



CITY FLAG DESIGNED
BY
FREDERICK L. LANGE
JULY 6, 1964

**CITY COUNCIL AGENDA
CITY OF BELLEVILLE, IL
AUGUST 3, 2015
AT 7:00 P.M.**

1. CALL TO ORDER BY MAYOR AND EXPLANATION OF DISASTER PROCEDURES

REMINDER: SINCE THE MEETINGS ARE BEING VIDEOTAPED IT IS IMPORTANT THAT EVERYONE SPEAK DIRECTLY INTO A MICROPHONE WHEN SPEAKING.

2. ROLL CALL ALDERMEN

3. ROLL CALL DEPARTMENTS HEADS

4. PLEDGE OF ALLEGIANCE

5. PUBLIC HEARING

6. PUBLIC PARTICIPATION (2-3 MINUTES PER PERSON)

- (a) Members of the public may address the City Council in accordance with Section 2.06(g) of the Illinois Open Meetings Act (5 ILCS 120/2.06(g));
- (b) Public comments are limited to three (3) minutes per speaker;
- (c) The subject of public comments shall be reasonably related to matters(s) identified on the meeting agenda and/or other city business;
- (d) Repetitive public comments should be avoided, to the extent practical, through adoption of prior public comment (e.g. agreeing with prior speaker);
- (e) The following conduct is prohibited during public participation:
 - Acting or appearing in a lewd or disgraceful manner;
 - Using disparaging, obscene or insulting language;
 - Personal attacks impugning character and/or integrity;

- Intimidation;
 - Disorderly conduct as defined in Section 30-1-2 of this revised code of ordinances.
- (f) Any speaker who engages in such prohibited conduct during public participation shall be called to order by the chair or ruling by the chair if a point of order is made by a sitting alderman.

7. PRESENTATIONS, RECOGNITIONS & APPOINTMENTS

- 7-A. Mayor Eckert will recognize the character word of the month “Caring” meaning being compassionate and showing other you care.

8. APPROVAL OF MINUTES

- 8-A. Council Meeting – July 20, 2015

9. CLAIMS, PAYROLL, AND DISBURSEMENTS

10. REPORTS

- 10-A. City Attorney report dated July 31, 2015.

11. ORAL REPORTS FROM STANDING COMMITTEES, SPECIAL COMMITTEES AND ANY OTHER ORAL REPORTS FROM THE ELECTED OFFICIALS OR STAFF

11-A. MOTIONS FROM ZONING BOARD OF APPEALS:

- 11 (A-1). **19-Jul-15 - Cory Duncan**-A request for a **Special Use Permit** in an A-1 Single Family Residence district to allow for the sale and transfer of firearms and ammunition located at 122 Delmar Avenue (Applicable portion of the zoning code: 60-6-5) **Ward 2** – Ordinance #7877
- 11 (A-2). **20-Jul-15 – AMC Belleville, Inc.** - A request for a **Special Use Permit** in a C-2 Heavy Commercial district for a liquor license for Buffalo Wild Wings

located at 5600 Belleville Crossing Street.
(Applicable Section of the zoning code: 60-6-50)
Ward 8. Ordinance #7878

11 (A-3). **22-Jul-15 – Herbert Patterson** – A request for a **Special Use Permit** in a C-2 Heavy Commercial zoning district to operate a used car dealership located at 913 Sherman Street. (Applicable section of the zoning code: 60-6-50) **Ward 1. Ordinance #7879**

11 (A-4). **23-Jul-15 – Margarita’s West/Javier Gutierrez** - A request for a **Special Use Permit** in a C-2 Heavy Commercial district for a liquor license for Margarita’s West located at 4817 West Main Street. (Applicable Section of the zoning code: 60-6-50) **Ward 4. Ordinance #7880**

11 (A-5). **24-Jul-15 – Righteous Pig BBQ** - A request for a **Special Use Permit** in a C-2 Heavy Commercial district for a liquor license for Righteous Pig BBQ located at 124 East Main Street. (Applicable Section of the zoning code: 60-6-50) **Ward 6. Ordinance #7881**

11-B. **MOTIONS FROM MASTER SEWER COMMITTEE:**

11 (B-1). Motion to approve the bid for the Open Operator Station Utility Tractor and 8' Center Drive Rotary Cutter.

11-C. **MOTIONS FROM ADMINISTRATION:**

- 11 (C-1). Motion to approve the bid in the amount of \$20,585.00 from Hayes Contracting for the demolition of 720 South 20th Street and 421 North 1st Street.

12. COMMUNICATIONS

- 12-A. **Children’s Dyslexia Center Annual Walk – Friday, 10/30/2015**
Request to approve the Children’s Dyslexia Walk on Friday, October 30, 2015 from 10:00am – 1:00pm to help children with disabilities. The walk will start and end at the Scottish Rite.
- 12-B. **Special Olympics – Saturday, 10/17/2015**
Request to approve a street closure for a charity event that will benefit the Special Olympics. Requesting street closure to be from “A” street to the alley south right behind Tavern on Main to be closed off from this event (not requesting for the parking lot to be closed or either access points to the parking lot). The Office Lounge is partnering with WIL 93.7 and Prairie Farm employees to raise money to be donated to the Special Olympics. Requesting barricades for these street closures if it is permitted by the city. The event will take place on October 17th from 2 pm to 10 pm. After 10 pm all fundraising will be brought inside the tavern to respect the local tenants.
- 12-C. **Lindenwood University Belleville – Thursday, 8/20/15**
Communication from Lindenwood University- Belleville requesting to have a New Student Mixer with electronic music from 9:00 pm until midnight.

- 12-D. **Lindenwood University Belleville – Friday, 8/21/15**
Communication from Lindenwood University- Belleville requesting to have a Housing Gathering with electronic music from 9:00 pm until midnight.
- 12-E. **Lindenwood University Belleville – Friday, 8/27/15**
Communication from Lindenwood University- Belleville requesting to have a foam party (a machine is installed on their fence and disseminates foam on the tennis court which creates a foam dance floor) on their tennis courts with hip hop, electronic, country, and others music from 9:00 pm until midnight.
- 12-F. **Mid Towne Scarecrow Harvest Festival – Saturday, 10/17/15**
Communication from Belleville Main Street requesting to have the 1st Annual “Scarecrow Harvest Festival” on Saturday, October 17, 2015 from 11:00 A.M. – 8:00 P.M. This event will require the use of the City of Belleville parking lot on the south side of the 900 block of West Main Street. This event will also need assistance with the use, delivery and set up/tear down of picnic tables; and the placement and pick up of trash receptacles.
- 12-G. **Velo Force Racing**
Communication from Velo Force Racing is requesting approval to place a banner on North Illinois to promote the event. The content of the banner would include the event name, date and time of the event. This council previously approved Velo Force Racing to hold their event on August 16, 2015.

13. PETITIONS

14. RESOLUTIONS

15. ORDINANCES

15-A. **ORDINANCE NO. 7877-2015**

An ordinance approving 19-Jul-15 Cory Duncan.

15-B. **ORDINANCE NO. 7878-2015**

An ordinance approving 10-Jul-15 AMC Belleville, Inc.

15-C. **ORDINANCE NO. 7879-2015**

An ordinance approving 22-Jul-15 Herbert Patterson.

15-D. **ORDINANCE NO. 7880-2015**

An ordinance approving 23-Jul-15 Margarita's west/Javier Gutierrez.

15-E. **ORDINANCE NO. 7881-2015**

An ordinance approving 24-Jul-15 Righteous Pig BBQ.

15-F. **ORDINANCE NO. 7882-2015**

An ordinance authorizing and directing the issuance, sale and delivery of the General Obligation Bonds Series 2015, of the City of Belleville, Illinois; providing for the levy and collection of an annual tax for the purpose of paying the principal of and interest on said bonds as they become due; and authorizing certain other documents and actions in connection therewith.

15-G. **ORDINANCE NO. 7883-2015**

An ordinance amending Chapter 52 Traffic Code.

16. UNFINISHED BUSINESS

17. MISCELLANEOUS & NEW BUSINESS

17-A. Motor Fuel Claims in the Amount of **\$1,036.80**.

18. EXECUTIVE SESSION

18-A. The City Council may go into executive session to discuss personnel, litigation, workers' compensation, property acquisition or transfer of property.

18 (A-1). Motion to approve workers' comp settlement.

18 (A-2). Possible motion to approve property acquisition.

19. ADJOURNMENT (ALL QUESTIONS RELATING TO THE PRIORITY OF BUSINESS SHALL BE DECIDED BY THE CHAIR WITHOUT DEBATE, SUBJECT TO APPEAL).

**CITY OF BELLEVILLE, ILLINOIS
REGULAR CITY COUNCIL MEETING MINUTES
COUNCIL CHAMBERS – CITY HALL
JULY 20, 2015 – 7:00 PM**

Mayor Mark Eckert called this meeting to order.

Mayor Eckert explained the disaster procedures. Mayor Eckert reminded anyone speaking this evening to step up to a microphone because the meetings are being taped and posted the next day on the website.

Mayor Eckert asked the City Clerk Dallas B. Cook to call roll. Members present on roll call: Mayor Mark Eckert, City Clerk Dallas B. Cook and City Treasurer Dean Hardt. Aldermen: Joe Hazel, Ken Kinsella, Janet Schmidt, Mike Buettner, Kent Randle, Scott Tyler, Johnny Anthony, Raffi Ovian, Phil Silsby, Ed Dintelman, Paul Seibert, Bob White, Trent Galetti, Phil Elmore, Roger Wigginton and James Musgrove.

ROLL CALL DEPARTMENT HEADS

Roll Call Department Heads: Police Chief, Bill Clay; Director of Maintenance, Ken Vaughn; Director of Wastewater, Royce Carlisle; Finance Director, Jamie Maitret; City Engineer, Tim Gregowicz, Human Resource Director, Jim Schneider; Director of Library, Leander Spearman; Health and Housing Director, Bob Sabo; Director of Parks and Recreation, Debbie Belleville; Director of Economic Development, Annissa McCaskill; City Attorney Hoerner.

Roll Call Department Heads Excused: Director of Public Works, Chuck Schaffer and Fire Chief, Tom Pour.

PLEDGE

Mayor Eckert introduced the Boy Scout Troop from Cathedral to lead the pledge of allegiance and requested everyone to stand.

PUBLIC HEARING

None.

PUBLIC PARTICIPATION

Mayor Eckert explained the new Public Participation wording included on the agenda and asked if anyone would like to come forward for the public participation portion of the meeting and said please state your name and address for the record and limit comments to approximately three minutes per person and to please speak into the microphone.

Ken Belding, Belleville, Illinois. Mr. Belding stated he is with Empire Comfort Systems and is here to speak on Motion 11 (E). The problem they have is a good one. The company is growing and has over 300 employees. Most of them use the back parking lot which they access and egress through East Grant

Street. When they leave work trying to get on Freeburg Avenue there is considerable blockage of view from the North, there is a turn there and on the corner there is a house and cars and you have to pull out into the street to see around it. Aside from the speed of the cars, which is well documented, most of the cars are speeding down the hill. Mr. Belding stated they are requesting a four way stop be put at that intersection.

Mr. Inabinet, Belleville, Illinois. Mr. Inabinet has a couple of questions regarding Rte 15 Shrine Development; (1) has the developer signed an agreement with a high end hotel? If they don't, Mr. Inabinet recommends that the City give them a deadline. The high end hotel is what was going to drive this project; (*Mayor Eckert stated he has sat in meetings personally with some high end hotels and they are working with several and this project might even move along a little bigger and faster. There is every intention to sign some good quality name hotels as promised and it could be a matter of just days...that's how close they are*). (2) Mr. Inabinet read in the paper the developer from Effingham formed an LLC and they registered in Missouri. Mr. Inabinet does not understand if they registered in Missouri why we are, the State of Illinois they would be a sales tax rebate or abatement on construction material from Illinois. Illinois is in debt. If they register a company in Missouri why should we do this...they should register in Illinois. (*Mayor Eckert stated most all developments the City has had in the last number of years have all been registered out of Missouri or other states...it's just where they are finding financial. They are Illinois people*). Mr. Inabinet stated it is his money too...tax money from the State and the State of Illinois is broke. They go so they can get a money break...he's sure it's cheaper that's why they do it. Mr. Inabinet thinks is malarkey that the City gives them a sales tax break and they can't come and register their company in Illinois where it should be. Mr. Inabinet knows why they are doing it...it's because of the money...then they are going to get more money from the City but they didn't register here in Illinois.

Rose Wilson, Belleville, Illinois. Stated she is present in support of Chief Clay regarding the issue with the flag. Ms. Wilson stated she has knows Bill Clay since he has been here a good twenty years. He served honorably in the military and she is one hundred percent certain he knows what the flag means. The flag issue was nothing but for political posturing. Ms. Wilson stated she hopes the movement organization did not take place in the clerk's office on the tax payers' time and hopes the same can be said for the interview on the radio. Ms. Wilson feels very strongly this issue should have been between the Chief, the Mayor, the officers and their union. Nobody should use our flag for political posturing.

Stuart Lannert, Belleville, Illinois. Mr. Lannert stated ever since this two or three minutes the Mayor and people have been trying to limit the talking to try and put a clamp on anything anybody wanted to say...she wants to brag about Chief Clay.

Mr. Lannert stated he was in the Vietnam War, Marine Rifleman, and Mr. Lannert said if he remembers right Chief Clay was some kind of desk jockey in the Air Force and Mr. Lannert stated Chief Clay should be fired for stupidity and un-Americanism. Anyone that is stupid enough to want the American Flag taken off the police officer's uniform should be fired. Mr. Lannert stated when he was protesting someone from the courthouse stole two of Mr. Lannert's signs and run off with them and Mr. Lannert's thinks they have them on a picture and Mr. Lannert would like the two sign back.

Mr. Lannert heard there was a riot down at 6th Street Park with two-three hundred people were rioting and the Belleville Police had to call in reinforcements from two or three other police departments. Mr. Lannert stated he does not know if this is true but it's what he heard.

Michael Hagberg, Belleville, Illinois. Mr. Hagberg stated he wanted to remind that five weeks ago he asked about the status of the industrial park and the fact that the city spent \$107,000 of TIF money on a no bid engineering study to move it along and would like to know the status, what's been done, when it will be open and move forward. Mr. Hagberg stated the Mayor told him to contact his office and Mr. Hagberg stated he sent an email a week later and has no response since then. *(Mayor Eckert stated he will go back and look. Mayor Eckert stated he asked his staff after the meeting if Mr. Hagberg had contacted his office. Mayor Eckert suggested that Eric and Tim give Mr. Hagberg an update.)*

Paul Brigman, Belleville, Illinois. Mr. Brigman would love to see a vote if the American Flag should be part of the uniform. The other issue that all of the real estate that this city owns, how much does it cost to maintain and what are we doing about selling it or doing something with the property instead of hanging on to it. *(Mayor Eckert stated the City reviews the property annually and there are a lot of things the City is not allowed to sell because it was obtained i.e. flood buy out money along Richland Creek and the stipulation was not to build on it or sell, and that is the case with quite of bit of the land the City owns...not all. There are some lots that were talked about recently in Bob Sabo's committee...Bob Sabo will be reviewing soon. These properties will be advertised and people can put a closed bid on them. There are properties the City is holding for future development for the City...some for sewer work that was mandated by the IEPA and there are several lots the City has acquired and until we see exactly how this whole sewer phase gets designed and how much we need. Mayor Eckert stated he Mr. Brigman would like to FOIA the City the City has a breakdown which is colored coded).*

Kathy Draper, Belleville, Illinois. Ms. Draper stated there should be a vote within the council to whether or not you are going to take the flag off of the uniform. We pledge allegiance to the flag...are we going to take our flag out. Is Belleville going to have its own money where it's no longer in God we Trust. This is crazy. Ms. Draper stated the Girl and Boy Scouts they all have the flag on. We are the United States of America. We are in Belleville, not just Belleville, we are Americans and that's where the United States American Flag should belong... on the uniforms.

Ms. Draper stated with the properties there is a property across from her house; the address is 407-409 South 19th Street. The police will not make the neighbors not use the property as long as they cut the grass and they do not cut it all the way. Right now the hill is knee deep and the rest is fairly flat. He is going to end up and take it eminent domain. Ms. Draper stated the neighborhood does not want him to use the property.

Ms. Draper stated if she was Stuart's neighbor she would be having a cow. His yard is an eye sore. As far as Ms. Draper is concerned all of the signs need to come down. Thank God of the United States of America that she is not his neighbor. *(Mayor Eckert stated the reason Stuart can have the signs is because it is the United States of America...Freedom of Speech).*

Police Chief Clay. Chief Clay stated he wanted to make some clarifications about the flag flap. Chief Clay stated he would like to give some absolute facts about it because he feels they are needed and not be driven by all of the hyperbole. In 2006, the administration at that time, decided they would have a

single patch which would be the Belleville Police Patch; however, they would allow the officers to continue to wear the flag if they chose too. That is the policy that has been in place. As a result, of the 2006 policy, there are officers who are dressed like the Chief with a Department Patch-American Flag, Department Patch-no Flag or no patches. That is the standard today. The July 7th policy was designed with a couple of things in mind. Chief Clay stated he wanted to get some uniformity, some symmetry back to the uniforms and he wanted to have a shoulder patch policy that is consistent with the vast majority of law enforcement agencies throughout the United States as well as the Metro East. Most have a double shoulder patch-city patch or a county-patch or State.

There was never and there has never been an order that the American Flag is to be stripped from the uniforms. That was never issued by anyone. The memos are available to support that. The police department command met with the union leadership and discussed what they were trying to do and the reasons for it and they wanted to listen to the union if there was any concerns that they were having in reference to that. There were none.

Here is what happened....Unfortunately; some of the employees within the department chose to lie. They chose to release misinformation to the public; they chose to tell the public that he ordered the American Flags be immediately removed from the uniforms. That would have been offensive to Chief Clay if something like that would have occurred...that was not the case. This lie resulted in public and social media uproar and a backlash. That is understandable, if, that is, in fact, what he did as a police chief. Chief Clay stated if he said take all of the flags off of the uniforms and does so immediately he can understand that people would be upset but that is the way it was told to them. That is not the case and never was the case.

Chief Clay stated he met with the Mayor, several aldermen and also spoke to a reporter with the BND and after consultation and speaking he knew he needed to modify the July 7th policy change and he did so on July 17th. Chief Clay stated he simply said that if you choose to wear the American Flag along with the department policy you may do so; if you want to go with the double patch policy you also have that option. In the current policy, it is provided for the wear of two authorized department patches and it makes no mention if it is an American Flag or City. In the same section, Section E, it is authorized to wear of the American Flag as a pin either above the name tag centered. Chief Clay stated he also wears an American Flag as a tie tack. So, there is no issue as far as the flag and as far as pulling the flag down he has no idea how that got started and is not the case.

Chief Clay stated he met with some aldermen and the Mayor but wants to acknowledge and thank Alderman Silsby, Alderman Seibert, Alderman Ovan and Alderman White. They were very gracious and considerate. They came to Chief Clay when all of this was up and they wanted the Chief to tell them, they were in search of the facts, they wanted to know exactly what had occurred and what he said. They respected what this was for and they knew that there was no conspiracy here are something against the flag. Chief Clay stated his timing may be have been lousy, if, in fact, if you think about the Confederate Flag flap and that coming down and if this crazy chief decided to do something at the wrong time.

Chief Clay added sacrifice and service to country in his mind is a true measure of patriotism. Chief Clay stated he loves the flag; however, the flag does not determine whether or not he is a patriot or whether or not he loves his country. Chief Clay referred to an alderman that has served thirty years in the United

States Air Force...that is sacrifice and service to country. For him to sit and talk with Chief Clay and understand, even though, he didn't necessarily agree with the policy change he respected and understood there was nothing sinister behind it.

In closing, the policy has been modified, the police department is moving on and everyone needs to do the same.

City Clerk Cook. City Clerk Cook stated as someone who was part of gathering folks together to celebrate the flag he would like to clarify a few things. (1) this was absolutely nothing against Chief Clay; (2) just as Chief Clay said the facts are the Memo stated that the Belleville patch was to be on both shoulders, so although they did not say to remove the American Flag that is what was happening. If you are to have a Belleville patch on each side there is not going to be an American Flag any longer...Chief Clay admitted that but now since the people spoke up now the American Flag can still be on the uniform.

This was never a bad issue this was something that was good to be discussed. The timing was bad...why take an America Flag off of your uniform and why not have it there. There has been decade's worth of Belleville police uniforms with the American Flag on it. City Clerk Cook stated he did not want to be a part of the City of Belleville when that went away. City Clerk Cook stated he thinks the hundred people who were standing and outside would not want that to happen either.

They were here to show their pride in the flag, their pride in their county, their unity, their patriotism...nothing against Chief Clay. Chief Clay is a great man and there is no question about that...was this bad a decision? Yes, bad decision, bad timing. It doesn't need to happen and he hopes the officers can still feel comfortable wearing the American Flag on their shoulder and do it with pride.

City Clerk Cook stated he hopes everyone understands the reasoning for standing with the flag, it's nothing bad, this was not a protest this was a rally in support.

PRESENTATIONS, RECOGNITIONS & APPOINTMENTS

Eric Schauster, Assistant Director of Economic Development, presented Michael Allen, of Preservation Research Office on the Blair National Register Historic District. Eric Schauster stated the City received a \$14k grant with a \$6k match. Mr. Allen presented the status of the project and the boundaries.

APPROVAL OF MINUTES

Alderman Schmidt made a motion seconded by Alderman Tyler to approve to receive and file the minutes of June 15, 2015.

All members voted aye.

CLAIMS, PAYROLL, AND DISBURSEMENTS

General Fund.....	\$263,406.68
Sewer.....	\$120,256.79
Insurance.....	\$24,303.17

Library Fund	\$25,411.32
Park/Rec	\$12,289.64
Motor Fuel Tax	\$44,840.00
Sewer Construction.....	\$94,001.59
Sewer Bon & Interest.....	\$94,001.59
SSA	\$2,568.03
TIF 3.....	\$66,198.09
Belleville Illinois Tourism	\$700.00
TIF 8 Downtown South	\$3,189.90
TIF 15 Carlyle Greenmount.....	\$349,015.14
2014 PD Project Construction Fund	\$62,624.87
Police Trust	\$129.94
Narcotics	\$125.32

Alderman Elmore made a motion seconded by Alderman Schmidt to pay the claims, payroll and disbursements.

Members voting aye on roll call: Hazel, Kinsella, Schmidt, Buettner, Randle, Tyler, Anthony, Ovian, Silsby, Dintelman, Seibert, White, Galetti, Elmore, Wigginton and Musgrove. (16)

REPORTS

Alderman Kinsella made a motion seconded by Alderman Hazel to receive and file the Housing Report, **Treasurer Report and Statement of Cash and Investment– June 2015.**

All members voted aye.

ORAL REPORTS

ADMINISTRATION:

Alderman Schmidt made a motion seconded by Alderman Tyler to approve solicitor license requests from Neel Patel (Edwards Jones).

All members voted aye.

Alderman Randle abstained.

PLANNING COMMISSION:

Alderman White made a motion seconded by Alderman Dintelman to approve the Preliminary Plat for the final phase of Green Mount Manor.

Members voting aye on roll call: Hazel, Kinsella, Schmidt, Buettner, Randle, Tyler, Anthony, Ovian, Silsby, Dintelman, Seibert, White, Galetti, Elmore, Wigginton and Musgrove. (16)

POLICE AND FIRE:

Alderman Anthony made a motion seconded by Alderman Hazel to approve MABAS Mutual Aid Agreement.

Members voting aye on roll call: Hazel, Kinsella, Schmidt, Buettner, Randle, Tyler, Anthony, Ovian, Silsby, Dintelman, Seibert, White, Galetti, Elmore, Wigginton and Musgrove. (16)

MASTER SEWER COMMITTEE:

Alderman Dintelman made a motion seconded by Alderman Wigginton to approve the bid and award to Haier Plumbing and Heating for the Phase 3 Long Term Control Plan in the amount of \$21,891,000.00.

Members voting aye on roll call: Hazel, Kinsella, Schmidt, Buettner, Randle, Tyler, Anthony, Ovian, Silsby, Dintelman, Seibert, White, Galetti, Elmore, Wigginton and Musgrove. (16)

Alderman Dintelman made a motion seconded by Alderman White to allow the City to grant underground utility easement right to Ameren Illinois at the location of 900 Scheel Street.

Members voting aye on roll call: Hazel, Kinsella, Schmidt, Buettner, Randle, Tyler, Anthony, Ovian, Silsby, Dintelman, Seibert, White, Galetti, Elmore, Wigginton and Musgrove. (16)

TRAFFIC COMMITTEE

Alderman White made a motion seconded by Alderman Seibert to change the 2-way stop to 4-way at East Grant and Freeburg Avenue. (Mayor Eckert stated he will sign an executive order on July 21, 2015 to have the stop sign put in place).

Members voting aye on roll call: Hazel, Kinsella, Schmidt, Buettner, Randle, Tyler, Anthony, Ovian, Silsby, Dintelman, Seibert, White, Galetti, Elmore, Wigginton and Musgrove. (16)

STREETS AND GRADES COMMITTEE

Alderman Seibert made a motion seconded by Alderman Dintelman to approve the following: Hank's Excavating in the amount of \$229,687.90 for Phase II Juanita Place; Preliminary Engineering Agreement with railroad consultant, STV, in the amount of \$15,000.00 for the West Belleville Bike Trail Phase III; and an additional light to be installed to the east side of Meadowlark Lane in the amount of \$3,300.00.

Members voting aye on roll call: Hazel, Kinsella, Schmidt, Buettner, Randle, Tyler, Anthony, Ovian, Silsby, Dintelman, Seibert, White, Galetti, Elmore, Wigginton and Musgrove. (16)

COMMUNICATIONS

Alderman Schmidt made the following motion seconded by Alderman Buettner:

Gingerbread Cookie Day – Saturday., 12/12/15

Request to approve the opening of the City Hall Lobby on Saturday, December 12, 2015 from 8:00am – 3:00pm for the Annual Gingerbread Cookie Day, formerly called the Gingerbread Cookie Walk. The event is sponsored by the Belleville Gingerbread Committee. City Hall will be one of the cookie pick-up locations.

Art and Wine Walk – Saturday, 11/7/15

Communication from Belleville Main Street requesting permission to hold their Annual Art and Wine Walk on Saturday, November 7, 2015 from 5 pm to 9 pm. They are requesting the use of the NE Quadrant of the Public Square and there will be no street closures.

All members voted aye.

PETITIONS

None.

RESOLUTIONS

Alderman Silsby made a motion seconded by Alderman Seibert to read by title only Resolutions 3235 and 3236.

All members voted aye.

Alderman Silsby made a motion seconded by Alderman Seibert to approve the following Resolutions:

Resolution No. 3235

A resolution of the City of Belleville, Illinois, accepting a proposal for underwriting; selecting an underwriter in connection with the proposed issuance by the City of its general obligation bonds, Series 2015; and acknowledging certain matters pursuant to MSRB Rules.

Members voting aye on roll call: Hazel, Kinsella, Schmidt, Buettner, Randle, Tyler, Anthony, Ovian, Silsby, Dintelman, Seibert, White, Galetti, Elmore, Wigginton and Musgrove. (15)

Alderman Randle abstained. (1)

Resolution No. 3236

A resolution of support for submission of a St. Clair County Parks Grant Commission Grant Application.

Members voting aye on roll call: Hazel, Kinsella, Schmidt, Buettner, Randle, Tyler, Anthony, Ovian, Silsby, Dintelman, Seibert, White, Galetti, Elmore, Wigginton and Musgrove. (16)

ORDINANCES

Alderman Silsby made a motion seconded by Alderman Seibert to read by title only Ordinance 7876-2015.

All members voted aye.

Alderman Silsby made a motion seconded by Alderman Seibert to approve:

Ordinance No. 7876-2015

An ordinance authorizing an Addendum to Mutual Aid Box Alarm System Agreement.

Members voting aye on roll call: Hazel, Kinsella, Schmidt, Buettner, Randle, Tyler, Anthony, Ovian, Silsby, Dintelman, Seibert, White, Galetti, Elmore, Wigginton and Musgrove. (16)

UNFINISHED BUSINESS

None.

MISCELLANEOUS & NEW BUSINESS

Alderman Seibert made a motion seconded by Alderman Elmore to approve Motor Fuel Claims in the Amount of **\$44,840.00**.

Members voting aye on roll call: Hazel, Kinsella, Schmidt, Buettner, Randle, Tyler, Anthony, Ovian, Silsby, Dintelman, Seibert, White, Galetti, Elmore, Wigginton and Musgrove. (16)

ANNOUNCEMENTS

Mayor Eckert announced the Library is having an open house July 24, 2015 from 11:00 a.m. to 1:00 p.m.

EXECUTIVE SESSION

Alderman Kinsella made a motion seconded by Alderman Schmidt to go into executive session to discuss personnel, litigation, property acquisition or transfer of property.

All members voted aye.

Entered executive session at 7:50 p.m.
Resumed from Executive Session at 8:25 p.m.

Alderman Schmidt made a motion to postpone seconded by Alderman Hazel the workers' compensation settlement and property acquisition.

All members voted aye.

ADJOURNMENT

Alderman Schmidt made a motion seconded by Alderman Galetti to adjourn at 8:26 pm.

All members voted aye.

Dallas B. Cook, City Clerk

Unapproved

**CITY OF BELLEVILLE PAYMENT SUMMARY
COUNCIL MEETING -AUGUST 3, 2015**

GENERAL FUND

00 - Revenue	\$210.00
50 - Administration	\$129,275.47
51 - Police	\$126,605.32
52 - Fire	\$82,788.14
53 - Streets	\$31,484.88
54 - Parks	\$28,896.85
55 - Cemetery	\$5,246.45
56 - Hlth/Sanitation	\$28,330.20
60 - Legal	\$3,641.59
61 - Health & Housing	\$15,461.38
62 - Economic Planning & Dev	\$3,510.08
82 - Mayor	\$3,888.69
83 - Finance	\$2,594.20
84 - Human Resources	\$1,534.02
85 - Clerk	\$5,414.75
86 - Treasurer	\$3,663.64
87 - Maintenance	\$10,385.38
88 - Engineering	\$3,347.57
GF TOTAL	\$486,278.61

SEWER OPERATIONS

75 - Collections	\$17,248.47
77 - Lines	\$11,606.53
78 - Plant	\$65,814.38
SEWER TOTAL	\$94,669.38

03 - Insurance Fund	\$375,336.32
04 - Library	\$16,297.28
07 - Park/Rec	\$15,003.29
13 - Motor Fuel Tax Fund	\$1,036.80
14 - Fountain Fund	\$459.42
22 - Sewer Repair & Replacement	\$19,765.15
24 - Sewer Const.	\$32,009.03
30 - SSA	\$814.85
38 - TIF 3	\$58,086.72
44 - Belleville Illinois Tourism	\$2,798.43
50 - TIF 8 Downtown South	\$126,764.11
65 - 2014 PD Proj. Construction Fund	\$114,073.10
72 - NARCOTICS	\$7,701.97
75 - TIF 17 E Main Street	\$2,497.00

ALL FUNDS TOTAL	\$1,353,906.46
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VENDOR #	NAME	DEPT.	AMOUNT
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21 SEWER OPERATION & MAINTENANCE

SEWER COLLECTION

4259	CHRISTONE ENTERPRISES	21-75	211.85
AR027	ARMS, LAURA	21-75	300.00
BA092	BAGLEY, HERBERT	21-75	144.19
BR123	BROSH, KENNETH	21-75	748.92
BR124	BRUNO, ANNE	21-75	42.00
MA142	MARESHIE, EDGAR	21-75	84.00
MC092	MCINTOSH, CRANSTON	21-75	100.94
PA085	PALMER, DANIELLE	21-75	92.26
PO035	POWELL, KENNETH	21-75	21.52
SM046	SMITH, NATHAN	21-75	63.95
ST168	STAR REALTORS	21-75	29.38
TR056	TRACTOR SUPPLY CO	21-75	1,044.00

**TOTAL SEWER COLLECTION 2,883.01

21 SEWER OPERATION & MAINTENANCE GRAND TOTAL 2,883.01

GRAND TOTAL FOR ALL FUNDS: 2,883.01

TOTAL FOR REGULAR CHECKS: 2,883.01

VENDOR #	NAME	DEPT.	AMOUNT
=====			
01	GENERAL FUND		
GL020	GLASPER, ALVIN	01-00	210.00
	**TOTAL		210.00

ADMINISTRATION			
201	BELLEVILLE BOWLING & SPORTS SHOP	01-50	100.00
2102	AMERENIP	01-50	53,025.14
4902	AT & T	01-50	854.56
551	ILLINOIS AMERICAN WATER	01-50	1,171.28
7125	GLAENZER ELECTRIC	01-50	462.00
AD022	ADVANTICA	01-50	792.43
BL007	BLANQUART JEWELERS	01-50	75.00
CH030	CHARTER COMMUNICATIONS	01-50	205.00
CI008	CITY OF BELLEVILLE	01-50	54,040.86
CI021	ICON ENTERPRISES INC	01-50	7,506.00
DE064	ADVANTICA	01-50	110.45
ES002	ADVANTICA	01-50	5,210.86
RE058	REGIONS BANK	01-50	17.63
ST162	STANDARD INSURANCE CO	01-50	497.20
WI097	WINDSTREAM COMMUNICATIONS	01-50	5,207.06
	**TOTAL ADMINISTRATION		129,275.47

POLICE DEPARTMENT			
1124	WEST GROUP	01-51	154.60
3430	FIRESTONE CAR CENTER	01-51	887.90
3916	VOGT OIL CO., INC.	01-51	10,156.75
5205	PASS SECURITY	01-51	257.00
604	OLIVER C JOSEPH CHRYSLER	01-51	318.31
6838	PEAKNET, INC	01-51	216.00
6880	ST CLAIR COUNTY TREASURER	01-51	32.80
7103	WAL-MART	01-51	29.64
AD022	ADVANTICA	01-51	679.84
AU017	AUTOZONE, INC	01-51	23.12
CI008	CITY OF BELLEVILLE	01-51	103,200.55
ES002	ADVANTICA	01-51	7,219.92
FA026	FACTORY MOTOR PARTS CO	01-51	1,386.47
HA006	HARDEE'S RESTAURANT INC	01-51	173.03
HA053	HAGEMEYER NORTH AMERICA INC	01-51	584.21
IL077	ILHIA	01-51	195.00
OR001	O'REILLY AUTO PARTS	01-51	33.34
RE058	REGIONS BANK	01-51	301.31
SA061	SAFELITE AUTOGLASS	01-51	159.28
SC053	SCOTT CLUB	01-51	27.00
ST162	STANDARD INSURANCE CO	01-51	569.25
	**TOTAL POLICE DEPARTMENT		126,605.32

FIRE DEPARTMENT			
1112	WATTS COPY. SYSTEM, INC.	01-52	170.89

VENDOR #	NAME	DEPT.	AMOUNT
01 GENERAL FUND			
FIRE DEPARTMENT			
1532	UNIVERSITY OF ILLINOIS	01-52	1,200.00
182	BANNER FIRE EQUIPMENT INC	01-52	335.59
3445	DAVE SCHMIDT TRUCK SERVICE	01-52	2,064.82
3916	VOGT OIL CO., INC.	01-52	2,641.98
4665	JACOBS, ARTHUR JR.	01-52	137.25
4902	AT & T	01-52	177.93
515	HOME-BRITE ACE HARDWARE	01-52	9.99
556	ILLINOIS FIRE INSPECTORS ASSN.	01-52	95.00
7103	WAL-MART	01-52	263.58
726	CLEAN THE UNIFORM COMPANY	01-52	163.92
AD022	ADVANTICA	01-52	573.51
AR004	ARAIZA, JORDAN	01-52	126.54
AT013	ATLAS OUTFITTERS	01-52	219.75
BE101	BELL CITY BATTERY	01-52	174.60
CH030	CHARTER COMMUNICATIONS	01-52	7.10
CI008	CITY OF BELLEVILLE	01-52	68,345.80
ES002	ADVANTICA	01-52	5,060.56
KI003	KIMBALL, DANIEL	01-52	178.71
SC053	SCOTT CLUB	01-52	27.00
ST111	STEIGERWALD, PAUL	01-52	197.51
ST162	STANDARD INSURANCE CO	01-52	368.00
WH042	WHITNEY, TYLER	01-52	248.11
**TOTAL FIRE DEPARTMENT			82,788.14
STREETS			
2384	HOMETOWN ACE HARDWARE	01-53	2.70
272	BUSTER'S TIRE MART	01-53	38.95
3411	ASPHALT SALES & PRODUCTS, INC.	01-53	115.02
3445	DAVE SCHMIDT TRUCK SERVICE	01-53	763.71
3916	VOGT OIL CO., INC.	01-53	4,535.87
402	EGYPTIAN STATIONERS, INC.	01-53	112.16
413	ERB TURF & UTILITY EQUIPMENT, INC	01-53	307.68
419	FABICK TRACTOR CO.	01-53	267.48
503	HEISLER, TIM	01-53	80.87
515	HOME-BRITE ACE HARDWARE	01-53	79.92
523	HUDSON TREE SERVICE	01-53	1,400.00
5509	OLD DOMINION BRUSH CO.	01-53	799.90
CA024	CARTER WATERS CORPORATION	01-53	373.01
CH030	CHARTER COMMUNICATIONS	01-53	97.39
CI008	CITY OF BELLEVILLE	01-53	19,358.49
ES002	ADVANTICA	01-53	1,352.19
GE017	SAINTY, MALCOLM R	01-53	621.75
LO010	LOWE'S	01-53	119.80
LU004	LUBY EQUIPMENT SERVICES	01-53	399.80
ME037	MEURER BROTHERS, INC	01-53	187.50
MI009	MIDWEST INDUSTRIAL SUPPLIES & SER	01-53	30.52
OL008	OLIVER C JOSEPH GMC	01-53	174.22
PL000	PLAZA AUTO PARTS	01-53	119.48

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VENDOR #	NAME	DEPT.	AMOUNT
=====			
01	GENERAL FUND		
STREETS			
ST162	STANDARD INSURANCE CO	01-53	103.50
WA066	WARNING LITES OF SOUTHERN ILLINOI	01-53	42.97
**TOTAL STREETS			31,484.88
PARKS DEPARTMENT			
1082	VACUUM CLEANER EXCHANGE CO.	01-54	19.90
163	GROSS, DONALD L	01-54	8.59
1949	CRESCENT PARTS & EQUIP.	01-54	52.29
2102	AMERENIP	01-54	4,166.63
2192	SHERWIN - WILLIAMS CO.	01-54	1,308.96
2244	SWITZER FOOD & SUPPLIES	01-54	49.90
272	BUSTER'S TIRE MART	01-54	71.65
3916	VOGT OIL CO., INC.	01-54	3,942.35
393	DUTCH HOLLOW JANITORIAL SUPPLIES	01-54	402.28
4902	AT & T	01-54	220.27
515	HOME-BRITE ACE HARDWARE	01-54	80.83
551	ILLINOIS AMERICAN WATER	01-54	814.14
7125	GLAENZER ELECTRIC	01-54	4,325.00
7678	SHILOH VALLEY EQUIPMENT	01-54	1,118.42
888	FS TURF SOLUTIONS	01-54	1,617.80
AD022	ADVANTICA	01-54	66.87
AM040	GREENO, GLENN G	01-54	180.00
CH030	CHARTER COMMUNICATIONS	01-54	7.39
CI008	CITY OF BELLEVILLE	01-54	5,455.78
ES002	ADVANTICA	01-54	452.67
FA002	FASTENAL COMPANY	01-54	94.90
GE015	NAPA AUTO PARTS	01-54	56.09
HO034	HOME DEPOT CREDIT SERVICES	01-54	132.00
KI006	KIMBALL MIDWEST	01-54	130.49
KR001	KRAUS AUTOMOTIVE	01-54	2,859.45
LO010	LOWE'S	01-54	341.05
ME037	MEURER BROTHERS, INC	01-54	187.50
MU004	MUNIE LAWN SPECIALISTS, INC	01-54	225.00
OR001	O'REILLY AUTO PARTS	01-54	69.30
PP002	PPG ARCHITECTURAL COATINGS	01-54	141.60
SH014	CONFIDENTIAL DOCUMENT DESTRUCTION	01-54	51.31
ST043	ST LOUIS COMPOSTING INC	01-54	40.00
ST162	STANDARD INSURANCE CO	01-54	34.50
TR035	TRACTOR SUPPLY CREDIT PLAN	01-54	53.88
UN027	UNIFIRST CORP	01-54	118.06
**TOTAL PARKS DEPARTMENT			28,896.85
CEMETERY DEPARTMENT			
157	ATLAS ALARM CO., INC.	01-55	90.00
267	BUILDING PRODUCTS CORP.	01-55	654.65
3430	FIRESTONE CAR CENTER	01-55	683.39
3916	VOGT OIL CO., INC.	01-55	1,076.53

DATE: 08/03/15

VENDOR #	NAME	DEPT.	AMOUNT
01 GENERAL FUND			
HEALTH & HOUSING PLANNING & ECONOMIC DEVELOPMENT			
3916	VOGT OIL CO., INC.	01-62	22.57
AD022	ADVANTICA	01-62	28.11
CI008	CITY OF BELLEVILLE	01-62	3,154.05
ES002	ADVANTICA	01-62	261.10
SC053	SCOTT CLUB	01-62	27.00
ST162	STANDARD INSURANCE CO	01-62	17.25
**TOTAL PLANNING & ECONOMIC DEVELOPMENT			3,510.08
MAYOR			
3916	VOGT OIL CO., INC.	01-82	127.11
402	EGYPTIAN STATIONERS, INC.	01-82	112.62
AD022	ADVANTICA	01-82	39.33
CI008	CITY OF BELLEVILLE	01-82	3,268.22
ES002	ADVANTICA	01-82	266.16
RE058	REGIONS BANK	01-82	31.00
SC053	SCOTT CLUB	01-82	27.00
ST162	STANDARD INSURANCE CO	01-82	17.25
**TOTAL MAYOR			3,888.69
FINANCE			
7437	COST LESS COPY CENTER INC	01-83	152.60
AD022	ADVANTICA	01-83	21.62
CI008	CITY OF BELLEVILLE	01-83	2,256.33
ES002	ADVANTICA	01-83	146.40
ST162	STANDARD INSURANCE CO	01-83	17.25
**TOTAL FINANCE			2,594.20
HUMAN RESOURCES/COMMUNITY DEV			
7452	MIDWEST OCCUPATIONAL MEDICINE	01-84	317.00
AD022	ADVANTICA	01-84	10.50
BA000	CRIMCHECK.COM	01-84	30.00
CI008	CITY OF BELLEVILLE	01-84	1,093.78
ES002	ADVANTICA	01-84	71.24
ST162	STANDARD INSURANCE CO	01-84	11.50
**TOTAL HUMAN RESOURCES/COMMUNITY DEV			1,534.02
CLERKS			
402	EGYPTIAN STATIONERS, INC.	01-85	127.10
AD022	ADVANTICA	01-85	42.62
CI008	CITY OF BELLEVILLE	01-85	4,253.74
CO129	COOK, DALLAS	01-85	31.80
ES002	ADVANTICA	01-85	296.06
GO035	GOLDEN IMAGES LLC	01-85	184.68
ST162	STANDARD INSURANCE CO	01-85	28.75

VENDOR #	NAME	DEPT.	AMOUNT
=====			
01	GENERAL FUND		
	CLERKS		
WE063	WEBQA, INC	01-85	450.00
**TOTAL CLERKS			5,414.75
	TREASURER		
6498	HILTON HOTEL & TOWERS - CHICAGO	01-86	659.99
AD022	ADVANTICA	01-86	32.79
CI008	CITY OF BELLEVILLE	01-86	2,727.89
ES002	ADVANTICA	01-86	225.72
ST162	STANDARD INSURANCE CO	01-86	17.25
**TOTAL TREASURER			3,663.64
	MAINTENANCE		
1949	CRESCENT PARTS & EQUIP.	01-87	6.20
3916	VOGT OIL CO., INC.	01-87	367.06
393	DUTCH HOLLOW JANITORIAL SUPPLIES	01-87	27.60
413	ERB TURF & UTILITY EQUIPMENT, INC	01-87	2.85
515	HOME-BRITE ACE HARDWARE	01-87	47.50
726	CLEAN THE UNIFORM COMPANY	01-87	155.86
7313	BRAUER SUPPLY CO	01-87	35.40
AD022	ADVANTICA	01-87	83.19
CH030	CHARTER COMMUNICATIONS	01-87	59.99
CI008	CITY OF BELLEVILLE	01-87	8,396.54
ES002	ADVANTICA	01-87	562.88
K0022	KONE INC	01-87	172.37
RE058	REGIONS BANK	01-87	71.94
ST162	STANDARD INSURANCE CO	01-87	46.00
TR052	TRAUBE AWNING, LLC	01-87	350.00
**TOTAL MAINTENANCE			10,385.38
	ENGINEERING		
3916	VOGT OIL CO., INC.	01-88	188.59
402	EGYPTIAN STATIONERS, INC.	01-88	108.35
AD022	ADVANTICA	01-88	39.33
CI008	CITY OF BELLEVILLE	01-88	2,727.89
ES002	ADVANTICA	01-88	266.16
ST162	STANDARD INSURANCE CO	01-88	17.25
**TOTAL ENGINEERING			3,347.57
01	GENERAL FUND	GRAND TOTAL	486,278.61

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VENDOR #	NAME	DEPT.	AMOUNT
=====			
04	LIBRARY		
2102	AMERENIP	04-00	704.68
551	ILLINOIS AMERICAN WATER	04-00	136.88
AD022	ADVANTICA	04-00	141.75
CH030	CHARTER COMMUNICATIONS	04-00	90.00
CI008	CITY OF BELLEVILLE	04-00	10,478.96
CJ000	C J SCHLOSSER & CO LLC	04-00	1,000.00
ES002	ADVANTICA	04-00	983.28
KA009	KASKASKIA ENGINEERING GROUP LLC	04-00	983.00
RE058	REGIONS BANK	04-00	496.39
ST162	STANDARD INSURANCE CO	04-00	121.65
WI097	WINDSTREAM COMMUNICATIONS	04-00	1,160.69
	**TOTAL		16,297.28

