

VILLAGE OF LAKE BLUFF
FINANCE COMMITTEE MEETING
Monday, August 24, 2026
6:00 PM

Members of the public may view and participate in the meeting via:

- In person at the Village Hall Board Room, 40 E. Center Ave.
- Online: lakebluff.org/VirtualMeeting
- Dial-in: [\(312\) 626-6799](tel:3126266799). Enter meeting ID [814 1963 9547](https://lakebluff.org/Channel19). Press # when prompted for a Participant ID.

The meeting will be also live-streamed at lakebluff.org/Channel19 and on public access television.

AGENDA

1. Call to Order – Roll Call
2. Approval of Minutes – June 22, 2026
3. Non-Agenda Items and Visitors

The Finance Committee allocates fifteen (15) minutes at this time for those individuals who would like the opportunity to address the Committee on any matter not listed on the agenda.

4. Business Items

A. Discussion Regarding Updates to Sales Tax and/or Grocery Tax

B. Investment Update

C. Staff Updates

5. Adjournment

The Village of Lake Bluff is subject to the requirements of the Americans with Disabilities Act. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the facilities, are requested to contact R. Drew Irvin at (847) 234-0774 or TDD number (847) 234-2153 promptly to allow the Village of Lake Bluff to make reasonable accommodations.

VILLAGE OF LAKE BLUFF - FINANCE COMMITTEE
MINUTES OF MEETING – **June 22, 2026**

I. Call to Order – Roll Call

The Finance Committee of the Village of Lake Bluff was called to order on Monday, June 22, 2026, at 6:00 PM in the Village Hall Board Room, 40 E. Center Ave., Lake Bluff, Illinois.

Members Present: Trustee Susan Rider, Chair
 Trustee Taryn Fisher, Member
 Trustee Brian Rener, Member

Others Present: Regis Charlot, Village President
 R. Drew Irvin, Village Administrator
 Kelsea Neal Nolot, Assistant Village Attorney
 Jeff Hansen, Village Engineer
 Bettina O’Connell, Finance Director
 Max Morgan, Assistant to the Village Administrator
 Shelton Clark, Management Analyst

II. Approval of Minutes – March 30, 2026

Member Rener made a motion to approve the minutes; Member Fisher seconded the motion. On a voice vote, all voted aye, and the motion passed.

III. Non-Agenda Items and Visitors

Chair Rider stated the Finance Committee allocates fifteen (15) minutes at this time for those individuals who would like the opportunity to address the Committee on any matter not listed on the agenda.

There were no requests to address the committee.

IV. Business Discussion Items

A. Discussion Regarding Potential Sales Tax Sharing Agreement

Chair Rider introduced the first business item, a discussion of a potential sales tax sharing agreement with Ziegler, referring to the memorandum beginning on page 6 of the packet. She invited Village Administrator Irvin to present an overview.

Village Administrator Irvin reviewed the Village’s prior experience with sales tax rebate agreements, including arrangements with automobile dealerships and the recently concluded Target agreement, which was structured as the earlier of \$4.2 million in rebate or 10 years and ultimately ran the full 10-year term. He explained that the proposed agreement with Ziegler would follow a similar structure: the Village would retain all sales tax generated by the first \$30 million in annual sales at the site (approximately \$300,000 in Village sales tax), and sharing would occur only above that floor. He noted that Ziegler has already invested approximately \$500,000 at the site and anticipates additional improvements, including a Pagani dealership build-out

and Ferrari-mandated upgrades, with total capital investment currently estimated at roughly \$6–7 million. Ziegler seeks to recapture qualified investments over a term not to exceed 15 years or a cumulative cap and has indicated it is agreeable to the Village's typical policy terms, including a maximum rebate cap, a claw back provision if operations cease or relocate within an early period, a minimum annual sales threshold, and performance requirements tied to completion of improvements documented through building permits.

Chair Rider asked how the \$30 million floor and corresponding \$300,000 in sales tax had been determined and whether it reflected historical sales at the site. Village Administrator Irvin replied that confidentiality rules limit disclosure of specific taxpayer data but stated that, as in prior agreements, the threshold was set at a level staff considers conservative and achievable, and that staff is confident the dealership will meet or exceed that level.

Chair Rider observed that if the Village begins sharing above \$300,000, overall revenue could decline relative to some past years and asked whether the objective was to at least maintain the Village's current revenue position. Village Administrator Irvin confirmed that maintaining the Village's position is the goal and stated that staff believes the proposed structure accomplishes this.

Member Renner commented that, similar to the Target arrangement, the Village would first secure a baseline revenue amount each year, which provides some protection in weaker economic periods.

Chair Rider summarized her understanding that the Village would receive the first \$300,000 in sales tax, that amounts between \$300,000 and \$600,000 would effectively be rebated to Ziegler to recoup eligible improvements, and that sales tax above \$600,000 would be shared 50/50. She asked whether the cap would be annual or cumulative.

Village Administrator Irvin responded that the cap would be cumulative and tied to actual qualified capital investments, with current estimates in the range of \$6–7 million. He emphasized that the agreement language would narrowly define eligible costs and tie them to specific improvements documented through the permitting process, with a proposed look-back date of January 1, 2026, to recognize recent qualifying work.

Chair Rider expressed concern about "scope creep," particularly including non-improvement acquisition-related costs, and stated that she wanted eligibility limited to clearly defined physical improvements and did not want the total eligible amount to grow beyond what is necessary.

Village Administrator Irvin stated that some of the approximately \$500,000 already spent relates directly to facility work (such as Pagani-related improvements) and reiterated that staff and the Village Attorney would draft language to restrict eligibility accordingly. He confirmed that the dealership is operating and selling vehicles while the renovations are underway.

Chair Rider then asked about the process for moving forward and whether the agreement should return to the Finance Committee. Village Administrator Irvin stated that the Village Board must authorize any agreement and that the Committee could either review a final draft or simply make a recommendation to the Board based on the business terms discussed. Chair Rider stated she did not believe it was necessary

for the agreement to come back to the Committee if the Board reviewed the final document. Member Renner agreed.

Village Administrator Irvin suggested that the Committee consider a motion recommending that the Village Board authorize a sales tax rebate agreement with Ziegler, subject to preparation of a final agreement by the Village Attorney and Village Administrator. Member Renner moved that the Finance Committee recommend that the Village Board authorize a sales tax rebate agreement with Ziegler, consistent with the business terms discussed and subject to preparation of a final agreement by the Village Attorney and Village Administrator and subsequent Village Board review. Member Fisher seconded the motion. On a voice vote, Chair Rider, Member Fisher, and Member Renner voted "aye," with no "nay" votes. The motion passed unanimously.

President Charlot commended Village Administrator Irvin and Finance Director O'Connell for improving the proposed terms over the course of discussions with the dealership. Member Renner asked about the expected timeline for the facility's improvements and any ribbon-cutting or opening event, particularly for the Ferrari component. Village Administrator Irvin replied that the Ferrari dealership is already open and selling vehicles, with additional improvements to be completed as Ferrari's final requirements are determined.

B. Discussion Regarding Possible Village Investment in Senior Housing Project in the City of Lake Forest

Chair Rider introduced the second business item as a discussion regarding a possible Village investment in an affordable senior housing project in the City of Lake Forest. She stated that the goal was to understand the project, consider possible roles for Lake Bluff, evaluate potential benefits for Lake Bluff residents, and explore how such participation might relate to the Village's affordable housing obligations.

Village Administrator Irvin introduced Paul Lemieux, a Lake Bluff resident and former Village Trustee who previously served as the Village's representative to senior-services bodies.

Village Administrator Irvin then summarized the broader context. He explained that Lake Forest has pursued several affordable housing initiatives, including purchasing and rehabilitating single-family homes for attainable or workforce housing under resale restrictions, and has adopted an inclusionary housing ordinance that requires developers to provide affordable units or pay fees into an Affordable Housing Trust Fund. Lake Bluff does not have such an ordinance and has fewer development opportunities. He noted that the Lake Forest Senior Cottage Project has been referenced in Lake Bluff's Affordable Housing Plan as a potential partnership through which Lake Bluff might gain access to affordable senior units. Lake Forest recently applied for state tax credits after being encouraged by the State, but preliminary feedback indicates that the cost per unit may be high; a final decision from the State is expected soon. Lake Forest is seeking additional local investment to close its funding gap, and Lake Bluff has been identified as a potential partner. Historically, Lake Bluff carried a placeholder of about \$100,000 in its budget for this possibility, but current estimates suggest that a significantly larger contribution, in the range of roughly \$450,000 to \$650,000, may be needed. He also recalled a prior, ultimately unsuccessful, proposal for senior housing on the 10-acre parcel west of the West Terrace in Lake Bluff, where concerns about surrendering that asset and increased ambulance demand contributed to the decision not to proceed.

