

## CHAPTER 1

### ADMINISTRATION

#### ARTICLE I - GENERAL CODE PROVISIONS

##### DIVISION I - TITLE

**1-1-1**        **TITLE.** Upon the adoption by the Village Board of Trustees, this Village Code is hereby declared to be and shall hereafter constitute the official "Revised Code of Ordinances of the Village". The Revised Code of Ordinances shall be known and cited as the "Village Code", and it is hereby published by authority of the Village Board and shall be kept up-to-date as provided in Section 1-1-3 under the direction of the Village Attorney, acting for said Village Board. Any reference to the number of any section contained herein shall be understood to refer to the position of the same number, its appropriate chapter and article heading and to the general penalty clause relating thereto as well as to the section itself when reference is made to this Village Code by title in any legal document. (See 65 ILCS Sec. 5/1-2-3)

**1-1-2**        **ACCEPTANCE.** The Village Code as hereby presented in printed form shall hereafter be received without further proof in all courts and in all administrative tribunals of this State as the ordinances of the Village of general and permanent effect, except the excluded ordinances enumerated in Section 1-1-8. (See 65 ILCS Sec. 5/1-2-6)

**1-1-3**        **AMENDMENTS.** Any ordinance amending this Village Code shall set forth the article, chapter, and section number of the section or sections to be amended, and this shall constitute a sufficient compliance with any statutory requirement pertaining to the amendment or revision by ordinance of any part of this Village Code. All such amendments or revisions by ordinance shall be immediately forwarded to the codifiers and the ordinance material shall be prepared for insertion in its proper place in each copy of this Village Code. Each such replacement page shall be properly identified and shall be inserted in each individual copy of the Village Code on an annual basis. (See 65 ILCS Sec. 5/1-2-3)

**1-1-4**        **CODE ALTERATION.** It shall be deemed unlawful for any person to alter, change, replace or deface in any way, any section or any page of this Code in such a manner that the meaning of any phrase or order may be changed or omitted. Replacement pages may be inserted according to the official instructions when so authorized by the Village Board. The Clerk shall see that the replacement pages are properly inserted in the official copies maintained in the office of the Clerk.

Any person having in his custody an official copy of this Code shall make every effort to maintain said Code in an up-to-date and efficient manner. He shall see to the immediate insertion of new or replacement pages when such are delivered to him or made available to him through the office of the Village Clerk. Said Code books, while in actual possession of officials and other interested persons shall be and remain the property of the Village and shall be returned to the office of the Clerk upon termination of office or separation of duties.

**1-1-5**        **JURISDICTION.** Unless otherwise provided herein, this Code applies to acts performed within the corporate limits of the Village. Provisions of this Code also apply to acts performed outside the corporate limits and up to the limits prescribed by law, where the law confers power on the Village to regulate such particular acts outside the corporate limits.

**1-1-6 - 1-1-7 RESERVED.**

**DIVISION II - SAVING CLAUSE**

**1-1-8 REPEAL OF GENERAL ORDINANCES.** All general ordinances of the Village passed prior to the adoption of this Code are hereby repealed, except such as are referred to herein as being still in force or are, by necessary implication, herein reserved from repeal [subject to the saving clauses contained in the following sections], from which are excluded the following ordinances, which are not hereby repealed:

Tax Levy Ordinances; Appropriation Ordinances; Ordinances Relating to Boundaries and Annexations; Franchise Ordinances and other Ordinances Granting Special Rights to Persons or Corporations; Contract Ordinances and Ordinances Authorizing the Execution of a Contract or the Issuance of Warrants; Salary Ordinances; Ordinances Establishing, Naming, or Vacating Streets, Alleys, or Other Public Places; Improvement Ordinances; Bond Ordinances; Ordinances Relating to Elections; Ordinances Relating to the Transfer or Acceptance of Real Estate by or from the Village; and all Special Ordinances.

**1-1-9 PUBLIC UTILITY ORDINANCES.** No ordinance relating to railroads or railroad crossings with streets and other public ways or relating to the conduct, duties, service or rates of public utilities shall be repealed by virtue of the adoption of this Code or by virtue of the preceding section, excepting as this Code shall be considered as amending such ordinance or ordinances in respect to such provisions only.

**1-1-10 COURT PROCEEDINGS.** No new ordinance shall be construed or held to repeal a former ordinance, whether such former ordinance is expressly repealed or not, as to any offense committed against such former ordinance or as to any act done, any penalty, forfeiture or punishment so incurred, or any right accrued or claim arising under the former ordinance, or in any way whatever to affect any claim arising under the former ordinance or in any way whatever to affect any such offense or act so committed or so done, or any penalty, forfeiture or punishment so incurred or any right accrued or claim arising before the new ordinance takes effect, save only that the proceedings thereafter shall conform to the ordinance in force at the time of such proceeding, so far as practicable. If any penalty, forfeiture or punishment be mitigated by any provision of a new ordinance, such provision may be, by the consent of the party affected, applied to any judgment announced after the new ordinance takes effect.

This section shall extend to all repeals, either by express words or implication, whether the repeal is in the ordinance making any new provisions upon the same subject or in any other ordinance.

Nothing contained in this Chapter shall be construed as abating any action now pending under or by virtue of any general ordinance of the Village herein repealed and the provisions of all general ordinances contained in this Code shall be deemed to be continuing provisions and not a new enactment of the same provision; nor shall this Chapter be deemed as discontinuing, abating, modifying or altering any penalty accrued or to accrue, or as affecting the liability of any person, firm or corporation, or as waiving any right of the Village under any ordinance or provision thereof in force at the time of the adoption of this Code.