04	LIBRARY	GRAND TOTAL	16,297.28

DATE: 08/03/15

VENDOR #	NAME	DEPT.	AMOUNT
07 PLAYGROUND AND RECREATION			
1199	BELLEVILLE, DEBBIE	07-00	393.00
2244	SWITZER FOOD & SUPPLIES	07-00	237.55
3119	COMPUTYPE IT SOLUTIONS	07-00	37.50
7103	WAL-MART	07-00	43.38
7650	TISCH MONUMENTS, INC.	07-00	750.00
957	CURT SMITH SPORTING GOODS, INC.	07-00	39.99
AD022	ADVANTICA	07-00	48.54
AR013	ARTWEAR SCREENPRINTING	07-00	180.00
CI008	CITY OF BELLEVILLE	07-00	2,734.45
DE064	ADVANTICA	07-00	35.62
ES002	ADVANTICA	07-00	296.96
FI000	FIRST STUDENT TRANSPORTATION SERV	07-00	2,147.88
HI041	HICKMAN, MICHAEL	07-00	309.00
KI012	KINGS POINT SPORTS CLUB	07-00	280.00
NI012	NICHOLS, LINDSEY	07-00	27.88
NU005	NU WAY CONCRETE FORMS TROY, LLC	07-00	1,257.09
RE058	REGIONS BANK	07-00	2,960.83
SC126	SCHROEDER, STACY	07-00	75.00
ST162	STANDARD INSURANCE CO	07-00	42.90
UN023	UNITED RENTALS(NORTH AMERICA)	07-00	2,268.72
WI130	WITTER, KEITH	07-00	837.00
	**TOTAL		15,003.29
07 PLAYGROUND AND RECREATION	GRAND TOTAL		15,003.29

VENDOR #	NAME	DEPT.	AMOUNT
09	TIF 1 (NW SQUARE)		
7125	GLAENZER ELECTRIC	09-00	315.00
	**TOTAL		315.00
	09 TIF 1 (NW SQUARE)	GRAND TOTAL	315.00

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VENDOR #	NAME	DEPT.	AMOUNT
13	MOTOR FUEL TAX FUND		
666	MACLAIR ASPHALT COMPANY	13-00	1,036.80
	**TOTAL		1,036.80
	13 MOTOR FUEL TAX FUND	GRAND TOTAL	1,036.80

VENDOR #	NAME	DEPT.	AMOUNT
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14 FOUNTAIN FUND

551	ILLINOIS AMERICAN WATER	14-00	459.42
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	**TOTAL		459.42
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	14 FOUNTAIN FUND	GRAND TOTAL	459.42
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VENDOR #	NAME	DEPT.	AMOUNT
21 SEWER OPERATION & MAINTENANCE			
SEWER COLLECTION			
1252	LOCIS	21-75	25.00
AD022	ADVANTICA	21-75	48.54
AM007	AMERICAN WATER	21-75	1,595.86
CI008	CITY OF BELLEVILLE	21-75	2,988.09
CJ000	C J SCHLOSSER & CO LLC	21-75	4,000.00
ES002	ADVANTICA	21-75	332.58
IN021	INPUT TECHNOLOGY INC	21-75	5,247.02
OF004	OFFICE DEPOT	21-75	93.87
ST162	STANDARD INSURANCE CO	21-75	34.50
**TOTAL SEWER COLLECTION			14,365.46
SEWER LINES			
314	COE EQUIPMENT CO	21-77	598.44
515	HOME-BRITE ACE HARDWARE	21-77	93.49
622	KEY EQUIPMENT & SUPPLY CO	21-77	1,545.00
7591	USA BLUEBOOK	21-77	805.99
834	QUALITY RENTAL CENTER	21-77	97.90
AD022	ADVANTICA	21-77	82.57
CI008	CITY OF BELLEVILLE	21-77	7,165.22
ES002	ADVANTICA	21-77	558.96
H0034	HOME DEPOT CREDIT SERVICES	21-77	128.34
JA035	JASTER, GREG	21-77	100.00
MI072	MIDWEST VAC PRODUCTS, LLC	21-77	116.28
ST162	STANDARD INSURANCE CO	21-77	53.30
UN027	UNIFIRST CORP	21-77	43.20
WA066	WARNING LITES OF SOUTHERN ILLINOI	21-77	217.84
**TOTAL SEWER LINES			11,606.53
SEWER PLANT			
176	BARCOM SECURITY	21-78	168.75
2102	AMERENIP	21-78	35,971.65
3445	DAVE SCHMIDT TRUCK SERVICE	21-78	31.52
413	ERB TURF & UTILITY EQUIPMENT, INC	21-78	525.98
434	FISHER SCIENTIFIC CO.	21-78	236.20
4902	AT & T	21-78	263.81
515	HOME-BRITE ACE HARDWARE	21-78	266.98
5416	AMERICAN MESSAGING	21-78	129.63
551	ILLINOIS AMERICAN WATER	21-78	310.64
7591	USA BLUEBOOK	21-78	115.18
8056	NEXTEL COMMUNICATIONS	21-78	23.00
AD022	ADVANTICA	21-78	237.40
B0006	BOBCAT OF ST LOUIS	21-78	994.01
CI008	CITY OF BELLEVILLE	21-78	18,915.50
EL013	ELECTRIC CONTROLS CO	21-78	1,938.40
ES002	ADVANTICA	21-78	1,633.89
FA002	FASTENAL COMPANY	21-78	5.31
G0005	GOODALL TRUCK TESTING	21-78	23.10

VENDOR #	NAME	DEPT.	AMOUNT
21 SEWER OPERATION & MAINTENANCE			
	SEWER PLANT		
H0034	HOME DEPOT CREDIT SERVICES	21-78	758.10
PL000	PLAZA AUTO PARTS	21-78	543.91
SI024	EVOQUA WATER TECHNOLOGIES LLC	21-78	600.00
ST009	ST CLAIR SERVICE COMPANY	21-78	482.25
ST043	ST LOUIS COMPOSTING INC	21-78	135.00
ST162	STANDARD INSURANCE CO	21-78	153.00
TR045	TRUCK CENTERS, INC	21-78	236.90
UN027	UNIFIRST CORP	21-78	23.05
WI097	WINDSTREAM COMMUNICATIONS	21-78	1,091.22
	**TOTAL SEWER PLANT		65,814.38
21 SEWER OPERATION & MAINTENANCE	GRAND TOTAL		91,786.37

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VENDOR #	NAME	DEPT.	AMOUNT
24	SEWER CONSTRUCTION FUND		
G0028	GONZALEZ COMPANIES, LLC	24-00	24,494.03
	**TOTAL		24,494.03
	24 SEWER CONSTRUCTION FUND	GRAND TOTAL	24,494.03

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VENDOR #	NAME	DEPT.	AMOUNT
30	SPECIAL SERVICE AREA		
2102	AMERENIP	30-00	134.86
551	ILLINOIS AMERICAN WATER	30-00	679.99
**TOTAL			814.85
30	SPECIAL SERVICE AREA	GRAND TOTAL	814.85

VENDOR #	NAME	DEPT.	AMOUNT
38 TIF 3 (CITY OF BELLEVILLE)			
3443	KUHLMANN DESIGN GROUP	38-00	782.50
7125	GLAENZER ELECTRIC	38-00	6,387.00
AD000	ADAMSON INDUSTRIES	38-00	1,918.95
CJ000	C J SCHLOSSER & CO LLC	38-00	3,500.00
DA072	DAHM & SCHELL, INC	38-00	5,174.51
EF001	EFK MOEN LLC	38-00	3,105.24
EL001	ELECTRICO, INC.	38-00	735.98
GO028	GONZALEZ COMPANIES, LLC	38-00	3,040.00
IL041	ILLINOIS ENVIRONMENTAL PROTECTION	38-00CY	1,000.00
KA009	KASKASKIA ENGINEERING GROUP LLC	38-00	32,442.54
	**TOTAL		58,086.72
	38 TIF 3 (CITY OF BELLEVILLE)	GRAND TOTAL	58,086.72

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VENDOR #	NAME	DEPT.	AMOUNT
65	2014 PD PROJ. CONSTRUCTION FUND		
IM006	IMPACT STRATEGIES INC	65-00	114,073.10
	**TOTAL		114,073.10

65 2014 PD PROJ. CONSTRUCTION FUND GRAND TOTAL 114,073.10

VENDOR #	NAME	DEPT.	AMOUNT
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72 NARCOTICS

277	CAMPER EXCHANGE, INC.	72-00	271.88
3445	DAVE SCHMIDT TRUCK SERVICE	72-00	383.09
FL016	FLIR DETECTION INC	72-00	3,775.00
TR057	TRUCK VAULT	72-00	3,272.00

	**TOTAL		7,701.97
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72 NARCOTICS	GRAND TOTAL	7,701.97
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VENDOR #	NAME	DEPT.	AMOUNT
75	TIF 17 (EAST MAIN STREET)		
7125	GLAENZER ELECTRIC	75-00	2,497.00
	**TOTAL		2,497.00

75 TIF 17 (EAST MAIN STREET) GRAND TOTAL 2,497.00

GRAND TOTAL FOR ALL FUNDS: 1,343,508.45

TOTAL FOR REGULAR CHECKS: 1,306,272.51
TOTAL FOR DIRECT PAY VENDORS: 37,235.94

ZONING BOARD OF APPEALS, CITY OF BELLEVILLE, ILLINOIS

ADVISORY REPORT

Application for Amendment: Cory Duncan

Application Filed: 06/19/15

19-Jul15 - Cory Duncan-A request for a **Special Use Permit** in an A-1 Single Family Residence district to allow for the sale and transfer of firearms and ammunition located at 122 Delmar Avenue (Applicable portion of the zoning code: 60-6-5) **Ward 2**.

Present Zoning: A-1 Single Family Residence Zoning District

Meeting Held: 07/23/15

Publication in News Democrat: 07/08/15

Supporters: None

Objectors: Kathy Monte, 108 Delmar Ave.
Mary Ann Swope, 616 East B St.

Other comments: None

Aldermen Present: Michael Buettner, Ward 2
Bob White, Ward 6

Witnesses having been sworn, evidence presented and the Board fully advised in the premises, the Board has considered the following:

- A. the proposed design, location, and manner of operation of the proposed special use will not adequately protect the public health, safety, and welfare, and the physical environment;
- B. the proposed special use is not consistent with this municipality's comprehensive plan;
- B. the proposed special use would not have a positive effect on the value of neighboring property and on this municipality's overall tax base;
- C. the proposed special use would not have a positive effect on public utilities and on traffic circulation on nearby streets; and
- E. there are facilities near the proposed special use (such as schools or hospitals) that require special protection.

A motion was made by Rebecca Boyer to deny the request. It was seconded by Toni Togias. All members present voted in the affirmative. The motion carried. 5-0.

IT IS THEREFORE the recommendation of the Zoning Board of Appeals that the requested Special Use permit be DENIED BY A UNANIMOUS VOTE OF ALL MEMBERS PRESENT.



Director

ZONING BOARD OF APPEALS, CITY OF BELLEVILLE, ILLINOIS

ADVISORY REPORT

Application for Amendment: AMC Belleville, Inc.

Application Filed: 06/24/15

20-Jul15 – AMC Belleville, Inc. - A request for a **Special Use Permit** in a C-2 Heavy Commercial district for a liquor license for Buffalo Wild Wings located at 5600 Belleville Crossing Street. (Applicable Section of the zoning code: 60-6-50) **Ward 8.**

Present Zoning: C-2 Heavy Commercial Zoning District

Meeting Held: 07/23/15

Publication in News Democrat: 07/08/15

Supporters: None

Objectors: None

Other comments: None

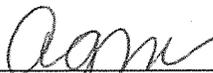
Aldermen Present: Michael Buettner, Ward 2
Bob White, Ward 6

Witnesses having been sworn, evidence presented and the Board fully advised in the premises, the Board has considered the following:

- A. Whether the proposed design, location, and manner of operation of the proposed special use will adequately protect the public health, safety, and welfare, and the physical environment;*
- B. Whether the proposed special use is consistent with this municipality's comprehensive plan;*
- C. Whether the proposed special use would have an effect on the value of neighboring property and on this municipality's overall tax base;*
- D. Whether the proposed special use would have an effect on public utilities and on traffic circulation on nearby streets; and*
- E. Whether there are any facilities near the proposed special use (such as schools or hospitals) that require special protection.*

A motion was made by Rebecca Boyer to approve the request in the name of the applicant only. The motion was seconded by Steve Zimmerman. All members presented voted in the affirmative. The motion carried. 5-0.

IT IS THEREFORE the recommendation of the Zoning Board of Appeals that the requested Special Use permit be GRANTED BY A UNANIMOUS VOTE OF ALL MEMBERS PRESENT.



Director

ZONING BOARD OF APPEALS, CITY OF BELLEVILLE, ILLINOIS

ADVISORY REPORT

Application for Amendment: Herbert Patterson

Application Filed: 06/24/15

22-Jul15 – Herbert Patterson – A request for a **Special Use Permit** in a C-2 Heavy Commercial zoning district to operate a used car dealership located at 913 Sherman Street. (Applicable section of the zoning code: 60-6-50) **Ward 1.**

Present Zoning: C-2 Heavy Commercial Zoning District

Meeting Held: 07/23/15

Publication in News Democrat: 07/08/15

Supporters: None

Objectors: Jason Koderhandt, 1645 N. Charles
Jim Koderhandt, 1636 N. Charles
Tom Wisser, 1659 N. Charles

Other comments: None

Aldermen Present: Alderman Buettner, Ward 2
Alderman White, Ward 6

Witnesses having been sworn, evidence presented and the Board fully advised in the premises, the Board has considered the following:

- A. *the proposed design, location, and manner of operation of the proposed special use will adequately protect the public health, safety, and welfare, and the physical environment;*
- B. *the proposed special use is consistent with this municipality's comprehensive plan;*
- B. *the proposed special use would have a positive effect on the value of neighboring property and on this municipality's overall tax base;*
- C. *the proposed special use would have a positive effect on public utilities and on traffic circulation on nearby streets; and*
- E. *there are no facilities near the proposed special use (such as schools or hospitals) that require special protection.*

A motion was made by Steve Zimmerman to deny the request. It was seconded by Toni Togias. Voting went as follows: Rebecca Boyer-nay, Don Rockwell-nay, Toni Togias-aye, Steve Zimmerman-aye and Chairman Nollman-nay. The motion failed to carry; it will go to City Council without a recommendation.



Director

ZONING BOARD OF APPEALS, CITY OF BELLEVILLE, ILLINOIS

ADVISORY REPORT

Application for Amendment: Margarita's West/Javier Gutierrez

Application Filed: 05/26/15

23-Jul15 – Margarita's West/Javier Gutierrez - A request for a **Special Use Permit** in a C-2 Heavy Commercial district for a liquor license for Margarita's West located at 4817 West Main Street. (Applicable Section of the zoning code: 60-6-50) **Ward 4.**

Present Zoning: C-2 Heavy Commercial Zoning District

Meeting Held: 07/23/15

Publication in News Democrat: 07/08/15

Supporters: None

Objectors: None

Other comments: None

Aldermen Present: Michael Buettner, Ward 2
Bob White, Ward 6

Witnesses having been sworn, evidence presented and the Board fully advised in the premises, the Board has considered the following:

- A. *Whether the proposed design, location, and manner of operation of the proposed special use will adequately protect the public health, safety, and welfare, and the physical environment;*
- B. *Whether the proposed special use is consistent with this municipality's comprehensive plan;*
- C. *Whether the proposed special use would have an effect on the value of neighboring property and on this municipality's overall tax base;*
- D. *Whether the proposed special use would have an effect on public utilities and on traffic circulation on nearby streets; and*
- E. *Whether there are any facilities near the proposed special use (such as schools or hospitals) that require special protection.*

A motion was made by Rebecca Boyer to approve the request in the name of the applicant only. The motion was seconded by Steve Zimmerman. All members present voted in the affirmative. The motion carried. 5-0.

IT IS THEREFORE the recommendation of the Zoning Board of Appeals that the requested Special Use permit be **GRANTED BY A UNANIMOUS VOTE OF ALL MEMBERS PRESENT.**



Director

ZONING BOARD OF APPEALS, CITY OF BELLEVILLE, ILLINOIS

ADVISORY REPORT

Application for Amendment: Righteous Pig BBQ

Application Filed: 06/01/15

24-Jul15 – Righteous Pig BBQ - A request for a **Special Use Permit** in a C-2 Heavy Commercial district for a liquor license for Righteous Pig BBQ located at 124 East Main Street. (Applicable Section of the zoning code: 60-6-50) **Ward 6.**

Present Zoning: C-2 Heavy Commercial Zoning District

Meeting Held: 07/23/15

Publication in News Democrat: 07/08/15

Supporters: None

Objectors: None

Other comments: None

Aldermen Present: Michael Buettner, Ward 2
Bob White, Ward 6

Witnesses having been sworn, evidence presented and the Board fully advised in the premises, the Board has considered the following:

- A. *Whether the proposed design, location, and manner of operation of the proposed special use will adequately protect the public health, safety, and welfare, and the physical environment;*
- B. *Whether the proposed special use is consistent with this municipality's comprehensive plan;*
- C. *Whether the proposed special use would have an effect on the value of neighboring property and on this municipality's overall tax base;*
- D. *Whether the proposed special use would have an effect on public utilities and on traffic circulation on nearby streets; and*
- E. *Whether there are any facilities near the proposed special use (such as schools or hospitals) that require special protection.*

A motion was made by Rebecca Boyer to approve the request in the name of the applicant only. The motion was seconded by Steve Zimmerman. All members present voted in the affirmative. The motion carried. 5-0.

IT IS THEREFORE the recommendation of the Zoning Board of Appeals that the requested Special Use permit be GRANTED BY A UNANIMOUS VOTE OF ALL MEMBERS PRESENT.



Director



Economic Development, Planning & Zoning Department

City of Belleville
101 South Illinois Street
Belleville, Illinois 62220
(618) 233-6810 Ext. 1250
Email: edpz@belleville.net

City Council Agenda

To: City Clerk
CC: Mayor Mark Eckert
From: Economic Development, Planning & Zoning Dept. (EDPZ)
Meeting Date: August 3, 2015
Re: City Council Agenda Items

Zoning Board of Appeals:

19-Jul15 - Cory Duncan-A request for a **Special Use Permit** in an A-1 Single Family Residence district to allow for the sale and transfer of firearms and ammunition located at 122 Delmar Avenue (Applicable portion of the zoning code: 60-6-5) **Ward 2.** – Ordinance #7877

20-Jul15 – AMC Belleville, Inc. - A request for a **Special Use Permit** in a C-2 Heavy Commercial district for a liquor license for Buffalo Wild Wings located at 5600 Belleville Crossing Street. (Applicable Section of the zoning code: 60-6-50) **Ward 8.** Ordinance #7878

22-Jul15 – Herbert Patterson – A request for a **Special Use Permit** in a C-2 Heavy Commercial zoning district to operate a used car dealership located at 913 Sherman Street. (Applicable section of the zoning code: 60-6-50) **Ward 1.** Ordinance #7879

23-Jul15 – Margarita's West/Javier Gutierrez - A request for a **Special Use Permit** in a C-2 Heavy Commercial district for a liquor license for Margarita's West located at 4817 West Main Street. (Applicable Section of the zoning code: 60-6-50) **Ward 4.** Ordinance #7880

24-Jul15 – Righteous Pig BBQ - A request for a **Special Use Permit** in a C-2 Heavy Commercial district for a liquor license for Righteous Pig BBQ located at 124 East Main Street. (Applicable Section of the zoning code: 60-6-50) **Ward 6.** Ordinance #7881

ZONING BOARD OF APPEALS
MEETING MINUTES for July 23, 2015

Members:

Rebecca Boyer	Present
Tim Price	Absent
Don Rockwell	Present
Patrick Sullivan	Absent
Toni Togias	Present
Steven Zimmerman	Present
Dan Nollman, Chairman	Present

Staff present: Annissa McCaskill, Director of EDPZ
Kari Tutza, Secretary of EDPZ
Brian Flynn, Assistant City Attorney

Aldermen present: Michael Buettner, Ward 2
Bob White, Ward 6

Public present:

Tim Garner, 1606 County Acre Dr., St. Peters MO	Mary Ann Swope, 616 East B St.
Cory Duncan, 122 Delmar Ave.	Josiah Swope, 616 East B St.
Kathy Monte, 108 Delmar Ave.	Javier Guterrez, 331 N. Charles
Dianne Rogge, 2015 West A St.	Jeannine Warford, 1824 West A St.
Herbert Patterson, 1614 N. 23 rd St., East St. Louis	Scott Muir, 227 N. Illinois St.
Jim Koderhandt, 1636 N. Charles	Jason Koderhandt, 1645 N. Charles
Tom Wisser, 1659 N. Charles	

The meeting was called to order at 7:00 p.m. by Chairman Dan Nollman. Roll called, quorum declared.

Chairman Nollman noted that all Zoning Board cases heard at this meeting will be considered at the August 3, 2015 City Council meeting.

Chairman Nollman asked if there were any corrections to be noted for the June 25, 2015 Zoning Board of Appeals meeting minutes. No corrections were made hence the minutes were approved by the Board.

Chairman Nollman stated that case #21-Jul15-Alvin Glasper, Jr. would not be heard at tonight's meeting.

The following cases were heard:

- **19-Jul15 - Cory Duncan**-A request for a **Special Use Permit** in an A-1 Single Family Residence district to allow for the sale and transfer of firearms and ammunition located at 122 Delmar Avenue (Applicable portion of the zoning code: 60-6-5) **Ward 2**.

The applicant explained the request and a discussion was held regarding the distribution of firearms. There was a discussion held on who will or can sign for the firearms when received through US Postal or UPS mail. The applicant stated the following: Customer pick-up will be by appointment. Advertisement will be through word-of-mouth, business cards and a small sign on his property. He will not keep a large

inventory of firearms on the property. He will have a large safe in the garage to house the firearms until they are picked up by the customer. Regarding security; he plans on installing more security features including a camera and lights. He will sell ammunition but wasn't sure if it needed to be kept in the safe. He explained the American Tobacco & Firearms (ATF) requirements regarding the customer's applications, proof of Firearm Owners Identification Cards (FOID) and waiting periods. His hours of operation will be on the weekends and evenings; he intends to continue his dog training business. He will sell new and used firearms but will not be repairing or consigning them. He would like to operate the business in a commercial space but doesn't have the finances available yet. He stated that this business will not affect the neighborhood poorly and his business would be no different than any other home retail business. There was a discussion held on the prior variance request which was granted in 2012 for an Area/Bulk variance in order to build a 30x40' garage to house his camper.

Kathy Monte and Mary Ann Swope spoke in opposition to the request. Chairman Nollman entered into the record an email from Belleville Police Chief Clay and a letter from Union United Methodist Church stating their opposition to the request.

Alderman Buettner stated his opposition to the request which were: 1.) If approved, it could start a precedent and this is a residential area, not commercial. 2.) Even though precautions are made, the home could become a target for residential burglary because of the known inventory. 3.) He's concerned for the residents, daycare and church in the area. 4.) He is in favor of small businesses but they should not be operating in residential areas especially since the city has several commercial spaces available.

With no further discussion from the Board, Chairman Nollman asked for a motion.

A motion was made by Rebecca Boyer to deny the request. It was seconded by Toni Togias. All members present voted in the affirmative. The motion carried. 5-0.

- **20-Jul15 – AMC Belleville, Inc.** - A request for a **Special Use Permit** in a C-2 Heavy Commercial district for a liquor license for Buffalo Wild Wings located at 5600 Belleville Crossing Street. (Applicable Section of the zoning code: 60-6-50) **Ward 8.**

The restaurant representative explained the request and stated that there is a change of ownership but no change to regular operations.

There was no discussion by Aldermen.

With no further discussion from the Board and no one in the audience wished to speak in favor or in opposition to the request, Chairman Nollman asked for a motion.

A motion was made by Rebecca Boyer to approve the request in the name of the applicant only. The motion was seconded by Steve Zimmerman. All members presented voted in the affirmative. The motion carried. 5-0.

- **22-Jul15 – Herbert Patterson** – A request for a **Special Use Permit** in a C-2 Heavy Commercial zoning district to operate a used car dealership located at 913 Sherman Street. (Applicable section of the zoning code: 60-6-50) **Ward 1.**

The applicant explained the request and a discussion was held regarding renovations that have taken place on the property and security plans. The applicant stated that he will have the lot chained off and additional lighting and security cameras installed. He stated that he would like to place, on average, thirteen vehicles for sale on the lot at one time. He agreed to the requirement of seven customer parking spaces and two loading spaces. He would like to meet with city staff to discuss the best placement of exits and entrances for the lot. There will be no repair or detail work completed on the lot; he listed the two local businesses that will complete that type of work for him. There will be no storage of hazardous materials on the lot. The hours of operation will be approximately 9:00 a.m. – 7:00 p.m.

Tom Wisser, Jim Koderhandt and Jason Koderhandt spoke in opposition to the request.

There was no discussion by Aldermen.

With no further discussion from the Board, Chairman Nollman asked for a motion.

A motion was made by Steve Zimmerman to deny the request. It was seconded by Toni Togias. Voting went as follows: Rebecca Boyer-nay, Don Rockwell-nay, Toni Togias-aye, Steve Zimmerman-aye and Chairman Nollman-nay. The motion failed to carry; it will go to City Council without a recommendation.

- **23-Jul15 – Margarita's West/Javier Gutierrez** - A request for a **Special Use Permit** in a C-2 Heavy Commercial district for a liquor license for Margarita's West located at 4817 West Main Street. (Applicable Section of the zoning code: 60-6-50) **Ward 4.**

The applicant explained the request and a discussion was held regarding interior renovations, exterior lighting and the proposed date to open the restaurant.

Alderman Buettner spoke in favor of the request.

With no further discussion from the Board and no one in the audience wished to speak in favor or in opposition to the request, Chairman Nollman asked for a motion.

A motion was made by Rebecca Boyer to approve the request in the name of the applicant only. The motion was seconded by Steve Zimmerman. All members presented voted in the affirmative. The motion carried. 5-0.

- **24-Jul15 – Righteous Pig BBQ** - A request for a **Special Use Permit** in a C-2 Heavy Commercial district for a liquor license for Righteous Pig BBQ located at 124 East Main Street. (Applicable Section of the zoning code: 60-6-50) **Ward 6.**

The applicant explained the request and a discussion was held on the type of liquor license requested.

Alderman White spoke in favor of the request.

With no further discussion from the Board and no one in the audience wish to speak in favor or in opposition of the request, Chairman Nollman asked for a motion.

A motion was made by Rebecca Boyer to approve the request in the name of the applicant only. The motion was seconded by Steve Zimmerman. All members presented voted in the affirmative. The motion carried. 5-0.

Rebecca Boyer made a motion to ADJOURN, which was seconded by Don Rockwell. All members present voted aye. Chairman Nollman adjourned the meeting at 7:58 p. m.

Respectfully submitted,
Kari L. Tutza,
Economic Development, Planning & Zoning Department

UNAPPROVED



MEMO

TO: Master Sewer Committee
CC: City Council Alderman
FROM: E. Royce Carlisle - Director *ERC*
DATE: July 29, 2015
SUBJECT: Tractor and Rotary Cutter Bid

On July 28, 2015, bids for an Open Operator Station Utility Tractor and 8' Center Drive Rotary Cutter were open and read aloud in the City Clerk's office. The bidders and their bid prices are as follows:

Shiloh Valley Equipment Company	\$34,656.41
Wm. Nobbe & Company, Inc.	34,608.67
ERB Equipment	37,200.00
Luby	NONE

\$35,000 was budgeted and approved from TIF 3. Shiloh Valley Equipment Company and Wm. Nobbe & Company, Inc. both came in under budget.

Based upon review of bids, my staff and I hereby recommend selecting Shiloh Valley Equipment Company for the following reasons:

- Shiloh Valley can offer a superior cutter (mower deck), that exceeds the specifications, at a cost savings of \$220.77. This will reduce the total bid to \$34,435.64.
- Service and parts are closer to the treatment plant; Shiloh Valley is 8.4 miles and Wm. Nobbe is 25.5 miles. The \$47.74 difference will be made up with the first visit for service.

CITY OF BELLEVILLE

BID OPENING DATA SHEET

SUBJECT: Open Operator Station Utility Tractor & 8' Center Drive Rotary Cutter
DATE: 7/28/15 TIME: 10:00 AM PLACE: CONF ROOM

WITNESSES:

Jennifer Starnes
CITY CLERK'S OFFICE
Randy E. Smith
DEPARTMENT HEAD'S OFFICE

Alfred Rippe
PURCHASING OFFICE

OTHER

VENDORS PRESENT:

Wm Nobbe & Company, Inc
NAME

NAME

NAME

NAME

NAME

NAME

Inson Hess
COMPANY

COMPANY

COMPANY

COMPANY

COMPANY

BID OPENING NOTES:		
SHILOH VALLEY	34,656.41	BASIC BID ADD #1 ✓
WM NOBBE	34,608.67	ADD #1 ✓
LUBY	No BID	
FRB EQUIP	37,200.00	No ADD

CITY OF BELLEVILLE

BID OPENING DATA SHEET

SUBJECT: Demolitions

DATE: 6-17-15

TIME: 10:00 AM

PLACE: Conf Room

WITNESSES:

Dale B. Cook
CITY CLERK'S OFFICE

Jo Mueller
PURCHASING OFFICE

[Signature]
DEPARTMENT HEAD'S OFFICE

Housing
OTHER

VENDORS PRESENT:

Fed Corp
NAME

Hank Ex & Led Inc
COMPANY

NAME

COMPANY

NAME

COMPANY

NAME

COMPANY

NAME

COMPANY

NAME

COMPANY

BID OPENING NOTES:

S + S Excavating	16,200.00
Hayes Contracting	20,585.00
S. Schaefer Excavating	29,900.00
Hank's Excavating	21,750.00

Bob Sabo

From: ken hayse [khayse.agribus1@gmail.com]

Sent: Wednesday, July 29, 2015 11:53 AM

To: Bob Sabo

Subject: Re: Labor Agreement.

Bob,

Stan and I took the information from yesterday to Steve, the owner. He was not in favor of the labor agreement and has declined to sign it.

I think that will be the end of it as far as Steve is concerned.

I am sorry it did not work out.

Ken Hayse
for S&S Excavating

On Tue, Jul 28, 2015 at 10:12 AM, Bob Sabo <rsabo@belleville.net> wrote:

Mr. Hayse,

Please contact me by the end of the business day.

Thanks, Bob

Children's Dyslexia Center - Southern Illinois

A Scottish Rite Charity

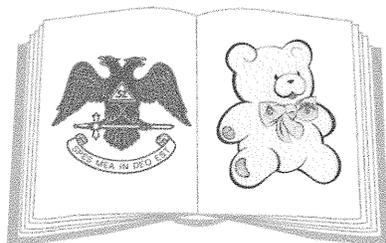
1549 Frank Scott Parkway West
Belleville, IL 62223

Phone/Fax: (618) 235-9392

E-mail: learningcenter@sril092.com

Center Director: Michele M. Johnson

Website: readwithdyslexia.org



July 23, 2015

Dallas B. Cook, City Clerk
101 South Illinois Street
Belleville, IL 62220-2199

Dear Belleville City Council,

We request the Council's approval for the following event.

Our annual walk to help Children with Dyslexia will be held October 03, 2015 from 10:00 am until 1:00 pm at the Scottish Rite. The route is approximately 3 miles long starting and ending at the Scottish Rite building. A very few walkers choose to walk the trail through Bellevue Park which extends the distance to approximately a 5.0 mile walk.

See enclosed map.

This event is the biggest yearly fundraiser that helps us keep our doors open to help children with disabilities in our community.

Thank you for your consideration. If you have any questions, feel free to contact Brian Brown at 618-210-3475 or bbrown7173@aol.com.

Sincerely,

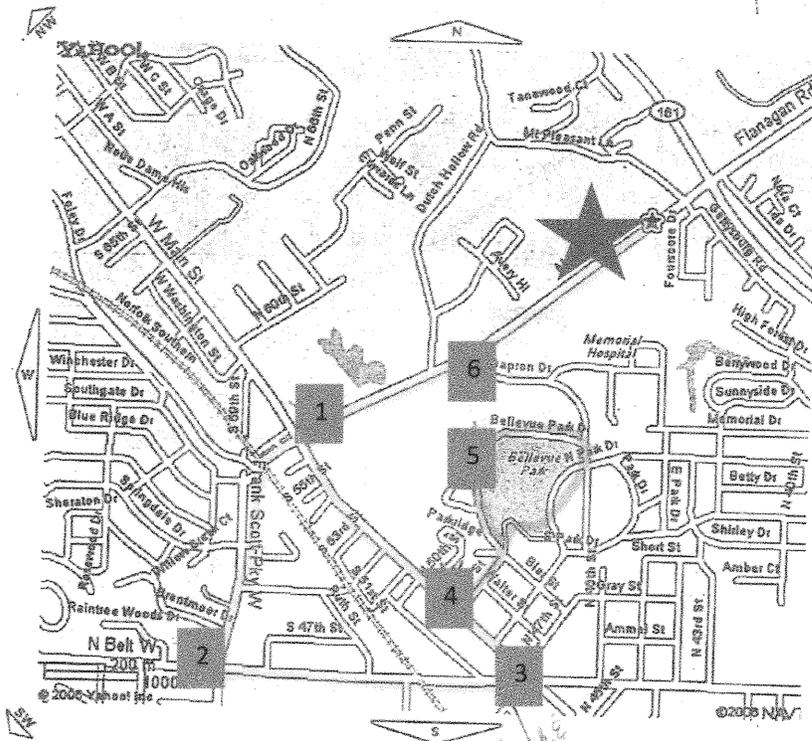
A handwritten signature in cursive script that reads "Brian D. Brown".

Brian Brown & Jeffery Berry, 2015 Walk Committee Chairpersons

A handwritten signature in cursive script that reads "Jeffery A. Berry".

"Tell me, and I forget. Teach me, and I remember. Involve me, and I learn!" ~ Benjamin Franklin

Children's Dyslexia Walk-A-Thon Route



- ★ Scottish Rite
1. Frank Scott Parkway and West Main St.
 2. Frank Scott Parkway and N. Belt West.
 3. West Main St. and N. Belt West.
 4. 49th Street and West Main St.
 5. Bellevue Park
 6. Dapron Drive and Frank Scott Parkway

Emergency Number for --- Linda Williams 618-581-5098

Restrooms are available at the Scottish Rite and Bellevue Park.

Directions for the Walk-A-Thon:

- Leave the Scottish Rite building at 1549 Frank Scott Parkway West traveling south, across Main Street #1, until you arrive at North Belt West (Walgreen's is across the street). #2-#3 on map
- Turn left and travel east on North Belt West to Main Street #3
- At Main Street, turn left and travel down Main Street to North 49th Street #4

At this point you need to decide if you are walking 3 miles or 5 miles.

The 3 mile route will continue down West Main to Frank Scott Parkway (cross at the lights) where you will turn right and follow the sidewalk back to the Scottish Rite Building.

The 5 mile route will continue down North 49th Street to Bellevue Park

- To make the 5 mile mark, you need to walk around the park's trail #5
- Then walk down Dapron Drive #6 back to Frank Scott Parkway West (crossing at the light)
- Turn right and walk back to the Scottish Rite Building ★

Jennifer Starnes

From: Ellzey, Corey R. [CEllzey@lindenwood.edu]
Sent: Friday, July 24, 2015 8:29 AM
To: Jennifer Starnes
Subject: Dates!

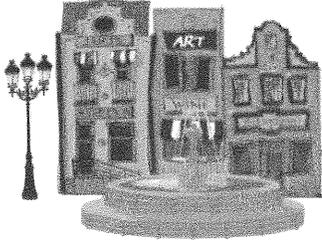
New Student Mixer, August 20th until Midnight
Housing Gathering, August 21st until midnight
Foam Party August 27, until midnight

Thank you!

Corey Ellzey
Director, Student Life and Leadership
Lindenwood University- Belleville
(618) 239-6171

Lindenwood University Email Disclaimer: <http://www.lindenwood.edu/emailPolicy.htm>

Belleville Main Street



512 West Main Street
Belleville, IL 62220

Belleville Has It All... Shop, Dine, Stay & Play....

July 30, 2015

Mr. Dallas Cook
City Clerk
City of Belleville
101 South Illinois Street
Belleville, IL 62220

RE: Mid Towne Scarecrow Harvest Festival

Dear Mr. Cook:

The Mid Towne Neighborhood Association would like to celebrate the fall season in Mid Towne Belleville with the 1st Annual "Scarecrow Harvest Festival." The event would take place on Saturday, October 17, 2015 from 11:00 a.m. to 8:00 p.m. with set-up beginning at 8:00 a.m.

This event would require the use of the City of Belleville parking lot on the south side of the 900 block of West Main Street. The affected businesses in this area have been notified and have signed off in approval that this event will have "no impact" on their business on the specified date and time.

Set up for the event will begin at 8:00 a.m. Event tear down will take place between 8:00-9:00 p.m. The Mid Towne Neighborhood Association is requesting the City's assistance with the use, delivery and set up/tear down of picnic tables; and the placement and pick up of trash receptacles.

Your consideration is greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Darrell M. Coons".

Darrell M. Coons
Director, Belleville Main Street
On behalf of the Mid Towne Neighborhood Association

ORDINANCE NO. 7877-2015

A ZONING ORDINANCE IN RE CASE #19JUL15

Cory Duncan

THE CITY OF BELLEVILLE, ST. CLAIR COUNTY, ILLINOIS (THE "CITY"), IS A DULY ORGANIZED AND EXISTING MUNICIPALITY CREATED UNDER THE PROVISIONS OF THE LAWS OF THE STATE OF ILLINOIS.

THE CITY OF BELLEVILLE IS NOW OPERATING UNDER THE PROVISIONS OF THE ILLINOIS MUNICIPAL CODE, AS SUPPLEMENTED AND AMENDED AND AS A HOME RULE MUNICIPALITY PURSUANT TO ARTICLE VII OF THE ILLINOIS CONSTITUTION OF 1970; AND IN THE EXERCISE OF ITS HOME RULE POWERS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELLEVILLE, ILLINOIS:

Whereas, an application has been filed requesting a Special Use Permit in an A-1 Single Family Residence district to allow for the sale and transfer of firearms and ammunition located at 122 Delmar Avenue. (Applicable portion of the zoning code: 60-6-5).

Whereas, a public hearing has been held before the City's Zoning Board of Appeals which has issued its advisory report.

NOW, THEREFORE, be it ordained by the City Council of the City of Belleville, Illinois as follows:

Section 1. That the application requesting a Special Use Permit in an A-1 Single Family Residence district to allow for the sale and transfer of firearms and ammunition located at 122 Delmar Avenue is hereby granted. (Applicable portion of the zoning code: 60-6-5).

Section 2. That conflicting ordinances or pertinent portions thereof in force at the time of this ordinance takes effect are hereby repealed.

Section 3. This ordinance shall be in full force and effect from and after its passage, approval and publication, all as provided by law.

PASSED by the City Council of the City of Belleville, Illinois, on this _____ day of _____, 2015 on the following roll call vote:

	<u>AYE</u>	<u>NAY</u>
Joseph Hazel	_____	_____
Ken Kinsella	_____	_____
Janet Schmidt	_____	_____
Michael Buettner	_____	_____
Kent Randle	_____	_____
Scott Tyler	_____	_____
Johnnie Anthony	_____	_____
Raffi Ovian	_____	_____
Ed Dintelman	_____	_____
Phillip Silsby	_____	_____
Paul Seibert	_____	_____
Bob White	_____	_____
Phil Elmore	_____	_____
Trent Galetti	_____	_____
Roger Wigginton	_____	_____
James Musgrove	_____	_____

APPROVED by the Mayor of the City of Belleville, Illinois this _____ day of _____, 2015.

MAYOR

ATTEST:

CITY CLERK

ORDINANCE NO.7878-2015

A ZONING ORDINANCE IN RE CASE #20JUL15
AMC Belleville, Inc.

THE CITY OF BELLEVILLE, ST. CLAIR COUNTY, ILLINOIS (THE "CITY"), IS A DULY ORGANIZED AND EXISTING MUNICIPALITY CREATED UNDER THE PROVISIONS OF THE LAWS OF THE STATE OF ILLINOIS.

THE CITY OF BELLEVILLE IS NOW OPERATING UNDER THE PROVISIONS OF THE ILLINOIS MUNICIPAL CODE, AS SUPPLEMENTED AND AMENDED AND AS A HOME RULE MUNICIPALITY PURSUANT TO ARTICLE VII OF THE ILLINOIS CONSTITUTION OF 1970; AND IN THE EXERCISE OF ITS HOME RULE POWERS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELLEVILLE, ILLINOIS:

Whereas, an application has been filed requesting a Special Use Permit in a C-2 Heavy Commercial district for a liquor license for Buffalo Wild Wings located at 5600 Belleville Crossing Street. (Applicable Section of the zoning code: 60-6-50).

Whereas, a public hearing has been held before the City's Zoning Board of Appeals which has issued its advisory report.

NOW, THEREFORE, be it ordained by the City Council of the City of Belleville, Illinois as follows:

Section 1. That the application requesting a Special Use Permit in a C-2 Heavy Commercial district for a liquor license for Buffalo Wild Wings located at 5600 Belleville Crossing Street is hereby granted with the following stipulation: (Applicable portion of zoning code: 60-6-50)

1. In the name of the applicant only.

Section 2. That conflicting ordinances or pertinent portions thereof in force at the time of this ordinance takes effect are hereby repealed.

Section 3. This ordinance shall be in full force and effect from and after its passage, approval and publication, all as provided by law.

PASSED by the City Council of the City of Belleville, Illinois, on this _____ day of _____, 2015 on the following roll call vote:

	<u>AYE</u>	<u>NAY</u>
Joseph Hazel	_____	_____
Ken Kinsella	_____	_____
Janet Schmidt	_____	_____
Michael Buettner	_____	_____
Kent Randle	_____	_____
Scott Tyler	_____	_____
Johnnie Anthony	_____	_____
Raffi Ovian	_____	_____
Ed Dintelman	_____	_____
Phillip Silsby	_____	_____
Paul Seibert	_____	_____
Bob White	_____	_____
Phil Elmore	_____	_____
Trent Galetti	_____	_____
Roger Wigginton	_____	_____
James Musgrove	_____	_____

APPROVED by the Mayor of the City of Belleville, Illinois this _____ day of _____, 2015.

MAYOR

ATTEST:

CITY CLERK

ORDINANCE NO. 7879-2015

A ZONING ORDINANCE IN RE CASE #22JUL15
Herbert Patterson

THE CITY OF BELLEVILLE, ST. CLAIR COUNTY, ILLINOIS (THE "CITY"), IS A DULY ORGANIZED AND EXISTING MUNICIPALITY CREATED UNDER THE PROVISIONS OF THE LAWS OF THE STATE OF ILLINOIS.

THE CITY OF BELLEVILLE IS NOW OPERATING UNDER THE PROVISIONS OF THE ILLINOIS MUNICIPAL CODE, AS SUPPLEMENTED AND AMENDED AND AS A HOME RULE MUNICIPALITY PURSUANT TO ARTICLE VII OF THE ILLINOIS CONSTITUTION OF 1970; AND IN THE EXERCISE OF ITS HOME RULE POWERS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELLEVILLE, ILLINOIS:

Whereas, an application has been filed requesting a Special Use Permit in a C-2 Heavy Commercial zoning district to operate a used car dealership located at 913 Sherman Street. (Applicable section of the zoning code: 60-6-50).

Whereas, a public hearing has been held before the City's Zoning Board of Appeals which has issued its advisory report.

NOW, THEREFORE, be it ordained by the City Council of the City of Belleville, Illinois as follows:

Section 1. That the application requesting a Special Use Permit in a C-2 Heavy Commercial zoning district to operate a used car dealership located at 913 Sherman Street is hereby granted. (Applicable section of the zoning code: 60-6-50).

Section 2. That conflicting ordinances or pertinent portions thereof in force at the time of this ordinance takes effect are hereby repealed.

Section 3. This ordinance shall be in full force and effect from and after its passage, approval and publication, all as provided by law.

PASSED by the City Council of the City of Belleville, Illinois, on this _____ day of _____, 2015 on the following roll call vote:

	<u>AYE</u>	<u>NAY</u>
Joseph Hazel	_____	_____
Ken Kinsella	_____	_____
Janet Schmidt	_____	_____
Michael Buettner	_____	_____
Kent Randle	_____	_____
Scott Tyler	_____	_____
Johnnie Anthony	_____	_____
Raffi Ovian	_____	_____
Ed Dintelman	_____	_____
Phillip Silsby	_____	_____
Paul Seibert	_____	_____
Bob White	_____	_____
Phil Elmore	_____	_____
Trent Galetti	_____	_____
Roger Wigginton	_____	_____
James Musgrove	_____	_____

APPROVED by the Mayor of the City of Belleville, Illinois this _____ day of _____, 2015.

MAYOR

ATTEST:

CITY CLERK

ORDINANCE NO. 7880-2015

A ZONING ORDINANCE IN RE CASE #23JUL15
Margarita's West/Javier Gutierrez

THE CITY OF BELLEVILLE, ST. CLAIR COUNTY, ILLINOIS (THE "CITY"), IS A DULY ORGANIZED AND EXISTING MUNICIPALITY CREATED UNDER THE PROVISIONS OF THE LAWS OF THE STATE OF ILLINOIS.

THE CITY OF BELLEVILLE IS NOW OPERATING UNDER THE PROVISIONS OF THE ILLINOIS MUNICIPAL CODE, AS SUPPLEMENTED AND AMENDED AND AS A HOME RULE MUNICIPALITY PURSUANT TO ARTICLE VII OF THE ILLINOIS CONSTITUTION OF 1970; AND IN THE EXERCISE OF ITS HOME RULE POWERS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELLEVILLE, ILLINOIS:

Whereas, an application has been filed requesting a Special Use Permit in a C-2 Heavy Commercial district for a liquor license for Margarita's West located at 4817 West Main Street. (Applicable Section of the zoning code: 60-6-50).

Whereas, a public hearing has been held before the City's Zoning Board of Appeals which has issued its advisory report.

NOW, THEREFORE, be it ordained by the City Council of the City of Belleville, Illinois as follows:

Section 1. That the application requesting a Special Use Permit in a C-2 Heavy Commercial district for a liquor license for Margarita's West located at 4817 West Main Street is hereby granted with the following stipulation: (Applicable Section of the zoning code: 60-6-50)

1. In the name of the applicant only.

Section 2. That conflicting ordinances or pertinent portions thereof in force at the time of this ordinance takes effect are hereby repealed.

