

CHAPTER 8

FINANCE AND REVENUE

ARTICLE I GENERAL

SECTION 8-0: GENERAL - APPLICABILITY

The contents of this chapter shall apply to the Village President and Board of Trustees, all appointed officers, employees and any persons in or out of the Village associated or involved with the Village's financial resources in any form or fashion.

SECTION 8-1: GENERAL - DEFINITIONS

For the purpose of this Chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

“CONTRACTUAL SERVICES” All purchased utility services; towel and cleaning service; insurance leases for all grounds, buildings, offices or other space required by the using agencies and the rental, repair or maintenance of equipment, machinery and other Village-owned property. This term shall not include professional and other contractual services which are in their nature unique and not subject to competition. This term shall also include the collection of garbage and recyclables, and processes for the disposal of solid wastes.

“FINANCIAL RESERVE” those undesignated Village funds remaining in the General Fund after the adoption of each annual appropriation ordinance.

“PUBLIC IMPROVEMENT” Any improvement, including construction, to or on land of a permanent nature which benefits the Village or its residents.

“RESPONSIBLE BIDDER” Any bidder who has demonstrated the ability to provide in a timely manner the products and/or services offered in his/her bid to the satisfaction of the Village Board.

“SUPPLIES” All supplies, materials and equipment.

“USING AGENCY” Any department, agency or unit of the Village using supplies or procuring contractual services.

“WORK” Labor performed or material used, or both as the corporate authorities may determine.

SECTION 8-2: GENERAL - INDEBTEDNESS

No indebtedness shall be incurred, excepting such indebtedness as may be payable solely from the proceeds of a duly authorized bond issue or from a designated specific source, unless there is a prior appropriation out of which such indebtedness could be paid, as provided by statute; provided that during the first quarter of any fiscal year, before the enactment of the current appropriation ordinance, the Village may operate under the appropriation of the preceding year.

SECTION 8-3: GENERAL – BILLS PAYABLE

All bills payable by the Village, other than the payment of salaries established by the corporate authorities and those bills payable considered to be day-to-day operational necessities for the Office of the Village Clerk, shall be submitted to the Village President and Board of Trustees for approval before payment. The listing of bills shall be divided into TIF and non-TIF lists.

SECTION 8-4: GENERAL - AUDIT

As soon as practical at the close of each fiscal year, and on later than six months thereafter, there shall be an audit of all accounts of the Village made by a competent person authorized to act as an auditor under the laws of the state, to be designated by the President and Board of Trustees. Copies of such audit reports shall be filed with the Village Clerk and with the appropriate State and local governmental agencies as required by State statute.

SECTION 8-5: GENERAL - SEVERABILITY

If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 8-6 through 8-11. RESERVED

**ARTICLE II
ACCOUNTING CYCLE**

SECTION 8-12: ACCOUNTING - BUDGET

The annual accounting cycle shall begin each year in January with the development of the budget worksheets. At the earliest opportunity the Treasurer shall disburse the worksheets to the appropriate Committee Chairs along with any necessary instructions as to their disposition. Simultaneously the Treasurer and the Village Clerk shall prepare the projected revenue worksheets. As the worksheets are completed, they are to be given to the Chairman, Finance and Administration Committee, who in turn will announce and convene a Committee Meeting of the Whole for the purpose of gaining a recommendation to present the worksheets to the Board for adoption no later than the April Board Meeting.

SECTION 8-13: ACCOUNTING - APPROPRIATIONS

The second part of the annual accounting cycle is the appropriation process. Using the adopted budget as a guide, the Treasurer shall develop and disburse for review an appropriations outline and plan as soon as possible after the budget has been adopted. A public notice shall be posted that a copy of said plan is available at the Office of the Village Clerk for a fee. Board members shall then have until two weeks before the July Board meeting to present their comments and concerns to the Finance and Administration Committee. Prior to the convening of the July Board meeting, the Finance and Administration Committee shall meet and conduct a public hearing on the proposed appropriations outline and plan. Following the public hearing, the committee shall develop a recommendation for presenting the proposed appropriation plan to the Board in the form of an ordinance at the July Board meeting. Once adopted, the ordinance shall be published and recorded with the County Clerk.