Chair Rider summarized that the Committee would need to weigh the benefits of potential access to affordable senior units in Lake Forest against the concern of investing Village funds outside Lake Bluff and consider how such a step would fit within a broader affordable housing strategy. She asked Mr. Lemieux for his perspective.

Mr. Lemieux stated that he shares the concern about sending funds to another municipality but believes that, if Lake Bluff participates, it should do so at a level that yields clear, negotiated benefits. He suggested that an investment in the range of approximately \$400,000 to \$450,000 could reasonably be tied to conditions such as a guaranteed opportunity for an eligible Lake Bluff resident to occupy one of the new units at initial lease-up, and a tenant selection priority in which Lake Forest residents would be first, Lake Bluff residents second, families of Lake Forest residents third, and families of Lake Bluff residents fourth. He noted that, of the five existing senior cottages, only two are currently occupied by Lake Forest residents, indicating that with such a priority structure Lake Bluff residents and their families would have a realistic opportunity to obtain units over time.

President Charlot asked whether Lake Bluff should instead focus on creating its own affordable or workforce housing within the Village by acquiring and rehabilitating properties, as Lake Forest once did, thereby keeping both the investment and the residents in Lake Bluff. Mr. Lemieux responded that while that model is attractive, rising housing prices have made it much more expensive, and Lake Forest has largely ceased acquiring new homes for that purpose. He noted that though partnerships with organizations such as Community Partners for Affordable Housing remain effective, the cost per unit has increased considerably.

Village Administrator Irvin agreed that timing, market conditions, and available funding are critical and observed that Lake Forest's earlier success depended on purchasing properties during the post-2008 downturn and having a well-funded housing trust. He and Village Attorney Friedman also referenced the approaches used in Highland Park and Lake Forest, including inclusionary requirements, demolition fees, and trust funds that can be used to support affordable housing. Mr. Lemieux mentioned that a modest real estate transfer tax is another tool Lake Forest employs to support its trust.

Member Renner asked about the basic parameters of the Lake Forest project, including whether the units would be rentals, how affordability is defined, and whether participating in Lake Forest's project versus constructing units in Lake Bluff would change tenant rent levels under state and federal guidelines. Village Administrator Irvin replied that the project is designed as rental housing and that Lake Forest works with CPAH and state and federal rules to set eligibility and rents. Mr. Lemieux added that these standards would apply consistently regardless of location.

Chair Rider noted that, relative to state expectations, participation in the Lake Forest project might appear modest, but over the long term, with typical tenancies of several years and units remaining in the affordable pool for many decades, a single unit could serve multiple Lake Bluff households, particularly if the Village has priority placement. Mr. Lemieux agreed and stated that viewing the investment over an 80- to 100-year horizon is useful.

In further discussion, it was clarified that the existing five senior cottages are located on one site, and that the new Lake Forest project would be on a separate, nearby parcel near Telegraph Road and Illinois Route 43. Mr. Lemieux stated that he was not aware of a defined long-range plan for additional phases beyond the current proposal.

The Committee then discussed possible local tools for Lake Bluff. Village Administrator Irvin noted that while affordable housing has been addressed in the Village's Affordable Housing Plan, Lake Bluff has not adopted an inclusionary zoning ordinance or formal housing trust. Village Attorney Friedman described Highland Park's use of an affordable housing trust funded by inclusionary requirements and demolition fees to support new affordable housing construction. Mr. Lemieux reiterated that a small transfer tax can also provide revenue for such a trust. President Charlot expressed interest in exploring these local strategies and stated that he did not favor relying solely on external projects. Member Renner commented that if Lake Bluff pursues its own in-Village strategy, it may take several years before units become available, while participation in the Lake Forest project could offer nearer-term options for Lake Bluff seniors or relatives who wish to remain close by.

President Charlot asked about the timing of any decision on the Lake Forest project. Mr. Lemieux replied that the schedule depends heavily on the sale of tax credits and that he had previously been told that, if the project proceeds, it could be within six to nine months, but that this remains uncertain and contingent on the State's decision. Member Renner briefly recounted the history of the prior 10-acre senior housing proposal in Lake Bluff, stating that the Board had worked extensively with the developer and neighbors and had come close to an agreement before ultimately deciding not to go forward. Village Administrator Irvin added that concerns about giving up the 10-acre parcel and anticipated ambulance and EMS demand were significant in that decision.

Chair Rider concluded that the Committee recognizes that investing in the Lake Forest project alone would not satisfy all of the Village's affordable housing needs but could provide meaningful opportunities for Lake Bluff residents if appropriate conditions and priorities are secured. She noted that the Committee is also interested in exploring local strategies, including a potential affordable housing trust, inclusionary tools, and selective property acquisition.

Village Administrator Irvin reported that staff is currently working with the State on revisions to the Village's Affordable Housing Plan and expects to meet with State officials regarding comments on the prior plan. He stated that staff will bring the revised plan and a broader overview of affordable and attainable housing tools—including partnerships such as the Lake Forest project and possible in-Village mechanisms—to a future COW meeting for Board discussion. No formal action was taken on this item.

V. Adjournment

With no further business, Member Renner moved to adjourn, and Member Fisher seconded. The motion carried unanimously on a voice vote, and the meeting was adjourned.

Respectfully submitted,

Bettina K O'Connell
Finance Director

VILLAGE OF LAKE BLUFF

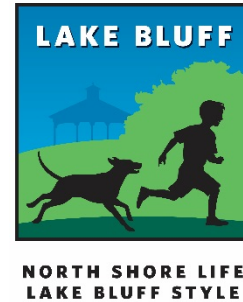
MEMORANDUM

TO: Finance Committee Members
Regis Charlot, Village President
R. Drew Irvin, Village Administrator

FROM: Bettina K. O'Connell, Director of Finance

DATE: August 20, 2026

SUBJECT: Municipal Grocery Tax



Background

As part of Illinois' Fiscal Year 2025 budget, Public Act 103-0781 eliminated the statewide 1% grocery sales tax effective January 1, 2026. The original August 2025 Finance Committee memorandum noted that this repeal would remove a reliable revenue stream for Lake Bluff, and it was recommended that the Village Board adopt a local 1% grocery tax ordinance. At the request of the Village Board, staff has prepared an update of the revenue impacts.

Updated Local Impact

The Village's updated analysis continues to show that the elimination of the grocery tax represents a meaningful, recurring revenue loss. Because the Village does not receive retailer-reported qualifying grocery sales by business, staff prepared a conservative estimate using aggregate sales tax information, retailer classifications, and actual collection trends. The analysis does not disclose confidential taxpayer information, retailer-level receipts, account numbers, or individual business activity.

- The previous estimate identified approximately \$250,000 annually from the 1% grocery tax.
- The updated model conservatively estimates \$70,000 of foregone grocery-tax revenue for January through March 2026 - an upward trend likely to realize \$280k in receipts (attributed somewhat to inflation). Actual sales tax collections received for the corresponding lagged period were below the comparable prior-year period, providing additional support that the tax change has had a measurable fiscal impact.

Action Window

IDOR guidance provides that ordinances filed by April 1 take effect July 1 of the same year, while ordinances filed by October 1 take effect January 1 of the following year. The next filing deadline available for Lake Bluff is October 1, 2026, which would allow implementation effective January 1, 2027.

Possible Next Steps:

1. Continue monitoring sales tax trends and update the revenue estimate as additional post-repeal data becomes available.
2. Present the ordinance for Board approval at an upcoming meeting.
3. Submit the certified ordinance to IDOR via mail.

Attachment

1. Illinois Municipal League's Listing of Municipalities Adopting
2. Draft Ordinance

Illinois Municipalities That Have Adopted Ordinances Implementing the Local Grocery Sales Tax

As of 5/11/2026 at 11:00 a.m.

Disclaimer: This list of municipalities that have adopted a local grocery sales tax ordinance is based on information received directly from the municipality or confirmed by the Illinois Department of Revenue (IDOR). It is not an official IDOR document and may be incomplete. **Some municipalities are listed more than once due to their jurisdiction overlapping multiple counties.** The Illinois Municipal League has compiled and posted this information as a resource and will update the list periodically as new information becomes available.

