cost (TIC) proposal. The Village will employ staff or an outside professional financial advisor, other than the underwriter, who is familiar with and abreast of the conditions of the municipal market, and is available to assist in structuring the issue, pricing, and monitoring of sales activities. The Village shall not use a firm to serve as both the financial advisor and underwriter. Selection of underwriters, financial advisors, bond counsel, and other necessary consultants involved in the debt transactions will be selected as outlined in the Village Purchasing Policy.

e. Debt Service Reserve Fund: Unless otherwise recommended by the Village’s financial adviser and approved by the Village President (Mayor) and Village Board, a debt service reserve fund will be funded, maintained, and held for the benefit of bondholders as specified in the ordinance authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate bond ordinance. The debt service reserve fund may be in the form of cash and/or investments funded from the proceeds of bonds and/or revenues from operations or other pledged sources. The Village will weigh the benefits of each method of funding the debt service reserve fund prior to each issue and will choose the method most beneficial to the Village based upon the facts and circumstances of each issue.

VILLAGE OF BROADVIEW DEBT MANAGEMENT POLICY

9. Fixed Rate Debt (continued)

f. Approvals: The structure, maturity, and call provisions for each fixed rate financing must be approved by the Finance Director or designee on or prior to the date of pricing. Negotiation with the underwriter on negotiated bond transactions will be conducted by the Financial Advisor. Final transaction approval must be obtained from the Village Board.

g. Compliance/Reporting Requirements: All outstanding debt will be reported annually in the CAFR as required by generally accepted accounting principles. The Village will monitor and report any arbitrage rebate liability due to the U.S. Treasury on bond proceeds from fixed rate transactions.

10. Investment of Bond Proceeds: The proceeds of the bond sales will be invested until expended for the intended project in order to maximize the utilization of the public funds. The investments will comply with the Village's investment policy unless superseded by a bond covenant or related agreement. All bond proceeds shall be invested in manner to avoid, if possible, and minimize any potential negative arbitrage over the life of the bond issue. Bond proceeds to be used for the construction or acquisition of the capital assets shall be conservatively invested according to draw schedules which will be amended as needed.

11. Continuing Disclosure Requirements: The Finance Director and/or Treasurer with the assistance of the Financial Advisor and Bond/Disclosure Counsel will produce all the necessary documents for disclosure. All debt issues will meet the disclosure requirements of the Securities and Exchange Commission and other government agencies before and after the bond sales take place. The Village's CAFR will be the primary vehicle for compliance with the continuing disclosure requirements. The CAFR may be supplemented with additional documentation if necessary. The Village will follow a policy of "full disclosure" in its CAFR and bond official statements. The Finance Director will be responsible

VILLAGE OF BROADVIEW DEBT MANAGEMENT POLICY

11. Continuing Disclosure Requirements: (continued)

for filing the CAFR and providing disclosure on the status of all material events to the Municipal Securities Rulemaking Board, (MSRB) via the Electronic Municipal Market Access (EMMA) system.

12. Effective Date

This Policy will become effective upon adoption by the Village President (Mayor) and Village Board.

This Policy shall be reviewed on an annual basis and amended as necessary with the approval of the Village Board.

VILLAGE OF BROADVIEW DEBT MANAGEMENT POLICY

Definitions

Advance Refunding - A bond is treated as issued to advance refund another bond if it is issued more than 90 days before the redemption of the refunded bond.

Amortization Risk – the potential cost to the issuer resulting from a mismatch between the outstanding underlying bond amortization and the outstanding notional amount of the swap.

Basis Risk – movement in the underlying variable rate indices may not be perfectly in tandem, creating a cost differential that could result in a net cash outflow from the issuer. Also, a mismatch can occur in a swap with both sides using floating, but different, rates.

SIFMA Index – The Securities Industry and Financial Markets Association Swaps Index, the principal benchmark for the floating rate payments for tax-exempt issuers. The index is a national rate based on a market basket of high-grade, seven-day tax-exempt variable rate bond issues.

Commercial Paper Note - shall mean any Bond which has a maturity date which is not more than 270 days after the date of issuance thereof.

Competitive Bid - a method of submitting proposals for the purchase of new issue of municipal securities by which the securities are awarded to the underwriting syndicate presenting the best bid according to stipulated criteria set forth in the notice of sale.

Counterparty risk – the risk that the other party in the derivative transaction fails to meet its obligations under the contract.

Credit Enhancement - shall mean, with respect to the Bonds of a Series, a maturity within a Series or an interest rate within a maturity, the issuance of an insurance Policy, letter of credit, surety bond or any other similar obligation, whereby the issuer thereof becomes unconditionally obligated to pay when due, to the extent not paid by the Village or otherwise, the principal of and interest on such Bonds.

Credit Support Annex - is a standard supporting document that is made part of the ISDA Master Swap Agreement that governs the use of posting collateral when required.