SECTION 8-14: ACCOUNTING – TAX LEVY

The final part of the annual accounting cycle is the tax levy. The Treasurer shall prepare and disburse a proposed tax levy worksheet that reflects the Village’s past assessed evaluations, the current year’s levy request with actual receipts, the coming year’s proposed tax levy, and alternate projected receipts to the coming year’s proposed tax levy from the Stephenson County Clerk. Prior to the convening of the November Board meeting, the Finance and Administration Committee shall meet and conduct a public hearing on the proposed tax levy. Following the public hearing, the committee shall develop a recommendation for presenting the proposed tax levy to the Board in the form of an ordinance at the November Board meeting. Once adopted, the ordinance shall be published and recorded with the County Clerk.

SECTION 8-15 through 8-19. RESERVED

**ARTICLE III
PURCHASING**

SECTION 8-20: PURCHASING – PURCHASING AGENT

The Mayor, or his/her designee, shall be the Village's Purchasing Agent.

SECTION 8-21: PURCHASING – POWERS AND DUTIES OF PURCHASING AGENT

Any work or other public improvement that is not to be paid for in whole or in part by special assessment or special taxation, and all purchases of, and contracts for supplies, equipment, materials, and services shall, except as otherwise set forth, be based on competitive bids whenever possible.

(A) The Purchasing Agent shall have the power and it shall be his or her duty, to purchase or contract for all supplies and contractual services needed by the using agency, in accordance with the purchasing procedures to be prescribed by the Village.

(B) In addition to the purchasing authority conferred in paragraph (A) hereof, and in addition to any other powers and duties conferred by this Article, the Purchasing Agent shall:

(1) Procure for the Village the highest quality in supplies and contractual services at the least expense to the Village;

(2) Discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases and sales;

(3) Prescribe and maintain such forms as he/she shall find reasonably necessary for the operation of this Section;

(4) Prepare and adopt a standard purchasing nomenclature for using agencies and suppliers;

(5) Exploit the possibilities of buying "in bulk" so as to take full advantage of discounts.

(6) Have the authority to declare vendors who default on their obligations and undertakings to be irresponsible bidders and to disqualify them from conducting business from the Village for a stated period of time;

(7) Adopt standards and specification regarding classification, quantity, quality, and varieties of supplies and equipment consistent with sound governmental practices; and

(8) Have the authority to exempt any using agency from use of such standard supplies.

SECTION 8-22: PURCHASING – COOPERATIVE PURCHASING

The Village shall have the authority to join with other units of government in cooperative purchasing plans when the best interest of the Village would be served thereby.

SECTION 8-23: PURCHASING – AGENT CONFLICTS OF INTEREST

Any purchase or contract in which the Purchasing Agent, or any officer or employee of the Village has a financial interest, directly or indirectly, shall be void, except that before the execution of a purchase order or contract the Board of Trustees may waive compliance with this Article when it finds such action to be in the best interests of the Village. Such waivers shall be made by explicit action of the Board of

trustees and duly recorded in the Board's minutes.

SECTION 8-24: PURCHASING – REBATES, GIFTS, AND MONEY BANNED

The Purchasing Agent and any officer and employee of the Village are expressly prohibited from accepting, directly or indirectly, from any person, company, firm or corporation to which any purchase order or contract is, or might be awarded, any rebate, gift, money or anything of value whatsoever, except where given for the use and benefit of the Village.