	Municipality	County
1	Abingdon	Knox
2	Albany	Whiteside
3	Albers	Clinton
4	Aledo	Mercer
5	Alexis	Mercer
6	Alexis	Warren
7	Algonquin	Kane
8	Algonquin	McHenry
9	Alpha	Henry
10	Alsip	Cook
11	Altamont	Effingham
12	Alto Pass	Union
13	Alton	Madison
14	Altona	Knox
15	Amboy	Lee
16	Andalusia	Rock Island
17	Anna	Union
18	Annawan	Henry
19	Antioch	Lake
20	Arcola	Douglas
21	Arenzville	Cass
22	Argenta	Macon
23	Arlington Heights	Cook
24	Arlington Heights	Lake
25	Aroma Park	Kankakee
26	Arthur	Douglas
27	Arthur	Moultrie
28	Ashley	Washington
29	Assumption	Christian
30	Athens	Menard
31	Atkinson	Henry
32	Auburn	Sangamon
33	Augusta	Hancock
34	Aurora	DuPage

35	Aurora	Kane
36	Aurora	Kendall
37	Aurora	Will
38	Ava	Jackson
39	Avon	Fulton
40	Baldwin	Randolph
41	Bannockburn	Lake
42	Barrington	Cook
43	Barrington	Lake
44	Barry	Pike
45	Bartonville	Peoria
46	Batavia	DuPage
47	Batavia	Kane
48	Beardstown	Cass
49	Beckemeyer	Clinton
50	Bedford Park	Cook
51	Beecher	Will
52	Belle Rive	Jefferson
53	Belleville	St Clair
54	Bellevue	Peoria
55	Bellwood	Cook
56	Bement	Piatt
57	Berkeley	Cook
58	Berwyn	Cook
59	Bethalto	Madison
60	Bethany	Moultrie
61	Biggsville	Henderson
62	Bishop Hill	Henry
63	Bismarck	Vermilion
64	Blandinsville	McDonough
65	Bloomington	DuPage
66	Bloomington	McLean
67	Blue Island	Cook
68	Blue Mound	Macon
69	Bluffs	Scott
70	Bluford	Jefferson
71	Bolingbrook	DuPage
72	Bolingbrook	Will
73	Bourbonnais	Kankakee
74	Bowen	Hancock
75	Braceville	Grundy
76	Braceville	Will
77	Bradford	Stark
78	Bradley	Kankakee
79	Braidwood	Grundy
80	Braidwood	Will
81	Breese	Clinton

82	Bridgeview	Cook
83	Brighton	Jersey
84	Brighton	Macoupin
85	Brimfield	Peoria
86	Broadview	Cook
87	Brookfield	Cook
88	Brooklyn	St Clair
89	Brookport	Massac
90	Browning	Schuyler
91	Brownstown	Fayette
92	Brussels	Calhoun
93	Buda	Bureau
94	Buffalo	Sangamon
95	Buffalo Grove	Cook
96	Buffalo Grove	Lake
97	Bull Valley	McHenry
98	Buncombe	Johnson
99	Bunker Hill	Macoupin
100	Burbank	Cook
101	Burlington	Kane
102	Burnham	Cook
103	Bushnell	McDonough
104	Butler	Montgomery
105	Byron	Ogle
106	Cahokia Heights	St Clair
107	Cairo	Alexander
108	Caledonia	Boone
109	Calumet City	Cook
110	Calumet Park	Cook
111	Campbell Hill	Jackson
112	Campton Hills	Kane
113	Canton	Fulton
114	Capron	Boone
115	Carbon Hill	Grundy
116	Carbondale	Jackson
117	Carlinville	Macoupin
118	Carlyle	Clinton
119	Carmi	White
120	Carol Stream	DuPage
121	Carpentersville	Kane
122	Carrier Mills	Saline
123	Carrollton	Greene
124	Carterville	Williamson
125	Cary	McHenry
126	Casey	Clark
127	Casey	Cumberland
128	Caseyville	St Clair

129	Catlin	Vermilion
130	Central City	Marion
131	Centralia	Clinton
132	Centralia	Jefferson
133	Centralia	Marion
134	Centralia	Washington
135	Cerro Gordo	Piatt
136	Chandlerville	Cass
137	Channahon	Grundy
138	Channahon	Will
139	Chapin	Morgan
140	Charleston	Coles
141	Chatham	Sangamon
142	Chatsworth	Livingston
143	Chebanse	Iroquois
144	Chebanse	Kankakee
145	Chenoa	McLean
146	Chester	Randolph
147	Chicago Heights	Cook
148	Chicago Ridge	Cook
149	Chillicothe	Peoria
150	Chrisman	Edgar
151	Christopher	Franklin
152	Cicero	Cook
153	Cisne	Wayne
154	Cissna Park	Iroquois
155	Clarendon Hills	DuPage
156	Clay City	Clay
157	Clifton	Iroquois
158	Clinton	DeWitt
159	Coal Valley	Henry
160	Coal Valley	Rock Island
161	Cobden	Union
162	Coffeen	Montgomery
163	Colchester	McDonough
164	Colfax	McLean
165	Collinsville	Madison
166	Collinsville	St Clair
167	Colona	Henry
168	Colp	Williamson
169	Columbia	Monroe
170	Columbia	St Clair
171	Cooksville	McLean
172	Cornell	Livingston
173	Coulterville	Randolph
174	Country Club Hills	Cook
175	Countryside	Cook

176	Crest Hill	Will
177	Crestwood	Cook
178	Crete	Will
179	Creve Coeur	Tazewell
180	Crystal Lake	McHenry
181	Cuba	Fulton
182	Cullom	Livingston
183	Cutler	Perry
184	Dallas City	Hancock
185	Dallas City	Henderson
186	Dalzell	Bureau
187	Dalzell	LaSalle
188	Danvers	McLean
189	Danville	Vermilion
190	Davis Junction	Ogle
191	Decatur	Macon
192	Deer Creek	Tazewell
193	Deer Creek	Woodford
194	Deer Park	Cook
195	Deer Park	Lake
196	Deerfield	Cook
197	Deerfield	Lake
198	DeKalb	DeKalb
199	DePue	Bureau
200	Des Plaines	Cook
201	DeSoto	Jackson
202	Diamond	Grundy
203	Diamond	Will
204	Divernon	Sangamon
205	Dixon	Lee
206	Dolton	Cook
207	Dongola	Union
208	Donnellson	Bond
209	Donnellson	Montgomery
210	Dowell	Jackson
211	Downers Grove	DuPage
212	Downs	McLean
213	Dunlap	Peoria
214	Dupo	St Clair
215	DuQuoin	Perry
216	Durand	Winnebago
217	Dwight	Grundy
218	Dwight	Livingston
219	Earlville	LaSalle
220	East Alton	Madison
221	East Dundee	Cook
222	East Dundee	Kane

223	East Moline	Rock Island
224	East Peoria	Tazewell
225	East St Louis	St Clair
226	Edgewood	Effingham
227	Edwardsville	Madison
228	El Paso	McLean
229	El Paso	Woodford
230	Elburn	Kane
231	Eldorado	Saline
232	Elgin	Cook
233	Elgin	Kane
234	Elizabeth	JoDaviess
235	Elk Grove Village	Cook
236	Elk Grove Village	DuPage
237	Elkville	Jackson
238	Elmhurst	Cook
239	Elmhurst	DuPage
240	Elmwood	Peoria
241	Elmwood Park	Cook
242	Energy	Williamson
243	Erie	Whiteside
244	Eureka	Woodford
245	Evanston	Cook
246	Evergreen Park	Cook
247	Fairbury	Livingston
248	Fairfield	Wayne
249	Fairview Heights	St Clair
250	Farina	Fayette
251	Farina	Marion
252	Farmer City	DeWitt
253	Farmersville	Montgomery
254	Fisher	Champaign
255	Flanagan	Livingston
256	Flat Rock	Crawford
257	Flora	Clay
258	Flossmoor	Cook
259	Ford Heights	Cook
260	Forest Park	Cook
261	Forest View	Cook
262	Forrest	Livingston
263	Forreston	Ogle
264	Forsyth	Macon
265	Fox River Grove	Lake
266	Fox River Grove	McHenry
267	Frankfort	Cook
268	Frankfort	Will
269	Franklin	Morgan