**1-1-11 SEVERABILITY OF PROVISIONS.** Each section, paragraph, sentence, clause and provision of this Code is severable, and if any provision is held



**1-1-16**        **DEFINITIONS.** Whenever the following words or terms are used in this Code, they shall have the meanings herein ascribed to them unless the context makes such meaning repugnant thereto:

**"AGENT"**, as used in this Code shall mean a person acting on behalf of another.

**"BOARD OF TRUSTEES"**, unless otherwise indicated shall mean the Mayor and the Board of Trustees of the Village of New Baden.

**"CODE" OR "THIS CODE"**, shall mean the "Revised Code of Ordinances of the Village of New Baden".

**"CORPORATE AUTHORITIES"** shall mean the Village Board of Trustees. (See 65 ILCS Sec. 5/1-1-2)

**"COUNTY"** shall mean the Counties of Clinton and St. Clair.

**"EMPLOYEES"** shall mean the following: Whenever reference is made in this Code to a Village employee by title only, this shall be construed as though followed by the words "of the Village".

**"FEE" OR "FEES"** as used in this Code shall mean a sum of money charged by the Village for carrying on of a business, profession or occupation.

**"FISCAL YEAR"**. The "fiscal year" for the Village shall begin on **May 1st of each year and end on April 30th of the following year.** (See 65 ILCS Sec. 5/1-1-2[5])

**"KNOWINGLY"** imports only a knowledge that the facts exist which bring the act or mission within the provisions of this Code. It does not require any knowledge of the unlawfulness of such act or omission.

**"LEGAL HOLIDAY"** shall mean the holidays as authorized and recognized by the Village Board in the employee agreement.

**"LICENSE"** as used in this Code shall mean the permission granted for the carrying on of a business, profession or occupation.

**"MAYOR"** as used in this Code shall mean the Village President or President of the Village Board of Trustees. (See 65 ILCS Sec. 5/1-1-2.1)

**"MISDEMEANOR"** as used in this Code shall mean any offense deemed a violation of the provisions of this Code which is a lesser offense than a felony as defined by state law.

**"NEGLECT", "NEGLIGENCE", "NEGLIGENT" AND "NEGLIGENTLY"** import a want of such attention to the nature of probable consequences of the act of omission as a prudent man ordinarily bestows in acting in his own concern.

**"NUISANCE"** shall mean anything offensive or obnoxious to the health and welfare of the inhabitants of the Village or any act or thing repugnant to or creating a hazard to or having a detrimental effect on the property of another person or to the community.

**"OCCUPANT"** as applied to a building or land shall include any person who occupies the whole or any part of such building or land whether alone or with others.

**"OFFENSE"** shall mean any act forbidden by any provision of this Code or the omission of any act required by the provisions of this Code.

**"OFFICERS AND EMPLOYEES"**. Whenever reference is made in this Code to a Village Officer or employee by title only, this shall be construed as though followed by the words "of the Village" and shall be taken to mean the officer or employee of this Village having the title mentioned or performing the duties indicated.

No provision of this Code designating the duties of any officer or employee shall be so construed as to make such officer or employee liable for any fine or penalty provided in this Code for a failure to perform such duty, unless the intention of the Village Board to impose such a fine or penalty on such officer or employee is specifically and clearly expressed in the section creating the duty.

**"OFFICIAL TIME"**. Central Standard Time shall be the official time for the transaction of Village business, except during applicable Daylight Savings Time set by National or State standards when the official time shall be advanced one (1) hour. All clocks and other timepieces in or upon public buildings or other premises maintained by or at the expense of the Village shall be set and run at the official time prescribed by this paragraph.

**"OPERATOR"** as used in this Code shall mean the person who is in charge of any operation, business or profession.

**"OWNER"** as applied to a building or land shall include any part-owner, joint-owner, tenant-in-common, joint-tenant or lessee of the whole or of a part of such building or land.

**"PERSON"** shall mean any natural individual, firm, trust, partnership, association, or corporation in his or its own capacity as administrator, conservator, executor, trustee, receiver or other representative appointed by the Court. Whenever the word "person" is used in any section of this Code prescribing a penalty or fine as applied to partnerships or any such word as applied to corporations, it shall include the officers, agents, or employees thereof who are responsible for any violation of said section.

**"PERSONAL PROPERTY"** shall include every description of money, goods, chattels, effects, evidence of rights in action and all written instruments by which any pecuniary obligation, right or title to property is created, acknowledged, transferred, increased, defeated, discharged or diminished and every right or interest therein.

**"RETAILER"** as used in this Code, unless otherwise specifically defined, shall be understood to relate to the sale of goods, merchandise, articles or things in small quantities direct to the consumer.

**"STATE" OR "THIS STATE"** unless otherwise indicated shall mean the "State of Illinois".

**"STREET"** shall include alleys, lanes, courts, boulevards, public squares, public places and sidewalks.

**"TENANT"** as applied to a building or land shall include any person who occupies the whole or

any part of such building or land, whether alone or with others.

**"VILLAGE"** means the Village of New Baden.

**"WHOLESALE" AND "WHOLESALE DEALER"** as used in this Code unless otherwise specifically defined, shall be understood to relate to the sale of goods, merchandise, articles, or things in quantity to persons who purchase for the purpose of resale.

**"WILLFULLY"** when applied to the intent with which an act is done or omitted implies simply a purpose or willingness to commit the act or make the omission referred to. It does not require any intent to violate law, or to injure another, or to acquire an advantage.

**"WRITTEN" AND "IN WRITING"** may include printing and any other mode of representing words and letters, but when the written signature of any person is required by law to any official or public writing or bond required by law, it shall be in the proper handwriting of such person, or in case he is unable to write, by his proper mark.

(In Part 65 ILCS Sec. 5/1-1-2)

**1-1-17**        **CATCHLINES.** The catchlines of the several sections of this Code are intended as mere catchwords to indicate the content of the section and shall not be deemed or taken to be titles of such sections, nor as any part of the section, nor, unless expressly so provided, shall they be so deemed when any of such sections, including the catchlines, are amended or reenacted.