Section 3. This ordinance shall be in full force and effect from and after its passage, approval and publication, all as provided by law.

PASSED by the City Council of the City of Belleville, Illinois, on this _____ day of _____, 2015 on the following roll call vote:

	<u>AYE</u>	<u>NAY</u>
Joseph Hazel	_____	_____
Ken Kinsella	_____	_____
Janet Schmidt	_____	_____
Michael Buettner	_____	_____
Kent Randle	_____	_____
Scott Tyler	_____	_____
Johnnie Anthony	_____	_____
Raffi Ovian	_____	_____
Ed Dintelman	_____	_____
Phillip Silsby	_____	_____
Paul Seibert	_____	_____
Bob White	_____	_____
Phil Elmore	_____	_____
Trent Galetti	_____	_____
Roger Wigginton	_____	_____
James Musgrove	_____	_____

APPROVED by the Mayor of the City of Belleville, Illinois this _____ day of _____, 2015.

MAYOR

ATTEST:

CITY CLERK

ORDINANCE NO. 7881-2015

A ZONING ORDINANCE IN RE CASE #24JUL15
Righteous Pig BBQ

THE CITY OF BELLEVILLE, ST. CLAIR COUNTY, ILLINOIS (THE "CITY"), IS A DULY ORGANIZED AND EXISTING MUNICIPALITY CREATED UNDER THE PROVISIONS OF THE LAWS OF THE STATE OF ILLINOIS.

THE CITY OF BELLEVILLE IS NOW OPERATING UNDER THE PROVISIONS OF THE ILLINOIS MUNICIPAL CODE, AS SUPPLEMENTED AND AMENDED AND AS A HOME RULE MUNICIPALITY PURSUANT TO ARTICLE VII OF THE ILLINOIS CONSTITUTION OF 1970; AND IN THE EXERCISE OF ITS HOME RULE POWERS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELLEVILLE, ILLINOIS:

Whereas, an application has been filed requesting a Special Use Permit in a C-2 Heavy Commercial district for a liquor license for Righteous Pig BBQ located at 124 East Main Street. (Applicable Section of the zoning code: 60-6-50).

Whereas, a public hearing has been held before the City's Zoning Board of Appeals which has issued its advisory report.

NOW, THEREFORE, be it ordained by the City Council of the City of Belleville, Illinois as follows:

Section 1. That the application requesting a Special Use Permit in a C-2 Heavy Commercial district for a liquor license for Righteous Pig BBQ located at 124 East Main Street is hereby granted with the following stipulation: (Applicable portion of zoning code: 60-6-50)

1. In the name of the applicant only.

Section 2. That conflicting ordinances or pertinent portions thereof in force at the time of this ordinance takes effect are hereby repealed.

Section 3. This ordinance shall be in full force and effect from and after its passage, approval and publication, all as provided by law.

PASSED by the City Council of the City of Belleville, Illinois, on this _____ day of _____, 2015 on the following roll call vote:

	<u>AYE</u>	<u>NAY</u>
Joseph Hazel	_____	_____
Ken Kinsella	_____	_____
Janet Schmidt	_____	_____
Michael Buettner	_____	_____
Kent Randle	_____	_____
Scott Tyler	_____	_____
Johnnie Anthony	_____	_____
Raffi Ovian	_____	_____
Ed Dintelman	_____	_____
Phillip Silsby	_____	_____
Paul Seibert	_____	_____
Bob White	_____	_____
Phil Elmore	_____	_____
Trent Galetti	_____	_____
Roger Wigginton	_____	_____
James Musgrove	_____	_____

APPROVED by the Mayor of the City of Belleville, Illinois this _____ day of _____, 2015.

MAYOR

ATTEST:

CITY CLERK

GILMORE & BELL, P.C.
DRAFT 3 – JULY 21, 2015
FOR DISCUSSION PURPOSES ONLY

ORDINANCE NO.7882-2015

OF THE

CITY OF BELLEVILLE, ILLINOIS

PASSED

AUGUST 3, 2015

\$8,500,000
GENERAL OBLIGATION BONDS
SERIES 2015

ORDINANCE NO. 7882-2015

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- Exhibit A - Form of Bonds
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- Exhibit E - Federal Tax Certificate

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION BONDS, SERIES 2015, OF THE CITY OF BELLEVILLE, ILLINOIS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Belleville, Illinois (the “City”) is a home rule city and political subdivision of the State of Illinois, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Illinois and has all powers of home rule units as provided in Section 6 of Article VII of the Constitution of the State of Illinois, as amended, as such home rule powers are supplemented by the Illinois Municipal Code and the Local Government Debt Reform Act; and

WHEREAS, the City Council has determined that it is advisable, necessary and in the best interests of the City, in order to promote and protect the public health, welfare, safety and convenience of the residents of the City, to finance the costs of (1) acquiring, constructing, renovating, equipping and furnishing a police station facility and related sites, facilities and other improvements, (2) renovating the existing City Hall, and (3) upon completion of the police station facility and the renovations to City Hall, other capital expenditures benefitting the City (collectively, the “Project”); and

WHEREAS, the estimated costs of the Project includes engineering, legal, financial, bond discount, printing and publication costs, capitalized interest and other expenses, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, it is necessary and for the best interests of the City that the Project be undertaken and, in order to raise the funds required for such purpose, it will be necessary for the City to borrow \$8,500,000 and in evidence thereof to issue general obligation bonds in the aggregate principal amount of \$8,500,000; and

WHEREAS, the City is authorized to issue and sell general obligation bonds of the City for lawful purposes, including financing costs of the Project; and

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and of its inhabitants at this time to authorize the issuance and delivery of said bonds for the purposes aforesaid as herein provided.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELLEVILLE, ILLINOIS, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms as used in this Ordinance shall have the following meanings:

“Bond Counsel” means Gilmore & Bell, P.C., Edwardsville, Illinois, or other attorneys or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

“Bond Payment Date” means any date on which principal of or interest on any Bond is payable.

“Bond Purchase Agreement” means the Bond Purchase Agreement between the City and the Underwriter, in substantially the form attached hereto as **Exhibit D**.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.

“Bondowner” or **“Registered Owner”** when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

“Bonds” means the General Obligation Bonds, Series 2015, authorized and issued by the City pursuant to this Ordinance.

“Business Day” means a day other than a Saturday, Sunday or holiday on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

“City” means the City of Belleville, Illinois, and any successors or assigns.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Treasury Department proposed or promulgated thereunder.

“Construction Fund” means the fund by that name referred to in **Section 501** hereof.

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking made by the City, in substantially the form attached hereto as **Exhibit C**.

“CUSIP Number” means a nine digit number that uniquely identifies each Bond.

“Debt Service Fund” means the fund by that name referred to in **Section 501** hereof.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations, if and to the extent the same are at the time legal for investment of the City’s funds:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (A) not subject to redemption prior to maturity or (B) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations serving as security for the obligations (plus any cash in an escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations serving as security for the obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in the highest rating category by Moody’s Investors Service, Inc. (presently “Aaa”) or Standard & Poor’s (presently “AAA”).

“FAST Agent” means the Paying Agent when acting as agent for the Depository Trust Company in accordance with the rules established by Depository Trust Company for Fast Automated Securities Transfers.

“Federal Tax Certificate” means the Federal Tax Certificate, in substantially the form attached hereto as **Exhibit E**.

“Interest Payment Date” means the Stated Maturity of an installment of interest on any Bond.

“Maturity” means, when used with respect to any Bond, the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Ordinance” means this Ordinance adopted by the governing body of the City, authorizing the issuance of the Bonds, as amended from time to time.

“Outstanding” means, when used with reference to Bonds, as of any particular date of determination, all Bonds theretofore authenticated and delivered hereunder, except the following Bonds:

(a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 701** hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

“Paying Agent” means UMB Bank, N.A., a national banking association with a corporate trust office located in Kansas City, Missouri, and any successors or assigns.

“Person” means any natural person, corporation, limited liability company, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“Project” means (1) acquiring, constructing, renovating, equipping and furnishing a police station facility and related sites, facilities and other improvements, (2) renovating the existing City Hall, and (3) upon completion of the police station facility and the renovations to City Hall, other capital expenditures benefitting the City.

“Rebate Fund” means the fund by that name referred to in **Section 501** hereof.

“Record Date” for the interest payable on any Interest Payment Date means the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for the redemption of such Bond pursuant to the terms of this Ordinance.

“Redemption Price” when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of this Ordinance, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date, which price is to be stated as a percentage of the principal amount of those Bonds to be redeemed.

“Special Record Date” means the date prior to the payment date of Defaulted Interest fixed by the Paying Agent pursuant to **Section 204** hereof.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and this Ordinance as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“Underwriter” means FTN Financial Capital Markets, as the original purchaser of the Bonds.

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal

payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are held in a custodial account for the benefit of the City.

ARTICLE II

AUTHORIZATION OF BONDS

Section 201. Authorization of Bonds. There shall be issued and hereby are authorized and directed to be issued the General Obligation Bonds, Series 2015 of the City in the aggregate principal amount of \$8,500,000 (the “Bonds”), for the purpose of providing funds to (a) pay costs of the Project, and (b) pay the costs of issuing the Bonds.

Section 202. Description of Bonds.

(a) The Bonds shall consist of fully-registered bonds, numbered from 1 upward in order of issuance, in denominations of \$5,000 or any integral multiple thereof. The Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be substantially in the form set forth in **Exhibit A** attached hereto, and shall be subject to registration, transfer and exchange as provided in **Section 205** hereof.

(b) All of the Bonds shall be dated the date of original issue and delivery, shall become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as provided in **Article III** hereof, and shall bear interest at rates per annum, as follows:

SERIAL BONDS

<u>Stated Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>
2016	\$	%
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		

2035
2036

TERM BONDS

<u>Stated Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>
	\$	\$

(c) The Bonds shall bear interest at the above specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on January 1 and July 1 in each year, beginning on January 1, 2016.

Section 203. Designation of Paying Agent.

(a) UMB Bank, N.A., a national banking association with a corporate trust office located in Kansas City, Missouri, is hereby designated as the City's paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds (the "Paying Agent").

(b) The City will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The City reserves the right to appoint a successor Paying Agent by (1) filing with the Paying Agent then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent and appointing a successor, and (2) causing notice of the appointment of the successor Paying Agent to be given by first class mail to each Registered Owner. The Paying Agent may resign upon giving written notice by first class mail to the City and the Bondowners not less than 60 days prior to the date such resignation is to take effect. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent.

(c) Every Paying Agent appointed hereunder shall at all times be a commercial banking association or corporation or trust company organized and doing business under the laws of the United States of America or of the State of Illinois, authorized under such laws to exercise trust powers and subject to supervision or examination by federal or state regulatory authority.

(d) The Paying Agent shall be paid its usually and customary fees and expenses for its services in connection with the Bonds.

Section 204. Method and Place of Payment of Bonds.

(a) The principal or Redemption Price of and interest on the Bonds shall be payable in any coin or currency of the United States of America that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

(b) The principal or Redemption Price of each Bond shall be paid at Maturity by check or draft to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the payment office of the Paying Agent in Kansas City, Missouri or at such other payment office designated by the Paying Agent.

(c) The interest payable on each Bond on any Interest Payment Date shall be paid to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (1) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or such other address furnished to the Paying Agent in writing by such Registered Owner or (2) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner and given to the Paying Agent not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the name and address of the bank (which shall be in the continental United States), its ABA routing number, the account number to which such Registered Owner wishes to have such transfer directed and an acknowledgement that an electronic transfer fee may be applicable.

(d) Any payment of principal of, Redemption Price, or interest on the Bonds that becomes due on a day when the Paying Agent is not open for business shall be made on the next succeeding Business Day without additional interest accruing after the stated due date.

(e) Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Registered Owner of such Bond on the relevant Record Date and shall be payable to the Registered Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent unless the City and the Paying Agent agree to a shorter time period) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment, unless the City and the Paying Agent agree to a shorter time period. The Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Registered Owner of a Bond entitled to such notice at the address of such Registered Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

(f) The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest paid on all Bonds and, upon the City's written request, shall forward a copy or summary of such records to the City.

Section 205. Registration, Transfer and Exchange of Bonds.

(a) The City covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the principal corporate trust office of the Paying Agent or such other office designated by the Paying Agent for the registration, transfer and exchange of Bonds as herein provided. Each Bond when issued shall be registered in the name of the Registered Owner thereof on the Bond Register.

(b) Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal corporate trust office of the Paying Agent or such other office designated by the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same

aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

(c) In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The City shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by this Ordinance and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. If any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

(d) The City and the Paying Agent shall not be required (1) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption, or (2) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 204** hereof.

(e) The City and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Registered Owner or upon the Registered Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

(f) At reasonable times and under reasonable regulations established by the Paying Agent, the Bond Register may be inspected and copied by the Registered Owners of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Registered Owners. The authority of any designated representative of such Registered Owners must be evidenced to the satisfaction of the Paying Agent.

Section 206. Execution, Registration, Authentication and Delivery of Bonds.

(a) Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and shall have the official seal of the City affixed or imprinted thereon. In case any officer whose signature appears on any Bond ceases to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

(b) The Mayor and City Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and, when duly executed and registered, to deliver the Bonds to the Paying Agent for authentication.

(c) The Bonds shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Exhibit A** attached hereto, which shall be manually executed by an authorized signatory of the Paying Agent, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Paying Agent. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Ordinance. Upon authentication, the Paying Agent shall deliver the Bonds to or upon the order of the Underwriter, or shall hold the Bonds as “Fast Agent” for the benefit of the Beneficial Owners (as hereinafter defined), upon payment to the City of the purchase price of the Bonds.

Section 207. Mutilated, Destroyed, Lost and Stolen Bonds.

(a) The City shall execute and, the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount when the City and the Paying Agent have been furnished with the following to their satisfaction: (1) proof of ownership, (2) proof of loss or destruction or, in the case of a defaced Bond, the Bond, and (3) adequate security to indemnify the City and the Paying Agent against any loss they may suffer on account of such replacement.

(b) If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City may, in its discretion, direct the Paying Agent to pay such Bond instead of delivering a new Bond.

(c) Upon the issuance of any new Bond under this Section, the City or the Paying Agent may require the payment by the Registered Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

(d) Every new Bond issued pursuant to this Section shall constitute a replacement of the City’s prior obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

Section 208. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and shall file an executed counterpart of such certificate with the City.

Section 209. Preliminary and Final Official Statement.

(a) The Preliminary Official Statement, in the form attached hereto as **Exhibit B**, is hereby ratified and approved, and the final Official Statement is hereby authorized and approved by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor is hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the final Official Statement by the Underwriter in connection with the reoffering of the Bonds is hereby authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

(b) For the purpose of enabling the Underwriter to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the City hereby deems the Preliminary Official Statement to be “final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the City are hereby authorized, if requested, to provide the Underwriter a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Underwriter to comply with the requirement of such Rule.

(c) The City agrees to provide to the Underwriter within seven business days of the date of the sale of Bonds sufficient copies of the final Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 210. Sale of Bonds. The Mayor is hereby authorized to enter into the Bond Purchase Agreement, under which the City agrees to sell the Bonds to the Underwriter at a purchase price of \$_____ (representing the original principal amount of the Bonds, plus net original issue premium of \$_____, and less an underwriting discount of \$_____) plus accrued interest, if any, upon the terms and conditions set forth therein and with such changes therein as shall be approved by the Mayor, which officer is hereby authorized to execute the Bond Purchase Agreement for and on behalf of the City, such officer’s signature thereon being conclusive evidence of his or her approval thereof.

Section 211. Securities Depository.

(a) For purposes of this **Section 211**, the following terms shall have the following meanings:

“Beneficial Owner” means, whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such Person’s subrogee.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” means The Depository Trust Company of New York, New York.

“Participant” means any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” means the representation letters from the City and the Paying Agent to DTC with respect to the Bonds.

(b) The Bonds shall be initially issued as one single authenticated fully registered bond for each Stated Maturity. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register kept by the Paying Agent in the name of Cede & Co., as nominee of DTC. The Paying Agent and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or Redemption Price of and interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Registered Owners of Bonds under this Ordinance, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Paying Agent nor the City shall be affected by any notice to the contrary. Neither the Paying Agent nor the City shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other Person which is not shown on the Bond Register kept by the Paying Agent as being a Registered Owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal or Redemption Price of and interest on the Bonds, with respect to any notice which is permitted or required to be given to Registered Owners of Bonds under this Ordinance, with respect to the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as Registered Owner of the Bonds. The Paying Agent shall pay all principal or Redemption Price of and interest on the Bonds only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal or Redemption Price of and interest on the Bonds to the extent of the sum or sums so paid. No Person other than DTC (or the Paying Agent as "Fast Agent") shall receive an authenticated Bond for each separate Stated Maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) If Participants holding a majority interest in the Bonds determines that it is in the best interest of the Beneficial Owners that they be able to obtain certificated bonds, such Participants may notify DTC and the Paying Agent, whereupon DTC shall make bond certificates available. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Paying Agent and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal or Redemption Price of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) If any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Paying Agent from the Registered Owners thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this Ordinance. If Bonds are issued to holders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, or other securities depository as holder of all the Bonds, the provisions of this Ordinance shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds and the method of payment of the principal or Redemption Price of and interest on such Bonds. In the event that Bonds are issued to holders other than DTC, the Paying Agent may rely on information provided by DTC or any Participant as to the names, addresses of and principal amounts held by the Beneficial Owners of the Bonds.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

(a) *Optional Redemption.* At the option of the City, the Bonds maturing on January 1, 2026 and thereafter may be called for redemption and payment prior to their Stated Maturity on January 1, 2025 and thereafter, as a whole or in part, at any time in such amount for each Stated Maturity as shall be determined by the City, at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

(b) *Mandatory Redemption.* The Bonds maturing in the year 20__ (the "Term Bonds") shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The taxes levied in **Article IV** hereof which are to be deposited into the Debt Service Fund shall be sufficient to redeem, and the City shall redeem on January 1 in each year, the following principal amounts of such Term Bonds:

Term Bonds Maturing on January 1, 20__

<u>Year</u>	<u>Principal Amount</u>
20__	\$
20__ [†]	

[†]Final Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the City may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired, (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Registered Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical, or (3) receive a credit with respect to the mandatory redemption obligation of the City under this Section for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection (b)) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection (b). Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity in chronological order, and the principal amount of Term Bonds of the same Stated Maturity to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the City will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to

what extent the provisions of said clauses (1), (2) and (3) are to be complied with respect to such mandatory redemption payment.

Section 302. Selection of Bonds to Be Redeemed.

(a) The Paying Agent shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Paying Agent at least 45 days prior to the Redemption Date of the City's written instructions specifying the principal amount, Stated Maturities, Redemption Date and Redemption Price of the Bonds to be called for redemption. If the Bonds are refunded more than 90 days in advance of such Redemption Date, any escrow agreement entered into by the City in connection with such refunding shall provide that such written instructions to the Paying Agent shall be given by the escrow agent on the City's behalf not less than 45 days prior to the Redemption Date. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in **Section 303** are met. The foregoing provisions of this paragraph shall not apply to the mandatory redemption of Bonds hereunder, and Term Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the City and whether or not the Paying Agent shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

(b) Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed in such order of their Stated Maturities as determined by the City, and Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in \$5,000 units of principal amount by lot or in such other equitable manner as the Paying Agent may determine.

(c) In the case of a partial redemption of Bonds, when Bonds of denominations greater than \$5,000 are then Outstanding, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the Redemption Price and interest to the Redemption Date of such \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Registered Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption.

(a) Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on the City's behalf by mailing a copy of an official redemption notice by first class mail at least 30 days but not more than 60 days prior to the Redemption Date to each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

(b) All official notices of redemption shall be dated and shall contain the following information:

- (1) the Redemption Date;

(2) the Redemption Price;

(3) if less than all Outstanding Bonds are to be redeemed, the identification number, Stated Maturity and, in the case of the partial redemption of any Bonds, the respective principal amounts of the Bonds to be redeemed;

(4) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and

(5) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal payment office designated by the Paying Agent.

(c) With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Paying Agent on or prior to the Redemption Date in an amount sufficient to pay the Redemption Price on the Redemption Date. If such notice is conditional and either the Paying Agent receives written notice from the City that moneys sufficient to pay the Redemption Price will not be on deposit on the Redemption Date, or such moneys are not received on the Redemption Date, then such notice shall be of no force and effect, the Paying Agent shall not redeem such Bonds and the Paying Agent shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not or will not be so received and that such Bonds will not be redeemed.

(d) Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the City defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, the Paying Agent shall prepare for the Registered Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

(e) The failure of any Registered Owner to receive the foregoing notice or any defect therein shall not invalidate the effectiveness of the call for redemption.

(f) In addition to the foregoing notice, further notice shall be given by the Paying Agent on the City's behalf as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed.

(1) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP Numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the Stated Maturity of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption shall be sent at least one day before the mailing of notice to Registered Owners by first class, registered or certified mail or overnight

delivery, as determined by the Paying Agent, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(3) Each check or other transfer of funds issued for the payment of the Redemption Price of Bonds being redeemed shall bear or have enclosed therewith the CUSIP Number of the Bonds being redeemed with the proceeds of such check or other transfer.

(g) The Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV

SECURITY FOR AND PAYMENT OF BONDS

Section 401. Security for the Bonds. The Bonds shall be general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property within the City's territorial limits. The full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

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Section 402. Levy and Collection of Annual Tax.

(a) For the purpose of providing for the payment of the principal of and interest on the Bonds as the same become due, there is hereby levied upon all of the taxable property within the City the following direct annual tax for each of the years that any of the Bonds are outstanding, in amounts sufficient to produce the amounts necessary for the payment of such principal and interest as the same becomes due and payable; provided that no taxes are levied for the principal and interest due on the Bonds on January 1, 2016 and such principal and interest will be paid with other legally available funds that are sufficient to make such payments and will be deposited in the Debt Service Fund at the time of issuance of the Bonds:

<u>FOR THE</u> <u>YEAR</u>	<u>A TAX SUFFICIENT</u> <u>TO PRODUCE THE SUM OF:</u>
2015	\$ _____ for principal and interest due July 1, 2016 and January 1, 2017
2016	\$ _____ for principal and interest due July 1, 2017 and January 1, 2018
2017	\$ _____ for principal and interest due July 1, 2018 and January 1, 2019
2018	\$ _____ for principal and interest due July 1, 2019 and January 1, 2020
2019	\$ _____ for principal and interest due July 1, 2020 and January 1, 2021
2020	\$ _____ for principal and interest due July 1, 2021 and January 1, 2022
2021	\$ _____ for principal and interest due July 1, 2022 and January 1, 2023
2022	\$ _____ for principal and interest due July 1, 2023 and January 1, 2024
2023	\$ _____ for principal and interest due July 1, 2024 and January 1, 2025
2024	\$ _____ for principal and interest due July 1, 2025 and January 1, 2026
2025	\$ _____ for principal and interest due July 1, 2026 and January 1, 2027
2026	\$ _____ for principal and interest due July 1, 2027 and January 1, 2028
2027	\$ _____ for principal and interest due July 1, 2028 and January 1, 2029
2028	\$ _____ for principal and interest due July 1, 2029 and January 1, 2030
2029	\$ _____ for principal and interest due July 1, 2030 and January 1, 2031
2030	\$ _____ for principal and interest due July 1, 2031 and January 1, 2032
2031	\$ _____ for principal and interest due July 1, 2032 and January 1, 2033
2032	\$ _____ for principal and interest due July 1, 2033 and January 1, 2034
2033	\$ _____ for principal and interest due July 1, 2034 and January 1, 2035
2034	\$ _____ for principal and interest due July 1, 2035 and January 1, 2036

(b) If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the City Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the City and to reimburse said general funds for money so expended when said taxes are collected.

(c) The City covenants and agrees with the Registered Owners of the Bonds that so long as any of the Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the foregoing tax levy and the City and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the Debt Service Fund.

(d) Notwithstanding anything to the contrary herein, the City may abate the foregoing taxes whenever funds from any lawful source are available for the payment of the principal of and interest on the Bonds. The City may direct the abatement of the foregoing taxes to the extent such other legally available funds are sufficient for the payment of the principal of and interest on the Bonds and shall

timely file an appropriate certification of such abatement with the County Clerk of St. Clair County, Illinois. If for any reason there is abatement of such levy of taxes and the failure thereafter to pay the principal of and interest on the Bonds, the additional amount, together with accrued interest, shall be added to the tax levy in the year of, or the next year following, such failure.

Section 403. Filing of Ordinance. Upon the passage of this Ordinance, the City Clerk is hereby directed to file a certified copy of this Ordinance with the County Clerk of St. Clair County, Illinois, and it shall be the duty of said County Clerk to annually, in and for each of the years 2015 to 2034, inclusive, ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the City in connection with other taxes levied in each of said years for general corporate purposes, in order to raise the respective amounts aforesaid and in each of said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general corporate purposes of the City, and when collected, the taxes hereby levied shall be placed in the Debt Service Fund.

ARTICLE V

ESTABLISHMENT OF FUNDS; DEPOSIT AND APPLICATION OF MONEY

Section 501. Establishment of Funds. There have been or shall be established in the City's treasury and shall be held and administered by the City Treasurer the following separate funds and accounts:

- (a) Debt Service Fund, which shall contain a Series 2015 Debt Service Account.
- (b) Construction Fund, which shall contain a Series 2015 Construction Account.
- (c) Rebate Fund, which shall contain a Series 2015 Rebate Account.

Section 502. Deposit of Bond Proceeds and Other Moneys.

(a) \$_____ of legally available moneys of the City shall be deposited into the Series 2015 Debt Service Account of the Debt Service Fund and applied to pay principal and interest due on the Bonds on January 1, 2016.

(b) The net proceeds of the Bonds (\$_____) shall be deposited in the Series 2015 Construction Account of the Construction Fund and applied in accordance with **Section 507** hereof.

Section 503. Application of Money in Debt Service Fund.

(a) All amounts paid and credited to the Debt Service Fund shall be expended and used by the City for the sole purpose of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due. The City Treasurer is authorized and directed to withdraw from the Debt Service Fund sums sufficient to pay both principal or Redemption Price of and interest on the Bonds as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal or Redemption Price and interest will become due. All money deposited with the Paying Agent shall be deemed to be deposited in accordance

with and subject to all of the provisions contained in this Ordinance and shall be held in trust by the Paying Agent for the benefit of the Registered Owners of the Bonds entitled to payment from such money.

(b) Any money or investments remaining in the Debt Service Fund after the retirement of the indebtedness for which the Bonds were issued and all other indebtedness of the City shall be transferred and paid into the City's general fund.

Section 504. Deposits and Investment of Money.

(a) Money in each of the funds created by and referred to in this Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the financial institutions holding such deposits as provided by the laws of the State of Illinois. All money held in the funds created by this Ordinance shall be kept separate and apart from all other funds of the City so that there shall be no commingling of such funds with any other funds of the City.

(b) Money held in any fund referred to in this Ordinance may be invested by the City Treasurer at the direction of the City Council, in accordance with this Ordinance and the Federal Tax Certificate, in legally permitted investments; provided, however, that no such investment may be made for a period extending longer than to the date when the money invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any fund shall accrue to and become a part of such fund.

Section 505. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the City to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due at Maturity, the Paying Agent shall, without liability for interest thereon, repay to the City the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 506. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of the principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Section 507. Application of Moneys in the Construction Fund.

(a) Moneys in the Series 2015 Construction Account of the Construction Fund shall be used by the City solely for the purpose of (1) paying the costs of the Project in accordance with the plans and specifications to be approved by the City Council and filed in the office of the City Clerk, including any alterations in or amendments to said plans and specifications deemed advisable by the City's architects

and engineers and approved by the City Council, and (2) paying the costs and expenses of issuing the Bonds.

(b) The City's Treasurer shall make withdrawals from the Series 2015 Construction Account of the Construction Fund upon satisfaction that such payment is being made for a purpose within the scope of this Ordinance and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof.

(c) Upon completion of the purpose for which the Bonds have been issued, any surplus remaining in the Series 2015 Construction Account of the Construction Fund shall be transferred to and deposited in the Series 2015 Debt Service Account of the Debt Service Fund. If any transfer is made to the Series 2015 Debt Service Account, the City's Treasurer shall within 30 days notify the County Clerk of the amount of the transfer and direct the County Clerk to abate taxes to be extended for the purposes of principal and interest payments on the Bonds by an equal amount to the transfer.

Section 508. Application of Money in the Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent necessary to satisfy the arbitrage rebate required pursuant to the Federal Tax Certificate, for payment to the United States of America, and neither the City nor the Registered Owner of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Federal Tax Certificate.

(b) The City shall periodically determine the amount of arbitrage rebate under Section 148(f) of the Code in accordance with the Federal Tax Certificate, and the City shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax Certificate. Any money remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any arbitrage rebate required pursuant to the Federal Tax Certificate, or provision made therefor, shall be released to the City.

(c) Notwithstanding any other provision of this Ordinance, including in particular **Article VII** hereof, the obligation to pay arbitrage rebate to the United States and to comply with all other requirements of this Section and the Federal Tax Certificate shall survive the defeasance or payment in full of the Bonds.

ARTICLE VI

REMEDIES

Section 601. Remedies. The provisions of this Ordinance, including the covenants and agreements herein contained, shall constitute a contract between the City and the Registered Owners of the Bonds, and the Registered Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Registered Owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner or Owners against the City and its officers, agents and

employees, and to require and compel duties and obligations required by the provisions of this Ordinance or by the constitution and laws of the State of Illinois;

(b) by suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of the Bonds.

Section 602. Limitation on Rights of Registered Owners. The covenants and agreements of the City contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds. All of the Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, or date of Maturity or right of prior redemption as provided in this Ordinance. No one or more Registered Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

Section 603. Remedies Cumulative. No remedy conferred herein upon the Registered Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Registered Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies consequent thereon. No delay or omission of any Registered Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Registered Owners of the Bonds by this Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by any Registered Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or has been determined adversely to such Registered Owner, then, and in every such case, the City and the Registered Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Registered Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

Section 604. Exception for Continuing Disclosure. This **Article VI** shall not apply to **Section 805** hereof regarding the City's continuing disclosure obligations, and Registered Owners shall have no remedies for enforcement of said obligations other than the remedies provided for in **Section 805** hereof and the Continuing Disclosure Undertaking.

ARTICLE VII

DEFEASANCE

Section 701. Defeasance.

(a) When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Ordinance and the pledge of the City's faith and credit

hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, money and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of and redemption premium, if any, on said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the City has elected to redeem such Bonds, and (2) either notice of such redemption has been given, or the City has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to give such notice of redemption in compliance with **Section 302(a)** hereof. If the Bonds are refunded more than 90 days in advance of such Redemption Date, any escrow agreement entered into by the District in connection with such refunding shall provide that such written instructions to the Paying Agent shall be given by the escrow agent on the District's behalf not less than 45 days prior to the Redemption Date.

(b) Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the City, for the purpose of paying and discharging any of the Bonds, or the interest payments thereon, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Registered Owners of the Bonds, and such money shall be and is hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Ordinance.

(c) To accomplish defeasance of the Bonds in the event the Bonds are to be advance refunded, the City shall cause to be delivered to the Paying Agent (i) a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Bonds in full at Maturity, (ii) an escrow deposit agreement and (iii) an opinion of Bond Counsel to the effect that the Bonds are no longer "Outstanding" under this Ordinance. Bonds shall be deemed "Outstanding" under this Ordinance unless and until they are in fact paid and retired or the criteria of this Section are met.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 801. Tax Covenants.

(a) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from federal gross income of the interest on the Bonds, and (2) it will not use or permit the use of any proceeds of Bonds or any other funds of the City, nor take or permit any other action, or fail to take any action, which would adversely affect the exclusion from federal gross income of the interest on the Bonds. The City will also adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with other applicable future law, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

(b) The City covenants and agrees that (1) it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Bonds are issued, and (2) it will not invest or directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the City in any manner, or take or omit to take any action, that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

(c) The City covenants and agrees that it will pay or provide for the payment from time to time of all rebatable arbitrage to the United States pursuant to Section 148(f) of the Code and the Federal Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds. The Federal Tax Certificate may be amended or replaced if, in the opinion of Bond Counsel, such amendment or replacement will not adversely affect the exclusion from federal gross income of the interest on the Bonds.

(d) The City covenants and agrees that it will not use any portion of the proceeds of the Bonds, including any investment income earned on such proceeds, directly or indirectly, (1) in a manner that would cause any Bond to be a “private activity bond” within the meaning of Section 141(a) of the Code, or (2) to make or finance a loan to any Person.

(e) The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article VII** hereof or any other provision of this Ordinance, until the final maturity date of all Bonds Outstanding.

(f) The City also covenants and agrees to comply with all provisions and requirements of the Federal Tax Certificate, which is hereby approved and incorporated herein, with such changes therein as shall be approved by the Mayor, which officer is hereby authorized to execute the Federal Tax Certificate for and on behalf of the City, such officer’s signature thereon being conclusive evidence of his approval thereof.

Section 802. Annual Audit.

(a) Annually, promptly after the end of the fiscal year, the City will cause an audit to be made of its funds and accounts for the preceding fiscal year by an independent certified public accountant or firm of independent certified public accountants.

(b) Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the City Clerk. Such audits shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Registered Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Registered Owner.

(c) As soon as possible after the completion of the annual audit, the governing body of the City shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Ordinance, the City shall promptly cure such deficiency.

Section 803. Amendments.

(a) The rights and duties of the City and the Registered Owners, and the terms and provisions of the Bonds or of this Ordinance, may be amended or modified at any time in any respect by Ordinance of the City with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Registered Owners and duly acknowledged or proved in the manner of a deed to be

recorded, and such instrument or instruments shall be filed with the City Clerk. No such modification or alteration may:

- (1) extend the maturity of any payment of principal or interest due upon any Bond;
- (2) alter the optional Redemption Date of any Bond;
- (3) effect a reduction in the amount which the City is required to pay as principal of or interest on any Bond;
- (4) permit preference or priority of any Bond over any other Bond; or
- (5) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Ordinance.

(b) Any provision of the Bonds or of this Ordinance may, however, be amended or modified by Ordinance duly adopted by the governing body of the City at any time in any legal respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

(c) Without notice to or the consent of any Registered Owners, the City may amend or supplement this Ordinance for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein which is not materially adverse to the interests of the Registered Owners.

(d) Every amendment or modification of the provisions of the Bonds or of this Ordinance, to which the written consent of the Registered Owners is given, as above provided, shall be expressed in an ordinance adopted by the governing body of the City amending or supplementing the provisions of this Ordinance and shall be deemed to be a part of this Ordinance. A certified copy of every such amendatory or supplemental ordinance if any, and a certified copy of this Ordinance shall always be kept on file in the office of the City Clerk and shall be made available for inspection by the Registered Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental ordinance or of this Ordinance will be sent by the City Clerk to any such Registered Owner or prospective Registered Owner.

(e) Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the City Clerk a copy of the Ordinance of the City hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Registered Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

(f) The City shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Ordinance which affects the duties or obligations of the Paying Agent under this Ordinance.

Section 804. Notices, Consents and Other Instruments by Registered Owners.

(a) Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Registered Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Registered Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds (other than the assignment of the ownership of a Bond as provided for in the form of Bond set

forth in **Exhibit A**) if made in the following manner, shall be sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the City and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(1) The fact and date of the execution by any Person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(2) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

(b) In determining whether the Registered Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Ordinance, Bonds owned by the City shall be disregarded and deemed not to be Outstanding under this Ordinance, except that, in determining whether the Registered Owners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Registered Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Registered Owners the pledgee's right so to act with respect to such Bonds and that the pledgee is not the City.

Section 805. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking upon the terms and conditions set forth therein and with such changes therein as shall be approved by the Mayor, which officer is hereby authorized to execute the Continuing Disclosure Undertaking for and on the City's behalf, such officer's signature thereon being conclusive evidence of his or her approval thereof. Upon the City's failure to comply with the Continuing Disclosure Undertaking, any Registered Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section.

Section 806. Further Authority. The officers of the City, including the Mayor, the City Treasurer, the City Clerk and the Finance Director, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 807. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any Person or entity, other than the City, the Paying Agent and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation thereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Paying Agent and the Registered Owners of the Bonds.

Section 808. Severability. If any section or other part of this Ordinance is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 809. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Illinois.

Section 810. Effective Date. This Ordinance shall take effect and be in full force immediately after its passage by the City Council and approval by the Mayor.

PASSED by the City Council of the City of Belleville, Illinois on this 3rd day of August, 2015 on the following roll call vote:

	AYE	NAY
Johnnie Anthony	_____	_____
Mike Buettner	_____	_____
Ed Dintelman	_____	_____
Phil Elmore	_____	_____
Trent Galetti	_____	_____
Joe Hazel	_____	_____
Kenneth Kinsella	_____	_____
James Musgrove	_____	_____
Raffi Ovian	_____	_____
Kent Randle	_____	_____
Janet Schmidt	_____	_____
Paul Seibert	_____	_____
Philip Silsby	_____	_____
Scott Tyler	_____	_____
Bob White	_____	_____
Roger Wigginton	_____	_____

APPROVED by the Mayor of the City of Belleville, Illinois this 3rd day of August, 2015.

ATTEST:

APPROVED:

City Clerk

Mayor

(SEAL)

**EXHIBIT A
TO ORDINANCE**

(FORM OF BONDS)

**EXCEPT AS OTHERWISE PROVIDED IN THE ORDINANCE
(DESCRIBED HEREIN), THIS GLOBAL BOND MAY BE
TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO
ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY
(DESCRIBED HEREIN) OR TO A SUCCESSOR SECURITIES
DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR
SECURITIES DEPOSITORY.**

**UNITED STATES OF AMERICA
STATE OF ILLINOIS**

**Registered
No. _____**

**Registered
\$ _____**

CITY OF BELLEVILLE, ILLINOIS

**GENERAL OBLIGATION BOND
SERIES 2015**

Interest Rate

Maturity Date

Dated Date

CUSIP Number

January 1, 20__

August __, 2015

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

THE CITY OF BELLEVILLE, ILLINOIS, a home rule city and political subdivision of the State of Illinois (the "City"), for value received, hereby acknowledges itself to be indebted and promises to pay to the registered owner shown above, or registered assigns, the principal amount shown above on the maturity date shown above unless called for redemption prior to said maturity date, and to pay interest thereon at the interest rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date shown above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on January 1 and July 1 in each year, beginning on January 1, 2016, until said principal amount has been paid.

The principal or Redemption Price of this Bond shall be paid at maturity or upon earlier redemption by check or draft to the Person in whose name this Bond is registered on the Bond Register (hereinafter defined) at the maturity or Redemption Date thereof, upon presentation and surrender of this Bond at the payment office of UMB Bank, N.A. (the "Paying Agent"), in Kansas City, Missouri, or such other payment office designated by the Paying Agent. The interest payable on this Bond on any Interest

Payment Date shall be paid to the Person in whose name this Bond is registered on the registration books maintained by the Paying Agent (the "Bond Register") at the close of business on the Record Date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding the Interest Payment Date. Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or such other address furnished to the Paying Agent in writing by such Registered Owner or (b) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner and given to the Paying Agent not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the name and address of the bank (which shall be in the continental United States), its ABA routing number, the account number to which such Registered Owner wishes to have such transfer directed and an acknowledgement that an electronic transfer fee may be applicable. The principal or Redemption Price of and interest on the Bonds shall be payable by check or draft in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

This Bond is one of an authorized series of bonds of the City designated "General Obligation Bonds, Series 2015," aggregating the principal amount of \$8,500,000 (the "Bonds"), issued by the City for the purpose of (1) acquiring, constructing, renovating, equipping and furnishing a police station facility and related sites, facilities and other improvements, (2) renovating the existing City Hall, (3) upon completion of the police station facility and the renovations to City Hall, other capital expenditures benefitting the City, and (4) paying costs of issuing the Bonds, under the authority of and in full compliance with the constitution and laws of the State of Illinois and an ordinance duly passed (the "Ordinance") and proceedings duly and legally had by the governing body of the City. *Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Ordinance.*

At the option of the City, the Bonds maturing on January 1, 2026 and thereafter may be redeemed and paid prior to maturity on January 1, 2025 and thereafter, as a whole or in part, at any time in such order of maturity as directed by the City (Bonds of less than a full maturity to be selected in multiples of \$5,000 principal amount by lot or in such other equitable manner as the Paying Agent shall designate) at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

The Bonds maturing on January 1, 20__ are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Ordinance on January 1, 20__ at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date.

Notice of redemption, unless waived, is to be given by the Paying Agent by mailing an official redemption notice by first class mail at least 30 days prior to the Redemption Date to the original purchaser of the Bonds and each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register maintained by the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City defaults in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

The Bonds constitute general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property within the territorial limits of the City; provided that no taxes are levied for the principal and interest due on the Bonds on January 1, 2016 and such principal and interest will be paid with other

legally available funds that are sufficient to make such payments and will be deposited in the Debt Service Fund at the time of issuance of the Bonds. The full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

The Bonds are issuable in the form of fully registered Bonds in the denominations of \$5,000 or any integral multiple thereof.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Ordinance. One Bond certificate with respect to each date on which the Bonds are stated to mature, registered in the nominee name of the Depository Trust Company, New York, New York (the "Securities Depository"), is being issued and required to be deposited with the Securities Depository and immobilized in its custody or in the custody of the Paying Agent as its agent. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants, beneficial ownership of the Bonds in authorized denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants. The Paying Agent and the City will recognize the Securities Depository nominee, while the Registered Owner of this Bond, as the owner of this Bond for all purposes, including (1) payments of principal of, redemption premium, if any, and interest on, this Bond, (2) notices and (3) voting. Transfers of principal, interest and any redemption premium payments to participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The Paying Agent and the City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal of and interest on this Bond shall be made in accordance with existing arrangements between the Paying Agent and the City.

EXCEPT AS OTHERWISE PROVIDED IN THE ORDINANCE, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

This Bond may be transferred or exchanged, as provided in the Ordinance, only on the Bond Register kept for that purpose at the principal payment office of the Paying Agent, upon surrender of this Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond or Bonds in any authorized denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance and upon payment of the charges therein prescribed. The City and the Paying Agent may deem and treat the Person in whose name this Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication hereon has been executed by the Paying Agent.

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions and things required to be done and to exist precedent to and in the issuance of the Bonds have been done and performed and do exist in due and regular form and manner as required by the constitution and laws of the State of Illinois; that a direct annual tax upon all taxable tangible property situated in the City has been levied for the purpose of paying the principal of and interest on the Bonds when due; and that the total indebtedness of the City, including this Bond and the series of which it is one, does not exceed any constitutional or statutory limitation, if any.

IN WITNESS WHEREOF, THE CITY OF BELLEVILLE, ILLINOIS, has caused this Bond to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk and its official seal to be affixed or imprinted hereon.

CERTIFICATE OF AUTHENTICATION

CITY OF BELLEVILLE, ILLINOIS

This Bond is one of the Bonds of the issue described in the within-mentioned Ordinance.

By: _____
Mayor

Registration Date: _____

UMB BANK, N.A.,
Paying Agent

(Seal)

ATTEST:

By _____
Authorized Signatory

City Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Bond on the books kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15))

By: _____
Title: _____

**EXHIBIT B
TO ORDINANCE**

PRELIMINARY OFFICIAL STATEMENT

[On file in the Office of the City Clerk.]

**EXHIBIT C
TO ORDINANCE**

CONTINUING DISCLOSURE UNDERTAKING

[On file in the Office of the City Clerk.]

**EXHIBIT D
TO ORDINANCE**

BOND PURCHASE AGREEMENT

[On file in the Office of the City Clerk.]

**EXHIBIT E
TO ORDINANCE**

FEDERAL TAX CERTIFICATE

[On file in the Office of the City Clerk.]

STATE OF ILLINOIS)
) SS.
COUNTY OF ST. CLAIR)

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Belleville, Illinois, and as such officer I am the keeper of the records and files of the City Council of said City.

I do further certify that the foregoing constitutes a full, true and complete copy of an ordinance adopted by the City Council of the City on August 3, 2015, entitled:

AN ORDINANCE AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION BONDS, SERIES 2015, OF THE CITY OF BELLEVILLE, ILLINOIS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

I do further certify that the deliberations of the City Council of said City on the adoption of said ordinance were taken openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all news media requesting such notice; that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the City Council of said City at least 48 hours in advance of the holding of said meeting on a day other than a Saturday, a Sunday or a legal holiday for municipalities in the State of Illinois; that said agenda contained a specific reference to said ordinance; and that said meeting was called and held in strict accordance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Illinois Municipal Code, as amended, and that said City Council has complied with all of the applicable provisions of said Act, said Code and its procedural rules in the adoption of said ordinance.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of said City, this 12th day of August, 2015.

City Clerk, City of Belleville, Illinois

(SEAL)

GILMORE & BELL, P.C.
DRAFT 2 – JULY 29, 2015
FOR DISCUSSION PURPOSES ONLY

\$8,500,000
CITY OF BELLEVILLE, ILLINOIS
GENERAL OBLIGATION BONDS
SERIES 2015

August 3, 2015

BOND PURCHASE AGREEMENT

Mayor and City Council
City of Belleville, Illinois
101 South Illinois Street
Belleville, Illinois 62220

Ladies and Gentlemen:

On the basis of the representations, warranties and covenants and upon the terms and conditions contained in this Bond Purchase Agreement, FTN Financial Capital Markets (the “Purchaser”) hereby offers to purchase \$8,500,000 aggregate principal amount of General Obligation Bonds, Series 2015 (the “Bonds”), to be issued by the City of Belleville, Illinois (the “City”) under and pursuant to an ordinance adopted by the City Council of the City on August 3, 2015 (the “Ordinance”). Capitalized terms used herein shall have the meanings set forth in the Ordinance unless some other meaning is plainly indicated.

This offer is made subject to acceptance of this Bond Purchase Agreement by the City Council of the City on or before 11:59 p.m., Central Time, on August 3, 2015.

SECTION 1. CITY’S REPRESENTATIONS AND WARRANTIES

By acceptance hereof, the City hereby represents and warrants to the Purchaser that:

(a) The City is a home rule city and political subdivision of the State of Illinois and a body corporate organized and existing under the laws of the State of Illinois.