270	Franklin Park	Cook
271	Freeburg	St Clair
272	Freeport	Stephenson
273	Galena	JoDaviess
274	Galva	Henry
275	Gardner	Grundy
276	Geneseo	Henry
277	Geneva	Kane
278	Genoa	DeKalb
279	Georgetown	Vermilion
280	Germantown Hills	Woodford
281	Gibson City	Ford
282	Gilberts	Kane
283	Gilman	Iroquois
284	Girard	Macoupin
285	Glen Carbon	Madison
286	Glen Ellyn	DuPage
287	Glencoe	Cook
288	Glendale Heights	DuPage
289	Glenview	Cook
290	Glenwood	Cook
291	Golconda	Pope
292	Golden	Adams
293	Good Hope	McDonough
294	Goodfield	Tazewell
295	Goodfield	Woodford
296	Grafton	Jersey
297	Grand Ridge	LaSalle
298	Grandview	Sangamon
299	Grant Park	Kankakee
300	Grayslake	Lake
301	Green Valley	Tazewell
302	Greenfield	Greene
303	Greenup	Cumberland
304	Greenview	Menard
305	Greenville	Bond
306	Griggsville	Pike
307	Gulfport	Henderson
308	Hainesville	Lake
309	Hamel	Madison
310	Hampshire	Kane
311	Hanna City	Peoria
312	Hanover	JoDaviess
313	Hanover Park	Cook
314	Hanover Park	DuPage
315	Hardin	Calhoun
316	Harmon	Lee

317	Harrisburg	Saline
318	Harristown	Macon
319	Harvard	McHenry
320	Harvey	Cook
321	Harwood Heights	Cook
322	Havana	Mason
323	Hawthorn Woods	Lake
324	Hazel Crest	Cook
325	Hebron	McHenry
326	Hecker	Monroe
327	Hecker	St Clair
328	Hennepin	Putnam
329	Herrin	Williamson
330	Herscher	Kankakee
331	Heyworth	McLean
332	Hickory Hills	Cook
333	Highland	Madison
334	Highland Park	Lake
335	Highwood	Lake
336	Hillcrest	Ogle
337	Hillsboro	Montgomery
338	Hillside	Cook
339	Hinckley	DeKalb
340	Hinsdale	Cook
341	Hinsdale	DuPage
342	Hodgkins	Cook
343	Hoffman	Clinton
344	Hoffman Estates	Cook
345	Homer Glen	Will
346	Homewood	Cook
347	Hoopeston	Vermilion
348	Hopkins Park	Kankakee
349	Huntley	Kane
350	Huntley	McHenry
351	Illiopolis	Sangamon
352	Ina	Jefferson
353	Indian Head Park	Cook
354	Industry	McDonough
355	Iola	Clay
356	Ipava	Fulton
357	Irvington	Washington
358	Island Lake	Lake
359	Island Lake	McHenry
360	Itasca	DuPage
361	Iuka	Marion
362	Jacksonville	Morgan
363	Jerome	Sangamon

364	Jerseyville	Jersey
365	Johnsburg	McHenry
366	Johnston City	Williamson
367	Joliet	Kendall
368	Joliet	Will
369	Jonesboro	Union
370	Joy	Mercer
371	Justice	Cook
372	Kankakee	Kankakee
373	Karnak	Pulaski
374	Keithsburg	Mercer
375	Kempton	Ford
376	Kewanee	Henry
377	Kildeer	Lake
378	Kincaid	Christian
379	Kirkland	DeKalb
380	Knoxville	Knox
381	La Grange	Cook
382	La Grange Park	Cook
383	Lacon	Marshall
384	Ladd	Bureau
385	Lake Barrington	Lake
386	Lake Forest	Lake
387	Lake in the Hills	McHenry
388	Lake Zurich	Lake
389	Lakemoor	Lake
390	Lakemoor	McHenry
391	Lanark	Carroll
392	Lansing	Cook
393	LaSalle	LaSalle
394	Lawrenceville	Lawrence
395	Le Roy	McLean
396	Leaf River	Ogle
397	Lebanon	St Clair
398	Leland	LaSalle
399	Lemont	Cook
400	Lemont	DuPage
401	Lemont	Will
402	Lena	Stephenson
403	Lewistown	Fulton
404	Lexington	McLean
405	Liberty	Adams
406	Libertyville	Lake
407	Limestone	Kankakee
408	Lincoln	Logan
409	Lincolnshire	Lake
410	Lincolnwood	Cook

411	Lindenhurst	Lake
412	Litchfield	Montgomery
413	Livingston	Madison
414	Loami	Sangamon
415	Lockport	Will
416	Lombard	DuPage
417	Long Creek	Macon
418	Long Grove	Lake
419	Louisville	Clay
420	Loves Park	Boone
421	Loves Park	Winnebago
422	Lovington	Moultrie
423	Lynwood	Cook
424	Lyons	Cook
425	Machesney Park	Winnebago
426	Mackinaw	Tazewell
427	Macomb	McDonough
428	Macon	Macon
429	Magnolia	Putnam
430	Mahomet	Champaign
431	Malta	DeKalb
432	Manchester	Scott
433	Manhattan	Will
434	Manteno	Kankakee
435	Mapleton	Peoria
436	Marengo	McHenry
437	Marion	Williamson
438	Marissa	St Clair
439	Markham	Cook
440	Marquette Heights	Tazewell
441	Martinsville	Clark
442	Maryville	Madison
443	Mascoutah	St Clair
444	Mason City	Mason
445	Matherville	Mercer
446	Matteson	Cook
447	Matteson	Will
448	Mattoon	Coles
449	Mazon	Grundy
450	McCullom Lake	McHenry
451	McHenry	McHenry
452	McLeansboro	Hamilton
453	McNabb	Putnam
454	Mechanicsburg	Sangamon
455	Medora	Macoupin
456	Melrose Park	Cook
457	Melvin	Ford

458	Mendota	LaSalle
459	Meredosia	Morgan
460	Merrionette Park	Cook
461	Metamora	Woodford
462	Metropolis	Massac
463	Midlothian	Cook
464	Milan	Rock Island
465	Milford	Iroquois
466	Milledgeville	Carroll
467	Millstadt	St Clair
468	Minonk	Woodford
469	Minooka	Grundy
470	Minooka	Kendall
471	Minooka	Will
472	Mokena	Will
473	Moline	Rock Island
474	Momence	Kankakee
475	Monee	Will
476	Monmouth	Warren
477	Montgomery	Kane
478	Montgomery	Kendall
479	Monticello	Piatt
480	Morris	Grundy
481	Morrison	Whiteside
482	Morrisonville	Christian
483	Morton	Tazewell
484	Morton Grove	Cook
485	Mound City	Pulaski
486	Mounds	Pulaski
487	Mount Carroll	Carroll
488	Mount Clare	Macoupin
489	Mount Erie	Wayne
490	Mount Morris	Ogle
491	Mount Olive	Macoupin
492	Mount Prospect	Cook
493	Mount Sterling	Brown
494	Mount Vernon	Jefferson
495	Mount Zion	Macon
496	Moweaqua	Christian
497	Moweaqua	Shelby
498	Mulberry Grove	Bond
499	Mundelein	Lake
500	Murphysboro	Jackson
501	Naperville	DuPage
502	Naperville	Will
503	Nashville	Washington
504	Nauvoo	Hancock

505	Nebo	Pike
506	Neoga	Cumberland
507	Neponset	Bureau
508	New Athens	St Clair
509	New Baden	Clinton
510	New Baden	St Clair
511	New Berlin	Sangamon
512	New Lenox	Will
513	New Milford	Winnebago
514	New Minden	Washington
515	Newark	Kendall
516	Newton	Jasper
517	Niles	Cook
518	Noble	Richland
519	Nokomis	Montgomery
520	Nora	JoDaviess
521	Normal	McLean
522	Norridge	Cook
523	North Aurora	Kane
524	North Barrington	Lake
525	North Chicago	Lake
526	North Pekin	Tazewell
527	North Riverside	Cook
528	North Utica	LaSalle
529	Northbrook	Cook
530	Northfield	Cook
531	Northlake	Cook
532	O'Fallon	St Clair
533	Oak Brook	Cook
534	Oak Brook	DuPage
535	Oak Forest	Cook
536	Oak Lawn	Cook
537	Oak Park	Cook
538	Oakbrook Terrace	DuPage
539	Oakland	Coles
540	Oakwood	Vermillion
541	Oblong	Crawford
542	Odell	Livingston
543	Odin	Marion
544	Ogden	Champaign
545	Ohio	Bureau
546	Okawville	Washington
547	Olmsted	Pulaski
548	Olney	Richland
549	Olympia Fields	Cook
550	Oneida	Knox
551	Orangeville	Stephenson