Current Refunding - A bond is treated as issued to current refund another bond if the refunding issue is issued not more than 90 days before the redemption of the refunded bond.

VILLAGE OF BROADVIEW DEBT MANAGEMENT POLICY

Hedge – a transaction entered into to reduce exposure to market fluctuations.

Letter of Credit (LOC) – A financial product generally purchased from a bank to provide credit enhancement and liquidity on variable rate bonds.

Medium Term Note - any bond which has a maturity date which is more than 365 days, but not more than 15 years, after the date of issuance and is designated as a medium term note in the supplemental ordinance authorizing such bond.

Negotiated Sale - the sale of a new issue of municipal securities by an issuer through an exclusive agreement with an underwriter or underwriting syndicate selected by the issuer.

Tax Event Risk - the risk that tax laws will change, resulting in a change in the marginal tax rates on swaps and their underlying assets or, in a more extreme situation, remove the tax-exempt status of the issue and, therefore, its contractual obligations priced as tax-exempt facilities.

True Interest Cost - is the rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment date to the purchase price received for the bonds.

Variable Rate Bond - shall mean any Bond not bearing interest throughout its term at a specified rate or specified rates determined at the time of initial issuance. while in the flexible or term mode. The frequency of a change in the interest rate of a variable rate demand obligation is based upon the particular mode the security is in at the time.

RESOLUTION NO. _____

A RESOLUTION ADOPTING A CERTAIN FUND BALANCE RESERVE POLICY FOR THE VILLAGE OF BROADVIEW, COUNTY OF COOK, STATE OF ILLINOIS.

* * * * *

WHEREAS, the Village of Broadview, County of Cook, State of Illinois (the “Village”) is a duly organized and existing village created under the provisions of the laws of the State of Illinois and is now operating under the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto, with full powers to enact ordinances and adopt resolutions for the benefit of the residents of the Village; and

WHEREAS, the Village President (the “President”) and the Board of Trustees of the Village (the “Village Board” and with the President, the “Corporate Authorities”) are committed to ensuring the effective administration of government; and

WHEREAS, the Village desires to maintain a prudent level of financial reserves to guard its citizens against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures; and

WHEREAS, the fund balance has been accumulated for the purpose of providing stability and flexibility to respond to unexpected adversity and/or opportunities; and

WHEREAS, a fund balance reserve policy will be beneficial in helping the Village plan for contingencies, such as extreme weather events, maintain good standing with credit rating agencies, avoid interest expenses, and generate investment income. In addition, a fund balance reserve policy will serve as a cash flow management tool and create a shared understanding regarding the appropriate use of the reserves; and

WHEREAS, the Corporate Authorities have determined that it is necessary and in the best interests of the residents of the Village to adopt a fund balance reserve policy which will govern the maintenance and use of the Village's general fund balance (the "Reserve Policy"), substantially similar to the policy attached hereto and incorporated herein as Exhibit A;

NOW, THEREFORE, BE IT RESOLVED by the President and the Village Board of the Village of Broadview, County of Cook, State of Illinois, as follows:

**ARTICLE I.
IN GENERAL**

Section 01. Incorporation Clause.

All of the recitals hereinbefore stated as contained in the preambles to this Resolution are full, true and correct, and the Corporate Authorities do hereby, by reference, incorporate and make them part of this Resolution as legislative findings.

Section 02. Purpose.

The purpose of this Resolution is to adopt the Reserve Policy, to further authorize the President or her designee to take all steps necessary to carry out the adoption of the Reserve Policy and to ratify any steps taken to effectuate those goals.

Section 03. Invocation of Authority.

This Resolution is enacted pursuant to the authority granted to the Village by the Constitution of the State of Illinois and the Illinois Compiled Statutes.

Section 04. State Law Adopted.

All applicable provisions of the Illinois Compiled Statutes, including the Illinois Municipal Code, as may be amended from time to time, relating to the purposes of this Resolution are hereby incorporated herein by reference.

Sections 05-09. Reserved.

**ARTICLE II.
AUTHORIZATION**

Section 10. Authorization.

The Village Board hereby adopts the Reserve Policy and ratifies any and all previous action taken to effectuate the intent of this Resolution. The Village Board further authorizes the President or her designee to execute any and all additional documentation that may be necessary to carry out the intent of this Resolution. No insertions, omissions or changes may be made to the documents approved herein without further authorization by the Corporate Authorities. The Village Clerk is hereby authorized and directed to attest to and countersign any documentation as may be necessary to carry out and effectuate the purpose of this Resolution. The Village Clerk is also authorized and directed to affix the Seal of the Village to such documentation as is deemed necessary. The officers, employees and/or agents of the Village shall take all action necessary or reasonably required to carry out and give effect to this Resolution and shall take all action necessary in conformity therewith. The Village Clerk is also authorized and directed to affix the Seal of the Village to such documentation as is deemed necessary. The Corporate Authorities hereby ratify any previous actions taken to effectuate the goals of this Resolution.