**1-1-18 - 1-1-19**        **RESERVED.**

#### **DIVISION IV - GENERAL PENALTY**

**1-1-20**        **PENALTY.**

(A)            Any person convicted of a violation of any section of this Code shall be fined not less than **Seventy-Five Dollars (\$75.00)** nor more than **Seven Hundred Fifty Dollars (\$750.00)** for any **one (1) offense.**

(B)            Any minor or person designated a juvenile by this State convicted of a violation of any section of this Code shall be fined not less than **Seventy-Five Dollars (\$75.00)** nor more than **Seven Hundred Fifty Dollars (\$750.00)** for any **one (1) offense**, but may not be confined except by provisions of the **Juvenile Court Act of the State of Illinois.**

(C)            Whoever commits an offense against the Village or aids, abets, counsels, commands, induces or procures its commission is punishable as a principal.

(D)            Whoever willfully causes an act to be done which, if directly performed by him or another would be an offense against the Village, is punishable as a principal.

(E)            All municipal ordinance offenses may be satisfied without a court appearance by written plea of guilty and payment of the minimum fine, plus court costs, unless a court appearance is required by the ordinance violated. (See **65 ILCS Sec. 5/1-2-7 and 5/1-2-8**)

(F)            **Community Service.** A penalty imposed for the violation of any section of this Code may include, or consist of, a requirement that the defendant perform some reasonable public service work such as but not limited to the picking up of litter in public parks or along public highways or the maintenance of public facilities.

**1-1-21**      **MINOR VIOLATIONS PENALTY.**

(A)            Any person that is issued a Village ordinance citation, in lieu of being issued a violation of the Illinois Vehicle Code, by an officer of the Village may settle and compromise the claim by paying to the Village the sum of **Seventy-Five Dollars (\$75.00)** within **thirty (30) days** from the time said person is issued the Village ordinance citation.

(B)            A Village ordinance citation issued pursuant to this Section shall be a courtesy in lieu of arrest and shall be at the discretion of the issuing officer. If the person that is issued the Village ordinance citation does not settle the claim within the time period referenced in subsection (A), above, the issuing officer may issue the person a subsequent citation requiring a court appearance.

(C)            This Section shall not apply to citations issued for violations of **Chapter 29** of the Village Code, entitled "Property Maintenance Code", or **Chapter 40** of the Village Code, entitled "Zoning Code". (**Ord. No. 774; 1-5-09; Ord. No. 840; 9-7-10**)

**1-1-22**      **SERVICE BY CERTIFIED MAIL.** In all actions for violation of any municipal ordinance where the fine would not be in excess of **Seven Hundred Fifty Dollars (\$750.00)** and no jail term could be imposed, service of summons may be made by the municipal clerk by certified mail, return receipt requested, whether service is to be within or without the State. (**See 65 ILCS Sec. 5/1-2-9.1**)

**1-1-23**      **APPLICATION.**

(A)            The penalty provided in this Chapter shall be applicable to every section of this Village Code, the same as though it were a part of each and every separate section. Any person convicted of a violation of any section of this Village Code, where any duty is prescribed or obligation imposed, or where any act which is of a continuing nature or declared to be unlawful, shall be deemed guilty of a misdemeanor. A separate offense shall be deemed committed upon each day such duty or obligation remains unperformed or such act continues, unless otherwise specifically provided in this Village Code.

(B)            In all cases where the same offense is made punishable or is created by different clauses or sections of this Village Code, the prosecuting officer may elect under which to proceed; but not more than one (1) recovery shall be had against the same person for the same offense; provided that the revocation of a license or permit shall not be considered a recovery or penalty so as to bar any other penalty being enforced.

(C)            Whenever the doing of any act or the omission to do any act constitutes a breach of any section or provision of this Village Code, and there shall be no fine or penalty specifically declared for such breach, the provisions of this Code shall apply and a separate offense shall be deemed committed upon each day during or on which a breach or violation occurs or continues.

**1-1-24**      **LIABILITY OF OFFICERS.** The failure of any officer or employee to perform any official duty imposed by this Code shall not subject such officer or employee to the penalty imposed for violation of this Code, unless a penalty is specifically provided for.

**1-1-25**      **LICENSE.** When a person is convicted of a violation of any Section of this Code, any license previously issued to him by the Village may be revoked by the court or by the Village Board.

## ARTICLE II - VILLAGE OFFICIALS

### DIVISION I - VILLAGE BOARD OF TRUSTEES

**1-2-1**            **COMPOSITION AND GENERAL POWERS.** The Village Board shall consist of six (6) Trustees, elected in conformity with this Code and State laws governing elections in villages and shall have such powers as are granted by **Chapter 65, Illinois Compiled Statutes**, as amended. The term of office shall be for four (4) years or until their successors are elected and have qualified. (See **65 ILCS Sec. 5/3.1-25-5 and 5/3.1-10-50(D)**)

**1-2-2**            **MEETINGS OF THE BOARD OF TRUSTEES.** All meetings of the Board of Trustees shall be held in the Village Hall Building. Regular meetings shall be held on the first and third Monday of each month and shall begin at the hour of **7:00 p.m.** When a meeting date falls upon a legal holiday, the meeting shall be held on the following day at the same hour and place, unless otherwise designated. Adjourned meetings may be held at such times as may be determined by the Trustees. The President (Mayor) shall be the presiding officer of the Board at all regular meetings. (See **65 ILCS Sec. 5/3.1-40-25 and 5 ILCS Sec. 120/1 et seq.**) (Ord. No. 742, 10-1-07; Ord. No. 746, 12-3-07; Ord. No. 778, 2-2-09; Ord. 2015-04-06-A, 4/6/2015)