552	Oregon	Ogle
553	Orion	Henry
554	Orland Hills	Cook
555	Orland Park	Cook
556	Orland Park	Will
557	Oswego	Kendall
558	Oswego	Will
559	Palatine	Cook
560	Palestine	Crawford
561	Palmyra	Macoupin
562	Palos Heights	Cook
563	Palos Hills	Cook
564	Palos Park	Cook
565	Pana	Christian
566	Pana	Shelby
567	Paris	Edgar
568	Park City	Lake
569	Park Forest	Cook
570	Park Forest	Will
571	Park Ridge	Cook
572	Patoka	Marion
573	Pawnee	Sangamon
574	Payson	Adams
575	Pecatonica	Winnebago
576	Pekin	Peoria
577	Pekin	Tazewell
578	Peoria	Peoria
579	Peoria Heights	Peoria
580	Peoria Heights	Tazewell
581	Peoria Heights	Woodford
582	Peotone	Will
583	Percy	Randolph
584	Peru	LaSalle
585	Petersburg	Menard
586	Pinckneyville	Perry
587	Pingree Grove	Kane
588	Pittsburg	Williamson
589	Pittsfield	Pike
590	Plainfield	Kendall
591	Plainfield	Will
592	Plano	Kendall
593	Pleasant Plains	Sangamon
594	Plymouth	Hancock
595	Polo	Ogle
596	Pontiac	Livingston
597	Port Barrington	Lake
598	Port Barrington	McHenry

599	Posen	Cook
600	Prairie du Rocher	Randolph
601	Prairie Grove	McHenry
602	Princeton	Bureau
603	Princeville	Peoria
604	Prophetstown	Whiteside
605	Prospect Heights	Cook
606	Quincy	Adams
607	Ramsey	Fayette
608	Rankin	Vermilion
609	Rantoul	Champaign
610	Rapids City	Rock Island
611	Raymond	Montgomery
612	Red Bud	Randolph
613	Richton Park	Cook
614	Ridge Farm	Vermilion
615	Ringwood	McHenry
616	River Forest	Cook
617	River Grove	Cook
618	Riverdale	Cook
619	Riverton	Sangamon
620	Roanoke	Ford
621	Roanoke	Woodford
622	Robbins	Cook
623	Roberts	Ford
624	Robinson	Crawford
625	Rock Falls	Whiteside
626	Rock Island	Rock Island
627	Rockdale	Will
628	Rockford	Ogle
629	Rockford	Winnebago
630	Rockton	Winnebago
631	Rolling Meadows	Cook
632	Romeoville	Will
633	Roodhouse	Greene
634	Roselle	Cook
635	Roselle	DuPage
636	Rosiclare	Hardin
637	Round Lake	Lake
638	Round Lake Beach	Lake
639	Royalton	Franklin
640	Rushville	Schuyler
641	Saint Anne	Kankakee
642	Saint Charles	DuPage
643	Saint Charles	Kane
644	Saint Joseph	Champaign
645	Saint Libory	St Clair

646	Saint Rose	Clinton
647	Salem	Marion
648	San Jose	Logan
649	San Jose	Mason
650	Sandoval	Marion
651	Sandwich	DeKalb
652	Sandwich	Kendall
653	Sauk Village	Cook
654	Sauk Village	Will
655	Savoy	Champaign
656	Saybrook	McLean
657	Scales Mound	JoDaviess
658	Schaumburg	Cook
659	Schaumburg	DuPage
660	Schiller Park	Cook
661	Schram City	Montgomery
662	Seneca	Grundy
663	Seneca	LaSalle
664	Sesser	Franklin
665	Shabbona	DeKalb
666	Shannon	Carroll
667	Shawneetown	Gallatin
668	Shelbyville	Shelby
669	Sheldon	Iroquois
670	Sheridan	LaSalle
671	Sherman	Sangamon
672	Shiloh	St Clair
673	Shipman	Macoupin
674	Shorewood	Will
675	Silvis	Rock Island
676	Skokie	Cook
677	Sleepy Hollow	Kane
678	Smithton	St Clair
679	South Barrington	Cook
680	South Beloit	Winnebago
681	South Chicago Heights	Cook
682	South Elgin	Kane
683	South Holland	Cook
684	South Wilmington	Grundy
685	Southern View	Sangamon
686	Sparta	Randolph
687	Spring Grove	McHenry
688	Spring Valley	Bureau
689	Staunton	Macoupin
690	Steeleville	Randolph
691	Steger	Cook
692	Steger	Will

693	Sterling	Whiteside
694	Stickney	Cook
695	Stillman Valley	Ogle
696	Stockton	JoDaviess
697	Stone Park	Cook
698	Stonington	Christian
699	Stoy	Crawford
700	Streator	LaSalle
701	Streator	Livingston
702	Stronghurst	Henderson
703	Sublette	Lee
704	Sugar Grove	Kane
705	Sullivan	Moultrie
706	Summerfield	St Clair
707	Summit	Cook
708	Sun River Terrace	Kankakee
709	Swansea	St Clair
710	Sycamore	DeKalb
711	Symerton	Will
712	Tamaroa	Perry
713	Tamms	Alexander
714	Tampico	Whiteside
715	Taylorville	Christian
716	Third Lake	Lake
717	Thomasboro	Champaign
718	Thomson	Carroll
719	Thornton	Cook
720	Tilden	Randolph
721	Tilton	Vermilion
722	Tinley Park	Cook
723	Tinley Park	Will
724	Toledo	Cumberland
725	Toluca	Marshall
726	Toulon	Stark
727	Tremont	Tazewell
728	Trenton	Clinton
729	Tuscola	Douglas
730	Ullin	Pulaski
731	Union	McHenry
732	Union Hill	Kankakee
733	Urbana	Champaign
734	Valier	Franklin
735	Valmeyer	Monroe
736	Vandalia	Fayette
737	Varna	Marshall
738	Venice	Madison
739	Vernon Hills	Lake

740	Verona	Grundy
741	Vienna	Johnson
742	Villa Grove	Douglas
743	Villa Park	DuPage
744	Viola	Mercer
745	Viriden	Macoupin
746	Viriden	Sangamon
747	Virginia	Cass
748	Volo	Lake
749	Walnut	Bureau
750	Warren	JoDavie
751	Warrensburg	Macon
752	Washington	Tazewell
753	Waterloo	Monroe
754	Watseka	Iroquois
755	Wauconda	Lake
756	Waukegan	Lake
757	Waverly	Morgan
758	Wenona	Marshall
759	West City	Franklin
760	West Dundee	Kane
761	West Frankfort	Franklin
762	West Peoria	Peoria
763	West Salem	Edwards
764	Westchester	Cook
765	Western Springs	Cook
766	Westmont	DuPage
767	Westville	Vermilion
768	Wheaton	DuPage
769	Wheeling	Cook
770	Wheeling	Lake
771	White Hall	Greene
772	Williamsfield	Knox
773	Williamsville	Sangamon
774	Willisville	Perry
775	Willowbrook	DuPage
776	Wilmette	Cook
777	Wilmington	Will
778	Wilmington	Greene
779	Wilsonville	Macoupin
780	Windsor	Shelby
781	Winfield	DuPage
782	Winnebago	Winnebago
783	Winnetka	Cook
784	Winthrop Harbor	Lake
785	Witt	Montgomery
786	Wonder Lake	McHenry

787	Wood River	Madison
788	Woodlawn	Jefferson
789	Woodridge	Cook
790	Woodridge	DuPage
791	Woodridge	Will
792	Woodson	Morgan
793	Woodstock	McHenry
794	Worden	Madison
795	Worth	Cook
796	Wyoming	Stark
797	Yates City	Knox
798	Yorkville	Kendall
799	Zeigler	Franklin
800	Zion	Lake

ORDINANCE NO. 2026-__

**AN ORDINANCE AMENDING TITLE 1, CHAPTER 8 OF THE LAKE BLUFF MUNICIPAL
CODE TO IMPOSE A MUNICIPAL GROCERY TAX**

Passed by the Board of Trustees, _____, 2026

Printed and Published, _____, 2026

Printed and Published in Pamphlet Form
by Authority of the
President and Board of Trustees

VILLAGE OF LAKE BLUFF
LAKE COUNTY, ILLINOIS

I hereby certify that this document
was properly published on the date
stated above.