SECTION 8-25: PURCHASING - EMERGENCIES

In case of an apparent emergency that requires immediate work or purchase of supplies, materials or services, the Board of Trustees shall be empowered to secure by open market procedure as herein set forth, at the lowest obtainable price, any work, supplies, materials, or services regardless of the amount or the expenditure. When the cost to correct the emergency is less than \$10,000, a finding of such emergency shall be made by the Purchasing Agent with the written endorsement of the applicable committee chairman. When the cost to correct the emergency is \$10,000 or more, the President at his discretion may declare a State of Emergency in accordance with Ordinance #05-228 or choose that a finding of such emergency shall be made by an affirmative vote of at least two-thirds of the Board of Trustees at the time of such emergency contract or no later than the earliest possible special Village board meeting thereafter. (Amended 2/13/06.)

SECTION 8-26 through 8-30. RESERVED

**ARTICLE IV
BIDDING**

SECTION 8-31: BIDDING – COMPETITIVE REQUIREMENTS

(A) Any work or other public improvement that is not to be paid for in whole or in part by special assessment or special taxation, and all purchases of, and contract for supplies, equipment, materials, and services shall, except as otherwise set forth, be based on competitive bids whenever possible.

(B) All supplies, equipment and contractual services, except as otherwise provided in this Section shall be purchased by formal written contract from the lowest responsible bidder after due notice inviting proposals when the amount exceeds \$25,000. (Amended 11/12/18)

(1) All supplies, equipment and contractual services with an estimated cost of \$25,000 or more shall be the subject of a bid package which shall include specifications. When procurements involve architectural, engineering or construction matters, the bid package shall be developed by the Village engineer consulting firm. For other procurements, the bid package shall be developed internally based upon the knowledge and experience of the supervisors/coordinator, supplemented by input from vendors and other industry sources. Prior to advertising for bids, the bid package shall be approved by the appropriate committee. (Amended 11/12/18)

(2) All purchases of supplies, equipment and contractual services with an estimated cost in excess of \$1,000, but less than \$25,000 shall be subject to competitive bidding at the discretion of the Purchasing Agent and approval of the Board of Trustees. For these procurements, specification shall be developed internally based upon the knowledge and experience of the supervisors/coordinator, supplemented by input from vendors, other industry sources, and the Village engineer consulting firm when necessary and appropriate. The procurement specifications shall be approved by the appropriate committee. The Purchasing Agent may also informally solicit bids or proposals for goods and services of less than \$25,000 whenever it is deemed reasonable and practical. (Amended 11/12/18)

(3) All purchases of supplies, materials, equipment and contractual services which have an estimated value of less than \$1,000 may be made in open market without newspaper advertisement and without observing the procedures prescribed in this Section for the award of the formal contracts.

SECTION 8-32: BIDDING - ADVERTISING

(A) For procurements estimated at \$25,000 or more, a notice inviting bids shall be published at least once in a newspaper of general circulation within the Village at least ten (10) days preceding the date set for receipt of bids or proposals. The notice shall also include a general description of the articles to be purchased or work to be performed, and a statement of where bid information, forms, and specifications may be obtained along with the time and place for opening bids. (Amended 11/12/18)

(B) The Village shall also advertise all pending work or purchases by posting a notice on the public bulletin board in the Village hall. At its own discretion the Village may also place ads in selective trade publications or media of general circulation if such additional notice is likely to increase bid response and justify the additional expense.

SECTION 8-33: BIDDING - DEPOSIT

(A) When deemed necessary by the Village's Board of Trustees, bid deposits shall be prescribed in the public notices inviting bids. Unsuccessful bidders shall be entitled to the return of their bid deposits upon the award of the contract by the Board of Trustees. A successful bidder shall forfeit any bid deposit required by the Board of Trustees upon failure on his part to enter into a contract within ten days after the award, this provision not to be deemed a waiver of any other claims and remedies against defaulting bidder.

(B) A bid deposit may be in the form of a certified check, bond, or letter of credit in an amount as specified in the advertisement for bids to ensure finalization of the contract and to indemnify the Village against all loss, damages, and claims that may accrue against the Village as a consequence of the granting of the contract.