**ARTICLE III.
HEADINGS, SAVINGS CLAUSES, EFFECTIVE DATE**

Section 11. Headings.

The headings of the articles, sections, paragraphs and subparagraphs of this Resolution are inserted solely for the convenience of reference and form no substantive

part of this Resolution nor should they be used in any interpretation or construction of any substantive provision of this Resolution.

Section 12. Severability.

The provisions of this Resolution are hereby declared to be severable and should any provision of this Resolution be determined to be in conflict with any law, statute or regulation by a court of competent jurisdiction, said provision shall be excluded and deemed inoperative, unenforceable and as though not provided for herein and all other provisions shall remain unaffected, unimpaired, valid and in full force and effect.

Section 13. Superseder.

All code provisions, ordinances, resolutions, rules and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby superseded.

Section 14. Effective Date.

This Resolution shall be effective and in full force immediately upon passage and approval.

(REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK)

ADOPTED by the Village Board of the Village of Broadview, Cook County, Illinois on this ___ day of _____ 2018, pursuant to a roll call vote, as follows:

| | YES | NO | ABSENT | PRESENT |
|------------------|------------|-----------|---------------|----------------|
| Brown-Marino | | | | |
| Ealey | | | | |
| Tierney | | | | |
| Horne | | | | |
| Abraham | | | | |
| Jones | | | | |
| (Mayor Thompson) | | | | |
| TOTAL | | | | |

SO PASSED, ADOPTED, APPROVED AND ENACTED IN AND AT THE VILLAGE OF BROADVIEW, COUNTY OF COOK, STATE OF ILLINOIS, THIS _____ DAY OF _____ 2018.

APPROVED,

VILLAGE PRESIDENT

ATTEST: _____
Village Clerk

**Recorded in the Municipal Records:
Published in Pamphlet Form:**

EXHIBIT A

VILLAGE OF BROADVIEW

FUND BALANCE RESERVE POLICY

1.1 AUTHORITY

The Village President (Mayor) and Village Trustees are responsible for legislation, policy formulation, and overall direction setting of the government. This includes the approval of financial policies which establish and direct the operations of the Village. The Village President (Mayor) is responsible for carrying out the policy directives and managing the day-to-day operations of the Village departments. The Village Director of Finance and Budget Director are charged with carrying out this policy.

1.2 PURPOSE

The Village desires to maintain a prudent level of financial reserves to guard its citizens against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures. The fund balance has been accumulated to meet this purpose-to provide stability and flexibility to respond to unexpected adversity and/or opportunities.

The primary reasons for a general fund balance reserve policy are to:

- **Plan for contingencies.** Because of the volatile revenue sources such as property and sales tax, governments will always face challenges when it comes to matching planned revenues with actual expenditures. Local events, such as the closure of a major employer, can also negatively affect revenue. Finally, extreme weather events such as winter storms can increase operating and/or capital costs. Reserves can be used to make up these temporary shortfalls.
- **Maintain good standing with rating agencies.** Bond rating agencies consider an adequate level of reserves a sign of creditworthiness because it enhances a government's ability to repay debt on time and in full.
- **Avoid interest expenses.** Cash reserves may be used rather than debt to fund capital projects.
- **Generate investment income.** Reserves can be a source for investment revenue, effectively reducing the burden on the property tax rate. To maintain the reserve's value as a risk mitigation device, investments will remain relatively liquid in compliance with the Village Investment Policy.
- **Serve as cash flow management tool.** Reserves can be used to cover times of the year that normally experience low levels of cash.
- Create a shared understanding. A formal reserve policy clearly outlines appropriate use of the reserves.

1.3 COMPONENTS OF FUND BALANCE

Fund Balance vs. Reserves "Fund balance" is an accounting term defined as the difference between assets and liabilities in a governmental fund. The term "reserves" is often used by public finance practitioners, but is not an actual government accounting term. It refers to the portion of fund balance held in reserve to provide a buffer against financial distress or risk.

Fund balance refers to the difference between assets and liabilities in the city's governmental funds balance sheet. This information is one of the most widely used elements of state and local government financial statements. Financial statement users examine fund balance information to identify the available liquid resources that can be used to pay down unfunded liabilities, finance capital improvements, or enhance the overall financial position of the Village. Fund balance is a tool the Village uses to have an effective long-term financial plan, as well as to ensure sufficient liquidity to meet its financial obligations in the short-term.