**1-2-3**            **SPECIAL MEETINGS.** Special meetings of the Village Board may be called by the Mayor or any **three (3) Trustees** by giving at least **forty-eight (48) hours** notice thereof by delivering to them personally written or printed notices of the time of such meeting at the residences of the Trustees. Such notices shall be served by mail, by the Chief of Police or his designated representative. Said notices shall specify the purposes of said special meeting and the business to be taken up at that time and place. Such notice shall be posted at the Village Hall and shall be provided to any local newspaper of general circulation or any local radio or television station that has filed an annual request for such notice. Said notice shall be provided to such news media in the same manner as said notice is given to the Mayor and members of the Village Board, provided such news media has given the Village an address within the Village at which such notice may be given. Special meetings called at the request of an individual or non-governmental entity shall require a fee of **Seven Hundred Dollars (\$700.00)**, and said fee shall be paid for by the individual or non-governmental entity prior to the meeting. The Board may, for good cause, and by simple majority vote waive said Special Meeting assessment. (See **65 ILCS Sec. 5/3.1-40-25 and 5 ILCS Sec. 120/2.02 and 120/2.03**) (Ord. No. 687; 5-19-04)

**1-2-4**            **VACANCY.** When a vacancy occurs, if more than **twenty-eight (28) months** remain in the term and the vacancy occurs not less than **one hundred thirty (130) days** before the general municipal election, next scheduled under the general election law, the office shall be filled for the remainder of the term at that general municipal election. During the period from the time that the vacancy occurs until the next election of Trustees, the Mayor shall appoint a qualified person to the office subject to the advice and consent of the Village Board. (See **65 ILCS Sec. 5/3.1-10-50(B)**)

**1-2-5**            **COMMITTEES.** The following standing committees of the Village Board are hereby established, to-wit:

- (A)            (1)        Public works. Streets, alleys, lights (including community lighting), sidewalks, water, sewer, storm water management, public buildings, cemetery.
- (2)        Public safety. Police, ambulance, health, fire, civil preparedness,



waste management.

- (3) Finance. Budget, appropriations, tax levy, finance, TIF agreements.
- (4) Personnel. Personnel recommendations, personnel policy, salary, benefits, Union negotiations.
- (5) Community and Economic Development. License, permits, engineering, zoning, planning, economic development.
- (6) Community Coordination. Parks and recreation, library, public relations, service organizations, census, tourism.
- (7) Closed Session Review. Review and approve closed session meeting minutes. **(Ord. 2015-03-02-A, 3/2/2015)**

(B) Each committee shall consist of **three (3) Village Trustees** and shall be appointed annually by the Mayor. The Mayor shall also appoint the Chairman of each committee.

(C) The President (Mayor) shall be ex-officio member with a vote in all Village of New Baden Board of Trustee Committees.

(D) So far as is practicable, reports of committees shall be in writing.

(E) As provided by law, any report of a committee of the Board shall be deferred for final action thereon to the next regular meeting of the same after the report is made, upon the request of any **two (2) Trustees** present. **(See 65 ILCS Sec. 5/3.1-40-35)**

(F) Each standing committee of the Village Board shall exercise a general supervision over the affairs of the department of municipal government with which it is connected; shall ascertain the condition and needs of said department; shall, from time to time, report the same to the Mayor and Village Board so that a full understanding thereof may be had, and generally, shall do all acts necessary to promote the efficiency of the Department.

(G) All committee meetings are subject to the Open Meeting Act requirements and minutes shall be taken. **(See 5 ILCS Sec. 120/1 and 120/2.06)**

(H) New Baden Village Board of Trustees Committee's shall have **four (4) members** to prevent any **two (2) Trustee's** meeting on the street constituting a quorum.

(I) Committee meetings shall be set at the call of the committee Chairman. The Closed Session Review Committee shall meet a minimum of two (2) times per calendar year, with the dates of those two (2) meetings set at the time the Village publishes its yearly meeting schedule. **(Ord. No. 663; 8-5-02: Ord. No. 742; 10-1-07: Ord. No. 830; 4-5-10: Ord. 2015-03-02-A, 3/2/2015)**

**1-2-6** **SPECIAL COMMITTEES.** Special Committees may be appointed by the Mayor, subject to the advice and consent of the Board of Trustees, as may be needed from time to time.

**1-2-7** **QUORUM.** At all meetings of the Village Board, a majority of the corporate authorities shall constitute a quorum for the transaction of business, and if no such quorum attends such meeting of the Board, the Trustees may adjourn from day to day until a quorum is present; and shall have power to compel the attendance of absent members, except when such members are physically unable to attend such meetings. For good cause shown, the Village President may allow a Trustee to attend such a meeting by way of teleconference or speakerphone. The Trustee must also make prior arrangements with the Village Clerk. **(See 65 ILCS Sec. 5/3.1-40-20)**

**EDITOR'S NOTE:** When the Board has a Mayor and six (6) Trustees, a quorum is four (4), which may consist of the Mayor and three (3) Trustees, or four (4) Trustees.  
**\*\*Clerk NOTE: amended quorum based on Ord 694: Electronic Transmission Attendance.**

**1-2-8**            **MEMBERS REFUSING TO ATTEND.** Any member of the Village Board who shall neglect to or refuse to attend at least **one (1) meeting** per month of the Village Board without good and sufficient excuse to be passed upon by the Village Board shall not receive compensation for that month.

**1-2-9 - 1-2-10**            **RESERVED.**

## **DIVISION II - RULES OF THE VILLAGE BOARD**

**1-2-11**            **RULES OF THE BOARD.** The following rules of order and procedure shall govern the deliberations and meetings of the Village Board.

(A)            **Order of Business.** The order of business shall be as follows:

- (1) Call to order by presiding officer.
- (2) Roll Call.
- (3) The reading of the journal of the proceedings of the last preceding meeting or meetings, and correction and approval of the same, unless dispensed with by the Board of Trustees and correction of the journal of the proceedings of previous meetings.
- (4) Reports and communications from the Mayor and other Village Officers.
- (5) Visitors.
- (6) Reports of Standing Committees.
- (7) Reports of Special Committees.
- (8) Presentation of communications, petitions, resolutions, orders, and ordinances by the Board of Trustees.
- (9) Unfinished business.
- (10) Miscellaneous business.