SECTION 8-34: BIDDING - PROCEDURE

For procurements that were estimated at \$10,000, bids shall be sealed, identified as bids on the envelope containing the bid and shall be opened in public at the time and place stated in the notice. A tabulation of all bids received shall be posted for public inspection and shall be furnished to the Board of Trustees at its regular meeting.

SECTION 8-35: BIDDING - REJECTIONS

The Village, through its Board of Trustees, shall have authority to reject all bids or parts of all bids when the public interest is served thereby.

SECTION 8-36: BIDDING – IN DEFAULT TO VILLAGE

The Village shall not accept the bid of a bidder who is in default on the payment of taxes, licenses or any other money due the Village.

SECTION 8-37: BIDDING – TIE BIDS

If all bids received are for the same total amount or unit price, quality and service being equal, the contract shall be awarded to a Village Bidder, if any. If none, the Village shall award the contract to one of the tie bidders by drawing lots in public.

SECTION 8-38: BIDDING - EXEMPTIONS

All contracts for professional services, including, but not limited to, architects, engineers, real estate appraiser and attorneys, and consultants, and any other professional whose ethical code involves, prohibits or discourages selection of competitive bidding or may be entered into by the Village without observing the bidding procedures prescribed by the Article for the award of formal contracts. Regular employment contracts of the Village, if any, shall likewise be exempt from the provisions of this Article.

SECTION 8-39: BIDDING – RECORD OF ORDERS AND BIDS

The Village, through a designated officer or official, shall keep a record of all bids and open market orders, and such records shall be open to public inspection.

SECTION 8-40 through 8-45. RESERVED

**ARTICLE V
CONTRACTS**

SECTION 8-46: CONTRACTS – AUTHORITY TO AWARD

The Board of Trustees shall have the authority to award contract according to the criteria set forth herein.

SECTION 8-47: CONTRACTS – AUTHORIZATION TO SIGN

The Village President, or any other person designated by the corporate authorities, may sign on behalf of the Village any contract authorized by the corporate authorities. No contract may be entered into without the authority of the corporate authorities.

SECTION 8-48: CONTRACTS - AWARDING

Contracts shall be awarded to the lowest responsible bidder on the basis of the bid that is in the best interest of the Village to accept. In awarding the contract, in addition to price, the Board of Trustees shall consider:

- (A) The ability, capacity, and skill of the bidder performing the contract to provide the services required;
- (B) The ability of the bidder to perform the contract or provide the service promptly, or within the time set forth in the bid specifications, without delay or interference;
- (C) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
- (D) The quality of the bidder's performance of previous contracts and services;
- (E) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;
- (F) The sufficiency of the bidder's financial resources and ability to perform the contract or provide the service;

(G) The quality, availability, and adaptability of the supplies or contractual services to the particular bid required;

(H) The ability of the bidder to provide future maintenance and services for the subject of the contract, and any warranties or guarantees provided; and

(I) The number and scope of conditions attached to the bid.

SECTION 8-49: CONTRACTS – REVIEW OF

No contract shall be formally awarded and executed by the Village unless and until it has been reviewed by the Village attorney, in a timely manner, for compliance with all state statutes and certified as being in compliance with this Article. This provision shall apply to all contracts in excess of \$10,000 whether or not they are competitively bid.

SECTION 8-50: CONTRACTS – STATEMENT OF AWARD

When the award is not given to the lowest bidder, a statement of the reasons for awarding the contract to another party shall be prepared by the Village Board and filed with the Village Clerk. This statement shall be available for public inspection immediately upon request.

SECTION 8-51: CONTRACTS – NOT IN COMPLIANCE

Except as herein provided, it shall be unlawful for any Village trustee, officer, or agent to purchase any supplies or make any contract within the purview of this section. Any purchase or contract made contrary to the provisions of this Article shall not be approved by the Board of Trustees, and the Village shall not be bound thereby. Any Village officer, employee, or agent acting in behalf of the Village, who willfully violates or circumvents the provisions of this Article shall be subject to censure and/or disciplinary action, which measures can include removal from office or dismissal.