(b) The City has complied with all provisions of the Constitution and the laws of the State of Illinois and has full power and authority to consummate all transactions contemplated by the Ordinance and this Bond Purchase Agreement, and all other agreements relating thereto.

(c) The City has duly authorized by all necessary action to be taken by the City (1) the adoption of the Ordinance; (2) the execution, delivery and performance of this Bond Purchase Agreement; (3) the approval of the Official Statement; (4) the execution, delivery and performance of the Continuing Disclosure Undertaking (the “Continuing Disclosure

Undertaking”); (5) the execution and performance of any and all such other agreements and documents as may be required to be executed, delivered and performed by the City in order to carry out, give effect to and consummate the transactions contemplated by the Ordinance and this Bond Purchase Agreement; and (6) the carrying out, giving effect to and consummation of the transactions contemplated by the Ordinance and this Bond Purchase Agreement. The Ordinance and executed counterparts of all such agreements and documents specified herein will be delivered to the Purchaser by the City at the Closing Time (as defined below).

(d) The Ordinance, this Bond Purchase Agreement and the Continuing Disclosure Undertaking (collectively, the “Transaction Documents”), when executed and delivered by the City, will be the legal, valid and binding obligations of the City enforceable in accordance with their terms, except to the extent that enforcement thereof may be limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other law or laws affecting the enforcement of creditors’ rights generally or against entities such as the City and further subject to the availability of equitable remedies.

(e) The Bonds have been duly authorized by the City, and when issued, authenticated, delivered and paid for as provided for herein and in the Ordinance, will have been duly executed, authenticated, issued and delivered and will constitute valid and binding obligations of the City enforceable in accordance with their terms and entitled to the benefits and security of the Ordinance (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other law or laws affecting the enforcement of creditors’ rights generally or against entities such as the City and further subject to the availability of equitable remedies). The Bonds shall be general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property within the territorial limits of the City. The full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

(f) To the City’s knowledge, the execution and delivery of the Transaction Documents and the Bonds and compliance with the provisions thereof, will not conflict with or constitute on the part of the City a violation or breach of, or a default under, any existing law, regulation, court or administrative decree or order, or any agreement, resolution, ordinance, mortgage, lease or other instrument to which it is subject or by which it is or may be bound.

(g) To the City’s knowledge, the City is not, or with the giving of notice or lapse of time or both would not be, in violation of or in default under any indenture, mortgage, deed of trust, loan agreement, bonds or other agreement or instrument to which the City is a party or by which it is or may be bound, except for violations and defaults which individually and in the aggregate are not material to the City and will not be material to the holders of the Bonds. As of the Closing Time, no event will have occurred and be continuing which with the lapse of time or the giving of notice, or both, would constitute an event of default under the Ordinance, or the Bonds.

(h) The information contained in the Preliminary Official Statement dated July ___, 2015, as amended and supplemented by the Official Statement dated August 3, 2015 and in any amendment or supplement thereto that may be authorized for use by the City with respect to the Bonds (collectively, the “Official Statement”), as of their respective dates and as of the Closing Time will be, true, correct and complete in all material respects and does not omit and will not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(i) For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, promulgated under the Securities Exchange Act of 1934, as amended (the “1934 Act”), the City hereby deems the information regarding the City contained in the Preliminary Official Statement to be “final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, identity of the underwriters and other terms of the Bonds depending on such matters.

(j) The financial statements of the City for the fiscal year ended April 30, 2014 contained in the Official Statement in **Appendix A** attached thereto, except as noted therein, present fairly and accurately the financial condition of the City as of the dates indicated and the results of its operations for the periods specified.

(k) The City has not, since April 30, 2014, incurred any material liabilities and there has been no material adverse change in the condition of the City, financial or otherwise, other than as set forth in the Official Statement.

(l) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the City, threatened against or affecting the City (or, to its knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Ordinance or the validity of the Bonds, the Transaction Documents or any agreement or instrument to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Ordinance.

(m) The City acknowledges and agrees that: (1) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm’s length, commercial transaction between the City and the Purchaser; (2) in connection with such transaction, the Purchaser is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the City; (3) the Purchaser has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Purchaser has provided other services or is currently providing other services to the City on other matters) or any other obligation to the City except the obligations expressly set forth in this Bond Purchase Agreement; and (4) the City has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein.

(n) Except as disclosed in the Official Statement and to the best of the City’s knowledge and belief, at no time has the City failed to comply in any material respect with any of the informational reporting undertakings contained in any financing document that is intended to comply with the requirements of Rule 15c2-12 under the 1934 Act (“Rule 15c2-12”)

Any certificate signed by any of the authorized officials of the City and delivered to the Purchaser in connection with the Closing shall be deemed a representation and warranty by the City to the Purchaser as to the statements made therein.

SECTION 2. COVENANTS AND AGREEMENTS OF THE CITY

The City covenants and agrees with the Purchaser for the time period specified, and if no period is specified, for so long as any of the Bonds remain outstanding, as follows:

(a) To cooperate with the Purchaser and its counsel in any reasonable endeavor to qualify the Bonds for offering and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States as the Purchaser may reasonably request; provided that nothing contained herein shall require the City to file written consents to suit or written consents to service of process in any jurisdiction in which such consent may be required by law or regulation so that the Bonds may be offered or sold. The City consents to the use of drafts of the Preliminary Official Statement, the Preliminary Official Statement and drafts of the Official Statement prior to the availability of the Official Statement by the Purchaser in obtaining such qualification. The Purchaser shall pay all expenses and costs (including legal, registration and filing fees) incurred in connection therewith.

(b) If, prior to the earlier of (1) 90 days after the “end of the underwriting period” (as defined in Rule 15c2-12 under the 1934 Act) or (2) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case earlier than 25 days after the end of the underwriting period, any event shall occur relating to or affecting the City as a result of which it is necessary to amend or supplement the Official Statement in order to make the statements therein, in the light of the circumstances existing when the Official Statement is delivered to a purchaser, not materially misleading, or the Official Statement is required to be amended or supplemented to comply with law, the City shall promptly prepare and furnish, at the expense of the City, to the Purchaser and to the dealers (whose names and addresses the Purchaser will furnish to the City) to which Bonds may have been sold by the Purchaser and to any other dealers upon request, such amendments or supplements to the Official Statement as may be necessary so that the statements in the Official Statement as so amended or supplemented will not, in the light of the circumstances existing when the Official Statement is delivered to a purchaser of the Bonds, be misleading or so that the Official Statement will comply with law.

(c) Within seven business days after the date of this Bond Purchase Agreement or within sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, whichever is earlier, the City shall provide to the Purchaser sufficient copies of the Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) under the 1934 Act, and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

(d) From the date hereof until the Closing Time, the City shall furnish the Purchaser with a copy of any proposed amendment or supplement to the Official Statement for review and shall not use any such proposed amendment or supplement to which the Purchaser reasonably objects.

(e) The proceeds of the Bonds will be used as provided in the Ordinance to pay costs of (1) acquiring, constructing, renovating, equipping and furnishing a police station facility and related sites, facilities and other improvements, (2) renovating the existing City Hall, (3) upon completion of the police station facility and the renovations to City Hall, other capital expenditures benefitting the City, and (4) issuing the Bonds.

(f) The Ordinance will require the City to enter into the Continuing Disclosure Undertaking in order to provide annual financial information and event notices to information repositories in the manner and to the extent required by Rule 15c2-12 and as described in the Preliminary Official Statement under the caption “CONTINUING DISCLOSURE UNDERTAKING” and the City agrees to provide such information.

SECTION 3. PURCHASE, SALE AND DELIVERY OF THE BONDS

On the basis of the representations, warranties, covenants and agreements contained herein and in the other agreements and documents referred to herein, and subject to the terms and conditions herein set forth, at the Closing Time the Purchaser agrees to purchase from the City and the City agrees to sell to the Purchaser the Bonds at a purchase price of \$_____ (representing the original principal amount of the Bonds, plus net original issue premium of \$_____, and less an underwriting discount of \$_____). The City hereby acknowledges receipt of a good faith deposit from the Purchaser of \$_____ which shall be applied to the purchase prices, leaving a purchase price balance of \$_____. The Bonds shall be issued under and secured as provided in the Ordinance, and the Bonds shall have the maturities and interest rates and be subject to redemption as set forth in the Ordinance, the Official Statement and **Schedule 1** attached hereto.

The Purchaser initially agrees to offer the Bonds to the public at the prices set forth on the cover page of the Official Statement, but may subsequently change such offering prices; the Purchaser agrees to notify the City of such changes, if such changes occur prior to the Closing Time, but failure so to notify shall not invalidate such changes. The Purchaser may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at prices lower than the public offering prices.

In conjunction with (i) an audit or inquiry by the Internal Revenue Service or the Securities and Exchange Commission relating to the pricing of the Bonds, or (ii) the implementation of future regulation or similar guidance from the Internal Revenue Service, the Securities and Exchange Commission or other federal or state regulatory authority regarding the retention of pricing data for the Bonds, at the request of the City, the Purchaser will provide information explaining the factual basis for the Purchaser’s representations in the Underwriter’s Receipt for Bonds and Representation Letter relating to the pricing of the Bonds, other than information that would identify customers (e.g., name or account number). This agreement by the Purchaser to provide such information will continue to apply after the Closing Time (as defined herein) but shall not extend to any customer data or other confidential or proprietary information of the Purchaser.

Payment for the Bonds shall be made by federal wire transfer or certified or official bank check or draft in immediately available federal funds payable to the order of the City for the account of the City, at the offices of Gilmore & Bell, P.C., 101 West Vandalia Street, Suite 240-D, Edwardsville, Illinois at 10:00 a.m., local time, on August 12, 2015, or such other place, time or date as shall be mutually agreed upon by the City and the Purchaser. Upon such payment, the Bonds shall be delivered and released upon the instructions of the Purchaser to The Depository Trust Company, New York, New York. The date of such delivery and payment is herein called the “Closing Date,” and the hour and date of such delivery and payment is herein called the “Closing Time.”

The delivery of the Bonds shall be made in definitive form, as fully-registered bonds (in such denominations as the Purchaser shall specify in writing at least 48 hours prior to the Closing Time) duly executed and authenticated and bearing CUSIP numbers (provided neither the printing of a wrong number on any Bond nor the failure to print a number thereon shall constitute cause to refuse delivery of any Bond); provided, however, that the Bonds may be delivered in temporary form. If delivered in definitive

form, the Bonds shall be available for examination and packaging by the Purchaser at least 24 hours prior to the Closing Time.

SECTION 4. USE OF OFFICIAL STATEMENT

The City hereby ratifies and confirms the Purchaser's use of the Preliminary Official Statement; and the City authorizes, and will make available, the Official Statement for the use by the Purchaser in connection with the sale of the Bonds.

SECTION 5. CONDITIONS TO THE PURCHASER'S OBLIGATIONS

The Purchaser's obligations hereunder shall be subject to the due performance by the City of its obligations and agreements to be performed hereunder at or prior to the Closing Time and to the accuracy and completeness of the City's representations and warranties contained herein, as of the date hereof and as of the Closing Time, and are also subject to the following conditions:

(a) The Bonds and the Ordinance shall have been duly authorized, executed and delivered in the form heretofore approved by the Purchaser with only such changes therein as shall be mutually agreed upon by the Purchaser and the City.

(b) At the Closing Time, the Purchaser shall receive:

(1) The opinion, in form and substance satisfactory to the Purchaser, dated as of the Closing Date, of Gilmore & Bell, P.C., Bond Counsel, relating to the valid authorization and issuance of the Bonds, the due authorization and adoption of the Ordinance by the City Council of the City, and the exclusion of interest on the Bonds from gross income for federal income tax purposes;

(2) The supplemental opinion of Bond Counsel in substantially the form set forth in **Exhibit A** hereto;

(3) The opinion of Lewis Rice, LLC, as counsel to the Purchaser, in substantially in the form set forth in **Exhibit B** hereto;

(4) A certified copy of the Ordinance authorizing or approving, as appropriate, the execution and delivery of the Official Statement, the Transaction Documents and the Bonds, together with certificates dated the Closing Date to the effect that the Ordinance has not been modified, amended or repealed;

(5) A certificate of the City, satisfactory in form and substance to the Purchaser, dated as of the Closing Date, to the effect that (A) since the date of the Preliminary Official Statement there has not been any material adverse change in the business, properties, financial condition or results of operations of the City, whether or not arising from transactions in the ordinary course of business, from that set forth in the Preliminary Official Statement, and except in the ordinary course of business or as set forth in the Preliminary Official Statement, the City has not incurred any material liability; (B) there is no action, suit, proceeding or, to the knowledge of the City, any inquiry or investigation at law or in equity or before or by any public board or body pending or, to the knowledge of the City, threatened against or affecting the City, its officers or its property or, to the best of the knowledge of the City, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the City, the

transactions contemplated hereby or by the Ordinance, or the Official Statement or the validity or enforceability of the Bonds, or this Bond Purchase Agreement, which are not disclosed in the Official Statement; (C) to the knowledge of the City, the information contained in the Official Statement is true in all material respects and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; (D) the City has duly authorized, by all necessary action, the execution, delivery and due performance by the City of the Transaction Documents; and (E) the representations and warranties of the City set forth herein were accurate and complete as of the date hereof and are accurate and complete as of the Closing Time;

- (6) Evidence that the Bonds are rated “AA-” by Standard & Poor’s;
- (7) The Continuing Disclosure Undertaking, duly executed by the City;
- (8) A receipt of the City for the purchase price of the Bonds; and

(9) Such additional certificates, legal and other documents, listed on a closing agenda to be approved by Bond Counsel and the Purchaser, as the Purchaser may reasonably request to evidence performance or compliance with the provisions hereof and the transactions contemplated hereby and by the Ordinance, or as Bond Counsel shall require in order to render its opinion, all such certificates and other documents to be satisfactory in form and substance to the Purchaser.

SECTION 6. CONDITIONS TO THE CITY’S OBLIGATIONS

The obligations of the City hereunder are subject to the Purchaser’s performance of its obligations hereunder.

SECTION 7. THE PURCHASER’S RIGHT TO CANCEL

The Purchaser shall have the right to cancel its obligations hereunder to purchase the Bonds by notifying the City in writing or by telegram of its election to make such cancellation prior to the Closing Time, if at any time prior to the Closing Time:

(a) The Preliminary Official Statement deemed by the City to be “final” pursuant to Section 1(i) is thereafter amended or supplemented in a manner that may, in the reasonable judgment of the Purchaser, have a material adverse effect on the marketability of the Bonds.

(b) A committee of the House of Representatives or the Senate of the Congress of the United States shall have pending before it legislation which, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon interest received on obligations of the general character of the Bonds, or the Bonds, which, in the Purchaser’s opinion, materially adversely affects the market price of the Bonds;

(c) A tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or be recommended to the Congress of the United States for passage by the President of the United States, or be enacted by the Congress of the United States, or a decision by a court established under Article III of the

Constitution of the United States or the Tax Court of the United States shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in the imposition of federal income taxation, upon interest received on obligations of the general character of the Bonds, or the Bonds, which, in the Purchaser's opinion, materially and adversely affects the market price of the Bonds;

(d) Any legislation, ordinance, rule or regulation shall be introduced in or be enacted by the General Assembly of the State of Illinois or by any other governmental body, department or agency of the State of Illinois, or a decision by any court of competent jurisdiction within the State of Illinois shall be rendered which, in the Purchaser's opinion, materially and adversely affects the market price of the Bonds, or litigation challenging the law under which the Bonds are to be issued shall be filed in any court in the State of Illinois;

(e) A stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the Securities Act of 1933, as amended (the "1933 Act"), the 1934 Act or the Trust Indenture Act of 1939, as amended;

(f) Legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds, including all the underlying obligations, are not exempt from registration under or from other requirements of the 1933 Act or the 1934 Act;

(g) Any event shall have occurred, or information become known, which, in the Purchaser's opinion, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement as originally circulated, or has the effect that the Preliminary Official Statement as originally circulated contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(h) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(i) The New York Stock Exchange or any other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Purchaser;

(j) Any general banking moratorium shall have been established by federal, New York or Illinois authorities;

(k) A material default has occurred with respect to the obligations of, or proceedings have been instituted under the Federal bankruptcy laws or any similar state laws by or against,

any state of the United States or any city located in the United States having a population in excess of one million persons or any entity issuing obligations on behalf of such a city or state which, in the Purchaser's opinion, materially adversely affects the market price of the Bonds;

(l) Any proceeding shall be pending or threatened by the Securities and Exchange Commission against the City; or

(m) A war involving the United States shall have been declared, or any conflict involving the armed forces of the United States shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the Purchaser's opinion, materially adversely affects the market price of the Bonds, the Purchaser hereby acknowledging that there is no escalation of hostilities or national emergency or crisis of such a character as of the date hereof.

SECTION 8. PAYMENT OF EXPENSES

Whether or not the Bonds are sold by the City to the Purchaser (unless such sale be prevented at the Closing Time by the Purchaser's default), the City will pay the following costs of issuance: paying agent fees, official statement printing (up to 200 copies of the preliminary official statement and final official statement will be provided to the Purchaser at the City's expense), fees of bond counsel, CUSIP fees, rating fees, financial advisor fees and City attorney fees. Any other expenses shall be the obligation of the Purchaser.

SECTION 9. NOTICE

Any notice or other communication to be given under this Bond Purchase Agreement may be given by mailing or delivering the same in writing to the applicable person, as follows:

(a) If to the City: City of Belleville, Illinois, 101 South Illinois Street, Belleville, Illinois 62220, Attention: Mayor.

(b) If to the Purchaser: FTN Financial Capital Markets, 100 Chesterfield Business Parkway, Suite 200, Chesterfield, Missouri 63005, Attention: Mr. Joe Britt.

SECTION 10. APPLICABLE LAW; NONASSIGNABILITY

This Bond Purchase Agreement shall be governed by the laws of the State of Illinois. This Bond Purchase Agreement shall not be assigned.

SECTION 11. EXECUTION OF COUNTERPARTS

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

SECTION 12. RIGHTS HEREUNDER

This Bond Purchase Agreement is made for the benefit of the City and the Purchaser and no other person including any purchaser of the Bonds shall acquire or have any rights hereunder or by virtue hereof.

SECTION 13. EFFECTIVE DATE

This Bond Purchase Agreement shall become effective upon acceptance hereof by the City. Upon your acceptance of the offer, the foregoing agreement will be binding upon you and the Purchaser. Please acknowledge your agreement with the foregoing by executing the enclosed copy of this Bond Purchase Agreement prior to the date and time specified on page 1 hereof and returning it to the undersigned.

Very truly yours,

FTN FINANCIAL CAPITAL MARKETS

By: _____
Title: Senior Vice President

Accepted and agreed to as of
the date first above written.

CITY OF BELLEVILLE, ILLINOIS

By: _____
Title: Mayor

SCHEDULE 1

TO BOND PURCHASE AGREEMENT

**\$8,500,000
CITY OF BELLEVILLE, ILLINOIS
GENERAL OBLIGATION BONDS
SERIES 2015**

SERIAL BONDS

<u>Stated Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
2016	\$	%	%
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			

TERM BONDS

<u>Stated Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
	\$	%	%

EXHIBIT A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

Mayor and City Council
Belleville, Illinois

FTN Financial Capital Markets
Memphis, Tennessee

Re: \$8,500,000 City of Belleville, Illinois, General Obligation Bonds, Series 2015

Ladies and Gentlemen:

We have acted as bond counsel to the City of Belleville, Illinois (the “City”), in connection with the issuance of the above-captioned bonds (the “Bonds”). This opinion supplements our approving legal opinion of even date herewith relating to the Bonds issued pursuant to an ordinance passed by the City Council of the City on August 3, 2015 (the “Ordinance”). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Ordinance.

We have examined the law and such certified proceedings, certificates and other documents that we deem necessary to render this opinion. Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds are exempt from registration under the Securities Act of 1933, as amended.
2. The statements contained in the Official Statement dated August 3, 2015, under the headings “**THE BONDS**” (other than the portion thereof under the subsection “**Book-Entry Only System**”), “**APPROVAL OF LEGALITY**,” “**TAX MATTERS**” and “**CONTINUING DISCLOSURE UNDERTAKING – The Undertaking**” insofar as such statements purport to summarize certain provisions of the Bonds, the Ordinance or provisions of federal or State of Illinois income tax laws relating to interest on the Bonds, are accurate and present a fair summary of the matters purported to be described therein, and we have no reason to believe that the information contained under such captions of the Official Statement as of its date and as of the date hereof, insofar as such statements purport to summarize certain provisions of such documents or laws, contained or contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This opinion is delivered to you for your use only and may not be used or relied upon by any third party for any purpose whatsoever without our prior written approval in each instance.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

EXHIBIT B

FORM OF OPINION OF PURCHASER'S COUNSEL

GILMORE & BELL, P.C.
DRAFT 1 – JULY 21, 2015
FOR DISCUSSION PURPOSES ONLY

CONTINUING DISCLOSURE UNDERTAKING

Dated as of August 1, 2015

By

CITY OF BELLEVILLE, ILLINOIS

\$8,500,000
City of Belleville, Illinois
General Obligation Bonds
Series 2015

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of August 1, 2015 (this “**Continuing Disclosure Undertaking**”) is executed and delivered by the **CITY OF BELLEVILLE, ILLINOIS** (the “**Issuer**”).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **\$8,500,000 General Obligation Bonds, Series 2015** (the “**Bonds**”), pursuant to an Ordinance adopted by the governing body of the Issuer (the “**Ordinance**”).

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”). The Issuer is the only “**obligated person**” with responsibility for continuing disclosure hereunder.

In consideration of the mutual covenants and agreements herein, the Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report filed by the Issuer pursuant to, and as described in, **Section 2** hereof.

“**Beneficial Owner**” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“**Material Events**” means any of the events listed in **Section 3(a)** hereof.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“**Rule**” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports. The Issuer shall not later than **180** days after the end of the Issuer’s fiscal year, commencing with the year ending April 30, 2015, file with the MSRB, through EMMA, the following financial information and operating data (the “**Annual Report**”):

- (1) The audited financial statements of the Issuer for the prior fiscal year, prepared pursuant to the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the audited financial information contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.
- (2) Updates as of the end of the fiscal year of certain financial information and operating data contained in the final Official Statement, as described in **Exhibit A** hereto, in substantially the same format contained in the final Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an “**obligated person**” (as defined by the Rule), which have been filed with the MSRB and is available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3** hereof.

The City may be required by an underwriter of any future obligations of the City to state in any future offering document subject to the Rule whether the City has materially complied with its obligations under this Continuing Disclosure Undertaking for the five year period preceding the date of such offering document or shorter period if the Bonds have not been outstanding for five years. The foregoing shall not be deemed to be an obligation of the City, contractually or otherwise, and is only included for purposes of providing notice to the City.

Section 3. Reporting of Material Events. Not later than 10 business days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (“**Material Events**”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;

- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bond, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2** hereof, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3** hereof.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3** hereof.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3** hereof, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Ordinance or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Ordinance or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

CITY OF BELLEVILLE, ILLINOIS

By: _____
Title: Mayor

EXHIBIT A

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

Information generally consistent with the information included under the following sections in the final Official Statement:

1. THE CITY'S FINANCES
2. PROPERTY TAXATION
3. DEBT OF THE CITY

GILMORE & BELL, P.C.
DRAFT 1 – JULY 21, 2015
FOR DISCUSSION PURPOSES ONLY

FEDERAL TAX CERTIFICATE

Dated as of August 12, 2015

OF THE
CITY OF BELLEVILLE, ILLINOIS

\$8,500,000
GENERAL OBLIGATION BONDS
SERIES 2015

FEDERAL TAX CERTIFICATE

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Exhibit A – Debt Service Schedule and Proof of Bond Yield

Exhibit B – IRS Form 8038-G

Exhibit C – Sample Annual Compliance Checklist

Exhibit D – Description of Property Expected to Comprise the Financed Facility

Exhibit E – Sample Final Written Allocation

* * *

FEDERAL TAX CERTIFICATE

THIS FEDERAL TAX CERTIFICATE (the “Tax Certificate”) is dated and executed as of August 12, 2015, by the **CITY OF BELLEVILLE, ILLINOIS**, a political subdivision organized and existing under the laws of the State of Illinois (the “Issuer”).

RECITALS

1. This Tax Certificate is being executed and delivered in connection with the issuance by the Issuer of \$8,500,000 aggregate principal amount of General Obligation Bonds, Series 2015 (the “Bonds”), under an ordinance adopted by the governing body of the Issuer on August 3, 2015 (the “Ordinance”), for the purposes described in this Tax Certificate and in the Ordinance.

2. The Internal Revenue Code of 1986, as amended (the “Code”), and the applicable Regulations and rulings issued by the U.S. Treasury Department (the “Regulations”), impose certain limitations on the uses and investment of the Bond proceeds and of certain other money relating to the Bonds and set forth the conditions under which the interest on the Bonds will be excluded from gross income for federal income tax purposes.

3. The Issuer is executing this Tax Certificate in order to set forth certain facts, covenants, representations, and expectations relating to the use of Bond proceeds and the property financed or refinanced with those proceeds and the investment of the Bond proceeds and of certain other related money, in order to establish and maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

4. The Issuer adopted a Bond Compliance Policy and Procedure on November 5, 2012 (the “Compliance Procedure”), for the purpose of setting out general procedures for the Issuer to continuously monitor and comply with the federal income tax requirements set out in the Code and the Regulations.

5. This Tax Certificate is entered into as required by the Compliance Procedure to set out specific Compliance Procedures applicable to the Bonds.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Tax Certificate, the Issuer represents, covenants and agrees as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. Except as otherwise provided in this Tax Certificate or unless the context otherwise requires, capitalized words and terms used in this Tax Certificate have the same meanings as set forth in the Ordinance, and certain other words and phrases have the meanings assigned in Code §§ 103, 141-150 and the Regulations. The following words and terms used in this Tax Certificate have the following meanings:

“Adjusted Gross Proceeds” means the Gross Proceeds of the Bonds reduced by amounts (1) in a Bona Fide Debt Service Fund or a reasonably required reserve or replacement fund, (2) that as of the Issue Date are not expected to be Gross Proceeds, but which arise after the end of the applicable spending period and (3) representing grant repayments or sale or Investment proceeds of any purpose Investment.

“Available Construction Proceeds” means the sale proceeds of the Bonds, increased by (1) Investment earnings on the sale proceeds, (2) earnings on amounts in a reasonably required reserve or replacement fund allocable to the Bonds but not funded from the Bonds and (3) earnings on such earnings, reduced by sale proceeds (A) in any reasonably required reserve fund or (B) used to pay issuance costs of the Bonds. But Available Construction Proceeds do not include Investment earnings on amounts in a reasonably required reserve or replacement fund after the earlier of (i) the second anniversary of the Issue Date or (ii) the date the Financed Facility is substantially completed.

“Annual Compliance Checklist” means a checklist for the Bonds designed to measure compliance with the requirements of this Tax Certificate and the Compliance Procedure after the Issue Date, as further described in **Section 4.2** hereof and substantially in the form attached hereto as **Exhibit C**.

“Bona Fide Debt Service Fund” means a fund, which may include Bond proceeds, that (a) is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year and (b) is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of (1) the earnings on the fund for the immediately preceding Bond Year, or (2) one-twelfth of the principal and interest payments on the Bonds for the immediately preceding Bond Year.

“Bond” or **“Bonds”** means any bond or bonds described in the recitals, authenticated and delivered under the Ordinance.

“Bond Compliance Officer” means the Director of Finance of the Issuer or, if the position of Director of Finance is vacant, the person filling the responsibilities of the Director of Finance of the Issuer, or such other individual as the Issuer may name from time to time.

“Bond Compliance Procedure” means the Issuer’s Bond Compliance Policy and Procedure, dated November 5, 2012.

“Bond Counsel” means Gilmore & Bell, P.C., or other firm of nationally recognized bond counsel acceptable to the Issuer.

“Bond Year” means each one-year period (or shorter period for the first Bond Year) ending January 1, or another one-year period selected by the Issuer.

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

“Computation Date” means each date on which arbitrage rebate for the Bonds is computed. The Issuer may treat any date as a Computation Date, subject to the following limits:

- (a) the first rebate installment payment must be made for a Computation Date not later than 5 years after the Issue Date;

(b) each subsequent rebate installment payment must be made for a Computation Date not later than 5 years after the previous Computation Date for which an installment payment was made; and

(c) the date the last Bond is discharged is the final Computation Date.

The Issuer selects August 1, 2020, as the first Computation Date but reserves the right to select a different date consistent with the Regulations.

“Final Written Allocation” means the Final Written Allocation of expenditures of Bond proceeds prepared by the Bond Compliance Officer in accordance with the Compliance Procedure and **Section 4.2(b)** hereof.

“Financed Facility” means the portion of the Project financed with the proceeds of the Bonds as described on **Exhibit D** hereto.

“Gross Proceeds” means (a) sale proceeds (any amounts actually or constructively received by the Issuer from the sale of the Bonds, including amounts used to pay underwriting discount or fees, but excluding pre-issuance accrued interest), (b) Investment proceeds (any amounts received from investing sale proceeds, other Investment proceeds or transferred proceeds), (c) any amounts held in a sinking fund for the Bonds, (d) any amounts held in a pledged fund or reserve fund for the Bonds, (e) any other replacement proceeds and (f) any transferred proceeds. Specifically, Gross Proceeds includes (but is not limited to) amounts held in the following funds:

- (1) Series 2015 Debt Service Account of the Debt Service Fund.
- (2) Series 2015 Construction Account of the Construction Fund.
- (3) Series 2015 Rebate Account of the Rebate Fund (to the extent funded with sale proceeds or Investment proceeds of the Bonds).

“Guaranteed Investment Contract” is any Investment with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, including any agreement to supply Investments on two or more future dates (*e.g.*, a forward supply contract).

“Investment” means any security, obligation, annuity contract or other investment-type property that is purchased directly with, or otherwise allocated to, Gross Proceeds. This term does not include a tax-exempt bond, except for “specified private activity bonds” as defined in Code § 57(a)(5)(C), but it does include the investment element of most interest rate caps.

“IRS” means the United States Internal Revenue Service.

“Issue Date” means August 12, 2015.

“Issuer” means the City of Belleville, Illinois and its successors and assigns, or any body, agency or instrumentality of the State of Illinois succeeding to or charged with the powers, duties and functions of the Issuer.

“Management Agreement” means a legal agreement defined in Regulation § 1.141-3(b) as a management, service, or incentive payment contract with an entity that provides services involving all or a portion of any function of the Financed Facility, such as a contract to manage the entire Financed Facility or a portion of the Financed Facility. Contracts for services that are solely incidental to the

primary governmental function of the Financed Facility (for example, contracts for janitorial, office equipment repair, billing or similar services), however, are not treated as Management Agreements.

“Measurement Period” means, with respect to each item of property financed as part of the Financed Facility, the period beginning on the later of (a) the Issue Date or (b) the date the property is placed in service and ending on the earlier of (1) the final maturity date of the Bonds or (2) the end of the expected economic useful life of the property.

“Minor Portion” means the lesser of \$100,000 or 5% of the sale proceeds of the Bonds.

“Net Proceeds” means the sale proceeds of the Bonds (excluding pre-issuance accrued interest), less any proceeds deposited in a reasonably required reserve or replacement fund, plus all Investment earnings on such sale proceeds.

“Non-Qualified Use” means use of Bond proceeds or the Financed Facility in a trade or business carried on by any Non-Qualified User. The rules set out in Regulation § 1.141-3 determine whether Bond proceeds or the Financed Facility are “used” in a trade or business. Generally, ownership, a lease, or any other use that grants a Non-Qualified User a special legal right or entitlement with respect to the Financed Facility, will constitute use under Regulation § 1.141-3.

“Non-Qualified User” means any person or entity other than a Qualified User.

“Opinion of Bond Counsel” means the written opinion of Bond Counsel to the effect that the proposed action or the failure to act will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

“Ordinance” means the Ordinance adopted by the governing body of the Issuer on August 3, 2015, as amended and supplemented in accordance with the provisions of the Ordinance.

“Post-Issuance Tax Requirements” means those requirements related to the use of proceeds of the Bonds, the use of the Financed Facility and the investment of Gross Proceeds after the Issue Date.

“Project” means all of the property being acquired, developed, constructed, renovated, and equipped by the Issuer using proceeds of the Bonds and other money contributed by the Issuer, as described on **Exhibit D** hereto.

“Proposed Regulations” means the proposed arbitrage regulations REG 106143-07 (published at 72 Fed. Reg. 54606 (Sept. 26, 2007)).

“Qualified Use Agreement” means any of the following:

(1) A lease or other short-term use by members of the general public who occupy the Financed Facility on a short-term basis in the ordinary course of the Issuer’s governmental purposes.

(2) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 200 days in length pursuant to an arrangement whereby (a) the use of the Financed Facility under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business and (b) the compensation for the use is determined based on generally applicable, fair market value rates that are in effect at the time the

agreement is entered into or renewed. Any Qualified User or Non-Qualified User using all or any portion of the Financed Facility under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(3) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 100 days in length pursuant to arrangements whereby (a) the use of the property by the person would be general public use but for the fact that generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business, (b) the compensation for the use under the arrangement is determined based on applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed, and (c) the Financed Facility was not constructed for a principal purpose of providing the property for use by that Qualified User or Non-Qualified User. Any Qualified User or Non-Qualified User using all or any portion of the Financed Facility under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(4) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 50 days in length pursuant to a negotiated arm's-length arrangement at fair market value so long as the Financed Facility was not constructed for a principal purpose of providing the property for use by that person.

“Qualified User” means a State, territory, possession of the United States, the District of Columbia, or any political subdivision thereof, or any instrumentality of such entity, but it does not include the United States or any agency or instrumentality of the United States.

“Reasonable Retainage” means Gross Proceeds retained by the Issuer for reasonable business purposes, such as to ensure or promote compliance with a construction contract; provided that such amount may not exceed (a) for purposes of the 18-month spending test, 5% of net sale proceeds of the Bonds on the date 18 months after the Issue Date or (b) for purposes of the 2-year spending test, 5% of the Available Construction Proceeds as of the end of the 2-year spending period.

“Rebate Analyst” means Gilmore & Bell, P.C. or any successor Rebate Analyst selected pursuant to this Tax Certificate.

“Regulations” means all Regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to the Bonds.

“Tax Certificate” means this Federal Tax Certificate as it may from time to time be amended and supplemented in accordance with its terms.

“Tax-Exempt Bond File” means documents and records for the Bonds maintained by the Bond Compliance Officer pursuant to the Bond Compliance Procedure.

“Transcript” means the Transcript of Proceedings relating to the authorization and issuance of the Bonds.

“Underwriter” means FTN Financial Capital Markets, Chesterfield, Missouri, as the original purchaser of the Bonds.

“Yield” means yield on the Bonds, computed under Regulation § 1.148-4, and yield on an Investment, computed under Regulation § 1.148-5.

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the Issuer. The Issuer represents and covenants as follows:

(a) *Organization and Authority.* The Issuer (1) is a political subdivision organized and existing under the laws of the State of Illinois, (2) has lawful power and authority to issue the Bonds for the purposes set forth in the Ordinance, to adopt the Ordinance, to execute and deliver the Bonds, and this Tax Certificate and to carry out its obligations under the Ordinance, the Bonds and this Tax Certificate and (3) by all necessary action has been duly authorized to execute and deliver the Ordinance, the Bonds, and this Tax Certificate, acting by and through its duly authorized officials.

(b) *Tax-Exempt Status of Bonds—General Covenant.* The Issuer (to the extent within its power or direction) will not use any money on deposit in any fund or account maintained in connection with the Bonds, whether or not such money was derived from the proceeds of the sale of the Bonds or from any other source, in a manner that would cause the Bonds to be “arbitrage bonds,” within the meaning of Code § 148, and will not (to the extent within its power or direction) otherwise use or permit the use of any Bond proceeds or any other funds of the Issuer, directly or indirectly, in any manner, or take or permit to be taken any other action or actions, that would cause interest on the Bonds to be included in gross income for federal income tax purposes.

(c) *Governmental Obligations—Use of Proceeds.* Throughout the Measurement Period (1) all of the Financed Facility is expected to be owned by the Issuer or another Qualified User, (2) no portion of the Financed Facility is expected to be used in a Non-Qualified Use and (3) the Issuer will not permit any Non-Qualified Use of the Financed Facility without first obtaining an Opinion of Bond Counsel.

(d) *Governmental Obligations—Private Security or Payment.* As of the Issue Date, the Issuer expects that none of the principal of and interest on the Bonds will be (under the terms of the Bonds or any underlying arrangement) directly or indirectly:

(1) secured by (A) any interest in property used or to be used for a private business use or (B) any interest in payments in respect of such property; or

(2) derived from payments (whether or not such payments are made to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use.

For purposes of the foregoing, taxes of general application, including payments in lieu of taxes, are not treated as private payments or as private security. The Issuer will not permit any private security or payment with respect to the Bonds without first obtaining an Opinion of Bond Counsel.

(e) *No Private Loan.* Not more than 5% of the net proceeds of the Bonds will be loaned directly or indirectly to any Non-Qualified User.

(f) *Management Agreements.* As of the Issue Date, the Issuer has no Management Agreements with Non-Qualified Users. During the Measurement Period, the Issuer will not enter into or renew any Management Agreement with a Non-Qualified User without first obtaining an Opinion of Bond Counsel.

(g) *Leases.* As of the Issue Date, the Issuer has not entered into any leases of any portion of the Financed Facility other than Qualified Use Agreements during the Measurement Period. During the Measurement Period the Issuer will not enter into or renew any lease or similar agreement or arrangement other than a Qualified Use Agreement without first obtaining an Opinion of Bond Counsel.

(h) *Limit on Maturity of Bonds.* A list of the assets included in the Financed Facility and a computation of the “average reasonably expected economic life” is attached as **Exhibit D**. Based on this computation, the “average maturity” of the Bonds as computed by Bond Counsel, does not exceed 120% of the average reasonably expected economic life of the Financed Facility.

(i) *No Reimbursement of Expenditures Expected.* The Issuer does not expect to reimburse from proceeds of the Bonds for Project expenditures made prior to the Issue Date. In no event, will any portion of the Net Proceeds of the Bonds will be used to reimburse an expenditure paid by the Issuer more than 60 days prior to the date the Ordinance was adopted.

(j) *Registered Bonds.* The Ordinance requires that all of the Bonds will be issued and held in registered form within the meaning of Code § 149(a).

(k) *Bonds Not Federally Guaranteed.* The Issuer will not take any action or permit any action to be taken which would cause any Bond to be “federally guaranteed” within the meaning of Code § 149(b).

(l) *IRS Form 8038-G.* Bond Counsel will prepare Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) based on the representations and covenants of the Issuer contained in this Tax Certificate or otherwise provided by the Issuer. Bond Counsel will sign the return as a paid preparer following completion and will then deliver copies to the Issuer for execution and for the Issuer’s records. The Issuer agrees to timely execute and return to Bond Counsel the execution copy of Form 8038-G for filing with the IRS. A copy of the “as-filed” copy along with proof of filing will be included as **Exhibit B** hereto.

(m) *Hedge Bonds.* At least 85% of the net sale proceeds (the sale proceeds of the Bonds less any sale proceeds invested in a reserve fund) of the Bonds will be used to carry out the governmental purpose of the Bonds within three years after the Issue Date, and not more than 50% of the proceeds of the Bonds will be invested in Investments having a substantially guaranteed Yield for four years or more.

(n) *Compliance with Future Tax Requirements.* The Issuer understands that the Code and the Regulations may impose new or different restrictions and requirements on the Issuer in the future. The Issuer will comply with such future restrictions that are necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

(o) *Single Issue; No Other Issues.* The Bonds constitute a single “issue” under Regulation § 1.150-1(c). No other debt obligations of the Issuer (1) are being sold within 15 days of the sale of the Bonds, (2) are being sold under the same plan of financing as the Bonds and (3) are expected to be paid from substantially the same source of funds as the Bonds (disregarding guarantees from unrelated parties, such as bond insurance).

(p) *Interest Rate Swap.* As of the Issue Date, the Issuer has not entered into an interest rate swap agreement or any other similar arrangement designed to modify its interest rate risk with respect to the Bonds. The Issuer will not enter into any such arrangement in the future without obtaining an Opinion of Bond Counsel.

(q) *Guaranteed Investment Contract.* As of the Issue Date, the Issuer does not expect to enter into a Guaranteed Investment Contract for any Gross Proceeds of the Bonds. The Issuer will be responsible for complying with **Section 4.4(d)** hereof if it decides to enter into a Guaranteed Investment Contract at a later date.

(r) *Bank Qualified Tax-Exempt Obligation.* The Issuer designates the Bonds as “qualified tax-exempt obligations” under Code § 265(b)(3), and with respect to this designation certifies as follows:

(1) the Issuer reasonably anticipates that the amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds and current refunding obligations to the extent not exceeding the amount of the obligations refunded) that will be issued by or on behalf of the Issuer (and all subordinate entities of the Issuer) during the calendar year that the Bonds are issued, including the Bonds, will not exceed \$10,000,000; and

(2) the Issuer (including all subordinate entities of the Issuer) will not issue tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds and current refunding obligations to the extent not exceeding the amount of the obligations refunded) during the calendar year that the Bonds are issued, including the Bonds, in an aggregate principal amount or aggregate issue price in excess of \$10,000,000, without first obtaining an Opinion of Bond Counsel that the designation of the Bonds as “qualified tax-exempt obligations” will not be adversely affected.

Section 2.2. Survival of Representations and Covenants. All representations, covenants and certifications contained in this Tax Certificate or in any certificate or other instrument delivered by the Issuer under this Tax Certificate, will survive the execution and delivery of such documents and the issuance of the Bonds, as representations of facts existing as of the date of execution and delivery of the instruments containing such representations. The foregoing covenants of this Section will remain in full force and effect notwithstanding the defeasance of the Bonds.

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.1. General. The purpose of this Article is to certify, under Regulation § 1.148-2(b), the Issuer’s expectations as to the sources, uses and investment of Bond proceeds and other money, in order to support the Issuer’s conclusion that the Bonds are not arbitrage bonds. The persons executing this Tax Certificate on behalf of the Issuer are officers of the Issuer responsible for issuing the Bonds.

Section 3.2. Reasonable Expectations. The facts, estimates and expectations set forth in this Article are based upon and in reliance upon the Issuer’s understanding of the documents and certificates that comprise the Transcript, and the representations, covenants and certifications of the parties contained therein. To the Issuer’s knowledge, the facts and estimates set forth in this Tax Certificate are accurate,

and the expectations of the Issuer set forth in this Tax Certificate are reasonable. The Issuer has no knowledge that would cause it to believe that the representations, warranties and certifications described in this Tax Certificate are unreasonable or inaccurate or may not be relied upon.

Section 3.3. Purpose of the Financing. The Bonds are being issued for the purpose of providing funds to pay the costs of (a) financing the Project and (b) paying certain costs of issuing the Bonds.

Section 3.4. Funds and Accounts. The following funds and accounts have been established or ratified under the Ordinance:

Series 2015 Debt Service Account of the Debt Service Fund.
Series 2015 Construction Account of the Construction Fund.
Series 2015 Rebate Account of the Rebate Fund.

Section 3.5. Amount and Use of Bond Proceeds.

(a) *Amount of Bond Proceeds.* The total proceeds to be received by the Issuer from the sale of the Bonds will be as follows:

Principal Amount	\$
Plus Net Original Issue Premium	
Less Underwriting Discount	<u> </u>
Total Proceeds Received by Issuer	<u><u> </u></u>

(b) *Use of Bond Proceeds.* The net proceeds of the Bonds (\$) shall be deposited in the Series 2015 Construction Account of the Construction Fund. Of this amount \$ will be used to pay for the costs of the Project and \$ will be used to pay the costs of issuing the Bonds.

Section 3.6. Multipurpose Issue. Pursuant to Regulations § 1.148-9(h), the Issuer is applying the arbitrage rules to separate financing purposes of the issue that have the same initial temporary period as if they constitute a single issue for purposes of applying the arbitrage rules.

Section 3.7. No Advance Refunding. No proceeds of the Bonds will be used more than 90 days following the Issue Date to pay principal or interest on any other debt obligation.

Section 3.8. No Current Refunding. No Bond proceeds will be used to pay principal or interest on any other debt obligation.

Section 3.9. Project Completion. The Issuer has incurred, or will incur within 6 months after the Issue Date, a substantial binding obligation to a third party to spend at least 5% of the Net Proceeds on the Financed Facility. The completion of the Financed Facility and the allocation of the Net Proceeds to expenditures will proceed with due diligence. At least 85% of the Net Proceeds will be allocated to expenditures on the Financed Facility within three years after the Issue Date.

Section 3.10. Sinking Funds. The Issuer is required to make periodic payments in amounts sufficient to pay the principal of and interest on the Bonds. These payments will be deposited into the Series 2015 Debt Service Account of the Debt Service Fund. Except for the Series 2015 Debt Service Account of the Debt Service Fund, no sinking fund or other similar fund that is expected to be used to pay principal of or interest on the Bonds has been established or is expected to be established. The Series

2015 Debt Service Account of the Debt Service Fund is used primarily to achieve a proper matching of revenues with principal and interest payments on the Bonds within each Bond Year, and the Issuer expects that the Series 2015 Debt Service Account of the Debt Service Fund will qualify as a Bona Fide Debt Service Fund.

Section 3.11. Reserve, Replacement and Pledged Funds.

(a) *Debt Service Reserve Fund.* No reserve or replacement fund has been established for the Bonds.

(b) *No Other Replacement or Pledged Funds.* None of the Bond proceeds will be used as a substitute for other funds that were intended or earmarked to pay costs of the Financed Facility, and that instead has been or will be used to acquire higher yielding Investments. Except for the Series 2015 Debt Service Account of the Debt Service Fund, there are no other funds pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of the principal or interest on the Bonds if the Issuer encounters financial difficulty.

Section 3.12. Purpose Investment Yield. The proceeds of the Bonds will not be used to purchase an Investment for the purpose of carrying out the governmental purpose of the financing.

Section 3.13. Offering Prices and Yield on Bonds.

(a) *Offering Prices.* In the Underwriter's Receipt for Bonds and Representation Letter, the Underwriter has certified that (1) all of the Bonds have been the subject of an initial offering to the public at prices no higher than those shown on the inside cover page of the official statement (the "Offering Prices"), and (2) the Underwriter expects that at least 10% of the Bonds of each maturity will be sold to the public at initial offering prices no higher than said Offering Prices. The aggregate initial offering price of the Bonds is \$_____, without accrued interest.