VILLAGE OF BROADVIEW

FUND BALANCE RESERVE POLICY

1.3 COMPONENTS OF FUND BALANCE (CONTINUED)

In governmental funds, “reserves” comprise a portion of total fund balance. Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance reporting and Governmental Fund Type Definitions governs the descriptions used to report fund balance. The statement focuses on the “extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent” and breaks total fund balance into five (5) different components:

- Non-spendable fund balance. Fund balance in this category is inherently non-spendable.
- **Restricted fund balance:** Resources that are subject to externally enforceable legal restrictions; these restrictions would be either 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.
- **Committed fund balance:** Resources that are constrained to specific purposes by a formal action of the Village Board such as an ordinance or resolution. The constraint remains binding unless removed in the same formal manner by the Village Board.
- **Assigned fund balance.** This category is for the portion of fund balance that is earmarked for an intended use. The intent is established at either the highest level of decision making or by a body or an official designated for that purpose. For example, a portion of fund balance might be assigned to offset a gap in the budget stemming from a decline in revenues or a portion could be assigned to pay for an upcoming special project. A typical assigned fund balance item is the amount of fund balance that is appropriated in the subsequent year’s budget ordinance that is not already classified as restricted or committed.
- **Unassigned fund balance.** This encompasses all fund balances that are left after considering the other four categories. Use is least constrained in this category of fund balance.

The last three components (committed, assigned and unassigned fund balance) together comprise “unrestricted fund balance”, which is the part of fund balance covered by this reserve policy because unrestricted fund balances are either unconstrained or the constraints are self-imposed, so they could be lifted to make fund balances available for other purposes. Conversely, restricted fund balances or non-spendable fund balances are not suited to many of the purposes a reserve policy typically is intended to fulfill.

1.4 SIGNIFICANT POLICIES

Required Reserve Levels

The Government Finance Officers Association (GFOA) recommends, at a minimum, no less than two months of regular general fund operating revenues or regular general fund operating expenditures. However, the Village policy is more restrictive by requiring a minimum unassigned general fund balance of twenty-five percent (25%) of the total actual expenditures. The minimum requirement will be reviewed by the Director of Finance and Budget Director as changes in economic conditions occur, new legislation is enacted or revenue sources change.

VILLAGE OF BROADVIEW

FUND BALANCE RESERVE POLICY

1.4 SIGNIFICANT POLICIES (CONTINUED)

Reserve Draw Downs

Fund balance appropriated will not exceed an amount management can reasonably expect to save during the year. If fund balance is appropriated to balance the following year's budget in an amount that, if spent, would reduce the percentage below twenty-five percent (25%) an explanation of the circumstances of the utilization and a plan to save or replenish the fund balance will be included in the transmittal letter of the Comprehensive Annual Financial Report (CAFR).

The unassigned fund balance may be purposefully drawn down below the minimum required percentage of twenty-five (25) for emergencies.

Excess Reserves

Unassigned fund balance percentages more than twenty-five percent (25%), calculated at the previous fiscal year-end, may be drawn down for nonrecurring expenditures as follows:

1. One-time expenditures that do not increase recurring operating costs that cannot be funded through current revenues. Emphasis will be placed on one-time uses that reduce future operating costs, or
2. Start-up expenditures for new programs, provided that such action is approved by the Village Board and is considered in the context of multi-year projections of revenue and expenditures as prepared by the Village Budget Director.
3. Fund accrued liabilities, including but not limited to debt service, pension, and other post-employment benefits. Priority will be given to those items that relieve budget or financial operating pressure in future periods.
4. Appropriated to lower the amount of bonds or contributions needed to fund future capital projects.

Reserve Replenishment

If the fund balance falls below the minimum required percentage of twenty five percent (25%) for two consecutive fiscal years, the Village will replenish funds by direct appropriation beginning in the following year. In that instance, the Village will annually appropriate twenty five percent (25%) of the difference between the minimum required percentage level and the actual balance until the minimum required level is met. In the event appropriating 25% is not feasible, the Village will appropriate a lesser amount and shall reaffirm its commitment to full replenish the fund balance over a longer period.

This policy will be reviewed at least annually and updated on an as-needed basis.

VILLAGE OF BROADVIEW

FUND BALANCE RESERVE POLICY

SUMMARY

Components of the Fund Balance

Nonspendable Fund Balance

- Inherently nonspendable
- Portion of net resources that cannot be spent because of their form
- Portion of net resources that cannot be spent because they must be maintained intact

Restricted Fund Balance

- Externally enforceable limits on use
- Limitations imposed by creditors, grantors, contributors, or laws and regulations of other Governments
- Limitations imposed by law through constitutional provisions or enabling legislation

Committed Fund Balance

- Council/Agency Self-imposed Limitations set in place prior to the end of the fiscal year
- Limitation imposed at highest level of decision making that requires formal action at the same level to remove

Assigned Fund Balance

- Limitation resulting from intended use
- Intended use established by the Finance Director as the direction of the Village Board

Unassigned Fund Balance

- Total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus)
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit)

Use of Fund Balance

- Restricted
- Committed