All questions relating to the priority of business shall be decided by the Chair without debate, subject to appeal.

(B)            **Duties of Presiding Officer.** The presiding officer shall preserve order and decorum and may speak to points of order in preference to other Trustees, and shall decide all question of order, subject to appeal.

(C)            **Duties of Members.** While the presiding officer is putting the question, no member shall walk across or out of the Board Chamber.

Every member, prior to his speaking, making a motion or seconding the same shall not proceed with his remarks until recognized and named by the Chair. He shall confine himself to the question under debate, avoiding personalities and refraining from impugning the motives of any other Trustee's argument or vote.

(D)            **Visitors.** No person other than a member of the Board of Trustees shall address that body on the same question unless such person has been recognized by the presiding officer.

(E)            **Presentation of New Business.** When a Trustee wishes to present a communication, petition, order, resolution, ordinance or other original matter, he shall send it to the desk of the Clerk who shall read such matter when reached in its proper order.

(F)            **Debate.** No Trustee shall speak more than once on the same question, except by consent of the presiding officer or unless **three-fourths (3/4)** of the corporate authorities agree that one's right to debate should be limited to speak only once and then not until every other Trustee desiring to speak shall have had an opportunity to do so; provided, however, that the proponent of the matter under consideration, as the case may be, shall have the right to

open and close debate.

**[No Trustee shall speak longer than ten (10) minutes at any one (1) time, except by consent of the Village Board; and in closing debate on any question as above provided, the speaker shall be limited to five (5) minutes, except by special consent of the Board.]**

The Village Board, by motion, may limit debate. The presiding officer shall have the right to participate in debate.

While a member is speaking, no Trustee shall hold any private discussion, nor pass between the speaker and the Chair.

(G) **Call of Trustees to Order.** A Trustee, when called to order by the Chair, shall thereupon discontinue speaking and take his seat and the order or ruling of the Chair shall be binding and conclusive, subject only to the right to appeal.

(H) **Appeals from Decision of the Chair.** Any Trustee may appeal to the Board from a ruling of the Chair, and if the appeal is seconded, the Trustee making the appeal may briefly state his reason for the same, and the Chair may briefly explain his ruling; but there shall be no debate on the appeal and no other person shall participate in the discussion. The presiding officer shall have the right to participate in debate.

The Chair shall then put the question, "**Shall the decision of the Chair be sustained?**". If a majority of the Trustees present vote "**No**", the decision of the Chair shall be overruled; otherwise, it shall be sustained.

(I) **Question of Personal Privilege.** The right of a member to address the Board on a question of personal privilege shall be limited to cases in which his integrity, character, or motives are assailed, questioned or impugned.

(J) **Voting.** Every other member who shall be present (whether in person, by teleconference, or by speakerphone) when a question is stated from the Chair shall vote thereon, unless he is personally interested in the question, in which case, he shall take whatever steps are necessary to insure that his vote is not taken.

(K) **Special Order of Business.** Any matter before the Village Board may be set down as a special order of business at a time certain if two-thirds (2/3) of the Trustees present vote in the affirmative, but not otherwise.

(L) **Seconding of Motions Required; Written Motions.** No motion shall be put or debated in the meeting or in committee unless it be seconded. When a motion is seconded, it shall be stated by the presiding officer before debate, and every motion in the Board, except motions of procedure, shall be reduced to writing if required by a member, and the proposer of the motion shall be entitled to the floor.

(M) **Division of Questions.** If any question under consideration contains several distinct propositions, the Trustees, by a majority vote of the Trustees present may divide such question.

(N) **Record of Motions.** In all cases where a resolution or motion is entered in the journal, the name of the Trustee moving the same shall be entered also.

(O) **Announcement and Changes of Vote.** The result of all votes by yeas and nays shall not be announced by the Clerk, but shall be handed by him to the Chairman for announcement, and no vote shall be changed after the tally list has passed from the hands of the Clerk.

(P) **Precedence of Motions.** When a question is under debate, the following motions shall be in order and shall have precedence over each other in order, as listed:

- (1) To adjourn to a day certain.
- (2) To adjourn.
- (3) To take a recess.
- (4) To lay on the table.
- (5) The previous question.

- (6) To refer.
- (7) To amend.
- (8) To defer or postpone to a time certain.
- (9) To defer or postpone (without reference to time.)
- (10) To defer or postpone indefinitely.

Numbers (2), (4), and (5) to be decided without debate.

(Q) **Motions to Adjourn.** A motion to adjourn the Village shall always be in order, except:

- (1) When a Trustee is in possession of the floor.
- (2) While the yeas and nays are being called.
- (3) When the members are voting.
- (4) When adjournment was the last preceding motion.
- (5) When it has been decided that the previous question shall be taken.

A motion simply to adjourn shall not be subject to amendment or debate, but a motion to adjourn to a time certain shall be.

The Village Board may, at any time, adjourn over one (1) or more regular meetings on a vote of a majority of all the Trustees authorized by law to be elected.

(R) **Previous Question.** When the previous question is moved on the main question and seconded, it shall be put on this form: "Shall the main question now be put?". If such motion be carried, all further amendments and all further motions and debate shall be excluded, and the question put without delay upon the pending amendment in proper order and then upon the main question.

(S) **Motions to Lay on the Table and to Take From the Table.** A motion simply to lay the question on the table shall not be debatable, but a motion to lay on the table and publish, or with any other condition shall be subject to amendment and debate.

A motion to take any motion or other proposition from the table may be proposed at the same meeting at which such motion or proposition was laid upon the table, provided two-thirds (2/3) of the Trustees vote therefor.

A motion to lay any particular motion or proposition on the table shall apply to that motion or proposition only. An amendment to the main question or other pending question may be laid on the table and neither the main question nor such other pending question shall be affected thereby.