(b) *Bond Yield.* Based on the Offering Prices, the Yield on the Bonds is _____%, as computed by Bond Counsel as shown on **Exhibit A** hereto. The Issuer has not entered into an interest rate swap agreement with respect to any portion of the proceeds of the Bonds.

Section 3.14. Miscellaneous Arbitrage Matters.

(a) *No Abusive Arbitrage Device.* The Bonds are not and will not be part of a transaction or series of transactions that has the effect of (1) enabling the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage and (2) overburdening the tax-exempt bond market.

(b) *No Over-Issuance.* The sale proceeds of the Bonds, together with expected Investment earnings thereon and other money contributed by the Issuer, do not exceed the cost of the governmental purpose of the Bonds as described above.

Section 3.15. Conclusion. On the basis of the facts, estimates and circumstances set forth in this Tax Certificate, the Issuer does not expect that the Bond proceeds will be used in a manner that would cause any Bond to be an "arbitrage bond" within the meaning of Code § 148 and the Regulations.

ARTICLE IV

POST-ISSUANCE TAX REQUIREMENTS, POLICIES AND PROCEDURES

Section 4.1. General.

(a) *Purpose of Article.* The purpose of this Article is to supplement the Compliance Procedure and to set out specific policies and procedures governing compliance with the federal income tax requirements that apply after the Bonds are issued. The Issuer recognizes that interest on the Bonds will remain excludable from gross income only if the Post-Issuance Tax Requirements are followed after the Issue Date. The Issuer further acknowledges that written evidence substantiating compliance with the Post-Issuance Tax Requirements must be retained in order to permit the Bonds to be refinanced with tax-exempt obligations and substantiate the position that interest on the Bonds is exempt from gross income in the event of an audit of the Bonds by the IRS.

(b) *Written Policies and Procedures of the Issuer.* The Issuer intends for the Compliance Procedure, as supplemented by this Tax Certificate, to be its primary written policies and procedures for monitoring compliance with the Post-Issuance Tax Requirements for the Bonds and to supplement any other formal policies and procedures related to tax compliance that the Issuer has established or establishes in the future. The provisions of this Tax Certificate are intended to be consistent with the Compliance Procedure. In the event of any inconsistency between the Compliance Procedure and this Tax Certificate, the terms of this Tax Certificate will govern.

(c) *Bond Compliance Officer.* The Issuer when necessary to fulfill its Post-Issuance Tax Requirements will, through its Bond Compliance Officer, sign Form 8038-T in connection with the payment of arbitrage rebate or Yield reduction payments, participate in any federal income tax audit of the Bonds or related proceedings under a voluntary compliance agreement procedures (VCAP) or undertake a remedial action procedure pursuant to Regulations §§ 1.141-12 and 1.145-2. In each case, all costs and expenses incurred by the Issuer shall be treated as a reasonable cost of administering the Bonds and the Issuer shall be entitled to reimbursement and recovery of its costs to the same extent as provided in the Ordinance or State law.

Section 4.2. Record Keeping; Use of Bond Proceeds and Use of Financed Facility.

(a) *Record Keeping.* The Bond Compliance Officer will maintain the Tax-Exempt Bond File for the Bonds in accordance with the Compliance Procedure. Unless otherwise specifically instructed in a written Opinion of Bond Counsel or to the extent otherwise provided in this Tax Certificate, the Bond Compliance Officer shall retain records related to Post-Issuance Tax Requirements until three years following the final maturity of (i) the Bonds or (ii) any obligation issued to refund the Bonds. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (1) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (2) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (3) exhibit a high degree of legibility and readability both electronically and in hardcopy, (4) provide support for other books and records of the Issuer and (5) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the Issuer's premises.

(b) *Accounting and Allocation of Bond Proceeds to Expenditures.* The Bond Compliance Officer will account for the investment and expenditure of Bond proceeds in the level of detail required

by the Compliance Procedure. The Bond Compliance Officer will supplement the expected allocation of Bond proceeds to expenditures with a Final Written Allocation as required by the Compliance Procedure. A sample form of Final Written Allocation is attached as **Exhibit E** hereto. The Bond Compliance Officer will maintain accounting records showing the investment and expenditure of this money as part of the Tax-Exempt Bond File.

(c) *Annual Compliance Checklist.* Attached as **Exhibit C** hereto is a sample Annual Compliance Checklist for the Bonds. The Bond Compliance Officer will prepare and complete an Annual Compliance Checklist for the Financed Facility at least annually in accordance with the Compliance Procedure. In the event the Annual Compliance Checklist identifies a deficiency in compliance with the requirements of this Tax Certificate, the Bond Compliance Officer will take the actions identified in an Opinion of Bond Counsel or the Compliance Procedure to correct any deficiency.

(d) *Opinions of Bond Counsel.* The Bond Compliance Officer is responsible for obtaining and delivering to the Issuer any Opinion of Bond Counsel required under the provisions of this Tax Certificate, including any Opinion of Bond Counsel required by this Tax Certificate or the Annual Compliance Checklist.

Section 4.3. Investment Yield Restriction. Except as described below, the Issuer will not invest Gross Proceeds at a Yield greater than the Yield on the Bonds:

(a) *Series 2015 Construction Account of the Construction Fund.* Bond proceeds deposited in the Series 2015 Construction Account of the Construction Fund and Investment earnings on those proceeds may be invested without Yield restriction for up to three years following the Issue Date. If any unspent proceeds remain in the Series 2015 Construction Account of the Construction Fund after three years, those amounts may continue to be invested without Yield restriction so long as the Issuer pays to the IRS all Yield reduction payments in accordance with Regulation § 1.148-5(c). These payments are required whether or not the Bonds are exempt from the arbitrage rebate requirements of Code § 148.

(b) *Series 2015 Debt Service Account of the Debt Service Fund.* To the extent that the Series 2015 Debt Service Account of the Debt Service Fund qualifies as a Bona Fide Debt Service Fund, money in such account may be invested without Yield restriction for 13 months after the date of deposit. Earnings on such amounts may be invested without Yield restriction for one year after the date of receipt of such earnings.

(c) *Minor Portion.* In addition to the amounts described above, Gross Proceeds not exceeding the Minor Portion may be invested without Yield restriction.

Section 4.4. Procedures for Establishing Fair Market Value.

(a) *General.* No Investment may be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment, or sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment. The fair market value of any Investment is the price a willing buyer would pay to a willing seller to acquire the Investment in a bona fide, arm's-length transaction. Fair market value will be determined in accordance with Regulation § 1.148-5.

(b) *Established Securities Market.* Except for Investments purchased for a Yield-restricted defeasance escrow, if an Investment is purchased or sold in an arm's-length transaction on an established securities market (within the meaning of Code § 1273), the purchase or sale price constitutes the fair

market value. Where there is no established securities market for an Investment, market value must be established using one of the paragraphs below. The fair market value of Investments purchased for a Yield-restricted defeasance escrow must be determined in a bona fide solicitation for bids that complies with Regulation § 1.148-5.

(c) *Certificates of Deposit.* The purchase price of a certificate of deposit (a “CD”) is treated as its fair market value on the purchase date if (1) the CD has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, (2) the Yield on the CD is not less than the Yield on reasonably comparable direct obligations of the United States, and (3) the Yield is not less than the highest Yield published or posted by the CD issuer to be currently available on reasonably comparable CDs offered to the public.

(d) *Guaranteed Investment Contracts.* The Issuer is applying Regulation § 1.148-5(d)(6)(iii)(A) as amended by the Proposed Regulations (relating to electronic bidding of Guaranteed Investment Contracts) to the Bonds. The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if all of the following requirements are met:

(1) Bona Fide Solicitation for Bids. The Issuer makes a bona fide solicitation for the Guaranteed Investment Contract, using the following procedures:

(A) The bid specifications are in writing and are timely forwarded to potential providers, or are made available on an internet website or other similar electronic media that is regularly used to post bid specifications to potential bidders. A writing includes a hard copy, a fax, or an electronic e-mail copy.

(B) The bid specifications include all “material” terms of the bid. A term is material if it may directly or indirectly affect the Yield or the cost of the Guaranteed Investment Contract.

(C) The bid specifications include a statement notifying potential providers that submission of a bid is a representation (i) that the potential provider did not consult with any other potential provider about its bid, (ii) that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person (whether or not in connection with the bond issue), and (iii) that the bid is not being submitted solely as a courtesy to the Issuer or any other person, for purposes of satisfying the requirements of the Regulations.

(D) The terms of the bid specifications are “commercially reasonable.” A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the Yield of the Guaranteed Investment Contract.

(E) The terms of the solicitation take into account the Issuer’s reasonably expected deposit and draw-down schedule for the amounts to be invested.

(F) All potential providers have an equal opportunity to bid. If the bidding process affords any opportunity for a potential provider to review other bids before providing a bid, then providers have an equal opportunity to bid only if all potential providers have an equal opportunity to review other bids. Thus, no potential provider

may be given an opportunity to review other bids that is not equally given to all potential providers (that is no exclusive “last look”).

(G) At least three “reasonably competitive providers” are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of Investments being purchased.

(2) Bids Received. The bids received must meet all of the following requirements:

(A) At least three bids are received from providers that were solicited as described above and that do not have a “material financial interest” in the issue. For this purpose, (i) a lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the Issue Date, (ii) any entity acting as a financial advisor with respect to the purchase of the Guaranteed Investment Contract at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue, and (iii) a provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(B) At least one of the three bids received is from a reasonably competitive provider, as defined above.

(C) If an agent or broker is used to conduct the bidding process, the agent or broker did not bid to provide the Guaranteed Investment Contract.

(3) Winning Bid. The winning bid is the highest Yielding bona fide bid (determined net of any broker’s fees).

(4) Fees Paid. The obligor on the Guaranteed Investment Contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the Guaranteed Investment Contract.

(5) Records. The Issuer retains the following records with the bond documents until three years after the last outstanding Bond is redeemed:

(A) A copy of the Guaranteed Investment Contract.

(B) The receipt or other record of the amount actually paid for the Guaranteed Investment Contract, including a record of any administrative costs paid by the Issuer, and the certification as to fees paid, described in paragraph (d)(4) above.

(C) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.

(D) The bid solicitation form and, if the terms of Guaranteed Investment Contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

(e) *Other Investments.* If an Investment is not described above, the fair market value may be established through a competitive bidding process, as follows:

(1) at least three bids on the Investment must be received from persons with no financial interest in the Bonds (*e.g.*, as underwriters or brokers); and

(2) the Yield on the Investment must be equal to or greater than the Yield offered under the highest bid.

Section 4.5. Certain Gross Proceeds Exempt from the Rebate Requirement.

(a) *General.* A portion of the Gross Proceeds of the Bonds may be exempt from rebate pursuant to one or more of the following exceptions. The exceptions typically will not apply with respect to all Gross Proceeds of the Bonds and will not otherwise affect the application of the Investment limitations described in **Section 4.3** hereof. Unless specifically noted, the obligation to compute, and if necessary, to pay rebate as set forth in **Section 4.6** hereof applies even if a portion of the Gross Proceeds of the Bonds is exempt from the rebate requirement. To the extent all or a portion of the Bonds is exempt from rebate the Rebate Analyst may account for such fact in connection with its preparation of a rebate report described in **Section 4.6** hereof. The Issuer may defer the final rebate Computation Date and the payment of rebate for the Bonds to the extent permitted by Regulations §§ 1.148-7(b)(1) and 1.148-3(e)(2) but only in accordance with specific written instructions provided by the Rebate Analyst.

(b) *Applicable Spending Exceptions.*

(1) The Issuer expect that at least 75% of the Available Construction Proceeds will be used for construction or rehabilitation expenditures for property owned by the Issuer.

(2) The following optional rebate spending exceptions can apply to the Bonds:

(A) 6-month spending exception (Code § 148(f)(4)(B) and Regulations § 1.148-7(c)).

(B) 18-month spending exception (Regulations § 1.148-7(d)).

(C) 2-year spending exception (Code § 148(f)(4)(C) and Regulations § 1.148-7(e)).

(3) The Issuer expects to earn approximately \$_____ in investment earnings on Bond proceeds in the Series 2015 Construction Account of the Construction Fund.

(c) *Special Elections Made with Respect to Spending Exception Elections.* No special elections are being made in connection with the application of the spending exceptions.

(d) *Bona Fide Debt Service Fund.* To the extent that the Series 2015 Debt Service Account of the Debt Service Fund qualifies as a Bona Fide Debt Service Fund, Investment earnings in the fund cannot be taken into account in computing arbitrage rebate (1) with respect to such portion that meets the 6-month, 18-month or 2-year spending exception or (2) for a given Bond Year, if the gross earnings on the Series 2015 Debt Service Account of the Debt Service Fund for such Bond Year are less than \$100,000.

If the average annual debt service on the Bonds does not exceed \$2,500,000, the \$100,000 earnings test may be treated as satisfied in every Bond Year.

(e) *Documenting Application of Spending Exception.* At any time prior to the first Computation Date, the Issuer may engage the Rebate Analyst to determine whether one or more spending exceptions has been satisfied, and the extent to which the Issuer must continue to comply with **Section 4.6** hereof.

(f) *General Requirements for Spending Exception.* The following general requirements apply in determining whether a spending exception is met.

(1) Using Adjusted Gross Proceeds or Available Construction Proceeds to pay principal of any Bonds is not taken into account as an expenditure for purposes of meeting any of the spending tests.

(2) The 6-month spending exception generally is met if all Adjusted Gross Proceeds of the Bonds are spent within 6 months following the Issue Date. The test may still be satisfied even if up to 5% of the sale proceeds remain at the end of the initial 6-month period, so long as this amount is spent within 1 year of the Issue Date.

(3) The 18-month spending exception generally is met if all Adjusted Gross Proceeds of the Bonds are spent in accordance with the following schedule:

Time Period After the Issue Date	Minimum Percentage of Adjusted Gross Proceeds Spent
6 months	15%
12 months	60%
18 months (Final)	100%

(4) The 2-year spending exception generally is met if all Available Construction Proceeds are spent in accordance with the following schedule:

Time Period After the Issue Date	Minimum Percentage of Available Construction Proceeds Spent
6 months	10%
12 months	45%
18 months	75%
24 months (Final)	100%

(5) For purposes of applying the 18-month and 2-year spending exceptions only, the failure to satisfy the **final** spending requirement is disregarded if the Issuer uses due diligence to complete the Financed Facility and the failure does not exceed the lesser of 3% of the aggregate issue price the Bonds or \$250,000. **No such exception applies for any other spending period.**

(6) For purposes of applying the 18-month and 2-year spending exceptions only, the Bonds meet the applicable spending test even if, at the end of the **final** spending period, proceeds not exceeding a Reasonable Retainage remain unspent, so long as such Reasonable Retainage is spent within 30 months after the Issue Date in the case of the 18-month exception or 3 years after the Issue Date in the case of the 2-year spending exception.

Section 4.6. Computation and Payment of Arbitrage Rebate.

(a) *Series 2015 Rebate Account of the Rebate Fund.* The Issuer will keep the Series 2015 Rebate Account of the Rebate Fund separate from all other funds and will administer the Series 2015 Rebate Account of the Rebate Fund under this Tax Certificate. Any Investment earnings derived from the Series 2015 Rebate Account of the Rebate Fund will be credited to the Series 2015 Rebate Account of the Rebate Fund, and any Investment loss will be charged to the Series 2015 Rebate Account of the Rebate Fund.

(b) *Computation of Rebate Amount.* The Issuer will provide the Rebate Analyst Investment reports relating to each fund held by it that contains Gross Proceeds of the Bonds together with copies of Investment reports for any funds containing Gross Proceeds that are held by a party other than the Issuer annually as of the end of each Bond Year and not later than 10 days following each Computation Date. Each Investment report provided to the Rebate Analyst will contain a record of each Investment, including (1) purchase date, (2) purchase price, (3) information establishing the fair market value on the date such Investment was allocated to the Bonds, (4) any accrued interest paid, (5) face amount, (6) coupon rate, (7) frequency of interest payments, (8) disposition price, (9) any accrued interest received and (10) disposition date. Such records may be supplied in electronic form. The Rebate Analyst will compute the amount of rebate due (the “Rebate Amount”) following each Computation Date and deliver a written report to the Issuer together with an opinion or certificate of the Rebate Analyst stating that arbitrage rebate was determined in accordance with the Regulations. Each report and opinion will be provided not later than 45 days following the Computation Date to which it relates. In performing its duties, the Rebate Analyst may rely, in its discretion, on the correctness of financial analysis reports prepared by other professionals. If the sum of the amount on deposit in the Series 2015 Rebate Account of the Rebate Fund and the value of prior rebate payments is less than the Rebate Amount due, the Issuer will, within 55 days after such Computation Date, pay the amount of the deficiency for deposit into the Series 2015 Rebate Account of the Rebate Fund. If the sum of the amount on deposit in the Series 2015 Rebate Account of the Rebate Fund and the value of prior rebate payments is greater than the Rebate Amount the Issuer will transfer such surplus in the Series 2015 Rebate Account of the Rebate Fund to the Series 2015 Debt Service Account of the Debt Service Fund. After the final Computation Date or at any other time if the Rebate Analyst has advised the Issuer, any money left in the Series 2015 Rebate Account of the Rebate Fund will be paid to the Issuer and may be used for any purpose not prohibited by law.

(c) *Rebate Payments.* Within 60 days after each Computation Date, the Issuer will pay to the United States the Rebate Amount then due, determined in accordance with the Regulations. Each payment must be (1) accompanied by IRS Form 8038-T and such other forms, documents or certificates as may be required by the Regulations, and (2) mailed or delivered to the IRS at the address shown below, or to such other location as the IRS may direct:

Internal Revenue Service Center
Ogden, UT 84201

Section 4.7. Successor Rebate Analyst. If the firm acting as the Rebate Analyst resigns or becomes incapable of acting for any reason, or if the Issuer desires that a different firm act as the Rebate

Analyst, then the Issuer by an instrument or concurrent instruments in writing delivered to the firm then serving as the Rebate Analyst and any other party to this Tax Certificate, will name a successor Rebate Analyst. In each case the successor Rebate Analyst must be a firm of nationally recognized bond counsel or a firm of independent certified public accountants and such firm must expressly agree to undertake the responsibilities assigned to the Rebate Analyst hereunder.

Section 4.8. Filing Requirements. The Issuer will file or cause to be filed with the IRS such reports or other documents as are required by the Code in accordance with an Opinion of Bond Counsel.

Section 4.9. Survival after Defeasance. Notwithstanding anything in the Ordinance to the contrary, the obligation to pay arbitrage rebate to the United States will survive the payment or defeasance of the Bonds.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of Tax Certificate. This Tax Certificate will be effective concurrently with the issuance and delivery of the Bonds and will continue in force and effect until the principal of, redemption premium, if any, and interest on all Bonds have been fully paid and all such Bonds are cancelled; provided that, the provisions of **Article IV** hereof regarding payment of arbitrage rebate and all related penalties and interest will remain in effect until all such amounts are paid to the United States and the provisions of **Section 4.2** hereof relating to record keeping shall continue in force for the period described therein for records to be retained.

Section 5.2. Amendments. This Tax Certificate may be amended from time to time by the Issuer without notice to or the consent of any of the owners of the Bonds, but only if such amendment is in writing and is accompanied by an Opinion of Bond Counsel to the effect that, under then existing law, assuming compliance with this Tax Certificate as so amended such amendment will not cause interest on any Bond to be included in gross income for federal income tax purposes. No such amendment will become effective until the Issuer receives this Opinion of Bond Counsel.

Section 5.3. Opinion of Bond Counsel. The Issuer may deviate from the provisions of this Tax Certificate if furnished with an Opinion of Bond Counsel to the effect that the proposed deviation will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. The Issuer will comply with any further or different instructions provided in an Opinion of Bond Counsel to the effect that the further or different instructions need to be complied with in order to maintain the validity of the Bonds or the exclusion from gross income of interest on the Bonds.

Section 5.4. Reliance. In delivering this Tax Certificate, the Issuer is making only those certifications, representations and agreements as are specifically attributed to it in this Tax Certificate. The Issuer is not aware of any facts or circumstances which would cause it to question the accuracy of the facts, circumstances, estimates or expectations of any other party providing certifications as part of this Tax Certificate and, to the best of its knowledge, those facts, circumstances, estimates and expectations are reasonable. The Issuer understands that its certifications will be relied upon by the law firm of Gilmore & Bell, P.C., in rendering its opinion as to the validity of the Bonds and the exclusion from federal gross income of the interest on the Bonds.

Section 5.5. Severability. If any provision in this Tax Certificate or in the Bonds is determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not be affected or impaired.

Section 5.6. Benefit of Agreement. This Tax Certificate is binding upon the Issuer and its respective successors and assigns, and inures to the benefit of the owners of the Bonds. Nothing in this Tax Certificate or in the Ordinance or the Bonds, express or implied, gives to any person, other than the owners of the Bonds, any benefit or any legal or equitable right, remedy or claim under this Tax Certificate.

Section 5.7. Default, Breach and Enforcement. Any misrepresentation of the Issuer contained herein or any breach of a covenant or agreement contained in this Tax Certificate may be pursued by the owners of the Bonds pursuant to the terms of the Ordinance or any other document which references this Tax Certificate and gives remedies for a misrepresentation or breach thereof.

Section 5.8. Execution in Counterparts. This Tax Certificate may be executed in any number of counterparts, each of which so executed will be deemed to be an original, but all such counterparts will together constitute the same instrument.

Section 5.9. Governing Law. This Tax Certificate will be governed by and construed in accordance with the laws of the State of Illinois.

Section 5.10. Electronic Transactions. The transaction described in this Tax Certificate may be conducted, and related documents may be stored, by electronic means.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned Mayor and the Director of Finance of the Issuer, by their execution of this Tax Certificate, hereby make the foregoing certifications, representations, and agreements contained in this Tax Certificate on behalf of the Issuer as of the Issue Date.

CITY OF BELLEVILLE, ILLINOIS

By: _____
Mayor

By: _____
Director of Finance

EXHIBIT A

DEBT SERVICE SCHEDULE AND PROOF OF BOND YIELD

EXHIBIT B

IRS FORM 8038-G

EXHIBIT C

**SAMPLE
ANNUAL COMPLIANCE CHECKLIST**

Name of tax-exempt bonds (“Bonds”) financing	General Obligation Bonds, Series 2015
Financed Facility*:	
Issue Date of Bonds:	August 12, 2015
Placed in service date of Financed Facility:	
Name of Bond Compliance Officer:	
Period covered by request (“Annual Period”):	

Item	Question	Response
1 Ownership	Was all of the Financed Facility owned by the Issuer during the entire Annual Period? If “Yes,” skip to Item 2.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “No,” was an Opinion of Bond Counsel obtained prior to the transfer? If “Yes,” include a copy of the Opinion in the Tax-Exempt Bond File. If “No,” contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2 Leases & Other Rights to Possession	During the Annual Period, was any part of the Financed Facility leased at any time pursuant to a lease or similar agreement for more than 50 days? If “No,” skip to Item 3.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “Yes,” was an Opinion of Bond Counsel obtained prior to entering into the lease or other arrangement? If “Yes,” include a copy of the Opinion in the Tax-Exempt Bond File. If “No,” contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

* Capitalized words and terms used herein, unless otherwise defined herein or the context requires otherwise, shall have the same meanings ascribed to them in the City’s Bond Compliance Policy and Procedure adopted on November 5, 2012, as amended and supplemented.

Item	Question	Response
3 Management or Service Agreements	During the Annual Period, has the management of all or any part of the operations of the Financed Facility (e.g., cafeteria) been assumed by or transferred to another entity? If “No,” skip to Item 4.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “Yes,” was an Opinion of Bond Counsel obtained prior to entering into the management agreement? If “Yes,” include a copy of the Opinion in the Tax-Exempt Bond File. If “No,” contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
4 Other Use	Was any other agreement entered into with an individual or entity that grants special legal rights to the Financed Facility? If “No,” skip to Item 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “Yes,” was an Opinion of Bond Counsel obtained prior to entering into the agreement? If “Yes,” include a copy of the Opinion in the Tax-Exempt Bond File. If “No,” contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
5 Arbitrage Rebate & Yield Restriction	Have all arbitrage rebate and yield restriction calculations mandated in the Federal Tax Certificate been prepared for the current year? If “Yes,” skip to Item 6.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If No, contact the Rebate Analyst and incorporate report or include description of resolution in the Tax-Exempt Bond File.	
6 Continuing Disclosure Filings	Did the Issuer file its annual report (including audited financial statements and any other financial information and operating data required for the Bonds) with the MSRB through EMMA within 180 days of the end of the last Fiscal Year? If “Yes,” skip to Item 7.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Did the Issuer file its annual report (including audited financial statements and any other financial information and operating data required for the Bonds) with the MSRB through EMMA within 180 days of the end of the last Fiscal Year? If “Yes,” skip to Item 7.	

Item	Question	Response
<p style="text-align: center;">7 Material Event Filings</p>	<p>Did any of the following events occur with respect to the Bonds?</p> <ul style="list-style-type: none"> • principal and interest payment delinquencies; • non-payment related defaults, if material; • unscheduled draws on debt service reserves reflecting financial difficulties; • unscheduled draws on credit enhancements reflecting financial difficulties; • substitution of credit or liquidity providers, or their failure to perform; • adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; • modifications to rights of bondholders, if material; • bond calls, if material, and tender offers; • defeasances; • release, substitution or sale of property securing repayment of the Bonds, if material; • rating changes; • bankruptcy, insolvency, receivership or similar event of the Issuer; • the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and • appointment of a successor or additional trustee or the change of name of the trustee, if material. 	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>If “Yes,” was Bond Counsel contacted and notice of the material event filed with the MSRB on EMMA?</p> <p>If No, contact Bond Counsel immediately and prepare and file any required notice with the MSRB on EMMA.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

Bond Compliance Officer: _____

Date Completed: _____

EXHIBIT D

DESCRIPTION OF PROPERTY EXPECTED TO COMPRISE THE FINANCED FACILITY

EXHIBIT E

SAMPLE FINAL WRITTEN ALLOCATION

City of Belleville, Illinois General Obligation Bonds Series 2015

Final Written Allocation

The undersigned is the Director of Finance of the City of Belleville, Illinois. This allocation of the proceeds of the bond issue referenced above (the “Bonds”) is necessary for the City of Belleville, Illinois (the “Issuer”) to satisfy ongoing reporting and compliance requirements under federal income tax laws.

Purpose. This document, together with the schedules and records referred to below, is intended to memorialize allocations of proceeds of the Bonds to expenditures for purposes of §§ 141 and 148 of the Internal Revenue Code (the “Code”). All allocations are or were previously made no later than 18 months following the date the expenditure was made by the Issuer or, if later, the date the “project” was “placed in service” (both as defined below), and no later than 60 days following the 5th anniversary of the issue date of the Bonds.

Background. The Bonds were issued on August 12, 2015 (the “Issue Date”), by the Issuer. The Bonds were issued to provide funds needed for (1) acquiring, constructing, renovating, equipping and furnishing a police station facility and related sites, facilities and other improvements, (2) renovating the existing City Hall, and (3) upon completion of the police station facility and the renovations to City Hall, other capital expenditures benefitting the City (the “Project”). The Bonds were issued pursuant to an ordinance of the Issuer. Proceeds of the Bonds were deposited to the Series 2015 Construction Account of the Construction Fund.

Sources Used to Fund Project Costs and Allocation of Proceeds to Project Costs. The sources and uses of Bond proceeds and other legally available money of the Issuer, if any, are shown on **Exhibit A** hereto.

Identification of Financed Assets. The portions of the Project financed from proceeds of the Bonds (i.e., the “Financed Facility” referenced in the Federal Tax Certificate) are listed on page 1 of **Exhibit B** attached hereto.

Identification and Timing of Expenditures for Arbitrage Purposes. For purposes of complying with the arbitrage rules, the Issuer allocates the proceeds of the Bonds to the various expenditures described in the invoices, requisitions or other substantiation attached as **Exhibit B** hereto. In each case, the cost requisitioned was either paid directly to a third party or reimbursed the Issuer for an amount it had previously paid or incurred. Amounts received from the sale of the Bonds and retained as underwriters discount are allocated to that purpose and spent on the Issue Date. Amounts allocated to interest expense are treated as paid on the interest payment dates for the Bonds.

Placed In Service. The Project was “placed in service” on the date set out on **Exhibit B** attached hereto. For this purpose, the assets are considered to be “placed in service” as of the date on which, based on all the facts and circumstances: (1) the constructing and equipping of the asset has reached a degree of

completion which would permit its operation at substantially its design level; and (2) the asset is, in fact, in operation at that level.

This allocation has been prepared based on statutes and regulations existing as of this date. The Issuer reserves the right to amend this allocation to the extent permitted by future Treasury Regulations or similar authorities.

CITY OF BELLEVILLE, ILLINOIS

By: _____
Name: _____
Title: _____

Dated: _____

Name of Legal Counsel/Law Firm Reviewing Final Written Allocation:

Date of Review: _____

**EXHIBIT A
TO FINAL WRITTEN ALLOCATION**

ALLOCATION OF SOURCES AND USES

**EXHIBIT B
TO FINAL WRITTEN ALLOCATION**

**IDENTIFICATION OF FINANCED ASSETS
&
DETAILED LISTING OF EXPENDITURES**

PRELIMINARY OFFICIAL STATEMENT DATED JULY 27, 2015.

New Issue – Bank Qualified

Standard & Poor’s: AA-

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”) (1) the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (2) the Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. The interest on the Bonds is not exempt from present State of Illinois income taxes. See “TAX MATTERS” in this Official Statement.

\$8,500,000*

**CITY OF BELLEVILLE
ST. CLAIR COUNTY, ILLINOIS
GENERAL OBLIGATION BONDS, SERIES 2015**

Dated: Date of Original Issuance

Due: January 1, as shown below:

The General Obligation Bonds, Series 2015 (the “Bonds”) will be issued in fully- registered form, as herein described, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry only form. The Bonds will be issued in the denomination of \$5,000 or any integral authorized multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. See “APPENDIX B - BOOK-ENTRY ONLY SYSTEM” herein.

Interest on the Bonds will be payable on January 1, 2016 and semiannually thereafter on January 1 and July 1. So long as DTC or its nominee, Cede & Co., is the registered owner, such payments will be made by UMB Bank, N.A., Kansas City, Missouri as paying agent and bond registrar (the “Paying Agent/Bond Registrar”) directly to such registered owner. Disbursement of such payments to the DTC Participants is the responsibility of DTC. Distribution of such payments to beneficial owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein.

The Bonds are general obligations of the City, and the City’s full faith, credit and taxing power have been pledged to the payment of the principal of and interest on the Bonds. The City is obligated to levy and will levy ad valorem taxes on all taxable property within the City, without limitation as to rate or amount, for the payment of such principal and interest on the Bonds, provided that there will be no taxes levied for the principal or interest due on the Bonds on January 1, 2016 which will be paid with City funds deposited in the debt service account.

MATURITY SCHEDULE*

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Price</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Price</u>
2016	\$465,000			2027	\$395,000		
2017	290,000			2028	410,000		
2018	300,000			2029	425,000		
2019	305,000			2030	445,000		
2020	315,000			2031	460,000		
2021	325,000			2032	480,000		
2022	335,000			2033	495,000		
2023	345,000			2034	515,000		
2024	355,000			2035	535,000		
2025	365,000			2036	560,000		
2026	380,000						

The Bonds are offered when, as and if issued by the City and accepted by the Underwriter, subject to the approval of their legality by Gilmore & Bell, P.C., Edwardsville, Illinois, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by Lewis Rice LLC, St. Louis, Missouri. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about August 12, 2015.

FTN FINANCIAL CAPITAL MARKETS

This Official Statement is dated _____, 2015.

* Subject to Change

This Preliminary Official Statement and the information contained herein is subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**CITY OF BELLEVILLE
ST. CLAIR COUNTY, ILLINOIS**

MAYOR
Mark Eckert

CITY CLERK
Dallas B. Cook

CITY TREASURER
Dean Hardt

DIRECTOR OF FINANCE
Jamie Maitret

COUNCIL MEMBERS

Joseph Hazel, Ward 1
Janet Schmidt, Ward 2
Kent Randle, Ward 3
Johnnie Anthony, Ward 4
Phillip Silsby, Ward 5
Paul Seibert, Ward 6
Phil Elmore, Ward 7
James Musgrove, Ward 8

Kenneth Kinsella, Ward 1
Michael Buettner, Ward 2
Scott Tyler, Ward 3
Raffi Ovian, Ward 4
Ed Dintelman, Ward 5
Bob White, Ward 6
Trent Galetti, Ward 7
Roger Wigginton, Ward 8

CITY ATTORNEY
Garret Hoerner
Belleville, Illinois

BOND COUNSEL
Gilmore & Bell, P.C.
Edwardsville, Illinois

MUNICIPAL ADVISOR
WM Financial Strategies
St. Louis, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman, or other person has been authorized by the City, the Municipal Advisor, or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the Municipal Advisor, or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

The information set forth herein has been furnished by the City and from other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Municipal Advisor or the Underwriter. This Official Statement is not to be construed as a contract or agreement between the City or the Underwriter and the purchasers or owner of any of the Bonds. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that is based on the City's beliefs as well as assumptions made by and information currently available to the City. Forward-looking statements are identified by terminology such as "may," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "projects," "potential," "continues," or the negative of these terms or other comparable terminology. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

This Preliminary Official Statement is in a form deemed final by the City for purposes of Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended, except for certain information to be omitted pursuant to Rule 15c2-12(B)(1).

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SUMMARY STATEMENT

This Summary Statement, which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors, is expressly qualified by the entire Official Statement.

- Issuer:** The City of Belleville, Illinois (the “City”) is the issuer. Additional information regarding the City is included under the caption “THE CITY.”
- Issue:** The Bonds consist of \$8,500,000* principal amount of General Obligation Bonds, Series 2015.
- Dated Date:** The Bonds will be dated as of the date of original issuance thereof.
- Interest:** Interest on the Bonds will be payable semiannually on January 1 and July 1, beginning on January 1, 2016.
- Principal Due:** Principal will be due on the dates and in the amounts shown on the cover page of this Official Statement.
- Purpose:** The Bonds are being issued to provide funds, which together with proceeds from a prior issue of bonds, will be used to renovate a building for use as a new police station and to finance improvements to the City Hall (the “Project”). The Project is described in greater detail herein under the caption “THE PROJECT.”
- Redemption:** The Bonds maturing on January 1, 2026 and thereafter are subject to redemption and payment prior to maturity at the option of the City on January 1, 2025 and thereafter, in whole or in part on any date, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.
- Security:** The Bonds are general obligations of the City and its full faith, credit and taxing power have been pledged to the payment of the principal of, premium, if any, and interest on the Bonds.
- Rating:** Standard & Poor’s Ratings Services, a division of McGraw-Hill Financial, Inc. has assigned the Bonds a rating of “AA-”. See “RATING” herein.
- Paying Agent and Bond Registrar:** UMB Bank, N.A., Kansas City, Missouri.
- Delivery:** The Bonds are expected to be delivered on or about August 12, 2015.
- Book-Entry Form:** The Bonds will be registered in the name of Cede & Co., as nominee for the Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds.
- The City’s Finances:** The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The City’s Fiscal Year commences on May 1 of each year and ends on the following April 30 (“Fiscal Year”). Additional information regarding the City’s finances are contained under the caption “THE CITY’S FINANCES.”

* Subject to Change

**OFFICIAL STATEMENT
OF THE
CITY OF BELLEVILLE, ST. CLAIR COUNTY, ILLINOIS
Relating to
\$8,500,000*
GENERAL OBLIGATION BONDS, SERIES 2015**

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, is provided by the City of Belleville, St. Clair County, Illinois (the "City"), to furnish information in connection with its issuance of \$8,500,000* principal amount of General Obligation Bonds, Series 2015 (the "Bonds").

The Bonds are being issued to provide funds, which together with proceeds from a prior issue of bonds, will be used to renovate a building for use as a new police station and to finance improvements to the City Hall (the "Project"). The use of proceeds from the Bonds is described in greater detail herein under the caption "THE PROJECT."

The Bonds are issued pursuant to applicable law including the power and authority of the City as a home rule unit under Section 6 of Article VII of the 1970 Constitution of the State of Illinois, and pursuant to and in accordance with an authorizing ordinance of the City Council expected to be adopted on August 3, 2015* (the "Bond Ordinance").

The Bonds are general obligations of the City, and the City's full faith, credit and taxing power have been pledged to the payment of the principal of and interest on the Bonds. The City is obligated to levy ad valorem taxes on all taxable property, without limitation as to rate or amount, for the payment of such principal and interest on the Bonds, provided that there will be no taxes levied for the principal or interest due on the Bonds on January 1, 2016 which will be paid with City funds deposited in the debt service account. The City may abate the levy for the payment of principal of and interest on the Bonds, in any year, with money legally available for such purpose.

Brief descriptions of the Bonds, the City, and the Project are included in this Official Statement. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the Bond Ordinance or any other documents are qualified in their entirety by reference to such documents, and references herein to the Bonds are qualified in their entirety by reference to the form thereof included in the Bond Ordinance.

THE BONDS

General Description

The Bonds will be issued in fully-registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry only form. The Bonds will be issued in the denomination of \$5,000 each or any authorized integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. See "APPENDIX B - BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds are dated as of the date of issuance and will mature on January 1 in each of the years and in the amounts shown on the cover page of this Official Statement. Interest on the Bonds will be payable on January 1, 2016 and semiannually thereafter on January 1 and July 1 to the person in whose name such Bond is registered at the close of business of the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding the interest payment date (the "Record Date") (1) by check or draft mailed by the Paying Agent or (2) in the case of an interest payment to the person owning \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such

owner upon written notice signed by such owner and given to the Paying Agent not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the name and address of the bank (which shall be in the continental United States), its ABA routing number, the account number to which such transfer is to be directed, and an acknowledgement that an electronic transfer fee may be applicable. So long as DTC or its nominee, Cede & Co., is the registered owner, such payments will be made by the Paying Agent/Bond Registrar directly to such registered owner. Disbursement of such payments to the DTC Participants is the responsibility of DTC. Distribution of such payments to the “Beneficial Owners”, as defined hereinafter, is the responsibility of the DTC Participants and Indirect Participants, as more fully described in “APPENDIX B - BOOK-ENTRY ONLY SYSTEM” herein.

Authority

The Bonds are issued pursuant applicable law including the power and authority of the City as a home rule unit under Section 6 of Article VII of the 1970 Constitution of the State of Illinois, and pursuant to and in accordance with the Bond Ordinance.

Security for the Bonds

The Bonds are direct general obligations of the City, and the City’s full faith, credit and taxing power have been pledged to the payment of the principal and interest on the Bonds. The City has the power and is obligated to levy, at or prior to the issuance of the Bonds, an ad valorem tax, on all taxable property in the City, in addition to all other taxes and without limit as to rate or amount, sufficient to pay the principal of and interest on the Bonds as the same respectively become due and payable.

The Bond Ordinance includes a provision for the levy of a direct, continuing annual tax upon all of the taxable property in the City, sufficient to produce the sum necessary in each year for the payment of interest when due on the Bonds and for the payment of the principal thereof, provided that there will be no taxes levied for the principal or interest due on the Bonds on January 1, 2016 which will be paid with City funds deposited in the debt service account. At the time the Bonds are sold, the City shall file the Bond Ordinance with the County Clerk of St. Clair County to provide for the levy of taxes for the payment of the Bonds. The City may abate the levy in any year (to the extent legally available funds are sufficient and set aside for such payment) by filing an abatement certificate with the County Clerk of St. Clair County. For additional information regarding the security and payment of the Bonds see the caption “DEBT OF THE CITY - Outstanding Debt and Payment.”

Redemption

The Bonds maturing on January 1, 2026 and thereafter are subject to redemption and payment prior to maturity at the option of the City on January 1, 2025 and thereafter, in whole or in part on any date, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date. When less than all outstanding Bonds are to be redeemed, such Bonds shall be redeemed in such order of maturity as shall be determined by the City, and Bonds of less than a full maturity shall be selected by the Paying Agent in \$5,000 units of principal amount by lot or such other equitable manner as the Paying Agent may determine.

In the event the City elects to exercise its option to redeem Bonds pursuant to the Bond Ordinance, written notice shall be given by first class mail to the registered owners of the Bonds to be redeemed at least 30 days but not more than 60 days prior to the redemption date.

THE CITY

General

The City is located in west-central Illinois approximately 20 miles east of downtown St. Louis, Missouri and covers an area of approximately 12.7 square miles. The City is the county seat of St. Clair County, Illinois, and is a part of the St. Louis, MO-IL Metropolitan Statistical Area (“St. Louis MSA”).

The City has a diverse economic base which includes manufacturing, retail trade, professional services, agriculture and mining.

Government

The City was incorporated in 1850 and is a “Home Rule Unit” organized and existing pursuant to the constitution and laws of the State of Illinois. The governing body is the City Council and is comprised of sixteen council members elected from wards. Two council members are elected from each of the City’s eight wards and serve four-year staggered terms. The Mayor, City Clerk and City Treasurer are elected at large, serve four-year terms and are full-time officials of the City.

The Mayor’s responsibilities include: presiding over City Council meetings, enforcing laws and ordinances of the City, and supervising City departments. The Mayor may cast a vote in the event of a tie, or if a measure has received a favorable vote of one-half of the City Council and there is no tie, or in the event of a tie when a vote greater than a majority is required. The Mayor may veto any ordinance, motion or resolution which creates a liability against the City or provides for the expenditure or appropriation of funds, provided, however, that a veto may be overridden by a two-thirds vote of the council members.

The City Council is divided into 9 committees. The committees are as follows: Economic Development & Annexation, Finance, Ordinance & Legal Review, Personnel, Public Health & Housing, Public Safety, Public Works, Traffic and Master Sewer. City business is referred to the appropriate committee where it is considered for action. Committees are responsible for presenting their opinions and recommendations to the City Council as a whole.

Employees

The City currently has approximately 313 full-time and 78 part-time employees. All employees, other than management and part-time employees, are represented by labor unions. Unions representing employees of the City include the Teamster’s Local 50, International Association of Firefighters Local 53, Operating Engineers #148, Laborers Local 459, Belleville Police Union Local 814, AFSCME 1765, and Local 116 Service Employees International Union. In addition, police dispatchers are represented by a collective bargaining unit.

The City has no record of a strike or work stoppage.

In recent years, major contracts have been negotiated with three year terms. Presently all contracts expired on April 30, 2015 except for the contract with the Operating Engineers #148 which expires on April 30, 2016. All contracts that expired on April 30, 2015 are currently being negotiated.

Flood Plain

A portion of the City lies in a flood plain that was flooded in 1996. The City received Federal grants to acquire the land and to acquire and demolish the homes that were affected by the flood.

Community Services

Utilities

The City owns and operates its sewer utility. The City's sewage treatment plant was built in 1938 and has undergone several additions and/or improvements since that time. A \$26 million renovation is nearing completion.

The plant is an activated sludge-type tertiary treatment facility. The plant has a design capacity to treat an average flow of 12.4 million gallons per day with a peak capacity of 20 million gallons per day including stormwater holding and high flow treatment.

Water service is provided by Illinois-American Water Company. The company has treatment capacity of 69.3 million gallons per day. Natural gas and electricity are provided by Ameren Corporation.

Public Safety

The City's Fire Department (the "Fire Department") employs 63 full-time firefighters and 2 full-time clerical employees. The Fire Department provides service from 4 fire stations located in the City's corporate limits. The City's fire insurance rating is presently "2," among ratings ranging from 1 to 10 with 1 as the highest rating. This rating is based on several factors including the number of firefighters and their training, the water distribution system, response time, fire fighting equipment and fire prevention programs of the Fire Department. Small portions of the City along its boundaries are served by fire protection districts.

The City's Police Department provides police protection throughout the corporate limits of the City. Services are provided by 85 full-time officers, 22 civilian staff and 5 part-time support staff. The police department provides several community service programs including Gang Awareness, Seminars and Neighborhood Watch.

Communications and Media

Telecommunication services are provided principally by AT&T. The City receives all St. Louis radio stations and television channels. Local newspapers include the Illinois Edition of the St. Louis Post Dispatch, published daily, and the Belleville News-Democrat, published daily. The City receives cable television from Charter Communication and AT&T.

The City owns a public library housed in a main library building and in a branch. An appointed Library Board is responsible for the operation and management of the City's library.

The main library encompasses 19,649 square feet. The library has an adult book collection, a children's book collection, as well as numerous periodicals, records and audio materials, and videos.

Recreation Activities and Attractions

The City's park system includes 20 parks encompassing 250 acres of land. The City's park system also includes the Nichols Center, a 17,000 square foot community center, and 12 playgrounds. Facilities are available at City parks for picnicking, tennis, softball and other ball sports, and hiking. There are lakes at three parks with fishing. In addition to City parks, there is a public golf course,

several private swimming pools, a tennis club, a skating center, a bowling alley and a nearby country club.

There are several attractions in or near the City including the following: the National Shrine of Our Lady of the Snows, a 200-acre expanse of unique architecture, imaginative landscaping and devotional areas; the Victorian Home-Museum, an 1866 home that now houses historic artifacts; the Emma Kunz Home Museum, a recreated 1830 Greek Revival house; the Cathedral of St. Peter, an 1842 cathedral rich with sculpture and stained glass; and Eckert's Country Store and Farms, an orchard open to the public that features seasonal fresh fruits and vegetables as well as holiday festivals and events. The Koerner House, a historic home, is presently being restored.

Medical Services

There are numerous hospitals located in the St. Louis Metropolitan Area, many of which are within easy access of the City. Within the City is Memorial Hospital and St. Elizabeth's Hospital. Collectively, the two hospitals operate approximately 843 beds. Long-term care is provided by 13 state licensed nursing homes and retirement communities in the City. In addition, numerous dentists and doctors provide medical services from offices located in the City.

Education

The public school system within the City is operated under the administration and control of school districts that are independent of the City, having their own elected or appointed officials, budgets and administrators. The majority of the City is served by Belleville Township High School District #201, providing high school education, and Belleville Public School District #118, providing elementary and middle school education. More than 10 other school districts overlap small portions of the City. Each of the districts is empowered to levy taxes, separate and distinct from those levied by the City. Collectively, the school districts own and operate twenty elementary, three junior high and two senior high schools.