Village Clerk

ORDINANCE NO. 2026-__

AN ORDINANCE AMENDING TITLE 1, CHAPTER 8 OF THE LAKE BLUFF MUNICIPAL CODE TO IMPOSE A MUNICIPAL GROCERY TAX

WHEREAS, the Village of Lake Bluff is a home rule unit of local government pursuant to the provisions of Article VII, Section 6 of the Illinois Constitution; and

WHEREAS, the Village has the authority to adopt ordinances and to promulgate rules and regulations that pertain to its government and affairs and that protect the public health, safety, and welfare of its citizens; and

WHEREAS, Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24) ("**Act**") provides that, beginning on January 1, 2027 Illinois municipalities may impose a municipal grocery retailers' occupation tax upon all persons engaged in the business of selling groceries at retail in the municipality at a rate not to exceed one percent of the gross sales receipts ("**Municipal Grocery Retailer Tax**"); and

WHEREAS, the Act requires municipalities imposing a Municipal Grocery Retailer Tax to also impose a service occupation tax, at the same rate upon all persons engaged, in the municipality, in the business of making sales of service, who, as an incident to making those sales of service, transfer groceries as an incident to a sale of service ("**Municipal Grocery Service Tax**"); and

WHEREAS, any Municipal Grocery Retailer Tax and any Municipal Grocery Service Tax (collectively, the "**Municipal Grocery Tax**") shall be administered, collected, and enforced by the Illinois Department of Revenue ("**IDOR**"); and

WHEREAS, Title 1, Chapter 8 of the Lake Bluff Municipal Code, as amended ("**Village Code**") imposes certain taxes with the Village; and

WHEREAS, the Village Board has determined that it will serve and be in the best interests of the Village and its residents to amend Title 1, Chapter 8 of the Village Code to impose a Municipal Grocery Retailer Tax and a Municipal Grocery Service Tax pursuant to and as permitted by the Act;

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LAKE BLUFF, LAKE COUNTY, ILLINOIS, as follows:

Section 1. Recitals.

The foregoing recitals are incorporated herein as the findings and determinations of the President and Board of Trustees.

Section 2. Amendment of Title 1, Chapter 8 of the Village Code.

Chapter 8, entitled "Village Taxation," of Title 1, entitled "Administration" of the Lake Bluff Municipal Code is hereby amended to add a new Article M to read as follows:

Additions are bold and double underlined; deletions are struck through.

"ARTICLE M. MUNICIPAL GROCERY TAX

1-8M-1: DEFINITIONS:

Whenever used in this Article, the term "groceries" has the meaning ascribed to it in the Municipal Grocery Occupation Tax Law, 65 ILCS 5/8-11-24 et seq. All other terms used herein, unless otherwise defined, have the meaning ascribed to them in the Illinois Retailers' Occupation Tax Act, 35 ILCS 120/1 et seq., as amended.

1-8M-2: MUNICIPAL GROCERY RETAILER TAX IMPOSED:

A tax is hereby imposed upon all persons engaged in the business of selling groceries at retail in the Village at a rate of one percent of the gross receipts from those sales made in the course of that business on and after January 1, 2026. The imposition of this tax is in accordance with and subject to the provisions of Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24).

1-8M-3: MUNICIPAL GROCERY SERVICE OCCUPATION TAX IMPOSED:

A tax is hereby imposed upon all persons engaged in the Village in the business of making sales of service who transfer groceries as an incident to a sale of service, at the rate of one percent of the selling price of all groceries transferred incident to a sale of service while this Article XI is in effect. The imposition of this tax is in accordance with and subject to the provisions of Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24).

1-8M-4: COLLECTION AND ENFORCEMENT OF TAXES:

The taxes imposed by this Article and all civil penalties that may be assessed as an incident of the tax, will be collected and enforced by the State of Illinois Department of Revenue of the State of Illinois in accordance with the provisions of Section 8-11-24 of the Illinois Municipal Code, 65 ILCS 5/8-11-24, as amended. The Illinois Department of Revenue has the full power to administer and enforce the provisions of this Article."

Section 3. Filing of Ordinance.

As required by Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24), the Village Clerk is hereby directed to file a certified copy of this Ordinance with the IDOR on or before October 1, 2025.

Section 4. Severability.

If any provision of this Ordinance or part thereof is held invalid by a court of competent jurisdiction, the remaining provisions of this Ordinance shall remain in full force and effect, and shall be interpreted, applied, and enforced so as to achieve, as near as may be, the purpose and intent of this Ordinance to the greatest extent permitted by applicable law.

Additions are bold and double underlined; deletions are struck through.

Section 5. **Effective Date.**

This Ordinance will be in full force and effect from and after its passage, approval, and publication in pamphlet form in the manner provided by law. The taxes imposed pursuant to this Ordinance will take effect on January 1, 2027.

[SIGNATURE PAGE FOLLOWS]

Additions are bold and double underlined; ~~deletions are struck through.~~

PASSED this ____ day of _____, 2026, by vote of the Board of Trustees of the Village of Lake Bluff, as follows:

AYES: ()

NAYS: ()

ABSENT: ()

APPROVED this ____ day of _____, 2026.

Village President

ATTEST:

Deputy Village Clerk

FIRST READING: _____

SECOND READING: _____

PASSED: _____

APPROVED: _____

PUBLISHED IN PAMPHLET FORM: _____

Additions are bold and double underlined; ~~deletions are struck through.~~

VILLAGE OF LAKE BLUFF

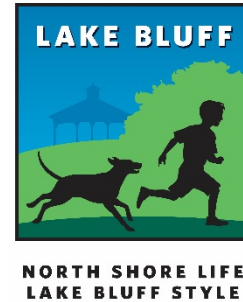
MEMORANDUM

TO: Finance Committee Members
Regis Charlot, Village President
R. Drew Irvin, Village Administrator

FROM: Bettina K. O'Connell, Director of Finance

DATE: August 21, 2026

SUBJECT: Investment and Cash Management Review



Included in the packet is the Village's current Investment and Cash Management Policy for reference as staff reviews the Village's current investment and cash management practices. The policy emphasizes safety of principal, liquidity, return, and diversification in the management of Village funds.

The Village currently maintains investments and cash balances through IMET, Illinois Funds, Sawyer Falduto/Schwab, and Wintrust/Lake Forest Bank & Trust. As part of the ongoing review, staff is considering adding a money market account with Old National Bank to provide an additional option for managing short-term cash. Old National has proposed a money market account with an interest rate benchmarked to the weekly average Illinois Funds rate. This structure would allow the Village to maintain a competitive rate while providing liquidity and safety of principal.

Old National currently provides banking services to the Village related to credit card processing and the electronic collection of online water bill payments, with those funds subsequently transferred to the Village's primary account at Lake Forest Bank & Trust. Establishing the money market account would expand the Village's existing banking relationship with Old National and provide additional flexibility in managing short-term cash.

Staff is providing this update to the Finance Committee as part of the ongoing review of the Village's investment and cash management practices. The addition of the Old National money market account would provide another option for managing available cash while maintaining the Village's priorities of safety, liquidity, and competitive returns. Staff is considering the addition of the account and will continue working through the necessary account setup and collateralization arrangements.

Attachment

1. Investment and Cash Management Policy

VILLAGE OF LAKE BLUFF

INVESTMENT AND CASH MANAGEMENT POLICY

Revised 2/11/19

VILLAGE OF LAKE BLUFF
INVESTMENT POLICY AND CASH MANAGEMENT POLICY

<u>Section</u>	<u>Page</u>
I. General Provisions	
1. Policy	1
2. Scope	1
3. Public Trust	1
4. Conflicts of Interest	1
5. Objectives	2
6. Responsibility and Delegation of Authority	2
 II. Investment Policy	
1. Authorized Investment Instruments	3
2. Diversification	4
3. Maturities	4
4. Collateralization	5
5. Investment Goals	5
6. Prohibited Transactions	6
7. Qualified Brokers/Dealers	6
8. Qualified Investment Advisors	6
 III. Cash Management Policy	
1. Qualified Financial Institutions	6
2. Deposits	7
3. Withdrawals and Transfers of Funds	7
4. Internal Controls	7
5. Reporting	8
6. Amendments to Policy	8
7. Definitions	8
8. Resolution	8
 Appendix A - Definitions	9-12
Appendix B - Resolution	13

VILLAGE OF LAKE BLUFF INVESTMENT AND CASH MANAGEMENT POLICY

GENERAL PROVISIONS

1. Policy

It is the policy of the Village of Lake Bluff:

- ❖ to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds; and
- ❖ to maintain an adequate internal control system to safeguard Village financial assets.

2. Scope

This Investment and Cash Management Policy applies to the cash management and investment activities of the Village of Lake Bluff (the Village). The management and investment of the Village's financial assets shall be administered in accordance with the provisions of this Policy. These funds are accounted for in the Village's Comprehensive Annual Finance Report and include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Agency Funds, and other funds that may be created from time to time.

This policy does not apply to the Lake Bluff Police Pension Fund or the Lake Bluff Public Library. The management and investment of the Police Pension fund is statutorily entrusted to the Board of Trustees of the Police Pension Fund of the Village of Lake Bluff. The management and investment of the assets of the Public Library is the responsibility of the Lake Bluff Public Library Board of Trustees.