(T) **Indefinite Postponement; Motion to Defer or Postpone Without Any Reference to Time.** When consideration of a motion or other proposition is postponed indefinitely, it shall not be again taken up at the same meeting.

A motion to postpone indefinitely shall not open the main question to debate.

A motion to defer or postpone without any reference to time shall not be construed as a motion to postpone indefinitely, but shall be considered to be of the same general nature and to possess the same general attributes so far as applicable under these rules, as a motion to postpone indefinitely or to a time certain.

(U) **Motion to Refer.** A motion to refer to a standing committee shall take precedence over a similar motion to refer to a special committee.

(V) **Motion to Amend.** A motion to amend an amendment shall be in order, but one to amend an amendment to an amendment shall not be entertained.

An amendment modifying the intention of a motion shall be in order; but an amendment relating to a different subject shall not be in order.

On an amendment to "Strike Out and Insert", the paragraph to be amended shall first be read as it stands, then the words proposed to be stricken out, then those to be inserted, and finally, the paragraph as it will stand if so amended shall be read.

An amendment to the main question or other pending questions may be referred to a

committee and neither the main question nor such other pending question shall be affected thereby.

(W) **Filling of Blanks.** When a blank is to be filled and different sums or times proposed, the question shall be taken first on the least sum or the longest time.

(X) **Motion to Substitute.** A substitute for any original proposition under debate or for any pending amendment or such proposition may be entertained notwithstanding that at such time, further amendment is admissible; and if accepted by the Trustees by a vote shall entirely supersede such original proposition or amendment, as the case may be, and cut off all amendments appertaining thereto.

(Y) **Reconsideration.** A vote or question may be reconsidered at any time during the same meeting, or at the first regular meeting held thereafter. A motion for reconsideration having been once made and decided in the negative shall not be renewed, nor shall a motion to reconsider be reconsidered.

A motion to reconsider must be made and seconded by Trustees who voted on the prevailing side of the question to be reconsidered, unless otherwise provided by law; provided, however, that where a motion has received a majority vote in the affirmative, but is declared lost solely on the ground that a greater number of affirmative votes is required by statute for the passage or adoption of such motion, then in such case, a motion to reconsider may be made and seconded only by those who voted in the affirmative on such question to be reconsidered.

(Z) **Adoption of Robert's "Rules of Order Revised".** The rules of parliamentary practice comprised in the latest published edition of Robert's "Rules of Order Revised" shall govern the Board in all cases to which they are applicable and in which they are not inconsistent with the special rules of the Board.

(AA) **Temporary Suspension of Rules - Amendment of Rules.** These rules may be temporarily suspended by a vote of two-thirds (2/3) of the corporate authorities entitled by law to be elected and shall not be repealed, altered or amended, unless by concurrence of two-thirds (2/3) of all the corporate authorities entitled by law to be elected.

(BB) **Censure of Trustees - Expulsion of Trustees.** Any Trustee acting or appearing in a lewd or disgraceful manner, or who uses opprobrious, obscene and insulting language to or about any member of the Board, or who does not obey the order of the Chair, shall be, on motion, censured by a majority vote of the members present, or expelled by a two-thirds (2/3) vote of all Trustees elected. (See 65 ILCS Sec. 5/3.1-40-15)

**(Ord. 694; 10-4-04)**

**1-2-12** **AGENDA.** An itemized agenda, along with all necessary supporting documentation shall be furnished to each member of the Village Board no later than the close of business on the day preceding the regular Village Board meeting. In the case of matters of emergency which could not have been reasonably foreseen in sufficient time to comply with this section, a revised agenda shall be furnished to each member of the Village Board prior to the opening of the Board meeting. (See 5 ILCS Sec. 120/2.02)

**1-2-13** **RESERVED.**

### **DIVISION III - ORDINANCES**

**1-2-14** **ORDINANCES.**

(A) **Attorney.** It shall be the duty of the Village Attorney to prepare such ordinances as may be required by the Village Board.

(B) **Introduced.** When a proposed ordinance is introduced, it shall be read one time by title only and referred to the proper committee unless the Board of Trustees shall

otherwise specifically direct.

(C) **Vote required-Yeas and Nays Record.** The passage of all ordinances for whatever purpose, and of any resolution or motion (1) to create any liability against a Village or (2) for the expenditure or appropriation of its money, shall require the concurrence of a majority of all members then holding office on the Village Board, including the Mayor, unless otherwise expressly provided by the Code or any other act governing the passage of any ordinance, resolution, or motion; provided that, where the Board consists of an odd number of Trustees, the vote of the majority of the trustees shall be sufficient to pass an ordinance. The yeas and nays shall be taken upon the question of the passage of the designated ordinances, resolutions, or motions and recorded in the journal of the Village Board. In addition, the corporate authorities at any meeting may by unanimous consent to take a single vote by yeas or nays on the several questions of the passage on any two (2) or more of the designated ordinances, orders, resolutions or motions placed together for voting purposes in a single group. The single vote shall be entered separately in the journal under the designation "omnibus vote", and in such event the Clerk may enter the words "omnibus vote" or "consent agenda" in the journal in each case in lieu of entering names of the members of Village Board voting "yea" and of those voting "nay" on the passage of each of the designated ordinances, orders, resolutions and motions included in such omnibus group or consent agenda. The taking of such single or omnibus vote and such entries of the words "omnibus vote" or "consent agenda" in the journal shall be a sufficient compliance with the requirements of this section to all intents and purposes and with like effect as if the vote in each case had been separately by yeas and nays on the question of the passage of each ordinance, order, resolution and motion included in such omnibus group, and separately recorded in the journal. Likewise, the yeas and nays shall be taken upon the question of the passage of any other resolution or motion at the request of any trustee and shall be recorded in the journal. (See 65 ILCS Sec. 5/3.1-40-40)