Higher education is provided by the Southwestern Illinois College, a tax supported junior college district. Lindenwood University, which has a main campus in St. Charles, Missouri, recently added a campus in the City. In addition, there are ten major universities and colleges within commuting distance of the City including: Southern Illinois University of Edwardsville; McKendree University in Lebanon, Illinois; Washington University in St. Louis; and Saint Louis University.

Economic and Demographic Data

Economy

The City has a diverse economic base which includes manufacturing, retail trade, professional services, agriculture and mining.

The City is located approximately 7 miles from Scott Air Force Base which is the headquarters of several major and small Air Force commands. Scott Air Force Base employs approximately 13,000 employees. Many civilian and military personnel and retired personnel from Scott Air Force Base reside in the City.

Transportation

The City is intersected by Highway 159 which intersects with Interstate Highway 64 ten miles from the City. Interstate 64 intersects Interstate 55, connecting the City with St. Louis to the west, and Springfield and Chicago to the north. State Highway 15, which runs through the City, connects to Interstate 255 approximately 5 miles west of the City.

Regularly scheduled air passenger and freight service is available at Lambert-St. Louis International Airport approximately 35 miles west of the City. Private air service is available at the Parks Airport in Cahokia approximately 11 miles from the City.

MidAmerica Airport is located adjacent to Scott Air Force Base. MidAmerica Airport was constructed in order to convert the base to a joint military/commercial facility to enhance military operations and is intended to provide the St. Louis region with a second major commercial airport. MidAmerica is presently used for private and charter air service.

Commercial rail transport is provided by the Illinois Central Gulf Railroad and Norfolk & Southern railroad which traverses the Belleville area. In addition, Amtrak serves the City.

Public bus transportation is provided by the Bi-State Development Agency of the Missouri-Illinois Metropolitan District, a body corporate and politic established by a compact between Missouri and Illinois and approved by an Act of Congress. The public bus system provides access to and from most parts of the St. Louis Metropolitan Area.

MetroLink, the commuter railroad that serves the St. Louis area, offers service in St. Clair County and has 3 stations in Belleville that extend to Scott Air Force Base.

Population

The following table sets forth population statistics for the City:

<u>Year</u>	<u>Population</u>	<u>Change From Prior Census</u>
1970	41,223	—
1980	41,580	.87 %
1990	42,705	2.71
2000 ⁽¹⁾	42,685	(.05)
2010	44,478	4.20

(1) The United States Census Bureau released a 2000 population count of 41,410. The City determined that the Bureau of Census had omitted several annexed areas. As a result, the City paid for a recount by the Bureau of Census. The figure above reflects the revised census count.

Source: United States Department of Commerce, Bureau of Census.

Employment

The following table sets forth certain statistics relating to employment for the City and, for comparative purposes, St. Clair County and the State of Illinois:

	<u>Civilian Labor Force</u>	<u>Number Employed</u>	<u>Percent Unemployed</u>
The City of Belleville	22,384	20,671	7.7%
Other Entities:			
St. Clair County	128,850	116,895	9.3
State of Illinois	6,698,697	6,014,542	10.2

Source: U.S. Census Bureau, 2011-2013 American Community Survey 3-Year Estimates.

Major Employers

The largest employer in the area is Scott Air Force Base. Located approximately 7 miles from the City, Scott Air Force Base has approximately 13,000 employees. Scott Air Force Base is the home to the United States Transportation Command, which coordinates all military transportation movements, the Air mobility Command which handles transportation movements for the United States Air Force, the 375th Airlift Wing, 932nd Reserve Airlift Wing and the 126th Air National Guard Refueling Wing. In May 2005, the United States government announced the proposed closure of several bases throughout the nation under a program known as the Base Realignment and Closure Commission (BRAC). Scott Air Force Base was not a base proposed for closure.

The largest employers located within a seven mile radius of the City are as follows:

<u>Name</u>	<u>Service</u>	<u>Number of Employees</u>
Scott Air Force Base	Military/airport	13,000
Memorial Hospital	Healthcare	2,308
Southwestern Illinois College	Education	1,856
St. Elizabeth's Hospital ⁽¹⁾	Healthcare	1,353
St. Clair County	Government	989
Belleville School District 118	Education	620
Allsup, Inc.	Consulting	500
Township High School District 201	Education	455
Missionary Oblates of Mary Immaculate	Religious Order/Hotel/Restaurant	450
Wal-Mart	Retail Sales	391

(1) St. Elizabeth's Hospital has announced plans to construct a new hospital in O'Fallon and to retain the Belleville facility as a clinic. The timing of this transition and the impact on employment is not known at this time.

Source: *City of Belleville, Economic Development and Planning Department, 2015 Survey.*

Building and Construction Data

The following table sets forth the number and value of building permits issued for new construction in the City for the past five fiscal years:

<u>Fiscal Year</u>	<u>Residential</u>		<u>Commercial</u>		<u>Total</u>	
	<u># Units</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>
2011	50	\$7,383,700	1	\$ 1,805,000	51	\$ 9,188,700
2012	44	5,998,589	0	0	44	5,998,589
2013	32	4,616,460	0	0	32	4,616,460
2014	30	5,094,176	8	21,815,000 ⁽¹⁾	38	26,909,176
2015	23	3,132,811	15	14,727,760	38	17,860,571

(1) Primarily attributable to construction of new senior apartments and a nursing home by St. Paul's Home.

Source: *Office of the Building Inspector.*

Housing

The following table sets forth certain statistics relating to housing for the City and, for comparative purposes, St. Clair County and the State of Illinois:

	<u>Median Value of Owner Occupied Housing</u>	<u>% Built from 2000 or later</u>	<u>% Built Before 1940</u>
City of Belleville	\$101,500	10.6%	27.2%
Other Entities:			
St. Clair County	121,100	16.3	15.0
State of Illinois	172,600	11.9	22.7

Source: U.S. Census Bureau, 2011-2013 American Community Survey 3-Year Estimates.

Income

The following table sets forth certain income statistics for the City and, for comparative purposes, St. Clair County and the State of Illinois:

	<u>Per Capita Income</u>	<u>Median Family Income</u>	<u>% Population Below Poverty Level</u>
City of Belleville	\$23,715	\$58,159	20.5%
Other Entities:			
St. Clair County	26,084	61,655	19.3
State of Illinois	29,338	69,142	14.8

Source: U.S. Census Bureau, 2011-2013 American Community Survey 3-Year Estimates.

THE CITY'S FINANCES

Accounting and Reporting Practices

The accounts of the City are organized on the basis of funds and account groups. All funds of the City, except for its proprietary funds, are accounted for using the cash basis of accounting, a comprehensive method of accounting other than generally accepted accounting principles. Under the cash basis of accounting, revenues are recognized when received and available and expenditures are recognized when paid.

The proprietary funds are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

All funds of the City operate on a fiscal year commencing May 1 of each year and ending on April 30 of the following calendar year (the "Fiscal Year").

The City annually engages a certified public accountant for the purpose of performing an annual audit of the books of account, financial records, and transactions of the City.

Budget Process

An annual budget is prepared by the City's Finance Director acting as the City's Budget Officer. In establishing a budget, revenue estimates are made by the office of the Budget Officer. Expenditures are based upon requests provided by the department heads and elected officials. After expenditure requests are determined and revenues are estimated a hearing is held by the City's Finance Committee to consider such expenditures. The Finance Committee then makes recommendations to the Budget Officer regarding the expenditures. After a preliminary budget is prepared, a full budget is submitted to the Finance Committee and filed for public review for at least 30 days prior to its passage. In addition, a public hearing is held at least one week prior to its adoption. Prior to May 1 of each year, the City Council adopts the budget through the passage of an ordinance.

Summary of Operations

In accordance with established accounting procedures for governmental units, the City records its financial transactions under various funds. The largest is the General Fund, from which all general operating expenses are paid and to which taxes and all other revenues not specifically allocated by law or contractual agreement to other funds are deposited. The following table sets forth the revenues, expenditures and changes in fund balance for the General Fund for the fiscal years ended April 30, 2011 through 2014. As mentioned hereinbefore, the City uses the cash basis of accounting which is a method of accounting other than Generally Accepted Accounting Principles ("GAAP"). Accordingly, the following table is not intended to provide year to year comparisons consistent with GAAP:

General Fund
Revenues, Expenditures and Changes in Fund Balance
(Cash Basis of Accounting)

	Fiscal Year Ending April 30			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
REVENUE				
Utility Taxes	\$ 3,210,737	\$ 3,142,648	\$ 3,246,761	\$ 3,331,238
Licenses and permits ⁽¹⁾	1,660,194	1,501,601	1,249,291	1,507,146
Intergovernmental ⁽²⁾	14,434,418	13,769,157	16,381,260	15,750,299
Fines and Fees	361,646	573,861	452,102	439,455
Charges for Services	3,173,992	3,126,358	3,248,089	3,138,575
Interest	3,879	2,226	5,082	5,090
Contributions ⁽³⁾	510,874	18,809	19,163	67,391
Miscellaneous	538,541	582,570	573,555	415,437
Total Revenue	<u>23,894,281</u>	<u>22,717,230</u>	<u>25,175,303</u>	<u>24,654,631</u>
EXPENSES				
Current	23,683,491	23,609,656	24,230,913	24,961,937
Capital Outlay	1,024,666	305,920	210,666	486,593
Debt Service ⁽⁴⁾	<u>810,877</u>	<u>116,866</u>	<u>288,135</u>	<u>440,571</u>
Total Expenditures	<u>25,519,034</u>	<u>24,032,442</u>	<u>24,729,714</u>	<u>25,889,101</u>
REVENUE OVER (UNDER)				
EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(1,624,753)	(1,315,212)	445,589	(1,234,470)
OTHER FINANCING SOURCES (USES)				
Proceeds from Debt ⁽⁵⁾	147,404	921,342	—	—
Proceeds from Fixed Asset Sales	3,793	55,088	143,080	3,109
Payment to Escrow Refunding Agent ⁽⁵⁾	—	(1,104,600)	—	—
Net Transfers In ⁽⁶⁾	<u>1,617,848</u>	<u>1,472,594</u>	<u>1,432,183</u>	<u>1,504,492</u>
Total Other Financing Sources (Uses)	1,769,045	1,344,424	1,575,263	1,507,601
NET CHANGE IN FUND BALANCE⁽⁷⁾				
	144,292	29,212	2,020,852	273,131
FUND BALANCE				
BEGINNING OF YEAR	<u>1,834,322</u>	<u>1,978,614</u>	<u>2,007,826</u>	<u>4,028,678</u>
FUND BALANCE				
END OF YEAR	<u>\$ 1,978,614</u>	<u>\$ 2,007,826</u>	<u>\$ 4,028,678</u>	<u>\$ 4,301,809</u>

Footnotes to Prior Page

- (1) To improve its financial condition, on May 1, 2010, the City implemented a Vehicle Registration Fee. During the 2011 Fiscal Year, the City approved an additional ¼% sales tax, effective January 1, 2012 to replace the vehicle registration fee. Due to the termination of the vehicle registration fee prior to the end of the year, residents were entitled to apply for and receive a 50% refund which resulted in a decline in revenues in the 2012 Fiscal Year.
- (2) As described below under the subcaption “Revenue Sources,” the City derives a substantial portion of Intergovernmental Revenue from State Income Taxes that are intended to be distributed to local governments monthly. In recent years, the State has periodically been late in its payments to local governments. As a result, in the 2011 Fiscal Year the City received 13 payments, in the 2012 Fiscal Year the City received 11 payments, in the 2013 Fiscal Year the City received 14 payments and in the 2014 Fiscal Year the City received 12 payments.
- (3) During the 2011 Fiscal Year an individual made a contribution relating to the development of a small park near City Hall.
- (4) The City does not levy a separate tax for payment of debt service on bonds, loans or leases. Payment of debt service is made by the fund from which the capital acquisition or construction project is attributable. For the 2011 Fiscal Year debt service included a loan for a park that was partially prepaid with the contribution described in note (3) above.
- (5) Represents a portion of proceeds or expenses relating to debt obligations that are allocable to the General Fund.
- (6) Transfers principally represent amounts transferred to the General Fund that are allocable to general government functions.
- (7) To improve its financial condition on May 1, 2010, the City implemented a Vehicle Registration Fee. During the 2011 Fiscal Year, the City approved an additional ¼% sales tax, effective January 1, 2012 to replace the vehicle registration fee. This sales tax was approved with a sunset date of December 31, 2013. In August 2013, the sunset date was extended to December 31, 2017.

Source: Audited Financial Statements of the City.

Revenue Sources

The City derives its revenues from a variety of sources. The following list sets forth the primary sources of City revenues for the general fund for the 2014 Fiscal Year:

	<u>Amount</u>	<u>Percent of Revenues</u>
INTERGOVERNMENTAL		
State Income Tax	\$ 4,300,805	17.44%
Sales Tax	8,283,191	33.60
Local Use	759,281	3.08
Personal Property Replacement Tax	271,357	1.10
Telecommunications Tax	1,447,628	5.87
Gaming Tax	65,549	0.27
Grants	<u>622,488</u>	<u>2.52</u>
	<u>15,750,299</u>	<u>63.88</u>
LOCAL TAXES (Utility Tax)	3,331,238	13.51
LICENSES AND PERMITS	1,507,146	6.11
FINES AND FORFEITURES	439,455	1.78
CHARGES FOR SERVICES	3,138,575	12.74
OTHER	<u>487,918</u>	<u>1.98</u>
	<u>\$24,654,631</u>	<u>100.00%</u>

Source: Audited Financial Statements of the City.

Revenues classified as intergovernmental revenue comprise the largest source of general fund revenue. The following is a brief description of intergovernmental revenue:

Sales Taxes

Sales taxes are collected by the Illinois Department of Revenue and distributed to the City monthly. The State of Illinois charges a 6¼% sales tax of which 1% is distributed to cities based on sales within their corporate limits. In 1990, the State authorized home rule municipalities to impose additional local sales taxes. There is no limit on the amount of the sales tax; provided that it must be implemented in increments of ¼%. The City has had a local ¼% sales tax since 1990. The 1% and ¼% sales tax described above are referred to herein as the “General Sales Tax”.

The following table sets forth the General Sales Tax receipts for the 2010 through 2014 Fiscal Years:

<u>Year</u>	<u>General Sales Taxes</u>	<u>Percentage Change</u>
2010	\$7,139,767	—
2011	6,911,822	(3.20)%
2012 ⁽¹⁾	7,408,456	7.19
2013 ⁽¹⁾	8,429,913	13.79
2014	8,283,191	(1.74)

(1) For the 2012 Fiscal Year the sales taxes included one month of tax collections taxes from a temporary ¼% sales tax described below. For the 2013 Fiscal Year sales tax included a full year of tax collections from the addition of the ¼% sales tax.

Source: *Audited Financial Statements of the City.*

To address a decline in revenues primarily attributable to the withholding of state income taxes by the State of Illinois, on September 19, 2011, the City passed an ordinance to adopt an additional ¼% sales tax for general corporate purposes. The tax became effective on January 1, 2012 and had a sunset date of December 31, 2013 which was subsequently extended to December 31, 2017. The tax replaced a temporary vehicle registration fee that was implemented on May 1, 2010.

On June 20, 2005, the City passed an ordinance to adopt a ¼% sales tax in addition to the General Sales Tax (referred to herein as the “Street Sales Tax”). Although the City may use this sales tax for any lawful purpose, since its passage the City has allocated the tax for the retirement of principal and interest on bonds used to finance street improvements. In particular, the City expects to utilize the Street Sales Tax to pay for a portion of the principal and interest on the General Obligation Bonds, Series 2011B Bonds, the principal and interest on the General Obligation Bonds, Series 2012 Bonds and, to the extent available, for payment of the principal and interest on the General Obligation Bonds, Series 2011A Bonds or other street projects. The Street Sales Tax is accounted for in the “2011 Bond Fund.”

The following table sets forth the Street Sales Tax receipts for the 2010 through 2014 Fiscal Years:

<u>Year</u>	<u>Street⁽¹⁾</u>
2010	\$1,085,695
2011	1,143,748
2012	1,151,981
2013	1,152,372
2014	1,139,439

(1) This tax is not imposed on car dealership sales.

Source: Audited Financial Statements of the City.

State Income Taxes

Illinois municipalities and counties receive a portion of the Illinois State income tax as a form of revenue sharing. A portion of the Illinois State income taxes are deposited into the Local Government Distributive Fund and are then distributed to municipalities and counties monthly. The amount of such funds allocable to each such municipality and county is the proportion of the number of individual residents of such municipality or county to the total population of the State, determined in each case on the basis of the latest census of the State, municipality or county conducted by the Federal government and certified by the Secretary of State. In recent years, the State of Illinois' distributions to local government have been delayed due to financial constraints which has affected the City's finances beginning with the 2010 Fiscal Year.

2015 Unaudited Results and 2016 Budget

The City's 2015 Fiscal Year ended on April 30, 2015. Based on the City's financial records, the City has estimated that the year-end General fund balance was approximately \$3,815,000. The decline in the fund balance compared to the 2014 Fiscal Year was attributable to an arbitration ruling with the International Association of Firefighters Local 53 resulting in back pay to firefighters totaling approximately \$240,000 and the expenditure of \$307,000 for the acquisition of a building to temporarily house certain governmental functions until renovations to the City Hall are completed. In addition to the General Fund balance, for the 2015 Fiscal Year the City has estimated an ending balance of approximately \$375,000 for the Working Cash Fund.

For the 2016 Fiscal Year, the City budgeted a General Fund ending fund balance of approximately \$3,200,000. The budgeted decline in the fund balance is attributable to an extra pay period during the 2016 Fiscal Year. To enhance the City's annual cash flow, the City maintains a Working Cash Fund. For the 2016 Fiscal Year, the City budgeted an ending balance of \$375,000 for the Working Cash Fund.

PROPERTY TAXATION

Tax Procedures

Real estate and railroad property, not used for transportation, are assessed by the St. Clair County Assessor. Railroad property used for transportation, private car lines, pollution control equipment and capital stock are assessed by the Illinois Department of Revenue. The Department is also responsible for establishing the rules and supervising the assessment of property and assigning multipliers or equalization ratios to each county.

The county assessor's valuations are subject to appeal by the taxpayer and then to equalization by the Illinois Department of Revenue. The purpose of equalization is to develop a common level of assessment among counties to provide, among other things, a uniform basis for the distribution of State grant-in-aid programs and to minimize problems in the distribution of the tax burden of a governmental unit in more than one county. The multiplier is applied to all assessments, other than farmland, in a county in order to bring the level of assessment as close as possible to the statutory standard. The statutory standard for assessed values is 33 1/3% of fair cash value for non-farmland and 33 1/3% of the agricultural economic value for farmland. Agricultural economic value is determined on the basis of a productivity index. The index is based on moving averages for the most recent five-year period for which statistics are available relating to various information, including: (i) gross income, (ii) production costs and (iii) net return to land.

Taxable property is reassessed quadrennially. Between these quadrennial assessments, the assessor has the authority to revalue properties whose condition has altered significantly since the last assessment and any other properties which may be incorrectly assessed.

An annual tax levy, in dollar amounts, is established by the City each fiscal year and is certified and filed with the County Clerk of St. Clair County (the "County") not later than the last Tuesday in December. Taxes levied for the current year are collected in the next succeeding year. The County Clerk is responsible for establishing the rate of tax required to produce a net amount of funds not less than the total amount directed to be levied by the City. Pursuant to "The Truth in Taxation Act" of the state of Illinois (P.A. 82-102, approved and effective July 29, 1981), the City is required to disclose by publication and to hold a public hearing on its intention to adopt an aggregate levy in amounts more than 105% of the amount of property taxes extended or estimated to be extended upon the levy of the preceding year, exclusive of election costs, as a condition precedent to such increased levy by the City of the extension thereof by the County Clerk. The provisions of the Truth in Taxation Act do not apply to levies made to pay debt service on bonds.

By Illinois statute, taxes on real property are due in two equal installments on June 1 and September 1 of each year following the date of the tax levy, provided that a county board may elect by ordinance adopted prior to July 1 of a levy year to provide for taxes to be paid in 4 installments. The volume of assessment complaints required to be reviewed by the Board of Review, changes in assessment procedures and late submission of assessment data by taxing districts to the Board of Review, among other things, can substantially affect the date in which bills are actually mailed and taxes are due. Delinquent taxes accrue interest at the rate of 1½% per month until they are paid or until the property is forfeited.

By Illinois statute, the County has a first lien upon real property for payment of taxes. Delinquent taxes may be collected by judicial foreclosure. If an arrearage remains after the last tax payment is due, a Treasurer's tax sale occurs, usually within six months. Participants in this sale are not purchasing the actual property, but merely the taxes owed. If the taxes are not sold, the property remains with a county trustee. If the property owner fails to pay all owed taxes plus interest within two years, the property itself is sold in an auction. The new owner must then pay the tax agent or county trustee the back taxes and interest. Detailed procedures covering the sale of property for delinquent taxes are prescribed in the Illinois Property Tax Code.

The County Treasurer is responsible for tax collections and distributions to the City and other taxing districts. Distributions are made as soon as sufficient funds are available for this purpose.

Exemptions

Principal categories of exempt property are property used for religious, educational, or charitable purposes, property of the United States, property of the State of Illinois and political subdivisions thereof, homes used by disabled veterans, and property of not-for-profit corporations. Personal property was exempted from taxation after January 1, 1979.

An annual General Homestead Exemption provides that the Equalized Assessed Valuation of certain property owned and used for residential purposes (“Residential Property”) may be reduced by the amount of any increase over the 1977 Equalized Assessed Valuation, up to a maximum reduction of \$5,500 for the 2008 tax year and \$6,000 for taxable year 2009 and thereafter (the “General Homestead Exemption”).

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the 2 years following a catastrophic event. The exemption is limited to \$75,000 per year beginning January 1, 2004 and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption operates annually to reduce the Equalized Assessed Valuation on a senior citizen’s home. For taxable years 2008 and thereafter, the maximum reduction is \$4,000 in all counties. Furthermore, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro-rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older and have annual incomes of \$55,000 or less. In general, the Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. Through taxable year 2005 and for the taxable year 2007 and later, the exempt amount is the difference between (i) the current Equalized Assessed Valuation of their residence and (ii) the base amount, which is the Equalized Assessed Valuation of a senior citizen’s residence for the year prior to the year in which he or she first qualifies and applies for the Exemption (plus the Equalized Assessed Valuation of improvements since such year).

Another exemption available to disabled veterans operates annually to exempt up to \$70,000 of the assessed valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals. However, individuals claiming exemption under the Disabled Persons’ Homestead exemption (the “DPH Exemption”) or the Disabled Veterans Standard Homestead Exemption (the “DVSH Exemption”) cannot claim the aforementioned exemption.

Furthermore, beginning with assessment year 2007, the DPH Exemption provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the DVSH Exemption cannot claim the aforementioned exemption.

In addition, the DVSH Exemption provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of 75% are granted an exemption of \$5,000 and (ii) those veterans with a service-connected disability of less than 75%, but at least 50% are granted an exemption of \$2,500. Furthermore, the veteran’s surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. Moreover, if the property is sold by the surviving spouse, then an exemption amount not to exceed the amount specified by the current property tax roll may be transferred to the spouse’s new residence, provided that it is the spouse’s primary residence and the spouse does not remarry. However, individuals claiming exemption as a disabled veteran or claiming exemption under the DPH Exemption cannot claim the aforementioned exemption.

Beginning with assessment year 2007, the Returning Veterans' Homestead Exemption (the "RVH Exemption") is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of \$5,000, which is applicable in all counties. In order to apply for the RVH Exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, "or a leasehold interest of land on which a single family residence is located, which is occupied as a principle residence of a veteran returning from an armed conflict involving the armed forces of the United States who has an ownership interest therein, legal, equitable or as a lessee, and on which the veteran is liable for the payment of property taxes." Those individuals eligible for the RVH Exemption may claim the RVH Exemption, in addition to other homestead exemptions, unless otherwise noted.

Property Assessment

The following table indicates the equalized assessed valuation for the City for the past five tax years:

<u>Year</u>	<u>Non-Farm Property</u>	<u>Farm Property</u>	<u>Total Equalized Assessed Valuation</u>
2010	\$435,780,069	\$1,866,619	\$437,646,688
2011	432,539,694	1,997,511	434,537,205
2012	419,716,316	1,935,166	421,651,482
2013	403,670,456	2,165,961	405,836,417
2014	398,890,693	2,163,921	401,054,614

Source: Office of the St. Clair County Clerk.

The following table sets forth the composition of the 2014 equalized assessed valuation and the estimated market value:

<u>Assessment Category</u>	<u>Assessed Value</u>	<u>Market Value</u>
Residential	\$298,105,105	\$ 894,315,315
Commercial	91,921,004	275,763,012
Industrial	8,194,566	24,583,698
Railroads	670,018	2,010,054
Farmland ⁽¹⁾	<u>2,163,921</u>	<u>2,163,921</u>
Total Taxable Properties	<u>401,054,614</u>	<u>1,213,177,329</u>
Exemptions (Homestead and Others)	81,704,595	81,704,595
Abated Value	370,217	1,110,651
Incremental Property Value in TIF Areas	<u>165,584,439</u>	<u>496,753,317</u>
Total All Properties	<u>\$648,713,865</u>	<u>\$1,792,745,892</u>

(1) The value of farmland is based on productivity value rather than market value.

Source: Equalized assessed values were provided by the County Clerk.

Tax Rates

The following table sets forth the City's tax rates per \$100 equalized assessed valuation for the tax years 2010 through 2014:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General ⁽¹⁾	\$.0872	\$.0975	\$.0949	\$.0777	\$.0773
Retirement (I.M.R.F)	.2342	.2634	.2838	.3205	.3437
Fire Pension	.5003	.4594	.5233	.5421	.6317
Police Pension	.4658	.4807	.4940	.5670	.5261
Liability Insurance	.0869	.1245	.1296	.1603	.1816
Playground & Rec	.0823	.0852	.0891	.0912	.0923
Library	.2628	.2728	.2811	.2982	.3018
Bond and Interest	—	—	—	—	—
	<u>\$1.7195</u>	<u>\$1.7835</u>	<u>\$1.8958</u>	<u>\$2.0570</u>	<u>\$2.1545</u>

- (1) During the 2008 Fiscal Year, the City became self-insured, established the City's Insurance Fund, and contributed General Fund monies for the start-up. In order to repay the general fund loan, the City implemented a general tax levy which it presently deposits in the Insurance Fund. Insurance Fund repayments to the General Fund are accounted for in the "Miscellaneous" line item. For additional information, see Note 6 and Note 10 in the Audited Financial Statements included as APPENDIX A to this Official Statement.

Source: *Office of the County Clerk.*

Tax Extensions and Collections

<u>Tax Year</u>	<u>Taxes Extended</u>	<u>Taxes Collected</u>	<u>% Collected</u>
2009	\$7,305,625	\$7,248,774	99.22%
2010	7,525,335	7,661,890	101.81
2011	7,749,972	7,702,405	99.39
2012	7,993,667	7,946,502	99.41
2013	8,348,055	8,304,947	99.49

Source: *Audited Financial Statements and City financial records.*

Major Taxpayers

The following table sets forth information regarding the top taxpayers in the City based on 2014 assessed valuation:

<u>Taxpayer</u> ⁽¹⁾	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u> ⁽²⁾
THF Green Mount Development LLC	\$4,715,370	0.83%
Wal-Mart Stores, Inc.	4,180,893	0.74
AT Belleville Crossings IL Inline LLC	2,990,777	0.53
Target Corporation	2,727,533	0.48
THF Belleville Development LP	2,649,232	0.47
Stokes Distributing LLC	2,381,441	0.42
Home Depot USA, Inc.	1,995,361	0.35
Regions Bank	1,855,348	0.33
Memorial Healthcare Service I	1,648,032	0.29
Illinois American Water Co.	1,493,405	0.26

- (1) All of the taxpayers above are located in tax increment financing areas, as described in the subcaption “Tax Increment Financing” below, except for Illinois American Water Co. and Stokes Distributing.
- (2) Based on the ratio of the assessed valuation of the taxpayer to the taxable assessment of the City including the incremental property value in TIF Areas which is equal to \$566,639,053 (\$401,054,614 plus \$165,584,439).

Source: *Office of the County Assessor*

Tax Increment Financing

The City of Belleville has several Tax Increment Financing Redevelopment Project Areas that were established to provide a funding mechanism to promote and enhance redevelopment of specific areas of the City. Incremental revenues, as described hereinafter, generated within the districts are retained by the City and used for a variety of activities including; acquisition of property, infrastructure improvements, low interest loans to businesses and other eligible costs as specified in Illinois statutes and included in the Tax Increment Financing Plans as required to be adopted by the City for each Tax Increment Financing Area.

Pursuant to the Tax Increment Allocation Redevelopment Act (the “Act”), cities may implement Tax Increment Financing in order to induce development in areas which qualify as a conservation, industrial park conservation or blighted area pursuant to the Act. Tax Increment Financing provides a source of funds by which a city may pay for Redevelopment Project Costs (as defined by the Act) over a period not longer than twenty-three years from the date in which Tax Increment Financing was adopted.

Pursuant to the Act, a city designates Tax Increment Financing by approving ordinances adopting a Redevelopment Plan, a Redevelopment Project, tax increment finance and designating a Redevelopment Area (“TIF Area”). The certified total equalized assessed valuation of a TIF Area, as determined by the Assessor immediately following passage of the ordinance designating the TIF Area, is considered the initial equalized assessed valuation. All taxes collected by applying the tax rate of all taxing bodies having the power to tax real property in the TIF Area upon any increase in the equalized assessed valuation over the initial equalized assessed valuation is deposited in a Special Tax Allocation Fund for the TIF Area. Monies in the Special Tax Allocation Fund may be used for payment of Redevelopment Project Costs or for payment of principal and interest on obligations issued to finance Redevelopment Project Costs.

In 1986, the State passed legislation (Public Act 84-1417) that allowed cities to use incremental sales taxes, as described hereinafter, generated from TIF Areas formed prior to January 1, 1987. Incremental sales taxes are the amount of state and local sales taxes generated from a TIF Area above the amount of such taxes generated in the year prior to the adoption of the TIF Area. As a result of this legislation numerous municipalities enlarged existing TIF Areas or created new TIF Areas. Due to the loss of State sales tax revenue, in 1988 legislation was introduced (Public Act 85-1142) which modified and limited the amount of incremental sales tax that could be passed on to municipalities with active TIF Areas.

Public Act 85-1142, includes complicated formulas that set forth the amount of State sales taxes that the State is obligated to distribute to municipalities as incremental revenues. The amount of revenue each municipality may receive is in part dependent upon the performance of all sales tax TIF Areas in the State.

Tax increment financing may affect the future finances of the City. During the time in which tax increment financing is in effect, the City may not realize any increase in ad valorem taxes attributable to any increase in assessed valuation in the applicable TIF area. Some of the City's outstanding bonds are being paid from incremental sales tax revenues derived from the State. Receipt of a substantial portion of such incremental sales tax revenues is subject to annual appropriation by the State and there is no assurance that appropriations will be made nor that legislation will not be amended changing the amount of State sales tax distributions. In the event of a reduction in incremental sales tax revenues the City would be required to appropriate available money from current City funds or allow the extension of property taxes for payment of the bonds that the City presently abates annually. In addition, some of the City's tax increment financing obligations are being paid from the City's sales tax revenues derived from the respective TIF Area.

Following, is a brief description of the various active TIF Areas in Belleville:

TIF #1 was established in 1982 and encompasses a four square block area northwest of the City's downtown square. The TIF was formed for the purpose of providing financing for public improvements required to stimulate the construction of a bank building for Magna Bank. TIF funds were used to finance land acquisition, sidewalk improvements, and municipal parking lots. St. Clair County recently purchased the Magna Building and relocated certain county offices to the facility. Magna is leasing back a part of the space for their use. As a result of the change from private to public ownership, the City will realize a decrease in the amount of incremental property taxes. The initial assessed valuation of this TIF is \$380,542 and the 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$486,175.

TIF #2 was formed in 1985 and covers a two block area northeast of the City square bounded by Illinois Street, Jackson Street, Main Street and East "A" Street. The TIF was formed to provide funding support for the Bank of America building (formerly known as the Boatmen's Bank building). The City used incremental revenue for the purchase of property, building demolition and construction of a parking lot and other improvements. The initial assessed valuation of this TIF is \$815,215 and the 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$536,967.

TIF #3 was established in 1986 and encompasses approximately 70% of the entire corporate limits of Belleville. The purpose of the TIF is to provide funding support for several commercial projects including the Westfield Plaza development located along North 74th Street and Old St. Louis Road. Other developments in this TIF included the construction of the Richland Creek Office Complex, the Carlyle Plaza Marketplace, and a 170,000 sq. ft. Operations Center for Magna Group. The term of the TIF was originally December 2009 and has been extended to December 2021. The initial assessed valuation of this TIF is \$99,586,087 and the 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$115,106,895.

The City has intergovernmental agreements with several of the taxing districts having properties within TIF # 3 whereby the City makes payments to the various districts for the property taxes captured by the TIF. A complex formula is used to determine the payment level but generally is based on a formula of the initial assessment compared to their tax levy and the current tax base for the entire TIF.

TIF #3 was originally established with the objective of obtaining incremental sales taxes. Effective December 2013, the City no longer receives incremental sales tax revenue.

TIF #4 is a small TIF Area that was established for the purpose of providing financial assistance for proposed new commercial project. The TIF Area is presently inactive and the project did not move forward. The initial assessed valuation of the TIF Area is \$32,239 and the 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$57,851.

TIF #8 (Downtown South) was established in 1999. The District covers an area from Lincoln Street, between 3rd Street and High Street, and the railroad right-of-way (downtown Belleville). Several commercial projects have been completed and several other commercial projects are in the preliminary stages of design. The initial assessed valuation of this TIF is \$2,307,233. The 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$1,282,469.

TIF #9 (Southwinds) was established in 1999. TIF #9 includes five adjoining lots consisting of 10 acres along Lebanon Avenue, between Central Plaza and Southwinds Drive. Private development in the area is to consist of commercial buildings. The initial assessed valuation of TIF #9 is \$0. The 2013 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$1,001,182.

TIF #10 (Lower Richland Creek) is comprised of an area that was annexed and established as a TIF Area in 2000. TIF #10 encompasses approximately 1,800 acres in size and is located in the southwestern quadrant of the City, between Illinois Routes 15 and 159. The redevelopment plan and agreement contemplate the construction of several hundred homes, villas, an assisted living complex, a golf course and a convention center. The developer originally selected by the City and the City has entered into a new agreement for the construction of 390 homes. The initial assessed valuation of this TIF is \$290,492. The 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$11,723,442.

TIF #11 (Industrial Job's Recovery) was established in 1999. TIF #11 is located at the northwest corner of Greenmount Road and Illinois Route 177/Mascoutah Avenue, extending northward to Windrift Drive and westward, stopping parallel to College Avenue. The first phase of the development has been completed with the construction of a golf driving range and related amenities. The initial assessed valuation of TIF #11 is \$30,001. The 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$265,980.

TIF #12 (Sherman Street) was established in 2001. TIF #12 is located in the eastern portion of the City and encompasses approximately 69 acres. The infrastructure improvements within this area are expected to result in new commercial development. The initial assessed valuation of TIF #12 is \$4,176,415. The 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$1,616,596.

TIF #13 (Drake Road) was established in 2001. TIF #13 is located in the northwest portion of the City and encompasses approximately 45 acres. The redevelopment plan provides for the extension of a sewer line as part of a joint venture with the Village of Swansea. The City contributed \$60,000 for its share of the project cost. The sewer line extension is expected to result in new residential and commercial construction. The initial assessed valuation is \$562 and the 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$473,331.

TIF #14 (Route 15 East) was established in 2005. TIF #14 encompasses approximately 390 acres that were recently annexed by the City. The area is in the Eastern portion of the City near Freeburg. The redevelopment plan provides for up to \$9,650,000 of City financing for roadway construction and improvements and for utilities. The public improvements are intended to result in the development of automobile dealerships and additional commercial uses. The initial assessed valuation is \$598,400. The 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$1,151,861.

TIF #15 (Carlyle/Green Mount) was established in 2006. The District is 140 acres in size centered at the northeast corner of Illinois Route 161 and Greenmount Road. The redevelopment plan provides for up to \$23,190,000 of City financing for the construction of street improvements, utility improvements, drainage improvements, a fire station and a park. TIF funds were used in the development of a retail complex anchored by Lowe's home improvement center, which opened in 2007, and a Super Wal-Mart, which opened in 2008. Funds were also used to develop a number of out parcels that are currently under construction. The City expects a significant increase in sales tax revenue due to this new development. The initial assessed valuation is \$59,453. The 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$17,781,635.

TIF #16 (Route 15 Corridor) was established in 2006. TIF #16 is located in the Illinois Route 15 and 17th Street and encompasses approximately 450 acres. The redevelopment plan provides for \$4,150,000 of City financing for public improvements. The public improvements are intended to result in the development of automobile dealerships, single family housing and commercial uses. The initial assessed valuation is \$352. The 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$2,452,001.

TIF #17 (East Main St.) was established in 2005. TIF #17 is located on East Main Street near the City's central business district and encompasses approximately 24 acres. The redevelopment plan provides for \$4,150,000 of City financing for public improvements. The public improvements are intended to result in the development of a mixed use residential/commercial project. The initial assessed valuation is \$3,371,606. The 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$439,822.

TIF #18 (Scheel Street) was established in 2008. TIF #18 is approximately 83 acres and is bounded roughly by Scheel Street on the west, Florida Avenue on the North, Carlyle Avenue on the east and Missouri Avenue on the south. TIF #18 was established to eliminate blighting factors and to promote a mixed-use residential/commercial development centered on the MetroLink light rail transit system. It is anticipated that TIF #18 revenues will be used for infrastructure improvements. The initial assessed valuation is \$2,540,531. The 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$360,650.

TIF #19 (Frank Scott Parkway Redevelopment Project) was established in 2006. TIF #19 is located at Route 15 and Frank Scott Parkway. TIF #19 encompasses approximately 350 acres. Within TIF #19 is a \$50,000,000 retail complex anchored by Home Depot and Target. The redevelopment plan calls for infrastructure and road work. The initial assessed valuation is \$48,084. The 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$10,286,993. Five phases of commercial development are planned with a private investment of \$150,000,000.

TIF #20 (Route 15/South Green Mount Road) was established in 2009. TIF #20 is approximately 30 acres in size and is located at the northwest corner of Illinois Route 15 and South Green Mount Road. TIF #20 was site specific and related to assistance for Eckert's Orchard and roadway improvements along South Green Mount Road. The initial assessed valuation is \$542,951. The 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$502,948.

TIF #21 (Belle Valley III) was established in 2010. TIF #21 is approximately 190 acres and is generally bounded on the north by Green Mount Lane, on the west and south by Freeburg Ave. (Route 13) and Route 13/15, and on the east by the east property line of a parcel of private property. TIF #21 was established to aid in the expansion of the Belle Valley Industrial Park Phase III. TIF #21 funds are expected to be used for infrastructure improvements to accommodate Belle Valley III Industrial Park. The initial assessed valuation is \$13,787. The 2014 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$47,642.

DEBT OF THE CITY

General

As a Home Rule Unit, the City is not subject to statutory debt limits. In addition, the City may issue general obligation bonds payable from unlimited ad valorem taxes to finance capital improvements without voter approval.

Outstanding Debt and Payment

As indicated above, as a Home Rule Unit the City is not subject to statutory debt limits. In order to obtain the lowest cost of financing, the City ordinarily issues general obligation bonds for its borrowing needs and then repays the debt from the general fund, special revenue fund or enterprise fund relating to the borrowing.

The following is a list of the City's outstanding general obligation bonds, the fund(s) from which debt service payments are made and the current outstanding principal balance:

<u>Issue Name</u>	<u>Source of Payment</u>	<u>Principal</u>
General Obligation Refunding Bonds, Series 2009	Sewerage Fund and General Fund	\$ 2,615,000
General Obligation Bonds, Series 2011A	Tax Increment Financing Districts #3 and #14, General Fund and Street Sales Tax ⁽¹⁾	5,000,000
General Obligation Refunding Bonds Series 2011B	Street Sales Tax, Sewerage Fund and General Fund	4,720,000
General Obligation Refunding Bonds Series 2012	Street Sales Tax	6,860,000
General Obligation Bonds Series 2014 (the "Series 2014 Bonds")	Tax Increment Financing District #3 and General Fund ⁽²⁾	9,495,000
General Obligation Bonds Series 2015	Tax Increment Financing District #3 and General Fund ⁽²⁾	<u>8,500,000*</u>
Total		<u>\$37,190,000*</u>

(1) A small portion of the proceeds were used to reimburse the City for a street constructed in Tax Increment Financing District #14. Most of the proceeds are being spent for the reconstruction of a street located in Tax Increment Financing District #3. The City intends to pay for this portion of the bonds from Tax Increment Financing District #3 until 2021, at which time the District expires, and thereafter from the Street Sales Tax. After 2021, and to the extent the Street Sales Tax is insufficient to pay the bonds, the City intends to pay for the bonds from the City's General Fund.

* Subject to Change

Footnotes to Prior Page Continued

(2) The City intends to pay for the Series 2014 Bonds and the Bonds from Tax Increment Financing District #3 until 2021, at which time the District expires. After 2021, the City will pay for the Series 2014 Bonds and the Bonds from an extension of sales taxes or an increase in the General Fund property tax rate. Alternatively, the City may allow the tax levy included in the Bond Ordinance to be extended as a debt service tax levy.

The following table sets forth the debt service on the City's outstanding general obligation bonds allocated to the fund from which debt service is expected to be paid as of the date of this Official Statement:

<u>Fiscal Year</u>	<u>General Fund</u> ^{(1)*}	<u>Sewer Fund</u>	<u>TIF Funds</u> ^{(1)*}	<u>Street Sales Tax</u>	<u>Total Debt Service</u> ^{(2)*}
2016	\$ 205,800	\$ 840,708	\$1,192,125	\$ 893,834	\$ 3,132,467
2017	210,981	896,444	1,523,000	1,007,383	3,637,808
2018	15,629	243,133	1,525,900	1,004,845	2,789,507
2019	15,613	242,880	1,522,900	1,009,980	2,791,373
2020	15,858	246,685	1,519,150	1,052,455	2,834,148
2021	15,757	245,125	1,519,700	1,052,205	2,832,787
2022	15,635	243,218	1,519,350	1,046,505	2,824,708
2023	1,538,891	245,651	—	1,052,805	2,837,347
2024	1,536,662	247,535	—	1,052,165	2,836,362
2025	1,538,195	244,153	—	1,049,625	2,831,973
2026	1,539,206	249,772	—	1,050,625	2,839,603
2027	1,285,919	245,306	—	1,158,800	2,690,025
2028	1,285,307	245,118	—	1,158,550	2,688,975
2029	1,267,700	—	—	1,156,050	2,423,750
2030	1,273,475	—	—	1,161,300	2,434,775
2031	1,268,675	—	—	1,157,750	2,426,425
2032	1,272,475	—	—	—	1,272,475
2033	1,264,475	—	—	—	1,264,475
2034	1,265,075	—	—	—	1,265,075
2035	1,267,075	—	—	—	1,267,075
2036	582,400	—	—	—	582,400
Total	<u>\$18,680,803</u>	<u>\$4,435,728</u>	<u>\$10,322,125</u>	<u>\$17,064,877</u>	<u>\$50,503,533</u>

(1) A portion of the principal and interest on the General Obligation Bonds, Series 2011A is allocable to Tax Increment Financing District #14 and the balance is allocable to Increment Financing District #3 until the Tax Increment Financing District #3 is terminated. The City intends to pay the General Obligation Bonds, Series 2011A from Tax Increment Revenues. After the Tax Increment Financing District #3 is terminated, debt service is expected to be paid from property taxes or sales taxes. In addition, to the extent that revenues from Tax Increment Financing District #14 are insufficient to pay for that portion of the General Obligation Bonds, Series 2011A allocable to Tax Increment Financing District #14, the debt service will be paid from the General Fund or the Street Sales Tax. The City intends to pay for the Series 2014 Bonds and the Bonds from Tax Increment Financing District #3 until 2021, at which time the District expires. After 2021, the City will pay for the Series 2014 Bonds and the Bonds from an extension of sales taxes or an increase in the General Fund property tax rate. Alternatively, the City may allow the tax levy included in the Bond Ordinance to be extended as a debt service tax levy.

(2) To the extent lawful, the City may change the allocations above in future years.

* Subject to Change

In addition to the foregoing, the City has financed various capital acquisitions and construction projects with loans, notes and leases. The loans, notes, and leases are described in Note 4 to the financial statements included as APPENDIX A to this Official Statement.

Direct and Overlapping Debt*

The following table sets forth information relating to the direct and overlapping general obligation debt of the City including the Bonds:

	Outstanding Bonds ⁽¹⁾	Percent Applicable to The City ⁽²⁾	City's Direct and Overlapping Debt
City of Belleville	\$ 37,190,000	100.00%	\$ 37,190,000
Special Service Area #3	955,000	100.00	955,000
St. Clair County	89,232,227	11.92	10,636,481
Southwestern Illinois College (Dist. 522)	17,110,000	6.26	1,071,086
French Village Fire Protection District	2,000,000	6.48	129,600
Belleville Township High SD #201	55,910,000	26.06	14,570,146
Belleville Public School District #118	<u>8,118,400</u>	95.29	<u>7,736,023</u>
Subtotal ⁽³⁾	<u>210,515,627</u>		<u>72,288,336</u>
Belle Valley School District #119	38,789,230	47.13	18,281,364
East St. Louis School District	10,805,000	4.44	479,742
Freeburg School District #70	855,000	8.39	71,735
Freeburg High School District #77	6,820,000	4.48	305,536
Grant Community School District #110	3,644,698	1.61	58,680
Harmony Emge School District #175	5,832,398	32.42	1,890,863
High Mount School District #116	1,052,725	1.10	11,580
Signal Hill School District #181	1,994,500	29.66	591,569
Mascoutah School District #19	79,119,827	15.75	12,461,373
Whiteside School District #115	<u>2,537,000</u>	4.81	<u>122,030</u>
	<u>\$361,966,005</u>		<u>\$106,562,808</u>

- (1) Excludes taxing districts whose overlapping assessed valuation is less than 1%. The amounts include general obligation bonds and other obligations treated as direct debt of the political subdivision. Bond amounts for overlapping taxing districts are as of July 15, 2015 except for St. Clair County which is as of January 29, 2014.
- (2) Represents the ratio of the 2014 assessed valuation (excluding the value of State assessed railroads) of the taxing district within the City to the total assessed valuation (excluding the value of State assessed railroads) of the taxing district.
- (3) The debt of the overlapping taxing district included in the subtotal, overlap all or a majority of the City. The taxing districts listed after the subtotal, overlap only small portions of the City and not more than one school district overlaps another school district.