3. Public Trust

In managing its investment portfolio, the Village shall avoid any transaction that might impair public confidence. 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 the capital as well as the probable income to be derived.

4. Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees, members of the Village Board of Trustees, and investment officials shall disclose to the Village Board of Trustees any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the Village's portfolio, particularly with regard to the timing of purchases and sales. Any trustee, officer, or employee of the Village having investment authority shall not cause the Village to engage in any activity or transaction that he or she

knows or should know that such transaction constitutes a conflict of interest. The Director of Finance and the Village Administrator are precluded from receiving, in any manner, compensation of any kind from investments in which the Village is authorized to invest.

5. Objectives

The purpose of this Policy is to establish cash management and investment guidelines for the stewardship of the Village of Lake Bluff public funds. The Village's objective is to invest funds in excess of those needed for short-term operating purposes and to maximize revenue from the investment of such available cash.

- a. Legality: All investments shall conform with federal and state legal requirements.
- b. Safety: The safety of principal is the foremost objective of this Policy. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they are from securities defaults or erosion of market value.
- c. Liquidity: The Village's investment portfolio shall remain sufficiently liquid to meet all operating requirements which may be reasonably anticipated.
- d. Return on Investments: The Village's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the Village's investment risk constraints, prudent investment principles, and the cash flow requirements of the portfolio.
- e. Diversification: The Village shall diversify its investments to avoid incurring unreasonable risks regarding specific security types and/or individual financial institutions.
- f. Investments must mature or be redeemable prior to the date they will be required for Village expenditures.
- g. All investments purchased with money from a particular fund must be credited to such fund. All payments received as principal or interest are to be credited to the fund by, or for which, the investments were purchased.
- h. Except where otherwise provided by the Board of Trustees or State law, the Director of Finance is authorized to pool the cash of various funds to maximize investment earnings where it is advantageous and prudent to do so. Investment income shall be allocated to the various funds based upon their respective participation.

6. Responsibility and Delegation of Authority

The establishment of the Investment and Cash Management Policy is the responsibility of the Board of Trustees of the Village of Lake Bluff. The Director of Finance shall be responsible for implementing the Policy, managing the portfolio within its guidelines, and developing procedures for the operation of the investment program. Procedures should include: safekeeping, delivery-versus-payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts.

Investments are to be authorized by the Director of Finance, and when required pursuant to this policy, the Village Administrator. The Director of Finance, with Board approval may, upon execution of a written agreement, delegate authority to persons for executing investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy.

I II. INVESTMENT POLICY

1. Investment Instruments

The Village may invest in the below listed securities pursuant to Public Funds Investment Act 30 ILCS 235/2 (1996). All investments shall be held and, when issued in registered form, registered in the name of the Village of Lake Bluff.

- a. Bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued which are guaranteed by the full faith and credit of the United States of America as to principal and interest.
- b. Bonds, noted debentures, or other similar obligations of the United States of America or its agencies.
- c. Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act which is authorized to do business in the State of Illinois.
- d. In obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (1) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services which mature not later than three years from the date of purchase; (2) such purchases do not exceed ten percent of the corporation's outstanding obligations; and, (3) no more than one-third of the Village's funds may be invested in these obligations.
- e. Short term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings and loan associations incorporated under the laws of the State of Illinois or any other state or under the laws of the United States.
- f. Money market mutual funds registered under the Investment Company Act of 1940, as from time to time amended, provided that the portfolio of any such money market mutual fund is limited to obligations described in subsections (a) and (b) of this Section and to agreements to repurchase such obligations.
- g. Public Treasurers' Investment Pool Accounts, created under Section 17 of the State Treasurer's Act, provided that the portfolio of any such pooled account is limited to obligations described in subsections (a) through (d) of this Section and to agreements to repurchase such obligations.

- h. Local Government Pooled funds managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company, provided that the portfolio of any such pooled account is limited to obligations described in subsections (a) through (d) of this Section and to agreements to repurchase such obligations.
- i. Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 subject to the provisions of said Act and the regulations issued thereunder. The government securities, unless registered of inscribed in the name of the Village of Lake Bluff, shall be purchased through banks or trust companies authorized to do business in the State of Illinois. The Village shall comply with all statutory provisions for investment in a Repurchase Agreement as set forth in the 30 ILCS 235/2-h (1996), as may be amended from time to time.
- j. Interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district. The bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions.

Pursuant to this Policy, agencies of the United States of America includes: (i) the federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 and Acts amendatory thereto; (ii) the federal home loan banks and federal home loan mortgage corporation; and (iii) any other agency created by Act of Congress.

2. Diversification

In order to reduce the risk of default, the investment portfolio of the Village shall not exceed the following diversification limits:

- a. Not more than 60% of the Village funds shall be invested in any one financial institution, provided that such limitation shall not apply to funds invested in the Illinois Public Treasurers' Investment Pool (Illinois Funds), local government pooled funds, or U.S. Treasury securities held in safekeeping by such institution.
- b. Funds deposited at a financial institution shall not exceed 10% of the capital stock and surplus of that institution.
- c. Commercial paper shall not comprise more than 10% of the Village's portfolio.

3. Maturities

To the extent possible, the Village will attempt to match the maturity schedule of 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 five (5) years from the date of purchase or in accordance with state statutes. The Village shall adopt weighted average maturity limitations, consistent with the investment objectives. At least 5% of the portfolio shall be continuously invested in readily available market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with maturities exceeding five (5) years shall be disclosed in writing to the Village Board.

4. Collateralization or Alternative Insurance. Safekeeping. and Custody

- a. It is the policy of the Village that funds on deposit in excess of FDIC or SPIC limits shall be secured by collateral conforming to the provisions outlined below.
- b. The Village shall accept only the following assets as collateral:
 - U.S. Government Securities
 - Obligations of Federal Agencies
 - Obligations of the State of Illinois
- c. The amount of collateral provided shall not be less than 110% of the fair market value of the net amount of public funds secured. The ratio of fair market value of collateral to the amount of funds secured shall be reviewed quarterly, or as needed, and additional collateral be requested when the ratio declines below the level required.
- d. Third party safekeeping is required for all collateral. The securities shall be held in the name of the Village of Lake Bluff at any of the following locations:
 - A Federal Reserve Bank or its branch office.
 - At another custodial facility - generally in a trust department through book-entry at the Federal Reserve, unless physical securities are involved.
 - By an escrow agent of the pledging institution.
- e. Safekeeping will be documented by an approved written agreement. This may be in the form of a safekeeping agreement, trust agreement, escrow agreement, or custody agreement. All security transactions, including collateral for repurchase agreements, entered into by the Village shall be conducted on a delivery-versus-payment (DVP) basis.
- f. Substitution or exchange of securities held in safekeeping can be done without prior written notice of the Village provided the market value of the replacement securities are equal or greater than the market value of the securities being replaced. The Village shall be notified in writing of all substitutions.

5. Investment Goals and Performance Standards

The investment goal of the Village is to achieve the maximum rate of return consistent with a minimum degree of risk and prudent investment practices. Measurement of the average rate of return for the portfolio will be made annually, however, this policy does not constitute a guarantee of performance. The portfolio should obtain a comparable rate of return during a market/economic environment of stable interest rates. Portfolio performance shall be compared to benchmarks with similar maturity, liquidity, and credit quality as the portfolio.

6. Prohibited Transactions and Due Diligence

The Village shall not intentionally purchase any investment in instruments not covered by this Policy. Village management and administrative personnel acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

7. Qualified Brokers/Dealers

The Director of Finance is authorized to approve security broker/dealers selected by credit worthiness, ability to compete effectively in the marketplace, and who maintain an office in the State of Illinois. The Director of Finance shall maintain a list of authorized security brokers/dealers.

8. Qualified Investment Advisors

Investment advisory services must be approved by the Village Board. Qualified Investment Advisors must acknowledge in writing fiduciary responsibility and must be registered under the Investment Advisors Act of 1940. All investment advisor services must be in writing, must fully disclose both direct and indirect fees, must provide for quarterly reports with returns accounted for net of fees, and must include the Village's Investment and Cash Management Policy as part of the contract. Banks, trust companies, or life insurance companies acting as investment advisors must be authorized investment advisors in the State of Illinois. Investment companies acting as investment advisors must be registered under the Federal Investment Act of 1940 and the Illinois Securities Law of 1953.