(D) **Ordinances - Approval-Veto.** All resolutions and motions (1) which create any liability against a Village, or (2) that provide for the expenditure or appropriation of its money, or (3) to sell any Village property, and all ordinances, passed by the Village Board shall be deposited with the Village Clerk. If the Mayor approved of them, he shall sign them. Those ordinances, resolutions and motions which the Mayor disapproves shall be returned to the Village Board, with his written objections, at the next regular meeting of the Village Board occurring not less than five (5) days after their passage. The Mayor may disapprove of any one (1) or more sums appropriated in any ordinance, resolution, or motion making an appropriation, and, if so, the remainder shall be effective. However, the Mayor may disapprove entirely of an ordinance, resolution, or motion making an appropriation. If the Mayor fails to return any ordinance or any specified resolution or motion with his written objections, within the designated time, it shall become effective despite the absence of the Mayor's signature. (See 65 ILCS Sec. 5/3.1-40-45)

**1-2-15** **RECONSIDERATION--PASSING OVER VETO.** Every resolution and motion, specified in Section 1-2-14 and every ordinance, that is returned to the Village Board by the Mayor shall be reconsidered by the Village Board at the next regular meeting. If, after reconsideration, two-thirds (2/3) of all the Trustees then holding office on the Village Board shall agree at that regular meeting to pass an ordinance, resolution, or motion, notwithstanding the Mayor's refusal to approve it, then it shall be effective. The vote on the question of passage over the Mayor's veto shall be by yeas and nays, and shall be recorded in the journal. (See 65 ILCS Sec. 5/3.1-40-50)

**1-2-16** **NO VOTE TO BE RECONSIDERED AT SPECIAL MEETING.** No vote of the Village Board shall be reconsidered or rescinded at a special meeting unless there are

present at the special meeting at least as many Village Trustees as were present when the vote was taken. (See 65 ILCS Sec. 5/3.1-40-55)

**1-2-17            RESERVED.**

**DIVISION IV - GENERAL PROVISIONS**

**1-2-18            CORPORATE SEAL.**

(A)            The Corporate Seal of the Village shall be the same as that heretofore provided and used by the Village. It shall be circular in form with the words, "Village of New Baden, St. Clair and Clinton County, Illinois" in the exterior circle, and the word "Seal" in the center. (See 65 ILCS Sec. 5/2-2-12)

(B)            The Corporate Seal shall be used as such seal in all cases provided for by law or by the ordinances of the Village and in all other cases in which, by law and custom, it is usual and necessary for the corporation to use a seal. The seal shall be and remain with the Village Clerk who shall be the legal custodian. (See 65 ILCS Sec. 5/3.1-35-90)

**1-2-19            ELECTIONS.**

(A)            Election Procedure. The provisions of the Illinois Compiled Statutes, Chapter 10 concerning municipal elections shall govern the conduct of the Village elections. (See 65 ILCS Sec. 5/3.1-10-10)

(B)            Inauguration. The inauguration of newly elected Village officials shall occur at the first regular or special meeting of the Village Board in the month of May following the general municipal election in April. (See 65 ILCS Sec. 5/3.1-10-15)

**1-2-20            APPOINTMENT OF ELECTED OFFICIALS.** No Trustee of this Village, during the term of office for which he is elected, may accept or be appointed to or hold any office appointed by the Mayor except if such Trustee is granted a leave of absence from such office. However, such Trustee may serve as a volunteer fireman and receive compensation for such service. Any appointment in violation of this section is void. (See 65 ILCS Sec. 5/3.1-15-15)

**NOTE: One (1) member may serve on the Library Board. (See 75 ILCS Sec. 5/4-1 and 50 ILCS Sec. 105/2)**

**1-2-21            MUNICIPAL OFFICERS - REGULATIONS.**

(A)            **Effect.** The provisions of this division shall apply alike to all officers and employees of the Village regardless of the time of creation of the office or position or the time of the appointment of the officer or employee.

(B)            **Qualifications; Appointive Office.**

(1)            No person shall be eligible for any appointive municipal office unless that person is a qualified elector of the municipality or otherwise provided by law.

(2)            The residency requirements do not apply, however, to municipal engineers, health officers, attorneys, or other officers who require technical training or knowledge, to appointed village treasurers, or to appointed village collectors (unless the Village has designated by ordinance that the Village Clerk shall also hold the office of collector). (See 65 ILCS Sec. 5/3.1-10-6)

(C)            **Bond.** Every officer and employee shall, if required by the Village Board

upon entering upon the duties of his office, give a bond in such amount and with such sureties as may be determined by the Board, conditioned upon the faithful performance of the duties of his office or position. (See 65 ILCS Sec. 5/3.1-10-30)

(D) **Books Delivered to Successor.** Every officer shall, upon going out of office, deliver to his successor, all books, papers, furniture, and other things appertaining to such office, and which are the property of the Village. Within five (5) days after notification and request, any person who has been an officer of a municipality is required to deliver to his successor in office, all property, books and effects in his possession belonging to the municipality, or pertaining to the office he has held. Upon his refusal to do so, he shall be liable for all damages caused thereby, and shall, upon conviction, be penalized according to the provisions of Section 1-1-20 of this Code. He shall not receive his final check until his Village Code Book and keys are turned over to the Village Clerk. (See 65 ILCS Sec. 5/3.1-10-35)

(E) **Books Open to Inspection.** Every officer shall, at all times when required, submit the books and papers of his office to the inspection of the Mayor or any committee or member of the Board of Trustees.

(F) **Fees; Report of Fees.** No officer of the municipality shall be entitled to charge or receive any fees as against the Village. All officers of the Village entitled to receive fees shall keep a correct account thereof, and make a report thereof under oath to the Village Board prior to the regular meeting of each month. In the report, they shall specify from whom such fees were received, for what service, and when received. All fees received shall be paid over into the Village Treasury.