Source: Bond amounts were provided by the overlapping taxing district and publicly available documents and assessments used in computing the percentages above were provided by the Office of the County Clerk.

* Subject to Change

Future Debt

The City has no current plans for the incurrence of additional debt.

THE PROJECT

The Project

The Bonds represent the second phase of financing for a new Police Station. In 2014 the City acquired a building that formerly occupied a bank that will be renovated for the new Police Station. Renovations to the building include construction of a police telecommunication center, holding cells, evidence vaults and a sallyport. Proceeds will also be used to renovate the City Hall that was constructed in 1958. Improvements will include making the restrooms handicapped accessible upgrading and expanding the council chambers and upgrading lighting and replacing the elevator.

The City has engaged Lawrence Group, St. Louis, as the architect for the Project. Bids for the Police Station are expected to be received in August 2015. Construction is expected to commence in the fall of 2015 and to be completed approximately one year later. Bids for renovation of the City Hall are expected to be received in the spring of 2016 and construction is expected to be completed in the spring of 2017.

In the event the cost of the projects above are less than budgeted, the City may spend any remaining Bond proceeds on other capital projects in the City including a parking garage adjacent to the Police Station.

Estimated Sources and Uses of Funds*

The estimated sources and uses of funds for the Bonds are set forth below:

<u>Sources of Funds</u>	
Proceeds from the Bonds ⁽¹⁾	\$ 8,719,823
Proceeds from the Series 2014 Bonds ⁽²⁾	9,936,767
Interest During Construction ⁽³⁾	30,000
Total	<u>\$18,686,590</u>
<u>Uses of Funds</u>	
Retirement of the Note for Building Acquisition ⁽²⁾	\$ 3,166,813
Renovation of Police Station ⁽²⁾	8,990,000
Renovation of City Hall	2,256,000
Architect, Equipment, Furnishings & Contingencies	4,273,777
Costs of Issuance	39,175
Total	<u>\$18,686,590</u>

(1) Represents the principal amount of the Bonds, plus the estimated net original issue premium less the estimated underwriter's discount.

(2) Represents all of the proceeds from the Series 2014 Bonds and the "Uses of Funds" includes the total amount of funds to be expended from both the Bonds and the Series 2014 Bonds including amounts already spent.

(3) Based on an assumed rate of .25% and 16 months to complete the Project.

* Subject to Change

APPROVAL OF LEGALITY

All matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Edwardsville, Illinois, Bond Counsel. The approving opinion of Bond Counsel will be furnished at the time the Bonds are paid for and delivered. Bond Counsel has participated only in the preparation of the cover page of this Official Statement and of those portions of this Official Statement captioned "THE BONDS," "APPROVAL OF LEGALITY," "TAX MATTERS," and "CONTINUING DISCLOSURE UNDERTAKING-The Undertaking." Bond Counsel accordingly expresses no opinion as to the accuracy or sufficiency of other portions of this Official Statement.

TAX MATTERS

The following is a summary of the material federal and State of Illinois income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Illinois, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under the law existing as of the issue date of the Bonds:

Federal Tax Exemption. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bank Qualification. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

Bond counsel's opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds but has reviewed the discussion under the heading "**TAX MATTERS.**"

Other Tax Consequences

Interest Taxable. The interest on the Bonds is not exempt from income taxation by the State of Illinois. Bond Counsel is not rendering any opinion to owners of the Bonds regarding the treatment of interest on the Bonds for Illinois income taxation. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

Original Issue Discount. For federal income tax purposes, original issue discount (“OID”) is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is the first price at which a substantial amount of the Bonds of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Section 1288 of the Code, OID on tax-exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of OID accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.

Original Issue Premium. If a Bond is issued at a price that exceeds the stated redemption price at maturity of the Bond, the excess of the purchase price over the stated redemption price at maturity constitutes “premium” on that Bond. Under Section 171 of the Code, the purchaser of that Bond must amortize the premium over the term of the Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner’s federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S

corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

RATING

Standard & Poor’s Ratings Services, a division of McGraw-Hill Financial, Inc (“S&P”) has assigned the Bonds the rating of “AA-”. There is no assurance that a rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by the rating agency if, in the judgment of such rating agency circumstances so warrant. Such lowering or withdrawal may have an adverse effect on the market price of the Bonds. An explanation of the significance of ratings may be obtained only from S&P at the following address: Standard & Poor’s Corporation, 55 Water Street, New York, New York 10041.

UNDERWRITING

FTN Financial Capital Markets, Memphis, Tennessee (the “Underwriter”) has agreed to purchase the Bonds from the City at a price equal to \$_____ which includes a net original issue premium of \$_____ and excludes an underwriting discount equal to \$_____. The Bonds may be offered and sold to certain dealers and others at prices lower than the initial public offering price and such initial offering price may be changed from time to time.

MUNICIPAL ADVISOR

WM Financial Strategies, St. Louis, Missouri (the “Municipal Advisor”) is a registered Municipal Advisor with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor is employed by the City to render certain professional services, including advising the City on a plan of financing and assisting in preparing the Official Statement for the sale of the Bonds. The Municipal Advisor does not guaranty, warrant or represent the accuracy or completeness of the information contained in this Official Statement.

NO LITIGATION CERTIFICATE

Simultaneously with the delivery of the Bonds, the City will furnish to the Underwriter a certificate which shall state, among other things, that there is no controversy, suit or other proceeding of any kind pending or to its knowledge, threatened in any court (either State or Federal) restraining or enjoining the issuance or delivery of the Bonds or questioning (i) the proceedings under which the Bonds are to be issued, (ii) the validity of the Bonds, (iii) the pledge of the City of the moneys under the Bond Ordinance to pay the Bonds, or (iv) the legal existence of the City or the title to office of the present officials of the City.

CERTIFICATION OF OFFICIAL STATEMENT

Simultaneously with the delivery of the Bonds, the City will furnish to the Underwriter a certificate which shall state that, among other things, to the best of the City’s knowledge and belief, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

CONTINUING DISCLOSURE UNDERTAKING

The Undertaking

In accordance with the requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission, the City has agreed to file the following with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“EMMA”):

(i) Not later than 180 days after the end of the City’s fiscal year, commencing with the fiscal year ended April 30, 2015, certain annual financial information and operating data, including audited financial statements and information generally consistent with the information contained in this Official Statement under the captions “THE CITY’S FINANCES,” “PROPERTY TAXATION,” and “DEBT OF THE CITY.”

(ii) Notice of the occurrence of any of the following events with respect to the Bonds, within 10 business days after the occurrence:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) modifications to rights of bondholders, if material;
- (4) bond calls, if material, and tender offers;
- (5) defeasances;
- (6) rating changes;
- (7) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Forms 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the security;
- (8) unscheduled draws on debt service reserves reflecting financial difficulties;
- (9) unscheduled draws on credit enhancements reflecting financial difficulties;
- (10) substitution of credit or liquidity providers, or their failure to perform;
- (11) release, substitution or sale of property securing repayment of the Bonds, if material;
- (12) bankruptcy, insolvency, receivership or similar event of the City;
- (13) the consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of the bond trustee, if material.

(iii) Notice of a failure (of which the City has knowledge) to provide the required annual financial information on or before the date specified in its written continuing disclosure undertaking.

The City may also, from time to time, choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the City, such other event is material with respect to the Bonds, but the City does not undertake to commit to provide any such notice of the occurrence of any material event except those described above.

The City may amend its disclosure obligations provided that the City receives an opinion from nationally recognized bond counsel to the effect that such modifications are in compliance with the Rule.

If the City fails to comply with its disclosure obligations, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations. A default by the City in its disclosure obligations shall not be deemed a default under the Bond Ordinance authorizing the issuance of the Bonds and the sole remedy shall be an action to compel performance.

Prior Compliance

To the best of the City's knowledge and belief, the City has complied in all material respects with each of its disclosure obligations for the past five years including the timely filing of audited financial statements, operating data, and event notices. The City is aware of certain instances of non-compliance as described below:

1) Some of the City's bonds, that are no longer outstanding, were insured or "wrapped" by a financial guarantor. The City did not file an event notice for every rating downgrade relating to the insurers; however, the City believes such information was disseminated or available through other sources.

2) The following TIF bonds have been issued as part of incentives to developers to develop blighted property in the City: (a) Tax Increment Refunding Revenue Bonds (Frank Scott Parkway Redevelopment Project), Series 2007A and Taxable Business District Revenue Bonds (Frank Scott Parkway Redevelopment Project), Series 2007B (collectively, the "Series 2007 Bonds") issued by the City, and (b) Local Government Program Revenue Bonds, Series 2011A (City of Belleville – Carlyle/Green Mount Redevelopment Project – Tax Increment Sales Tax) and Taxable Local Government Program Revenue Bonds, Series 2011C (City of Belleville – Carlyle/Green Mount Redevelopment Project – Business District) (collectively, the "Series 2011 Bonds") issued by the Southwestern Illinois Development Authority. The continuing disclosure agreements for the Series 2007 Bonds and the Series 2011 Bonds both require the City to request from the respective developer information relating to leases of the property in the applicable TIF Area and to then file the information on EMMA once it has been provided to the City. In connection with the Series 2007 Bonds and the Series 2011 Bonds the City is aware of the following instances of non-compliance:

a) The official statement for the Series 2007 Bonds incorrectly identified the fiscal year of the City as December 31. Based on the correct fiscal year end of the City of April 30, the City has complied with its continuing disclosure obligations relating to the Series 2007 Bonds, except as follows: (1) audited financial statements for the 2011 fiscal year were filed approximately seven months late and the audited financial statements for the 2012 and 2013 fiscal years were filed approximately one week late, and (2) the required operating data was filed approximately 2 weeks late for the 2012 fiscal year. The City inadvertently did not request the operating data from the developer for the 2013 fiscal year until October 2014 at

which time the developer sent only the 2014 data and the City filed it upon receipt on October 30, 2014.

b) In connection with the Series 2011 Bonds (1) audited financial statements for the 2012 and 2013 fiscal years were filed approximately one week late, and (2) the operating data required to be filed for the semi-annual period ended April 30, 2013 was filed approximately five weeks late. For the semi-annual period ended October 31, 2014 the City timely requested the operating data from the developer but did not receive the requested data until approximately three months after the filing deadline at which time the data was filed.

Although the City did not timely file its audited financial statements for the Series 2007 Bonds and the Series 2011 Bonds as described above, the City did timely file its audited financial statements on EMMA for all of its outstanding general obligation bonds during the past five years.

The City is now in compliance with its disclosure obligations and has established policies to comply in the future.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the City and the purchaser of any of the Bonds. Any statement made in this Official Statement involving matters of opinion is intended merely as an opinion and not as a representation of fact. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

CITY OF BELLEVILLE, ILLINOIS

BY: _____
Mayor

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APPENDIX A

**THE CITY OF BELLEVILLE
FINANCIAL STATEMENTS
April 30, 2014**

The financial statements presented within this Appendix have been extracted from the City’s annual financial statements for the fiscal year ended April 30, 2014. The statements include supplemental information and the auditor’s report which are not included herein. Copies of the complete annual financial statements are available from the City. Additionally, financial statements for prior years and the City’s budget for the fiscal year ended April 30, 2015 may be obtained from the City.

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CITY OF BELLEVILLE, ILLINOIS

STATEMENT OF NET POSITION
 (BUSINESS -TYPE ACTIVITIES - ACCRUAL BASIS)
 (GOVERNMENTAL ACTIVITIES - MODIFIED CASH BASIS)
 APRIL 30, 2014

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 20,237,392	\$ 11,340,136	\$ 31,577,528
Investments	225,928	-	225,928
Receivables (Net of allowance for uncollectible):			
Accounts	-	1,241,367	1,241,367
Interest/Other	104,999	-	104,999
Prepaid Expenses	-	64,458	64,458
Inventory	-	98,185	98,185
Capital Assets:			
Land	33,750	1,104,046	1,137,796
Buildings and Improvements	-	4,649,641	4,649,641
Equipment	-	1,019,852	1,019,852
Vehicles	-	1,208,711	1,208,711
Infrastructure	-	46,014,845	46,014,845
Construction in Progress	-	52,617,266	52,617,266
Accumulated Depreciation	-	<u>(26,167,628)</u>	<u>(26,167,628)</u>
Net Capital Assets	<u>33,750</u>	<u>80,446,733</u>	<u>80,480,483</u>
Total Assets	<u>20,602,069</u>	<u>93,190,879</u>	<u>113,792,948</u>
<u>Deferred Outflows of Resources</u>			
Loss on Bond Refunding	-	<u>306,065</u>	<u>306,065</u>
<u>Liabilities</u>			
Accounts Payable	41,874	2,436,644	2,478,518
Accrued Payroll and Benefits	-	347,546	347,546
Accrued Interest Payable	-	264,977	264,977
Deferred Revenue	-	252,484	252,484
Noncurrent Liabilities:			
Due Within One Year	4,494,519	2,641,743	7,136,262
Due in More Than One Year	<u>58,481,666</u>	<u>44,283,035</u>	<u>102,764,701</u>
Total Liabilities	<u>63,018,059</u>	<u>50,226,429</u>	<u>113,244,488</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	-	36,775,765	36,775,765
Restricted	15,959,750	-	15,959,750
Unrestricted	<u>(58,375,740)</u>	<u>6,494,750</u>	<u>(51,880,990)</u>
Total Net Position	<u>\$ (42,415,990)</u>	<u>\$ 43,270,515</u>	<u>\$ 854,525</u>

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

CITY OF BELLEVILLE, ILLINOIS

STATEMENT OF ACTIVITIES
 (BUSINESS -TYPE ACTIVITIES - ACCRUAL BASIS)
 (GOVERNMENTAL ACTIVITIES - MODIFIED CASH BASIS)
 FOR THE YEAR ENDED APRIL 30, 2014

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 6,143,083	\$ 1,646,927	\$ -	\$ -	\$ (4,496,156)		\$ (4,496,156)
Public Safety	15,093,778	828,277	622,487	-	(13,643,014)		(13,643,014)
Public Works	7,450,752	37,570	-	753,118	(6,660,064)		(6,660,064)
Sanitation	2,439,496	2,999,418	-	-	559,922		559,922
Cemetery	300,637	54,902	-	-	(245,735)		(245,735)
Health and Welfare	775,545	-	-	-	(775,545)		(775,545)
Development	7,491,898	48,031	-	-	(7,443,867)		(7,443,867)
Cultural and Recreational	3,281,722	563,494	48,368	24,886	(2,644,974)		(2,644,974)
Interest on Long-term Debt	4,352,538	-	-	-	(4,352,538)		(4,352,538)
Total Governmental Activities	47,329,449	6,178,619	670,855	778,004	(39,701,971)		(39,701,971)
Business-type Activities:							
Waterworks and Sewerage	6,597,826	7,070,863	-	-		\$ 473,037	473,037
Total Business-type Activities	6,597,826	7,070,863	-	-		473,037	473,037
Total Government	\$ 53,927,275	\$ 13,249,482	\$ 670,855	\$ 778,004	(39,701,971)	473,037	(39,228,934)
General Revenues:							
Property Tax, Levied for General Purposes					19,443,277	-	19,443,277
Sales and Use Tax					12,803,719	-	12,803,719
Income Tax					4,300,805	-	4,300,805
Corporate Personal Property Tax					440,572	-	440,572
Motor Fuel Tax					1,127,920	-	1,127,920
Telecommunications Tax					1,447,628	-	1,447,628
Gaming Tax					65,549	-	65,549
Other Local Tax					40,887	-	40,887
Utility Tax					3,331,238	-	3,331,238
Investment Earnings					35,738	19,570	55,308
Miscellaneous					27,453	2,500,000	2,527,453
Transfers					(1,450,000)	1,450,000	-
Total General Revenues and Transfers					41,614,786	3,969,570	45,584,356
Change in Net Position					1,912,815	4,442,607	6,355,422
Net Position - Beginning					(44,328,805)	38,827,908	(5,500,897)
Net Position - Ending					\$ (42,415,990)	\$ 43,270,515	\$ 854,525

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

CITY OF BELLEVILLE, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES ARISING FROM MODIFIED CASH BASIS TRANSACTIONS
GOVERNMENTAL FUNDS
APRIL 30, 2014

	General Fund	Tax Increment Financing Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and Cash Equivalents	\$ 3,974,975	\$ 11,388,218	\$ 4,480,133	\$ 19,843,326
Investments	-	-	225,928	225,928
Note Receivable	33,750	71,249	-	104,999
Due From Other Funds	334,958	-	-	334,958
Other Assets	-	-	33,750	33,750
Total Assets	<u>\$ 4,343,683</u>	<u>\$ 11,459,467</u>	<u>\$ 4,739,811</u>	<u>\$ 20,542,961</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Accrued Expenses and Other Liabilities	\$ 41,874	\$ -	\$ -	\$ 41,874
Total Liabilities	<u>41,874</u>	<u>-</u>	<u>-</u>	<u>41,874</u>
 Fund Balances:				
Nonspendable	33,750	71,249	33,750	138,749
Restricted	-	11,388,218	4,571,532	15,959,750
Committed	-	-	134,529	134,529
Unassigned	4,268,059	-	-	4,268,059
Total Fund Balances	<u>4,301,809</u>	<u>11,459,467</u>	<u>4,739,811</u>	<u>20,501,087</u>
Total Liabilities and Fund Balances	<u>\$ 4,343,683</u>	<u>\$ 11,459,467</u>	<u>\$ 4,739,811</u>	<u>\$ 20,542,961</u>

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

CITY OF BELLEVILLE, ILLINOIS

**RECONCILIATION OF THE STATEMENT OF ASSETS,
LIABILITIES AND FUND BALANCES ARISING FROM MODIFIED
CASH BASIS TRANSACTIONS TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED APRIL 30, 2014**

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 20,501,087
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	(62,976,185)
Internal service funds are included in the statement of net position in the government wide financial statements as these funds benefit the general government as a whole.	<u>59,108</u>
Net position of governmental activities	<u>\$ (42,415,990)</u>

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

CITY OF BELLEVILLE, ILLINOIS

STATEMENT OF REVENUES AND EXPENDITURES
ARISING FROM MODIFIED CASH BASIS TRANSACTIONS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	<u>General Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property Tax	\$ -	\$ 15,631,878	\$ 3,413,610	\$ 19,045,488
Utility Tax	3,331,238	-	-	3,331,238
Intergovernmental	15,750,299	3,177,307	2,707,446	21,635,052
Local Tax	-	-	40,887	40,887
Licenses, Permits and Fees	1,507,146	-	-	1,507,146
Charges for Services	3,138,575	-	460,011	3,598,586
Fines and Forfeitures	439,455	-	17,145	456,600
Investment Earnings	5,090	18,241	11,426	34,757
Contributions	67,391	-	98,410	165,801
Reimbursements/Miscellaneous	415,437	48,031	14,471	477,939
Total Revenues	<u>24,654,631</u>	<u>18,875,457</u>	<u>6,763,406</u>	<u>50,293,494</u>
Expenditures:				
Current:				
General Government	3,812,509	-	2,185,492	5,998,001
Public Safety	14,569,686	-	-	14,569,686
Public Works	2,139,539	-	576,267	2,715,806
Sanitation	2,298,972	-	-	2,298,972
Cemetery	290,637	-	-	290,637
Health and Welfare	775,284	-	-	775,284
Development	293,334	7,194,028	-	7,487,362
Cultural and Recreational	781,976	-	1,987,679	2,769,655
Capital Outlay	486,593	5,004,859	554,834	6,046,286
Debt Service:				
Principal	380,974	2,081,559	1,025,000	3,487,533
Interest and Charges	59,597	3,709,141	583,800	4,352,538
Total Expenditures	<u>25,889,101</u>	<u>17,989,587</u>	<u>6,913,072</u>	<u>50,791,760</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,234,470)</u>	<u>885,870</u>	<u>(149,666)</u>	<u>(498,266)</u>
Other Financing Sources (Uses):				
Proceeds from Debt	-	99,950	-	99,950
Proceeds from Fixed Asset Sales	3,109	98,218	-	101,327
Transfers In	1,604,492	4,278	354,300	1,963,070
Transfers Out	(100,000)	(3,008,792)	(304,278)	(3,413,070)
Total Other Financing Sources (Uses)	<u>1,507,601</u>	<u>(2,806,346)</u>	<u>50,022</u>	<u>(1,248,723)</u>
Net Change in Fund Balances	273,131	(1,920,476)	(99,644)	(1,746,989)
Fund Balance, Beginning of Year	<u>4,028,678</u>	<u>13,379,943</u>	<u>4,839,455</u>	<u>22,248,076</u>
Fund Balance, End of Year	<u>\$ 4,301,809</u>	<u>\$ 11,459,467</u>	<u>\$ 4,739,811</u>	<u>\$ 20,501,087</u>

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

CITY OF BELLEVILLE, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES ARISING FROM MODIFIED CASH BASIS
TRANSACTIONS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2014

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

Net change in fund balances - total governmental funds \$ (1,746,989)

The issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of those differences in the treatment of long-term debt and related items.

3,387,583

Activity related to the internal service funds are included in the statement of net position in the government wide financial statements as these funds benefit the general government as a whole.

272,221

Change in net position of governmental activities

\$ 1,912,815

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

CITY OF BELLEVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	<u>Business Type Activities - Enterprise Fund Sewerage</u>	<u>Governmental Activities - Internal Service Funds</u>
Operating Revenues:		
Charges for Services	\$ 7,070,863	\$ 3,918,522
Operating Expenses:		
Personal Services	2,610,110	4,045,071
Supplies	168,520	-
Contractual Services	1,995,231	-
Depreciation	1,172,335	-
Total Operating Expenses	<u>5,946,196</u>	<u>4,045,071</u>
Operating Income (Loss)	<u>1,124,667</u>	<u>(126,549)</u>
Nonoperating Revenues (Expenses):		
Amortization	(77,558)	-
Loan Forgiveness	2,500,000	-
Property Tax	-	397,789
Investment Earnings	19,570	981
Interest and Fiscal Charges	(574,072)	-
Total Nonoperating Revenues (Expenses)	<u>1,867,940</u>	<u>398,770</u>
Income Before Transfers	2,992,607	272,221
Transfers In	<u>1,450,000</u>	<u>-</u>
Change in Net Position	4,442,607	272,221
Net Position - Beginning of Year	<u>38,827,908</u>	<u>(213,113)</u>
Net Position - End of Year	<u>\$ 43,270,515</u>	<u>\$ 59,108</u>

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

CITY OF BELLEVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED APRIL 30, 2014

	<u>Business Type Activities - Enterprise Fund Sewerage</u>	<u>Governmental Activities - Internal Service Funds</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 6,861,164	\$ 3,918,522
Payments to Suppliers	(4,548,069)	(4,045,071)
Payments to Employees	(1,918,111)	-
Net Cash Provided (Used) by Operating Activities	<u>394,984</u>	<u>(126,549)</u>
Cash Flows from Noncapital Financing Activities:		
Property Tax	-	397,789
Payments from (to) Other Funds	<u>1,450,000</u>	<u>(271,113)</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,450,000</u>	<u>126,676</u>
Cash Flows from Capital and Related Financing Activities:		
Principal Payments on Long-Term Debt	(2,088,530)	-
Proceeds from Long-Term Debt	8,855,814	-
Interest Paid on Debt	(586,737)	-
Cash Payments for Capital Assets	<u>(10,634,741)</u>	-
Net Cash Provided (Used) by Capital Related Financing Activities	<u>(4,454,194)</u>	-
Cash Flows from Investing Activities:		
Interest Received	<u>19,570</u>	<u>981</u>
Net Cash Provided by Investing Activities	<u>19,570</u>	<u>981</u>
Net Change in Cash and Cash Equivalents	(2,589,640)	1,108
Cash and Cash Equivalents, Beginning of Year	<u>13,929,776</u>	<u>392,958</u>
Cash and Cash Equivalents, End of Year	<u>\$ 11,340,136</u>	<u>\$ 394,066</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ 1,124,667	\$ (126,549)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	1,172,335	-
(Increase) Decrease in Assets:		
Accounts Receivable	(166,228)	-
Unbilled Revenue	(42,553)	-
Inventory	(2,406)	-
Prepaid Expenses	5,421	-
Increase (Decrease) in Liabilities:		
Accrued Payroll and Benefits	45,144	-
Accounts Payable	(1,740,478)	-
Deferred Fees	(918)	-
Net Cash Provided by Operating Activities	<u>\$ 394,984</u>	<u>\$ (126,549)</u>

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

CITY OF BELLEVILLE, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - PENSION TRUST FUNDS
APRIL 30, 2014

Assets:	
Cash and Cash Equivalents	\$ 3,034,681
Investments, at Market	49,963,763
Receivables:	
Taxes Receivable	4,501,131
Interest Receivable	<u>143,985</u>
Total Assets	<u>57,643,560</u>
Liabilities	<u>145</u>
Net Position - Restricted for Pension Benefits	<u>\$ 57,643,415</u>

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

CITY OF BELLEVILLE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - PENSION TRUST FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

Additions:

Contributions:

Employee Contributions	\$ 905,545
Employer Contributions:	
Property Taxes	4,475,887
Personal Property Replacement Taxes	169,893
Total Contributions	<u>5,551,325</u>

Investment Income:

Interest and Dividend Income	1,582,333
Gain on Sales of Securities	139
Net Appreciation in Fair Market Value of Investments	<u>3,314,746</u>
	4,897,218
Less Investment Expense	<u>(128,886)</u>
Total Investment Income	<u>4,768,332</u>
Total Additions	<u>10,319,657</u>

Deductions:

Benefits Paid to Participants:

Service and Disability	4,896,761
Dependents	764,356
Transfer of Contributions	93,674
Professional Fees	31,156
Other	<u>35,795</u>
Total Deductions	<u>5,821,742</u>

Change in Net Position 4,497,915

Net Position - Beginning of Year 53,145,500

Net Position - End of Year \$ 57,643,415

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

CITY OF BELLEVILLE, ILLINOIS

NOTE TO FINANCIAL STATEMENTS
APRIL 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Belleville, Illinois (City) was incorporated on March 30, 1850, under the provisions of the State of Illinois. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, recreation, public improvements, planning and development and general administrative services. The City also provides sewer utilities services.

(a) Reporting entity

The City defines its reporting entity in accordance with Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. The criteria used in determining the scope of the entity for financial reporting purposes includes, but is not limited to, the method of budget adoption, taxing authority, whether debt is secured by revenues or general obligations of the City, the obligation of the City to finance any deficits that may occur and supervision over the accounting functions.

Component units are organizations for which the City, as the primary government, is financially accountable. To be considered financially accountable, the organization must be fiscally dependent on the City or the City must appoint a majority of the board of the organization and either (1) be able to impose its will on the organization or (2) the relationship must have the potential for creating a financial benefit to or imposing a financial burden on the City.

Based on the foregoing, the City's financial statements include all funds, agencies, boards, commissions and authorities that are controlled by or dependent on the City.

(b) Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(c) Measurement focus, basis of accounting and financial statement presentation

The proprietary fund and pension fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. Accordingly, receipts are recorded when cash is received and disbursements are recorded when checks are written. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities of a particular fund. Property taxes are recognized as revenues in the year for which they are received.

The government-wide financial statements are reported on the basis of accounting as used by the individual funds in the fund financial statements.

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The City reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The tax increment financing fund accounts for all activity related to the various tax increment financing districts of the City.

The City reports the following major proprietary fund:

The sewer fund accounts for all activities related to the billing, administration and collection processes of the sewer utilities. The City operates the sewage treatment plant, sewage pumping stations and collection systems.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are reimbursements between funds for direct costs applicable to the other fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

(d) Assets, liabilities and net assets or equity

Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposits and short-term investments with original maturities of three months or less.

The City is authorized by state statute to invest in obligations of the United States of America, insured interest bearing accounts of banks, savings and loan associations or credit unions, certain short-term obligations of corporations organized in the United States, money

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

market mutual funds that invest in obligations of the United States of America or its agencies or are guaranteed by the full faith and credit of the United States of America, the Illinois Funds and repurchase agreements of government securities. Investment income is recognized as earned.

The pension funds are authorized to invest in all the same obligations of the City as well as corporate obligations, stock, and mutual funds to a limited percentage. Investment income is recognized as earned.

Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts in the enterprise funds at April 30, 2014 is \$95,222.

Unbilled sewer utility receivables related to the business-type activities are recorded at year-end. They are determined by taking cycle billings subsequent to April 30 and prorating the applicable number of days to the current fiscal year.

Capital assets

Capital assets, which include property, plant and equipment, are reported in the business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects when constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Type of Property And Equipment</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	8 - 50 Years
Collection Systems	10 - 50 Years
Vehicles and Equipment	4 - 10 Years

The City does not record the fixed assets of the governmental activities and therefore does not include these amounts in the statement of net position. Depreciation expense of the governmental activities fixed assets is also not calculated or reported.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method.

In the fund financial statements, governmental fund types recognize debt premiums, discounts, and issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts related to debt issuances are reported as other financing sources and uses.

Fund equity

In the fund financial statements, the City classifies the governmental fund balances based upon the following criteria:

Nonspendable – includes amounts that cannot be spent because they are either 1) not in spendable form, or 2) legally or contractually required to remain intact.

Restricted – balances with constraints that are either externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation.

Committed – balances that are to be only used for specific purposes pursuant to constraints imposed by formal action of the City Council, the government's highest level of decision-making authority.

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Assigned – balances that are constrained by the government’s administration with the intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned -- the residual classification of the General Fund balance.

The following details the description and amount of all constraints recorded by the City in the fund financial statements:

<u>Governmental Funds</u>	
Nonspendable:	
Land	\$ 33,750
Notes Receivable	104,999
	<u>\$ 138,749</u>
Restricted:	
Property/Sales Tax Restrictions	\$ 3,626,949
TIF Balances	11,643,568
Cemetery Care	232,237
Motor Fuel Tax	452,763
Restricted Donations	4,233
	<u>\$ 15,959,750</u>
Committed:	
Special Revenue Funds	<u>\$ 134,529</u>
<u>Fiduciary Funds</u>	
Reserved for Employees' Pension Benefits	<u>\$ 57,643,415</u>

(e) Estimates

The City uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenditures. Actual results could vary from estimates that were used.

(f) Risk management

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(g) Budget and budgetary accounting

The City's procedures in establishing the budgetary data reflected in the basic financial statements are as follows:

1. Prior to April 1, the Finance Officer submits to the City Council a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed disbursements and related financing methods.
2. Prior to May 1, the budget is legally enacted through passage of an ordinance.
3. The Finance Officer is authorized to transfer budgeted amounts between line items within an object level of a department; however, any revisions that alter the total expenditure of any object level within a department must be approved by the City Council.
4. Budgets for all funds are adopted on the cash basis.
5. Unused appropriations for all the above annually budgeted funds lapse at year end.
6. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

(h) Inventory

Inventory is stated at the lower of cost or market. Cost is determined primarily by the first-in, first-out method.

(i) Compensated absences

City employees earn vacation during the current year which must be taken in the subsequent year. For the proprietary funds, accrued vacation time is recognized as a liability when earned and any unused accumulated vacation is payable to employees upon termination. Accrued vacation is recorded in the respective proprietary fund type from which it will be paid. Unused sick leave benefits are paid to terminating employees at a rate of \$1.00 to \$2.00 per hour for the first 1,000 hours and \$3.00 to \$4.00 per hour in excess of 1,000 hours and are accrued accordingly. Retiring employees can elect to have up to 1,920 unused sick pay hours transferred to their pension, which will be paid out at the calculated pension rate.

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2: CASH AND INVESTMENTS

General Government & Business-Like Activities

At April 30, 2014, the carrying amount of the City's deposits was \$11,929,487 and the bank balance was \$12,248,917. The deposits were comprised of interest checking, savings, federal government obligation funds and certificates of deposit. The City also maintains cash on hand of \$3,359.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the City's name. As of April 30, 2014, all of the City's bank balance was either FDIC insured or collateralized. These amounts are reported in the financial statements as follows:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Federal Money Market Fund	Daily	\$ 5,540,817
Illinois Metropolitan Investment Fund	Daily	14,225,762
The Illinois Funds	Daily	<u>104,031</u>
		19,870,610
Deposits from Above		11,929,487
Petty Cash		<u>3,359</u>
		<u>\$ 31,803,456</u>
 <u>As Reported in the Financial Statements</u>		
Cash and Cash Equivalents		\$ 31,577,528
Investments		<u>225,928</u>
		<u>\$ 31,803,456</u>

The Illinois Funds and the Illinois Metropolitan Investment Fund are pooled investments that are operated as not-for-profit common law trusts and are not registered with the SEC. The funds are monitored regularly through the State by internal and external audits. The goals of the funds are to provide liquidity and to maintain balances that are equal to the par value of the invested shares with no loss to market fluctuations. The fair value of the City's position in the pool is the same as the value of the pool shares.

Interest Rate Risk. The City's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Credit Risk. As of April 30, 2014, the City's investment credit ratings were as follows:

<u>Investment</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
Illinois Metropolitan Investment Fund	--	Aaa
The Illinois Funds	AAAm	--

Concentration of Credit Risk. As of April 30, 2014, the City did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2014, the City did not have foreign currency risk.

Fire Pension

At April 30, 2014, the carrying amount and the bank balance of the Fire Pension Fund's deposits was \$1,030,926. The deposits were comprised of an interest checking account and a money market account.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Fire Pension Fund's deposits may not be returned to it. The Fire Pension Fund requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Fire Pension's name.

As of April 30, 2014, the Fire Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Commercial Paper	5.45	\$ 2,919,509
U.S. Treasury Notes	2.67	5,396,942
Mutual Funds	--	2,360,729
Common Stock	--	<u>10,018,696</u>
		20,695,876
Deposits as reported above		<u>1,030,926</u>
Total deposits and investments		<u>\$ 21,726,802</u>
As included in the combined financial statements:		
Cash and Cash Equivalents		\$ 1,030,926
Investments		<u>20,695,876</u>
		<u>\$ 21,726,802</u>

Interest Rate Risk. The Fire Pension Fund's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Credit Risk. As of April 30, 2014, the Fire Pension Fund did not have an investment credit risk.

Concentration of Credit Risk. As of April 30, 2014, the Fire Pension Fund did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2014, the Fire Pension Fund did not have foreign currency risk.

Police Pension

At April 30, 2014, the carrying amount and bank balance of the Police Pension Fund's deposits was \$1,461,236. The deposits were comprised of checking accounts, certificates of deposit and money market accounts.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Police Pension Fund's name.

As of April 30, 2014, the Police Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
The Illinois Funds	Daily	\$ 1,121,770
U.S. Treasury Notes	3.78	1,409,205
U.S. Treasury Strips	3.84	1,078,258
Commercial Paper	3.84	5,320,727
Government National Mortgage Association	25.68	1,866,633
State of Illinois Bonds	2.96	560,646
Federal Home Loan Mortgage Corporation	25.19	417,978
Federal National Mortgage Association	28.02	281,595
Federal Farm Credit Bank	6.33	100,778
Federal Home Loan Bank	7.29	264,394
Tennessee Valley Authority Coupons	5.9	372,217
Mutual Funds	--	<u>17,016,205</u>
		29,810,406
Deposits as reported above		<u>1,461,236</u>
Total deposits and investments		<u>\$ 31,271,642</u>
As included in the combined financial statements:		
Cash and Cash Equivalents		\$ 2,003,755
Investments		<u>29,267,887</u>
		<u>\$ 31,271,642</u>

Interest Rate Risk. The Police Pension Fund's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Credit Risk. As of April 30, 2014, the Police Pension Fund's investment credit ratings were as follows:

<u>Investment</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
Federal Home Loan Mortgage Corporation	AAA	Aaa
Federal National Mortgage Association	AAA	Aaa
Federal Farm Credit Bank	AA+	Aaa
Federal Home Loan Bank	AA+	Aaa
The Illinois Funds	AAAm	--

Concentration of Credit Risk. As of April 30, 2014, the Police Pension Fund did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2014, the Police Pension Fund has no foreign currency risk.

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

The following summarizes property, plant and equipment, and related depreciation, held by the enterprise funds at April 30, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-type activities:</u>				
Construction in Progress	\$ 42,255,165	\$ 10,362,101	\$ -	\$ 52,617,266
Land	1,104,046	-	-	1,104,046
Total not being depreciated	<u>43,359,211</u>	<u>10,362,101</u>	<u>-</u>	<u>53,721,312</u>
<u>Capital assets, being depreciated:</u>				
Buildings and improvements	\$ 4,649,641	\$ -	\$ -	\$ 4,649,641
Distribution and collection systems	45,771,020	243,825	-	46,014,845
Vehicles and equipment	2,001,194	249,716	22,347	2,228,563
Total capital assets, being depreciated	<u>52,421,855</u>	<u>493,541</u>	<u>22,347</u>	<u>52,893,049</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements	2,434,430	128,439	-	2,562,869
Distribution and collection systems	20,968,953	905,504	-	21,874,457
Vehicles and equipment	1,614,257	138,392	22,347	1,730,302
Total accumulated depreciation	<u>25,017,640</u>	<u>1,172,335</u>	<u>22,347</u>	<u>26,167,628</u>
Capital assets, net	<u>27,404,215</u>	<u>(678,794)</u>	<u>-</u>	<u>26,725,421</u>
Capital assets, total	<u>\$ 70,763,426</u>	<u>\$ 9,683,307</u>	<u>\$ -</u>	<u>\$ 80,446,733</u>

Depreciation expense charged to enterprise operations for the year ended April 30, 2014 was as follows:

Sewerage \$ 1,172,335

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: LONG-TERM DEBT

The following is a summary of long-term debt of the City for the year ended April 30, 2014:

Governmental Activities

\$1,350,000 Special Service Area Bonds, Series 2006, interest ranging from 4.00% to 4.40%, payable January 1 and July 1, with principal payments on January 1 through 2027.	1,010,000
\$16,350,000 Tax Increment Refunding Revenue Bonds, Series 2007A, interest ranging from 5.00% to 5.70%, interest and principal payable May 1 and November 1, through 2024.	15,260,000
\$6,565,000 Taxable Business District Revenue Bonds, Series 2007B, interest at 7.875%, interest and principal payable May 1 and November 1, through 2021.	6,560,000
\$204,454 General Obligation Refunding Bonds, Series 2009, interest ranging from 2.20% to 4.35% payable January 1 and July 1, with principal payments on January 1 through 2028. These bonds were issued to refund Series 2003 Bonds.	167,610
\$5,000,000 General Obligation Bonds, Series 2011, interest ranging from 5.00% to 5.25% payable January 1 and July 1, with principal payments on January 1 through 2031.	5,000,000
\$5,636,342 General Obligation Refunding Bonds, Series 2011B, interest ranging from 2.25% to 2.75% payable January 1 and July 1, with principal payments on January 1 through 2019. These bonds were issued to refund the entire Series 2004 General Bonds and a portion of the Series 2005 Project Bonds.	4,384,031
\$16,150,000 SWIDA 2011A Local Government Program Revenue Bonds, dated October 27, 2011, interest ranging from 6.00% to 7.00%, interest and principal payable January 1 and July 1, through 2027.	15,870,000

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

\$1,560,000 SWIDA 2011B Local Government Program Revenue Bonds, dated October 27, 2011, interest of 8.75%. interest and principal payable January 1 and July 1, through 2026. 1,560,000

\$5,700,000 SWIDA 2011C Taxable Local Government Program Revenue Bonds, dated October 27, 2011, interest ranging from 7.125% to 9.250%, interest and principal payable January 1 and July 1, through 2022. 5,175,000

\$6,915,000 General Obligation Refunding Bonds, Series 2012, interest ranging from 1.0% to 2.5%, interest and principal payable January 1 and July 1, through 2026. These bonds were issued to refund a portion of the Series 2005 Project Bonds. 6,895,000

The annual requirement to retire governmental activities bonds outstanding as of April 30, 2014 is as follows:

Year Ending April 30,	Principal	Interest	Totals
2015	\$ 4,189,113	\$ 3,246,426	\$ 7,435,539
2016	3,378,795	3,175,409	6,554,204
2017	3,626,020	3,087,003	6,713,023
2018	3,735,268	2,897,562	6,632,830
2019	4,105,499	2,633,910	6,739,409
2020 - 2024	24,644,696	8,405,322	33,050,018
2025 - 2029	16,052,250	2,345,212	18,397,462
2030 - 2031	2,150,000	169,050	2,319,050
	<u>\$ 61,881,641</u>	<u>\$ 25,959,894</u>	<u>\$ 87,841,535</u>

Note Payable and Capital Leases

Seller Financed Loan, dated November 27, 2013, interest rate of 0.00 percent payable in one installment of \$99,950 in May 2014. 99,950

\$147,404 capital lease, Commerce Bank, N.A., dated August 11, 2010, for police video systems, bears interest at 3.37%; semi-annual principal and interest payments of \$15,873 are due through February 2015. 30,962

\$625,110 capital lease, Commerce Bank, N.A., dated July 19, 2012, for one new fire truck, secured by the equipment, bears interest at 2.55%; annual principal and interest payments of \$56,061 are due through July 2022. 445,176

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

\$305,764 capital lease, Commerce Bank, N.A., dated February 11, 2013, for two sanitation trucks, secured by the equipment, bears interest at 1.97%; semi-annual principal and interest payments of \$52,224 are due through August 2015. 153,621

\$393,006 capital lease, Commerce Bank, N.A., dated February 11, 2013, for M360 Energy Improvements, secured by the equipment, bears interest at 3.278%; semi-annual principal and interest payments of \$19,910 are due through January 2025. 364,835

The City is obligated under notes and capital leases considered to be equivalent to an installment purchase. Future minimum lease payments under the capital leases as of April 30, 2014 are as follows:

Year Ending April 30,	Principal	Interest	Totals
2015	\$ 305,406	\$ 26,620	\$ 332,026
2016	126,380	21,726	148,106
2017	76,810	19,071	95,881
2018	79,015	16,866	95,881
2019	81,285	14,597	95,882
2020 - 2024	386,792	36,553	423,345
2025	<u>38,856</u>	<u>964</u>	<u>39,820</u>
	<u>\$ 1,094,544</u>	<u>\$ 136,397</u>	<u>\$ 1,230,941</u>

Proprietary Fund Debt

General Obligation Bonds

\$3,180,546 2009 General Obligation Refunding Bonds, dated December 1, 2009, interest ranging from 1.90% to 4.35% payable January 1 and July 1, with principal payments on January 1 through 2028. 2,607,390

\$3,033,658 General Obligation Refunding Bonds, Series 2011, interest at 2.25% payable January 1 and July 1, with principal payments on January 1 through 2017. These bonds were issued to refund the Series 2004 General Obligation Bonds. 1,865,969

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The annual requirement to retire business-type bonds outstanding as of April 30, 2014 is as follows:

Year Ending April 30.	Principal	Interest	Totals
2015	\$ 755,887	\$ 135,831	\$ 891,718
2016	781,204	119,013	900,217
2017	793,980	102,464	896,444
2018	159,732	83,401	243,133
2019	164,430	78,450	242,880
2020-2024	930,204	298,011	1,228,215
2025-2028	887,922	96,426	984,348
	<u>\$ 4,473,359</u>	<u>\$ 913,596</u>	<u>\$ 5,386,955</u>

Notes Payable

\$646,129 note payable to Illinois Environmental Protection Agency for construction of Belle Valley sewer interceptor, bears interest at 2.815%, semi-annual principal and interest payments of \$21,886 are due through October 2015. \$ 63,853

\$1,231,194 note payable to Illinois Environmental Protection Agency for construction of the sewer plant facility, bears interest at 2.89%, semi-annual principal and interest payments of \$41,517 are due through April 2017. 231,961

\$403,660 note payable to Illinois Environmental Protection Agency for construction of a lift station, bears interest at 2.89%, semi-annual principal and interest payments of \$13,612 are due through May 2017. 90,006

\$346,259 note payable to Illinois Environmental Protection Agency for construction of a swirl concentrator on the combined sewer overflow at the 88th Street lift station, bearing interest at a rate of 2.625%, semi-annual principal and interest payments of \$11,401 are due through April 2019. 106,191

\$144,490 note payable to Illinois Environmental Protection Agency for the sewer system lining, bearing interest at the rate of 2.625%, semi-annual principal and interest payments of \$4,757 are due through November 2018. 44,312

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

\$17,682,292 note payable to Illinois Environmental Protection Agency for the long-term control plan, bearing interest at the rate of 1.25%, semi-annual principal and interest payments of \$500,987 are due through January 2032. 16,105,696

\$17,720,902 note payable to Illinois Environmental Protection Agency for the long-term control plan, bearing interest at the rate of 1.25%, semi-annual principal and interest payments of \$502,081 are due through June 2033. 17,329,577

\$3,393,364 note payable to Illinois Environmental Protection Agency for the long-term control plan, bearing interest at the rate of 2.295%, semi-annual principal and interest payments are due through March 2034. Repayment has not begun as the IEPA has not distributed the full loan amount. Interest is being accrued until repayment begins. 3,020,478

\$7,791,893 note payable to Illinois Environmental Protection Agency for the long-term control plan, bearing interest at the rate of 2.295%, semi-annual principal and interest payments are due through June 2033. Repayment has not begun as the IEPA has not distributed the full loan amount. Interest is being accrued until repayment begins. 5,459,345

The annual requirement to retire business-type activities notes outstanding as of April 30, 2014 is as follows:

Year Ending <u>April 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2015	\$ 1,885,856	\$ 671,630	\$ 2,557,486
2016	2,116,339	593,073	2,709,412
2017	2,121,257	560,804	2,682,061
2018	2,062,317	528,562	2,590,879
2019	2,078,906	498,361	2,577,267
2020-2024	10,689,633	2,035,120	12,724,753
2025-2029	11,491,377	1,233,378	12,724,755
2030-2034	9,833,899	384,826	10,218,725
2035	<u>171,835</u>	<u>1,978</u>	<u>173,813</u>
	<u>\$ 42,451,419</u>	<u>\$ 6,507,732</u>	<u>\$ 48,959,151</u>

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The overall debt activity of the City for the year ended April 30, 2014 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 63,865,374	\$ -	\$ 1,983,733	\$ 61,881,641	\$ 4,189,113
Note Payable	1,100,000	99,950	1,100,000	99,950	99,950
Leases Payable	1,398,394	-	403,800	994,594	205,456
	<u>\$ 66,363,768</u>	<u>\$ 99,950</u>	<u>\$ 3,487,533</u>	<u>\$ 62,976,185</u>	<u>\$ 4,494,519</u>
Business-type Activities:					
Bonds Payable	\$ 5,209,626	\$ -	\$ 736,267	\$ 4,473,359	\$ 755,887
Notes Payable	37,226,967	8,855,814	3,631,362	42,451,419	1,885,856
	<u>\$ 42,436,593</u>	<u>\$ 8,855,814</u>	<u>\$ 4,367,629</u>	<u>\$ 46,924,778</u>	<u>\$ 2,641,743</u>

NOTE 5: PENSION AND RETIREMENT PLANS

Illinois Municipal Retirement Fund

Plan Description. The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). The report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, your employer regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2013 used by the employer was 12.00 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2013 was 12.75 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For calendar year ending December 31, 2013, the City's actual contributions for pension cost for the regular were \$1,054,853. Its required contribution for calendar year 2013 was \$1,120,781. Due to the poor investment return in prior years, IMRF initiated an optional phase in rate that is less than the minimum required rate. The City opted to use the phase in rate for calendar year 2013.