III. CASH MANAGEMENT POLICY

1. Qualified Financial Institutions

The Director of Finance is authorized to designate an institution as qualified to do business with the Village. It shall be the policy of the Village to select financial institutions on the following basis: ,

a) Security:

- 1) Investments may be made only in banks that are insured by the Banking Insurance Fund of the FDIC.
- 2) Investments may be made only in those savings and loan associations which are insured by the Savings Association Insurance Fund of the FDIC.

b) Statement of Condition:

No financial institution shall receive any Village funds unless it has furnished the Village with copies of the last 2 sworn statements of resources and liabilities that the financial institution is required to submit to its primary regulatory agency. Once selected, the financial institution shall remit a copy of its statement of resources and liabilities annually to

the Director of Finance. Not included in this policy are financial institutions that have total assets in excess of \$10 billion.

c) **Services and Fees:**

Any financial institution selected shall provide normal banking services, including, but not limited to: checking accounts, wire transfers, purchase and sale of investment securities and safekeeping services. Fees for banking services shall be mutually agreed to by an authorized representative of the depository bank and the Director of Finance.

2. Deposits

The Director of Finance is authorized for and on behalf of the Village to designate any financial institution qualifying pursuant to this Policy as a depository, and to open an account or accounts with said depository and to make such arrangements for the conduct thereof as (s)he shall deem proper, and also, that any officer, agent, or employee of the Village is authorized to deposit the funds of the Village in such account or accounts, and to endorse for deposit or collection checks, drafts, notes, certificates of deposit, and orders for the payment of money. Endorsements for deposit or collection may be by the written or stamped endorsement of the Village, without designation of the person making the endorsement.

3. Withdrawals and Transfers of Funds

Any financial institution designated as a depository is authorized and directed to pay out funds on deposit with it to the credit of the Village, upon checks or other orders for the payment of money drawn upon the Village's account and signed in the name of the Village, as follows:

- a. Amounts less than \$10,000 requires the manual or facsimile signature of two (2) of these Village Officials: Village President, Village Administrator, or Director of Finance.
- b. Amounts of \$10,000 or greater require the signatures of two (2) of these Village officials: Village President, Village Administrator, or Director of Finance; of which one (1) must be a manual signature.

The Director of Finance is authorized to transfer funds between Villages accounts maintained in any designated depository institution. All transactions shall be evidenced by written confirmation.

4. Internal Controls and Annual Audit

The Director of Finance shall establish and maintain an adequate system of internal controls. The internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Village.

The Village maintains its records on a fund basis of accounting in conformance with generally accepted accounting principles. All bank accounts are reconciled to the Fund's books on a monthly basis under the supervision of the Director of Finance. The current investment portfolio and all related records are maintained for public and managerial inspection by the Director of Finance.

The cash management and investment activities will be audited in conjunction with the annual examination of the books and records of the Village by an independent certified public accountant. The reporting of cash and investments shall be in accordance with the Governmental Accounting Standards Board (GASS).

5. Reporting

The Director of Finance shall submit an investment report to the Board of Trustees monthly and at such other times as requested by the Village Administrator, Village President, Finance Committee, or Board of Trustees, which shall describe in detail the components of the portfolio in terms of investment securities, maturities, cost, interest rate, and earnings by fund. The market value of the portfolio shall be determined and reported on a quarterly basis.

6. Amendments to Policy

It shall be the responsibility of the Director of Finance to review this Policy from time to time and to present any recommended changes to the Village Board of Trustees for their consideration and approval.

7. Definitions - Appendix A

In order to assist the Trustees, the public, and other interested parties, the terms in Appendix A have been defined for the purpose of promoting universal understanding of some of the terminology which may be used in this policy or applied to investments in general.

8. Resolution - Appendix B

This policy was adopted by the Board of Trustees of the Village of Lake Bluff on this 12th day of April, 1999.

Appendix A

Accretion: The upward adjustment of the book value (cost of acquisition) of a zero coupon bond.

Accrual Basis: An accounting procedure whereby debits and credits are entered in the books on the date incurred rather than on the date they are paid or received.

Accrued Interest: The accumulated interest due on a bond as of the last interest payment made by the issuer that must be paid by the buyer of a security to its seller.

Agency: A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies are backed by each particular agency with a market perception that there is an implicit government guarantee.

Amortization: The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Annuity: An investment contract sold by a life insurance company or a series of equal payments made or received at equal intervals over a designated period.

Basis Point: Equal to 1/100 of 1 percent. For example, 25 basis points represent 1/4 of 1%. If interest rates rise from 5.50 to 5.60% the difference is referred to as an increase of 10 basis points.

Beneficiary: A person who will receive financial benefits of an asset, subject to certain conditions.

Bid: The indicated price at which a buyer is willing to purchase a security or commodity.

Bills: Short-term securities of the U.S. Treasury sold at a discount from face value. The difference between the purchase price and face value represents interest income if held to maturity.

Book value: The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Callable: A security which, at the option of the issuer, may be redeemed prior to maturity.

Commercial Paper: Unsecured promissory notes issued by corporations for up to a maximum of 270 days. The credit risk of almost all commercial paper is rated by a rating service.

Consumer Price Index (CPI): Government sponsored index of change in prices for consumer goods and services over a period of time.

Coupon Rate: The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the interest rate.

Credit Quality: The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower.

Credit Risk: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Current Yield: Percentage measured by taking the annual interest from an investment and dividing it by the current market value.

Discount: The amount by which the par or face value of a security exceeds the price paid for the security.

Diversification: A process of investing assets among a range of security types by sector, maturity, and quality rating.

Dollar Cost Averaging: A method or formula of investing based on periodic investment, in the same security, of equal dollar amounts.

Federal Funds: Excess reserves of member banks of the Federal Reserve which acts as a central bank and fiscal agent of the United States.

Fiduciary: A person legally entrusted with the control of assets for the benefit of others.

Government Securities: An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. Also referred to as, Treasury Bills, Notes, and Bonds.

Illinois Funds: A short term money market fund for public funds in Illinois managed by the Illinois State Treasurer's office.

Interest Rate Risk: The risk associated with changes in the interest rates which cause an investment in a fixed-income security to increase or decrease in value.

Investment-grade Obligations: An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

Liquidity: An asset that can be converted easily and quickly into cash without a substantial decrease in the fair value.

Local Government Investment Pool (LGIP): An investment by local government in which their money is pooled as a method for managing local funds. (See Illinois Fund)

Mark-to-market: The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk: The risk that the value of a security will rise or decline as a result of changes in the market.

Monetary policy: A general term which describes the actions of the Federal Reserve as it controls the supply of money and credit in the U.S. economy.

Mutual fund: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

- Report standardized performance calculations.
- Disseminate timely and accurate information regarding the fund's holdings, performance, management and general investment policy.
- Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the advisor, administrator, or other vendor of the fund.
- Maintain the daily liquidity of the fund's shares.
- Value their portfolios on a daily basis.
- Have all individuals who sees SEC-registered products licenses with a self-regulation organization (SRO) such as the National Association of Securities Dealers (NASD).
- Have an investment policy governed by a prospectus which is updated and filed with the SEC annually.

Offer: An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask Price."

Par: In the securities industry, par is any security whose market or offering price is the same as its face value at the time of redemption.

Premium: The amount by which the price paid for a security exceeds its par or face value.

Prime Rate: A preferential rate of interest on short term loans granted by commercial banks to their most credit worthy customers.

Prudent Person Rule: An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

Reinvestment Risk: The risk that income proceeds from a fixed-income security holding will not be reinvested at the same rate of return currently generated by that holding.

Repurchase Agreement (Repo): An agreement of one party to *sell* securities at a specified price to a second party and a simultaneous agreement of the first party to *repurchase* the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement: An agreement of one party to *purchase* securities at a specified price from a second party and a simultaneous agreement by the first party to *resell* the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act: Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90 day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

Safekeeping: Holding of assets by a financial institution for the owner.

Sinking fund: Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Separate Account: A term used of variable annuities. The risk is borne by the investor in a variable annuity the issuer may not commingle funds invested in the variable annuity with the general funds of the issuer.

Settlement Date: The date at which a security transaction is completed (a buyer pays for and a seller delivers the security purchased).

Standard & Poor's Index: A measurement of the value movement of 500 widely held common stocks which is considered a measure of average stock market performance.

Total Return: The sum of all investment income plus changes in the capital value of the portfolio.

Treasury Bill: A short term debt obligation of the U.S. government with a maturity date of 1 year or less.

Treasury Note: Intermediate debt obligation of the U.S. government with a maturity date of one (1) to ten (10) years.

Treasury Bond: Long term debt obligations of the U.S. government with a maturity of 10 years or more and issued in minimum denominations of \$1,000.

Zero Coupon: Debt securities issued at a discount from its face value, matures at face value, and promises no other cash flow than the payment of the face value at maturity. The interest coupons are essentially "stripped" from the bond. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.