SECTION 8-52: CONTRACTS – DISCRIMINATION IN

(A) In a contract involving any public works of the Village, it shall be unlawful for any department of the Village, any Village official, or his/her agent or employee to refuse to employ or to discharge any person, otherwise qualified, on account of race, color, creed, national origin or ancestry; to discriminate for the same reasons in regard to tenure, terms or conditions of employment; to deny a promotion or an increase in compensation solely for the same reasons; to publish an offer of employment based on the same reasons; to copy or enforce and rule or employment policy which discriminates between employees on account of the same reasons; to seek such information as to any employee as a condition of employment; or to penalize any employees or discriminate in the section or personnel for training, solely on the basis of the same reasons.

(B) The Village, and any department or agent thereof, shall include in all contracts hereafter negotiated or renegotiated by them a provision obligating the contractor not to discriminate against any employee or applicant for employment because of race, color, creed national origin or ancestry, and shall require him/her to include similar provisions in all subcontracts.

(C) All purchase orders of the Village, or any department thereof, shall include a provision that the provider does not and will not discriminate any of its employees or applicants for employment because of race, color, creed, national origin or ancestry.

(D) In the event that any contracting agency or vendor shall so discriminate, the Village shall

have the right to cancel any contract or revoke any purchase order with any provider guilty of discrimination.

ARTICLE VI GRANTS

SECTION 8-53: GRANTS - INTENT

Under the concept of community relations, it shall be the intent of the Board of Trustees to provide limited financial assistance to state-registered not-for-profit (NFP) organizations located physically within the geographical boundaries of the Village, whose desires, intentions and request-goals are to promote the image and well-being of the community.

SECTION 8-54: GRANTS - CLASSIFICATION

All requests for financial assistance from any of the Village's NFP organizations that would result in the disbursement of funds from the Village Treasury shall be considered to be a request for a grant, and be processed in accordance with the Village's Grant Program policy and guidelines.

SECTION 8-55: GRANTS - ACCOUNTING

Only those Village funds so designated and appropriated as grant funds shall be disbursed under the auspices of the Village's Grant Program. The Board of Trustees shall appropriate annually an amount (a cap) not to exceed \$5,000 in support of the Village's Grant Program. Any unused grant funds at the end of any given fiscal year shall be returned to the General Fund; no appropriated funds shall be allowed to accumulate or be rolled-over. Each succeeding annual appropriation shall provide that fiscal year total grant monies.

SECTION 8-56: GRANTS – SUBMISSION; DISBURSEMENT

All grant requests shall be submitted on an approved application to the Chairman of the Finance and Administration Committee between the 2nd of January and the 30th of April each calendar year for the following Village fiscal year (May 1st through April 30th). The disbursement of approved grants shall not take place until after the event has been held and final accounting has been provided to and approved by the Board.

SECTION 8-57: GRANTS – APPLICATION REVIEW

The Finance and Administration Committee shall be responsible for reviewing all grant applications and forwarding all recommendations to the Village Board. A representative of the requesting organization shall appear before said committee and shall present along with their application an organizational financial statement reflecting that organization's total cash assets at the time of application; a statement reflecting how the grant monies will be used to promote the image and/or well-being of the Village; and proof of matching funds by the date of event.

SECTION 8-58: GRANTS – NON-COMPLIANCE

All recipients of a Village grant shall comply with the program's provisions of acceptance. Any recipient found to be in non-compliance shall be required to refund all monies granted and shall be placed on a 2-year suspension from receiving additional Village grants.

SECTION 8-59 through 8-64. RESERVED

**ARTICLE VII
FINANCIAL RESERVE**

SECTION 8-65: RESERVE – PURPOSE; DECLARATION

The principal purpose of maintaining a designated financial reserve is to be able to respond to and deal with any and all emergencies regarding the Village's infrastructure. The Village Board does hereby declare that all undesignated Village funds remaining in the General Fund after the adoption of each annual appropriation ordinance shall be known as the Village's financial reserve.