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Three-Year Trend Information for IMRF

<u>Fiscal</u> <u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
4/30/2014	\$ 1,145,910	95%	\$ 605,357
4/30/2013	1,100,409	89%	548,782
4/30/2012	1,000,150	84%	427,264

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the plan was 75.99 percent funded. The actuarial accrued liability for benefits was \$25,571,778 and the actuarial value of assets was \$19,431,602, resulting in an underfunded actuarial accrued liability (UAAL) of \$6,140,176. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$8,790,440 and the ratio of the UAAL to the covered payroll was 70 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Police Pension Fund

Plan Description

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended only by the Illinois legislature.

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Police Pension Plan provides retirement benefits as well as death and disability benefits. A police officer age 50 or more who has at least 20 years of creditable service, and is no longer in service, shall receive a monthly pension of $\frac{1}{2}$ of the salary attached to the rank held by the officer on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, the salary attached to the rank held on the last day of service or for one year period to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary. Beginning January 1, 2001, the minimum retirement pension for a police officer having at least 20 years of creditable service shall be \$1,000 per month, without regard to whether or not retirement occurred prior to that date.

A police officer mandatorily retired from service due to age by operation of law, having at least 8 but less than 20 years of creditable service, shall receive a pension equal to 2.5% for each year of creditable service of the salary attached to the rank held on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater.

A police officer who retires or is separated from service having at least 8 years but less than 20 years of creditable service, who is not mandatorily retired due to age by operation of law, and who does not apply for a refund of contributions on their last separation from police service, shall receive a pension upon attaining age 60 equal to 2.5% for each year of creditable service of the salary attached to the rank held by the police officer on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater.

The monthly pension of a police officer who retires on disability or is retired for disability shall be increased in January of the year following the year of attaining age 60 by 3% of the original grant of pension for each year the officer received pension payments. In each January thereafter, the police officer shall receive an additional increase of 3% of the original pension. The monthly pension of a police officer who retired shall be increased by 3% of the currently granted pension in January of each year thereafter.

Beginning January 1, 2011, several changes were implemented for all new officers. These changes include:

- An officer age 55 or more must now have 10 years of creditable service to receive a monthly pension of 2.50 percent for each year of service
- An officer retiring at age 50 shall have their pension reduced by 1% for each month under the age of 55.

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

- The maximum salary for calculation of benefits shall not exceed \$106,800, to be adjusted for inflation.
- Pension payment increases shall be limited based on inflationary rates.
- Changes required funding date to 2040 and provides for required measures by the State Comptroller to ensure the municipalities are providing the required funding.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing: City of Belleville, 101 South Illinois Street, Belleville, Illinois 62220.

Funding Policy

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. The Projected Unit Credit actuarial funding method is used to determine contribution.

Annual Pension Cost

Employer and employee contributions of \$2,376,374 and \$519,223 were made to the Plan during the year ended April 30, 2014. The contributions are typically based upon the Illinois Department of Insurance Annual Actuarial Tax Levy or an independent actuarial valuation obtained by the City. The latest actuarial valuation was performed at April 30, 2013 and was used for the contribution for the year ended April 30, 2014.

Firemen's Pension Fund

Plan Description

Fire sworn personnel are covered by the Firemen's Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contributions levels, are mandated by Illinois Compiled Statutes (40 ILCS 5/4) and may be amended only by the Illinois legislature.

The Firemen's Pension Plan provides retirement benefits as well as death and disability benefits. A firefighter age 50 or more who has at least 20 years of creditable service, and is no longer in service as a firefighter, shall receive a monthly pension of ½ the monthly salary attached to the rank held by him or her in the fire service at the date of retirement.

The monthly pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary.

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

A firefighter who retires or is separated from service having 10 but less than 20 years of creditable service, who is not entitled to receive a disability pension and who did not apply for a refund of contributions at his or her last separation from service, shall receive a reduced retirement benefit.

The monthly pension of a firefighter who is receiving a disability pension under this Article shall be increased, in January of the year following the year the firefighter attains age 60, by 3% of the originally granted monthly pension for each year he or she received pension payments. In each January thereafter, the firefighter shall receive an additional increase of 3% of the original monthly pension.

The monthly pension of a firefighter who retires after January 1, 1986, shall upon either the first of the month following the first anniversary of the date of retirement if 55 years of age or over at retirement date, or upon the first day of the month following attainment of age 55 if it occurs after the first anniversary of retirement, be increased by 3% of the originally granted monthly pension for each full year that has elapsed since the pension began, and by an additional 3% in each January thereafter.

Beginning January 1, 2011, several changes were implemented for all new firefighters. These changes include:

- A firefighter must now be age 55 or more and have 10 or more years of creditable service to receive a monthly pension of 2.50 percent for each year of service.
- A firefighter retiring at age 50 shall have their pension reduced by 1/2 of 1% for each month under the age of 55.
- The maximum salary for calculation of benefits shall not exceed \$106,800, to be adjusted for inflation.
- Pension payment increases shall be limited based on inflationary rates and will not occur until the latter of age 60 or the first anniversary of the pension start date.
- Changes required funding date to 2040 and provides for required measures by the State Comptroller to ensure the municipalities are providing the required funding.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing: City of Belleville, 101 South Illinois Street, Belleville, Illinois 62220.

Funding Policy

Covered employees are required to contribute 9.455% of their salary to the Firemen's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The City is required to contribute the remaining amounts (not less than 8.045%) necessary to finance the plan as actuarially

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

determined by an enrolled actuary. The Projected Unit Credit actuarial funding method is used to determine contributions.

Annual Pension Cost

Employer and employee contributions of \$2,269,406 and \$386,322 were made to the Plan during the year ended April 30, 2014. The contributions are typically based upon the Illinois Department of Insurance Annual Actuarial Tax Levy or an independent actuarial valuation obtained by the City. The latest actuarial valuation was performed at April 30, 2013 and was used for the contribution for the year ended April 30, 2014.

NOTE 6: SELF INSURANCE

On May 1, 2007, the City adopted a self-insured group health insurance program, which is administered by a service agent. The Insurance Fund is responsible for collecting interfund premiums for covered employees and retirees, paying benefit claims and administrative expenses, and purchasing certain insurance policies. Medical claims exceeding a Specific Stop Loss or a maximum annual aggregate deductible are covered through a private insurance carrier. Fund revenues are received as contribution premiums from other funds and are planned to match the total of expenses of insurance premiums for coverage obtained, claims resulting from the self-insurance program and administrative expenses.

NOTE 7: REDEVELOPMENT AGREEMENTS

The City entered into two redevelopment agreements to develop areas within tax increment financing boundaries. The City and the developers entered into agreements by which the developer would incur reimbursable costs which would be submitted for payment through Tax Increment Finance Notes. The debt would then be retired with tax revenues generated from the increase in values of the developed properties. The notes are payable solely from the new revenues and do not constitute a debt of the City.

The City made payments to reduce the principal amount of the Tax Increment Financing notes for the Reunion Development Project agreement by \$95,500 during the year ended April 30, 2014. These payments are being reported as development expense in the financial statements. The note balances related to this project in the amounts of \$6,854,157, \$6,854,157, \$2,647,614, and \$2,647,614 are still outstanding and not reflected in the debt of the City as of April 30, 2014.

The City also entered into a redevelopment agreement to develop areas within the Parkway North Business District. The City and the developer entered into an agreement by which the developer would incur reimbursable costs which would be submitted for payment through Temporary Notes. The debt would be retired with tax revenues generated from sales tax revenues and business

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

district tax revenues in the project area. The Temporary Notes are payable solely from the new revenues and are not reflected in the long-term debt of the City. Principal reductions during the year ending April 30, 2014 amounted to \$32,330 and were reported as development expense. The balance of the Temporary Notes as of April 30, 2014 is \$1,057,147.

NOTE 8: RECEIVABLES

Accounts receivable for the City, as reported in the statement of net assets, including the applicable allowances for uncollectible accounts, are as follows as of April 30, 2014:

	<u>General</u>	<u>Other Major Funds</u>	<u>Enterprise Funds</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:					
Unbilled Revenue	\$ -	\$ -	\$ 248,519	\$ -	\$ 248,519
Notes	33,750	71,249	-	-	104,999
Accounts	-	-	1,088,070	-	1,088,070
Gross Receivables	33,750	71,249	1,336,589	-	1,441,588
Less: Allowance for uncollectible	-	-	95,222	-	95,222
Net Total Receivables	<u>\$ 33,750</u>	<u>\$ 71,249</u>	<u>\$ 1,241,367</u>	<u>\$ -</u>	<u>\$ 1,346,366</u>

NOTE 9: INTERFUND TRANSFERS

The following is a summary of interfund transfers for the year ended April 30, 2014:

General Fund Transfer From (To):	
Motor Fuel Tax Fund	\$ 300,000
Tax Increment Financing Fund	1,304,492
Retirement Fund	(100,000)
Tax Increment Financing Fund Transfer (To):	
General Fund	(1,304,492)
Sewerage Fund	(1,450,000)
TIF Debt Service Fund	(254,300)
TIF Debt Service Fund Transfer From:	
Tax Increment Financing Fund	254,300
Motor Fuel Tax Fund Transfer (To):	
General Fund	(300,000)
Retirement Fund Transfer From:	
General Fund	100,000
Sewerage Fund Transfer From:	
Tax Increment Financing Fund	1,450,000
	<u>\$ -</u>

The City makes transfers between funds to reimburse expenses paid from one fund that are related to or allocable to another fund.

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 10: INTERFUND RECEIVABLES AND PAYABLES

The following is a schedule of interfund receivables and payables for the year ending April 30, 2014.

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 334,958	\$ -
Insurance Fund	<u>-</u>	<u>334,958</u>
Totals	<u>\$ 334,958</u>	<u>\$ 334,958</u>

NOTE 11: POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description. The City maintains a single-employer defined benefit healthcare plan available for retirees. The City provides pre and post Medicare post-retirement healthcare benefits to all retirees who worked for the City, were enrolled in one of the City's healthcare plans at the time of employment, and receive a pension from the City through IMRF, the Police Pension Fund or the Firefighter's Pension Fund. The various eligibility requirements vary with the type of retirement plan the employee was associated with. The City does not issue a separate report related to post-retirement healthcare benefits.

Funding Policy. The contribution requirements are as determine by the contracts with City employees and are funded as a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following shows the components of the annual OPEB for the year, the actual amount contributed to the plan, and the change in the OPEB obligation.

Annual required contribution	\$ 1,091,573
Interest on OPEB obligation	102,401
Adjustment to ARC	<u>(85,518)</u>
Annual OPEB cost	1,108,456
Contributions made	<u>(437,372)</u>
Increase in OPEB	671,084
Net OPEB – Beg of Year	<u>2,048,027</u>
Net OPEB – End of Year	<u>\$ 2,719,111</u>

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The City's annual OPEB costs, the percentages of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 are as follows:

<u>Fiscal</u> <u>Year Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
04/30/14	\$1,108,456	39.46%	\$2,719,111
04/30/13	1,064,575	43.81%	2,048,027
04/30/12	1,059,370	40.39%	1,149,846

Funding Status and Funding Progress. As of May 1, 2014, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability is \$12,649,505. The plan has no assets as payments are made on a pay-as-you-go basis. The covered payroll was \$17,808,768 and the ratio of the UAAL to the covered payroll was 71.0 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to the point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the May 1, 2014 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 9.0 percent for 2013, reduced by decrements to an ultimate rate of 5.0 percent after five years. These rates include a 2.5 percent wage inflation assumption. The UAAL is being amortized as a level percentage of pay over 30 years.

CITY OF BELLEVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 12: FOREIGN FIRE INSURANCE

The City's fire department maintains a bank account that provides for the receipts and expenditures related to foreign fire insurance funds. The balance in this bank account is \$142,142 as of April 30, 2014. Current year receipts from foreign fire insurance are \$70,307 and the current year expenditures were \$116,378. These funds were used for the maintenance, use and benefit of the department.

NOTE 13: SUBSEQUENT EVENT

The City has evaluated events occurring after the financial statement date through September 19, 2014 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

CITY OF BELLEVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Receipts:			
Local Taxes:			
Utility	\$ 3,250,000	\$ 3,250,000	\$ 3,331,238
Total Taxes	<u>3,250,000</u>	<u>3,250,000</u>	<u>3,331,238</u>
Licenses, Permits and Fees:			
Liquor Licenses	81,000	81,000	71,705
Franchise Fees	605,000	605,000	646,406
Business Licenses	55,000	55,000	38,299
Building Permits	115,000	115,000	129,988
Electrical Permits	26,300	26,300	27,070
Other Permits	18,800	18,800	22,166
Occupancy Permits	153,500	153,500	143,875
Housing Inspection Permits	150,000	150,000	325,130
Fire Inspection Fees	64,000	64,000	50,898
Other Fees	50,000	50,000	51,609
Total Licenses and Permits	<u>1,318,600</u>	<u>1,318,600</u>	<u>1,507,146</u>
Intergovernmental:			
State Income Tax	3,950,000	3,950,000	4,300,805
Sales Tax	8,734,250	8,734,250	8,283,191
Local Use Tax	700,000	700,000	759,281
Personal Property Replacement Tax	230,000	230,000	271,357
Grants	502,685	502,685	622,488
Gaming Tax	155,000	155,000	65,549
Telecommunications Tax	1,800,000	1,800,000	1,447,628
Total Intergovernmental	<u>16,071,935</u>	<u>16,071,935</u>	<u>15,750,299</u>
Charges for Services:			
Trash Disposal Charges	3,079,000	3,079,000	2,993,116
Cemetery Fees	52,000	52,000	53,488
Rent/Lease	89,606	89,606	91,971
Total Charges for Services	<u>3,220,606</u>	<u>3,220,606</u>	<u>3,138,575</u>
Fines and Forfeitures:			
Police and Circuit Clerk Fines	513,500	513,500	439,455
Total Fines and Forfeitures	<u>513,500</u>	<u>513,500</u>	<u>439,455</u>
Interest	5,335	5,335	5,090

CITY OF BELLEVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Receipts (continued):			
Miscellaneous:			
Donations	18,505	18,505	67,391
Departmental Reimbursement	501,600	501,600	379,397
Other	<u>37,400</u>	<u>37,400</u>	<u>36,040</u>
Total Miscellaneous	<u>557,505</u>	<u>557,505</u>	<u>482,828</u>
Total Receipts	<u>\$ 24,937,481</u>	<u>\$ 24,937,481</u>	<u>\$ 24,654,631</u>
Disbursements:			
General Government:			
Administrative:			
Personal Services	\$ 697,500	\$ 697,500	\$ 655,195
Contractual Services	1,382,830	1,362,430	1,256,196
Commodities	25,250	25,250	24,536
Capital Outlay	11,500	16,850	16,819
Debt Service	282,498	282,498	278,858
Other	<u>113,000</u>	<u>113,000</u>	<u>121,366</u>
	<u>2,512,578</u>	<u>2,497,528</u>	<u>2,352,970</u>
Legal:			
Personal Services	119,550	166,250	156,387
Contractual Services	<u>87,950</u>	<u>41,250</u>	<u>24,892</u>
	<u>207,500</u>	<u>207,500</u>	<u>181,279</u>
Health and Housing:			
Personal Services	723,200	723,200	691,218
Contractual Services	142,905	142,905	64,177
Commodities	22,000	22,000	19,889
Capital Outlay	<u>1,350</u>	<u>1,350</u>	<u>261</u>
	<u>889,455</u>	<u>889,455</u>	<u>775,545</u>
Mayor's Office:			
Personal Services	200,200	200,200	189,793
Contractual Services	4,100	4,100	3,904
Commodities	<u>4,000</u>	<u>4,000</u>	<u>3,044</u>
	<u>208,300</u>	<u>208,300</u>	<u>196,741</u>
Finance:			
Personal Services	181,700	181,700	172,600
Contractual Services	2,150	2,150	1,123
Commodities	<u>1,800</u>	<u>1,800</u>	<u>876</u>
	<u>185,650</u>	<u>185,650</u>	<u>174,599</u>

CITY OF BELLEVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND
 FOR THE YEAR ENDED APRIL 30, 2014

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Disbursements (continued):			
Human Resources:			
Personal Services	99,900	133,900	133,242
Contractual Services	25,900	25,900	8,416
Commodities	800	800	639
	<u>126,600</u>	<u>160,600</u>	<u>142,297</u>
City Clerk:			
Personal Services	287,600	287,600	286,393
Contractual Services	3,600	5,670	2,562
Commodities	5,570	3,500	2,392
Capital Outlay	1,000	1,000	686
	<u>297,770</u>	<u>297,770</u>	<u>292,033</u>
Treasurer:			
Personal Services	\$ 129,600	\$ 131,100	\$ 129,901
Contractual Services	6,435	6,635	4,797
Commodities	2,500	1,240	869
Capital Outlay	400	1,460	538
	<u>138,935</u>	<u>140,435</u>	<u>136,105</u>
Maintenance:			
Personal Services	499,100	499,100	493,816
Contractual Services	149,685	149,685	85,804
Commodities	25,600	25,600	21,434
Capital Outlay	1,250	1,250	490
	<u>675,635</u>	<u>675,635</u>	<u>601,544</u>
Total General Government	<u>5,242,423</u>	<u>5,262,873</u>	<u>4,853,113</u>
Public Safety:			
Police Department:			
Personal Services	8,260,350	8,161,750	7,917,511
Contractual Services	716,550	716,550	655,089
Commodities	349,500	354,500	338,342
Capital Outlay	358,500	348,500	218,546
Debt Service	-	-	40,529
Other	35,500	35,500	20,944
	<u>9,720,400</u>	<u>9,616,800</u>	<u>9,190,961</u>
Fire Department:			
Personal Services	5,167,130	5,167,130	5,028,172
Contractual Services	541,100	541,100	523,988
Commodities	94,500	94,500	93,841
Capital Outlay	165,000	165,000	164,531
Other	4,500	4,500	4,264
	<u>5,972,230</u>	<u>5,972,230</u>	<u>5,814,796</u>

CITY OF BELLEVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND
 FOR THE YEAR ENDED APRIL 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Disbursements (continued):			
Public Safety:			
Board of Police and Fire Commissioners:			
Contractual Services	8,000	8,000	1,050
	<u>8,000</u>	<u>8,000</u>	<u>1,050</u>
Total Public Safety	<u>15,700,630</u>	<u>15,597,030</u>	<u>15,006,807</u>
Public Works:			
Personal Services	\$ 1,282,000	\$ 1,380,600	\$ 1,373,906
Contractual Services	257,300	233,050	223,357
Commodities	216,000	266,750	262,955
Total Public Works	<u>1,755,300</u>	<u>1,880,400</u>	<u>1,860,218</u>
Parks and Recreation:			
Personal Services	539,425	497,425	464,693
Contractual Services	239,353	239,353	184,912
Commodities	151,800	145,300	132,371
Capital Outlay	74,100	74,100	70,963
Total Parks and Recreation	<u>1,004,678</u>	<u>956,178</u>	<u>852,939</u>
Health and Sanitation:			
Personal Services	1,057,000	1,057,000	1,040,224
Contractual Services	960,015	960,015	948,638
Commodities	315,400	315,400	310,110
Capital Outlay	125,000	125,050	125,040
Total Health and Sanitation	<u>2,457,415</u>	<u>2,457,465</u>	<u>2,424,012</u>
Cemetery:			
Personal Services	232,400	240,400	236,756
Contractual Services	35,830	28,830	25,925
Commodities	23,500	30,500	27,956
Total Cemetery	<u>291,730</u>	<u>299,730</u>	<u>290,637</u>
Engineering:			
Personal Services	223,400	221,900	207,048
Contractual Services	68,500	68,000	64,555
Commodities	9,250	9,250	7,718
Capital Outlay	25,500	26,000	25,915
Total Engineering	<u>326,650</u>	<u>325,150</u>	<u>305,236</u>

CITY OF BELLEVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS) - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Disbursements (continued):			
Planning & Economic Development:			
Personal Services	238,500	238,500	213,267
Contractual Services	64,740	79,740	77,105
Commodities	2,500	2,980	2,963
Capital Outlay	4,000	3,520	2,804
Total Planning & Economic Development	<u>309,740</u>	<u>324,740</u>	<u>296,139</u>
 Total Disbursements	<u>\$ 27,088,566</u>	<u>\$ 27,103,566</u>	<u>\$ 25,889,101</u>
 Excess (Deficiency) of Receipts Over Disbursements	<u>(2,151,085)</u>	<u>(2,166,085)</u>	<u>(1,234,470)</u>
 Other Financing Sources:			
Proceeds From Fixed Asset Sales	194,000	194,000	3,109
Transfers In	2,004,492	2,004,492	1,604,492
Transfers Out	<u>-</u>	<u>-</u>	<u>(100,000)</u>
 Excess of Receipts and Other Financing Sources Over Disbursements	<u>\$ 47,407</u>	<u>\$ 32,407</u>	273,131
 Change for reporting on modified accrual basis:			
No change for Modified Cash Basis			<u>-</u>
 As reported on the Statement of Revenues and Expenditures Arising from Modified Cash Basis Transactions			<u>\$ 273,131</u>

CITY OF BELLEVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS)
TAX INCREMENT FINANCING FUND
FOR THE YEAR ENDED APRIL 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Property Tax	\$ 16,921,100	\$ 16,921,100	\$ 15,631,878
Intergovernmental	4,041,356	4,041,356	3,177,307
Interest	20,500	20,500	18,241
Miscellaneous	-	-	48,031
Total Receipts	<u>20,982,956</u>	<u>20,982,956</u>	<u>18,875,457</u>
Disbursements:			
Current:			
Development:			
Contractual Services	1,897,746	1,967,370	401,398
Tax District Reimbursements and Rebates	8,173,500	8,205,876	6,537,630
Capital Outlay	7,335,825	8,125,825	5,159,909
Debt Service	4,820,000	4,820,000	5,790,700
Total Disbursements	<u>22,227,071</u>	<u>23,119,071</u>	<u>17,889,637</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(1,244,115)</u>	<u>(2,136,115)</u>	<u>985,820</u>
Other Financing Sources:			
Transfers In	334,420	334,420	4,278
Transfers Out	(3,338,793)	(3,288,793)	(3,008,792)
Proceeds from Fixed Asset Sale	-	-	98,218
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	<u>\$ (4,248,488)</u>	<u>\$ (5,090,488)</u>	<u>(1,920,476)</u>
Change for reporting on modified accrual basis:			
No change for modified cash basis			<u>-</u>
As reported on the Statement of Revenues and Expenditures Arising from Modified Cash Basis Transactions			<u>\$ (1,920,476)</u>

CITY OF BELLEVILLE, ILLINOIS

**SCHEDULE OF POLICE AND FIREMEN'S PENSION
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
APRIL 30, 2014**

	Fiscal Year					
	2013	2012	2011	2010	2009	2008
<u>Police Pension</u>						
Actuarial Value of Assets	\$ 32,375,175	\$ 30,926,820	\$ 28,653,309	\$ 27,237,432	\$ 24,749,786	\$ 26,714,683
Actuarial Accrued Liability (AAL)	61,244,568	58,227,095	52,294,262	53,298,794	51,593,156	50,286,199
Unfunded AAL (UAAL)	28,869,393	27,300,275	23,640,953	26,061,362	26,843,370	23,571,516
Funded Ratio	52.86%	53.11%	54.79%	51.10%	47.97%	53.13%
Covered Payroll	5,811,476	4,957,327	5,053,174	4,391,064	4,631,274	4,609,585
UAAL as a % of Covered Payroll	496.77%	550.71%	467.84%	593.51%	579.61%	511.36%
Employer Contributions:						
Required	2,281,990	2,062,557	2,058,064	2,029,481	2,048,685	1,842,221
Made	2,146,673	2,203,025	2,108,151	2,118,884	1,895,256	1,827,843
Percentage of Employer Contributions						
Made to Required Contributions	94.07%	106.81%	102.43%	104.41%	92.51%	99.22%
<u>Firemen's Pension</u>						
Actuarial Value of Assets	\$ 22,165,671	\$ 20,952,101	\$ 18,956,134	\$ 17,876,812	\$ 15,420,492	\$ 17,841,516
Actuarial Accrued Liability (AAL)	51,792,328	50,673,471	41,623,433	45,017,159	45,817,959	43,947,392
Unfunded AAL (UAAL)	29,626,657	29,721,370	22,667,299	27,140,347	30,397,467	26,105,876
Funded Ratio	42.80%	41.35%	45.54%	39.71%	33.66%	40.60%
Covered Payroll	3,985,868	3,917,573	3,736,309	3,643,002	3,406,651	2,957,161
UAAL as a % of Covered Payroll	743.29%	758.67%	606.68%	745.00%	892.30%	882.80%
Employer Contributions:						
Required	2,183,147	2,174,682	1,969,017	2,169,760	2,236,096	1,880,366
Made	2,266,245	2,108,642	2,252,520	2,313,723	1,939,256	1,739,499
Percentage of Employer Contributions						
Made to Required Contributions	103.81%	96.96%	114.40%	106.63%	86.73%	92.51%

2012 is the latest year for which a tax was levied and collected. The 2013 actuarial estimate is levied in December 2013 and collected in fiscal year 2015.

The actuarial valuations presented are prepared by the Illinois Department of Insurance using the following parameters:

Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	30 Year Commenced in 2011
Asset Valuation Method:	5 Year Smoothed Market Method
Actuarial Assumptions:	
Interest Rate	6.75%
Projected Payroll Growth	4.50%

CITY OF BELLEVILLE, ILLINOIS

**SCHEDULE OF ILLINOIS MUNICIPAL RETIREMENT
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
APRIL 30, 2014**

	Calendar Year					
	2013	2012	2011	2010	2009	2008
Actuarial Value of Assets	\$ 19,431,602	\$ 18,887,579	\$ 18,766,244	\$ 18,078,622	\$ 18,138,408	\$ 16,960,438
Actuarial Accrued Liability (AAL)	25,571,778	25,865,388	25,232,428	24,403,938	23,374,459	21,507,422
Unfunded AAL (UAAL)	6,140,176	6,977,809	6,466,184	6,325,316	5,236,051	4,546,984
Funded Ratio	75.99%	73.02%	74.37%	74.08%	77.60%	78.86%
Covered Payroll	8,790,440	8,510,862	8,263,777	8,741,518	8,384,000	8,185,562
UAAL as a % of Covered Payroll	69.85%	81.99%	78.25%	72.36%	62.45%	55.55%
Employer Contributions:						
Required	1,120,781	1,059,602	981,737	1,007,023	687,488	690,043
Made	1,054,853	928,535	819,767	788,485	687,488	690,043
Percentage of Employer Contributions						
Made to Required Contributions	94.00%	88.00%	84.00%	78.00%	100.00%	100.00%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$23,836,479.

On a market basis, the funded ratio would be 93.21 percent.

The actuarial valuations presented are prepared by the Illinois Municipal Retirement Fund using the following parameters:

Actuarial Cost Method:	Entry Age Normal Actuarial Cost
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	Open 30 Years
Asset Valuation Method:	Techniques that smooth the effects of short term volatility over a five year period.
Actuarial Assumptions:	
Interest Rate	7.5 %
Salary Progression	4.4 - 14.0 %
Cost of Living Adjustments	3.0 %

CITY OF BELLEVILLE, ILLINOIS

SCHEDULE OF POST-EMPLOYMENT HEALTHCARE
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
APRIL 30, 2014

	Fiscal Year				
	2014	2013	2012	2011	2010
Actuarial Value of Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Actuarial Accrued Liability (AAL)	12,649,505	13,085,224	12,357,232	10,491,002	9,940,095
Unfunded AAL (UAAL)	12,649,505	13,085,224	12,357,232	10,491,002	9,940,095
Funded Ratio	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	17,808,768	16,829,778	16,260,655	16,250,408	15,700,877
UAAL as a % of Covered Payroll	71.03%	77.75%	75.99%	64.56%	63.30%
Employer Contributions:					
Required	1,108,456	1,064,575	1,059,370	884,989	846,794
Made	437,372	466,394	427,884	379,748	533,635
Percentage of Employer Contributions					
Made to Required Contributions	39.46%	43.81%	40.39%	42.91%	63.02%

The actuarial valuations presented are prepared for the post-retirement healthcare benefits using the following parameters:

Actuarial Cost Method:	Entry Age Normal Actuarial Cost
Amortization Method:	Level Percentage of Pay
Remaining Amortization Period:	30 years
Actuarial Assumptions:	
Discount Rate	5.00%
Wage Inflation	2.50%
Healthcare Trend	9.00% initially with a reduction to 5% after five years

CITY OF BELLEVILLE, ILLINOIS

COMBINING STATEMENT OF ASSETS, LIABILITIES AND
 FUND BALANCES ARISING FROM MODIFIED CASH BASIS TRANSACTIONS
 NONMAJOR GOVERNMENTAL FUNDS
 APRIL 30, 2014

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	Total Special Revenue	Debt Service			Capital Projects Fund	Permanent Fund Cemetery Care	Total Nonmajor Government Funds
		Special Service Area	2011 Bond Fund	TIF			
<u>Assets</u>							
Cash and Cash Equivalents	\$ 2,911,614	\$ 246,972	\$ 1,059,772	\$ 255,350	\$ 116	\$ 6,309	\$ 4,480,133
Investments	-	-	-	-	-	225,928	225,928
Land	-	-	-	-	-	33,750	33,750
Total Assets	<u>\$ 2,911,614</u>	<u>\$ 246,972</u>	<u>\$ 1,059,772</u>	<u>\$ 255,350</u>	<u>\$ 116</u>	<u>\$ 265,987</u>	<u>\$ 4,739,811</u>
<u>Liabilities and Fund Balance</u>							
Liabilities:							
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	33,750	33,750
Restricted	2,777,201	246,972	1,059,772	255,350	-	232,237	4,571,532
Committed	134,413	-	-	-	116	-	134,529
Total Fund Balances	<u>2,911,614</u>	<u>246,972</u>	<u>1,059,772</u>	<u>255,350</u>	<u>116</u>	<u>265,987</u>	<u>4,739,811</u>
Total Liabilities and Fund Balances	<u>\$ 2,911,614</u>	<u>\$ 246,972</u>	<u>\$ 1,059,772</u>	<u>\$ 255,350</u>	<u>\$ 116</u>	<u>\$ 265,987</u>	<u>\$ 4,739,811</u>

CITY OF BELLEVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES AND EXPENDITURES
ARISING FROM MODIFIED CASH BASIS TRANSACTIONS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	Total Special Revenue	Debt Service				Capital Projects Fund	Permanent Fund Cemetery Care	Total Nonmajor Government Funds
		Special Service Area	2011 Bond Fund	TIF Debt	Total			
Revenues:								
Property Tax	\$ 3,317,500	\$ 96,110	\$ -	\$ -	\$ 96,110	\$ -	\$ -	\$ 3,413,610
Intergovernmental	1,568,007	-	1,139,439	-	1,139,439	-	-	2,707,446
Local Tax	40,887	-	-	-	-	-	-	40,887
Charges for Services	458,597	-	-	-	-	-	1,414	460,011
Fines and Forfeitures	17,145	-	-	-	-	-	-	17,145
Investment Income	5,189	520	1,642	318	2,480	-	3,757	11,426
Contributions	98,410	-	-	-	-	-	-	98,410
Miscellaneous	14,471	-	-	-	-	-	-	14,471
Total Revenues	5,520,206	96,630	1,141,081	318	1,238,029	-	5,171	6,763,406
Expenditures:								
Current:								
General Government	2,185,492	-	-	-	-	-	-	2,185,492
Public Works	576,267	-	-	-	-	-	-	576,267
Cultural and Recreational	1,987,679	-	-	-	-	-	-	1,987,679
Capital Outlay	544,834	-	-	-	-	-	10,000	554,834
Debt Service:								
Principal	-	55,000	735,000	235,000	1,025,000	-	-	1,025,000
Interest and Fiscal Charges	-	45,323	275,003	263,474	583,800	-	-	583,800
Total Expenditures	5,294,272	100,323	1,010,003	498,474	1,608,800	-	10,000	6,913,072
Excess (Deficiency) of Revenues Over Expenditures	225,934	(3,693)	131,078	(498,156)	(370,771)	-	(4,829)	(149,666)
Other Financing Sources (Uses):								
Transfers In	100,000	-	-	254,300	254,300	-	-	354,300
Transfers Out	(300,000)	-	-	(4,278)	(4,278)	-	-	(304,278)
Total Other Financing Sources (Uses)	(200,000)	-	-	250,022	250,022	-	-	50,022
Net Change in Fund Balances	25,934	(3,693)	131,078	(248,134)	(120,749)	-	(4,829)	(99,644)
Fund Balances, Beginning of Year	2,885,680	250,665	928,694	503,484	1,682,843	116	270,816	4,839,455
Fund Balances, End of Year	\$ 2,911,614	\$ 246,972	\$ 1,059,772	\$ 255,350	\$ 1,562,094	\$ 116	\$ 265,987	\$ 4,739,811

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CITY OF BELLEVILLE, ILLINOIS

COMBINING STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES ARISING FROM MODIFIED CASH BASIS TRANSACTIONS
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
APRIL 30, 2014

	<u>Parks Project</u>	<u>Playground and Recreation</u>	<u>Motor Fuel Tax</u>	<u>Illinois Municipal Retirement</u>	<u>Public Library</u>	<u>Tort Liability</u>	<u>Belleville Illinois Tourism</u>	<u>Veteran's Memorial Fountain</u>	<u>Special Service Area</u>	<u>Total</u>
<u>Assets</u>										
Cash and Cash Equivalents	\$ 121,997	\$ 1,071,757	\$ 452,763	\$ 65,757	\$ 893,573	\$ 106,437	\$ 12,416	\$ 4,233	\$ 182,681	\$ 2,911,614
Total Assets	<u>\$ 121,997</u>	<u>\$ 1,071,757</u>	<u>\$ 452,763</u>	<u>\$ 65,757</u>	<u>\$ 893,573</u>	<u>\$ 106,437</u>	<u>\$ 12,416</u>	<u>\$ 4,233</u>	<u>\$ 182,681</u>	<u>\$ 2,911,614</u>
<u>Liabilities and Fund Balance</u>										
Liabilities:										
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:										
Restricted	-	1,071,757	452,763	65,757	893,573	106,437	-	4,233	182,681	2,777,201
Committed	121,997	-	-	-	-	-	12,416	-	-	134,413
Total Fund Balance	<u>121,997</u>	<u>1,071,757</u>	<u>452,763</u>	<u>65,757</u>	<u>893,573</u>	<u>106,437</u>	<u>12,416</u>	<u>4,233</u>	<u>182,681</u>	<u>2,911,614</u>
Total Liabilities and Fund Balance	<u>\$ 121,997</u>	<u>\$ 1,071,757</u>	<u>\$ 452,763</u>	<u>\$ 65,757</u>	<u>\$ 893,573</u>	<u>\$ 106,437</u>	<u>\$ 12,416</u>	<u>\$ 4,233</u>	<u>\$ 182,681</u>	<u>\$ 2,911,614</u>

CITY OF BELLEVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES AND EXPENDITURES
ARISING FROM MODIFIED CASH BASIS TRANSACTIONS
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	<u>Parks Project</u>	<u>Playground and Recreation</u>	<u>Motor Fuel Tax</u>	<u>Illinois Municipal Retirement</u>	<u>Public Library</u>	<u>Tort Liability</u>	<u>Belleville Illinois Tourism</u>	<u>Veteran's Memorial Fountain</u>	<u>Special Service Area</u>	<u>Total</u>
Revenues:										
Property Tax	\$ -	\$ 373,484	\$ -	\$ 1,189,603	\$ 1,178,162	\$ 543,247	\$ -	\$ -	\$ 33,004	\$ 3,317,500
Intergovernmental	24,886	15,378	1,325,538	87,663	114,542	-	-	-	-	1,568,007
Local Tax	-	-	-	-	-	-	40,887	-	-	40,887
Charges for Services	-	406,304	26,631	-	25,662	-	-	-	-	458,597
Fines and Forfeitures	-	-	-	-	17,145	-	-	-	-	17,145
Investment Income	209	1,759	625	255	1,528	411	26	4	372	5,189
Contributions	-	93,090	-	-	820	-	-	4,500	-	98,410
Miscellaneous	-	2,766	-	-	11,680	-	-	25	-	14,471
Total Revenues	<u>25,095</u>	<u>892,781</u>	<u>1,352,794</u>	<u>1,277,521</u>	<u>1,349,539</u>	<u>543,658</u>	<u>40,913</u>	<u>4,529</u>	<u>33,376</u>	<u>5,520,206</u>
Expenditures:										
Current:										
General Government	-	-	-	1,376,250	-	764,606	44,636	-	-	2,185,492
Public Works	-	-	540,470	-	-	-	-	-	35,797	576,267
Cultural and Recreational	-	740,664	-	-	1,243,925	-	-	3,090	-	1,987,679
Capital Outlay	44,569	36,192	461,049	-	3,024	-	-	-	-	544,834
Total Expenditures	<u>44,569</u>	<u>776,856</u>	<u>1,001,519</u>	<u>1,376,250</u>	<u>1,246,949</u>	<u>764,606</u>	<u>44,636</u>	<u>3,090</u>	<u>35,797</u>	<u>5,294,272</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(19,474)</u>	<u>115,925</u>	<u>351,275</u>	<u>(98,729)</u>	<u>102,590</u>	<u>(220,948)</u>	<u>(3,723)</u>	<u>1,439</u>	<u>(2,421)</u>	<u>225,934</u>
Other Financing Sources (Uses):										
Transfers In	-	-	-	100,000	-	-	-	-	-	100,000
Transfers Out	-	-	(300,000)	-	-	-	-	-	-	(300,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>
Net Change in Fund Balances	<u>(19,474)</u>	<u>115,925</u>	<u>51,275</u>	<u>1,271</u>	<u>102,590</u>	<u>(220,948)</u>	<u>(3,723)</u>	<u>1,439</u>	<u>(2,421)</u>	<u>25,934</u>
Fund Balance, Beginning of Year	<u>141,471</u>	<u>955,832</u>	<u>401,488</u>	<u>64,486</u>	<u>790,983</u>	<u>327,385</u>	<u>16,139</u>	<u>2,794</u>	<u>185,102</u>	<u>2,885,680</u>
Fund Balance, End of Year	<u>\$ 121,997</u>	<u>\$ 1,071,757</u>	<u>\$ 452,763</u>	<u>\$ 65,757</u>	<u>\$ 893,573</u>	<u>\$ 106,437</u>	<u>\$ 12,416</u>	<u>\$ 4,233</u>	<u>\$ 182,681</u>	<u>\$ 2,911,614</u>

CITY OF BELLEVILLE, ILLINOIS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
APRIL 30, 2014

	<u>Working Cash</u>	<u>Insurance</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Cash	<u>\$ 372,983</u>	<u>\$ 21,083</u>	<u>\$ 394,066</u>
Total Assets	<u>\$ 372,983</u>	<u>\$ 21,083</u>	<u>\$ 394,066</u>
<u>Liabilities</u>			
Current Liabilities:			
Due to Other Funds	<u>\$ -</u>	<u>\$ 334,958</u>	<u>\$ 334,958</u>
Total Current Liabilities	<u>-</u>	<u>334,958</u>	<u>334,958</u>
<u>Net Assets</u>			
Unassigned	<u>372,983</u>	<u>(313,875)</u>	<u>59,108</u>
Total Net Assets	<u>\$ 372,983</u>	<u>\$ (313,875)</u>	<u>\$ 59,108</u>

CITY OF BELLEVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	<u>Working Cash</u>	<u>Insurance</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	<u>\$ -</u>	<u>\$ 3,918,522</u>	<u>\$ 3,918,522</u>
Operating Expenses:			
Personal Services	<u>-</u>	<u>4,045,071</u>	<u>4,045,071</u>
Total Operating Expenses	<u>-</u>	<u>4,045,071</u>	<u>4,045,071</u>
Operating Income	<u>-</u>	<u>(126,549)</u>	<u>(126,549)</u>
Nonoperating Revenues:			
Property Tax	-	397,789	397,789
Investment Earnings	<u>833</u>	<u>148</u>	<u>981</u>
Total Nonoperating Revenues	<u>833</u>	<u>397,937</u>	<u>398,770</u>
Change in Net Assets	833	271,388	272,221
Net Assets, Beginning of Year	<u>372,150</u>	<u>(585,263)</u>	<u>(213,113)</u>
Net Assets, End of Year	<u>\$ 372,983</u>	<u>\$ (313,875)</u>	<u>\$ 59,108</u>

CITY OF BELLEVILLE, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - PENSION TRUST FUNDS
APRIL 30, 2014

	<u>Police Pension</u>	<u>Firemen's Pension</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents	\$ 2,003,755	\$ 1,030,926	\$ 3,034,681
Investments, at Market	29,267,887	20,695,876	49,963,763
Receivables:			
Taxes Receivable	2,301,092	2,200,039	4,501,131
Interest Receivable	83,770	60,215	143,985
Total Assets	<u>33,656,504</u>	<u>23,987,056</u>	<u>57,643,560</u>
Liabilities	<u>145</u>	<u>-</u>	<u>145</u>
Net Position - Restricted for Pension Benefits	<u>\$ 33,656,359</u>	<u>\$ 23,987,056</u>	<u>\$ 57,643,415</u>

CITY OF BELLEVILLE, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - PENSION TRUST FUNDS
 FOR THE YEAR ENDED APRIL 30, 2014

	<u>Police Pension</u>	<u>Firemen's Pension</u>	<u>Total</u>
Additions:			
Contributions:			
Employee Contributions	\$ 519,223	\$ 386,322	\$ 905,545
Employer Contributions:			
Property Taxes	2,288,833	2,187,054	4,475,887
Personal Property Replacement Taxes	<u>87,541</u>	<u>82,352</u>	<u>169,893</u>
Total Contributions	<u>2,895,597</u>	<u>2,655,728</u>	<u>5,551,325</u>
Investment Income:			
Interest and Dividend Income	1,230,962	351,371	1,582,333
Gain on Sales of Securities	(102,308)	102,447	139
Net Appreciation in Fair Market Value of Investments	<u>1,527,412</u>	<u>1,787,334</u>	<u>3,314,746</u>
	2,656,066	2,241,152	4,897,218
Less Investment Expense	<u>(37,201)</u>	<u>(91,685)</u>	<u>(128,886)</u>
Total Investment Income	<u>2,618,865</u>	<u>2,149,467</u>	<u>4,768,332</u>
Total Additions	<u>5,514,462</u>	<u>4,805,195</u>	<u>10,319,657</u>
Deductions:			
Benefits Paid to Participants:			
Service and Disability	2,533,501	2,363,260	4,896,761
Dependents	283,384	480,972	764,356
Transfer of Contributions	93,674	-	93,674
Professional Fees	21,739	9,417	31,156
Other	<u>19,151</u>	<u>16,644</u>	<u>35,795</u>
Total Deductions	<u>2,951,449</u>	<u>2,870,293</u>	<u>5,821,742</u>
Change in Net Position	2,563,013	1,934,902	4,497,915
Net Position, Beginning of Year	<u>31,093,346</u>	<u>22,052,154</u>	<u>53,145,500</u>
Net Position, End of Year	<u>\$ 33,656,359</u>	<u>\$ 23,987,056</u>	<u>\$ 57,643,415</u>

APPENDIX B

BOOK-ENTRY ONLY SYSTEM

General. The Bonds are available in book-entry only form. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Ownership interests in the Bonds will be available to purchasers only through a book-entry system (the “Book-Entry System”) maintained by The Depository Trust Company (“DTC”), New York, New York.

The following information concerning DTC and DTC’s book-entry system has been obtained from DTC. The City (defined in this section as the “Issuer”) takes no responsibility for the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

1. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

10. The Participants holding a majority position in the Bonds may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

	<u>AYE</u>	<u>NAY</u>
Joseph Hazel	_____	_____
Ken Kinsella	_____	_____
Janet Schmidt	_____	_____
Michael Buettner	_____	_____
Kent Randle	_____	_____
Scott Tyler	_____	_____
Johnnie Anthony	_____	_____
Raffi Ovian	_____	_____
Edward Dintelman	_____	_____
Phillip Silsby	_____	_____
Paul Seibert	_____	_____
Bob White	_____	_____
Philip Elmore	_____	_____
Trent Galetti	_____	_____
Roger Wigginton	_____	_____
James Musgrove	_____	_____

APPROVED by the Mayor of the City of Belleville, Illinois this 4th day of August, 2015.

MAYOR

ATTEST:

CITY CLERK

SYS DATE:07/28/15

CITY OF BELLEVILLE
C L A I M S H E E T

SYS TIME:09:50

DATE: 08/03/15

Monday August 03,2015

[NCS]
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VENDOR #	NAME	DEPT.	AMOUNT
13	MOTOR FUEL TAX FUND		
666	MACLAIR ASPHALT COMPANY	13-00	1,036.80
	**TOTAL		1,036.80
	13 MOTOR FUEL TAX FUND	GRAND TOTAL	1,036.80