SECTION 8-66 through 8-70. RESERVED

**ARTICLE VIII
INVESTMENT POLICY**

SECTION 8-71: INVESTMENT – POLICY; SCOPE

It shall be the policy of the Village to invest its public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands on the entity and conforming to all state and local statutes governing the investment of public funds. This policy shall include all funds governed by the Board of Trustees and the Village's cemetery Board of Managers.

SECTION 8-72: INVESTMENT - PRINCIPLE

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio.

SECTION 8-73: INVESTMENT - OBJECTIVE

The primary objective of all investment, in order of priority, shall be legality or conformance with federal, state and other legal requirements; safety or preservation of capital and protection of investment principal; liquidity or maintenance of sufficient liquidity to meet operating requirements; and yield or attainment of market rates of return. The portfolio should be reviewed periodically as to its effectiveness in meeting the entity's needs for safety, liquidity, rate of return, diversification and its general performance.

SECTION 8-74: INVESTMENT – DELEGATION OF AUTHORITY

Management and administrative responsibility for the investment program is hereby delegated to the Treasurer who, under the delegation of the Board of Trustees, shall establish written procedures for the operation of the investment program.

SECTION 8-75: INVESTMENT – ETHICS; CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

SECTION 8-76: INVESTMENTS – FINANCIAL DEALERS; INSTITUTIONS

The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security brokers/dealers selected by credit worthiness.

SECTION 8-77: INVESTMENTS – AUTHORIZED; SUITABLE

Investments may be made in any type of security allowed for in Illinois statutes regarding the investment of public funds. Investments shall be made that reflect the cash flow needs of the fund type being invested.

SECTION 8-78: INVESTMENTS - COLLATERAL

Funds on deposit (checking accounts, certificates of deposit, and the like) in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent third party institution in the name of the municipality.

SECTION 8-79: INVESTMENTS – SAFEKEEPING; CUSTODY

All security transactions including collateral for repurchase agreements entered into by the Village shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by an independent third party custodian designated by the Treasurer and evidenced by safekeeping receipts and a written custodial agreement.

SECTION 8-80: INVESTMENTS - DIVERSIFICATION

The entity shall diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity.

SECTION 8-81: INVESTMENTS – MAXIMUM MATURITIES

To the extent possible, the Village shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than two years from the date of purchase. Reserve funds may be invested in securities exceeding two years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

SECTION 8-82: INVESTMENTS – INTERNAL CONTROL

The Treasurer is responsible for establishing and maintaining an internal control structure designed to insure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that those objects are met. The internal controls shall address control of collusion, separation of transaction authority from accounting, custodial safekeeping, and written confirmation of telephone transactions for investments and wire transfers.

SECTION 8-83: INVESTMENTS – PERFORMANCE STANDARDS

This investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a comparable rate of return during a market/economic environment of

stable interest rates. Portfolio performance should be compared to benchmarks with similar maturity, liquidity and credit quality as the portfolio.

SECTION 8-84: INVESTMENTS – REPORTING; MARKET VALUE

The Treasurer shall prepare an investment report at least monthly. The report should be provided to the Board of Trustees and available on request. The report should be in a format suitable for review by the general public. An annual report shall be issued to the Board of Trustees. A statement of the market value of the portfolio shall be issued to the Board of Trustees quarterly. Section 24-11 (K) shall govern the investment reporting for the cemetery Board of Managers.

SECTION 8-85: INVESTMENTS – POLICY REVIEW

This policy shall be reviewed on an annual basis by the Treasurer and any modifications made thereto must be approved by the Board of Trustees.

SECTION 8-86 through 8-98. RESERVED

**ARTICLE IX
ENFORCEMENT**

SECTION 8-99: EFFECTIVE DATE

This ordinance shall be in full force and effect, after passage, approval and publication as required by law.