(G) **Other Rules and Regulations.** Every officer of the Village shall perform such other duties and be subject to such other rules and regulations as the Village Board may provide by law. (See 65 ILCS Sec. 5/3.1-10-40)

(H) **Conservators of Peace.**

- (1) The Mayor and policemen in municipalities shall be conservators of the peace. Those persons and others authorized by ordinance shall have power:
  - (a) to arrest or cause to be arrested, with or without process, all persons who break the peace or are found violating any municipal ordinance or any criminal law of the State,
  - (b) to commit arrested persons for examination,
  - (c) if necessary, to detain arrested persons in custody over night or Sunday in any safe place or until they can be brought before the proper court, and
  - (d) to exercise all other powers as conservators of the peace prescribed by the corporate authorities.
- (2) All warrants for the violation of municipal ordinances or the State criminal law, directed to any person, may be served and executed within the limits of a municipality by any policeman of the municipality. For that purpose, policemen have all the common law and statutory powers of sheriffs. (See 65 ILCS Sec. 5/3.1-15-25)

(I) **Oath.** Before entering upon the duties of their respective offices, all municipal officers, whether elected or appointed shall take and subscribe to the following oath:

"I, \_\_\_\_\_, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Illinois, and that I will faithfully discharge the duties of the office of \_\_\_\_\_, according to the best of my ability."



The Mayor and the Clerk shall have the power to administer this oath or affirmation upon all lawful occasions.

(See 65 ILCS Sec. 5/3.1-15-20)

(See "Administration of Oaths", Section 1-2-63)

**1-2-22            RESIGNATION OF APPOINTED OFFICIALS.** Any officer of the Village may resign from office. If such officer resigns he shall continue in office until his successor has been chosen and has qualified. If there is a failure to appoint a Village officer, or the person appointed fails to qualify, the person filling the office shall continue in office until his successor has been chosen and has qualified. (See 65 ILCS Sec. 5/3.1-10-50)

**1-2-23            QUALIFICATIONS; ELECTIVE OFFICE.**

(A)            A person is not eligible for an elective municipal office unless that person is a qualified elector of the municipality and has resided in the municipality at least **one (1) year** next preceding the election.

(B)            A person is not eligible for an elective municipal office if that person is in arrears in the payment of a tax or other indebtedness due to the municipality or has been convicted in any court located in the United States of any infamous crime, bribery, perjury, or other felony.

(C)            A person is not eligible for the office of trustee unless that person has resided in the municipality, as the case may be, at least one (1) year next preceding the election or appointment. (See 65 ILCS Sec. 5/3.1-10-5)

**1-2-24            BONDS OF VILLAGE OFFICERS.**

(A)            **Amount.** Bonds of Village officers required under Illinois Compiled Statutes, Chapter 65, Section 5/3.1-10-30 shall be executed in the following penal sums:

(1)    Mayor	\$ 3,000.00
(2)    Village Treasurer	10,000.00
(3)    Village Clerk	5,000.00
(4)    Police Chief	1,000.00
(5)    Library Treasurer	1,000.00
(6)    Fire Department Treasurer	1,000.00
(7)    Cemetery Treasurer	1,000.00

(B)            **Premium Payment by Village.** The surety bonds required by law shall be paid by the Village. (See 5 ILCS Sec. 270/1)

(C)            **Surety.** The Village Board shall not receive or approve any bond or security whereon the name of the Village Board, any one of the Board of Trustees or any elected or appointed officer of the Village appear as bondsman or security. If, by mistake, a bond containing the name of any such officer is approved by the Village Board or if any bondsman, after becoming such is elected or appointed to any Village office, this section shall not act as a release of any such obligation incurred.

**1-2-25            LIABILITY INSURANCE.**

(A)            **Purchase Of.** The Village Board shall have the power to purchase liability insurance covering and insuring all municipal officers, employees and elected officials; said insurance to cover incidents occurring while in the performance of their duties, which insurance may insure, cover and protect any liability which the municipal corporation, officer, employee or elected official may incur. When the insurance has been purchased, the Village shall be responsible for all premiums and deductible charges called for by any valid liability insurance policy covering the municipal corporation, officer, employee or elected official.

(B) **Indemnification.** If the Village Board elects not to purchase liability insurance covering and insuring municipal officers, elected officials and employees as provided in this Section, then the Village shall indemnify and cause to defend municipal officers, elected officials and employees from any claim filed by an individual, partnership or corporation when the claim is founded on any act or omission of the municipal officers, elected officials or employees while in the performance of their official duties, except the Village shall not indemnify, but shall defend any municipal officer, elected official or employee from any claim made by an individual, partnership or corporation wherein the claim alleges that the municipal officer, elected official or employee acted intentionally, maliciously or wantonly and further, shall not indemnify or cause to defend the officials or employees where the claim is directly or indirectly related to the negligent care or use of a vehicle as defined by the Illinois Compiled Statutes, and the Village shall not indemnify any municipal officer, elected official or employee from any claim made by a municipal officer, elected official or employee.

Notwithstanding any other provision of this Code, the Village shall not indemnify or cause to defend any municipal officers, elected officials or employees if the municipal officers, elected officials or employees have liability insurance insuring the municipal officers, elected officials or employees from the alleged claim; however, the Village shall indemnify the municipal officer, elected official or employee the personal deductible limits of his personal policy. (See 745 ILCS Sec. 10/2-201 et seq.)

## **1-2-26 BIDDING AND CONTRACT PROCEDURES.**

(A) **Competitive Bidding Required.** Any work or other public improvement which is not to be paid for in whole or in part by special assessment or special taxation, and all purchases of and contracts for supplies, materials, and services shall, except as specifically provided herein, be based whenever possible on competitive bids.

(B) **Formal Contract Procedure.** All work or other public improvement which is not to be paid for in whole or in part by special assessment or special taxation, and all purchases, orders or contracts for supplies, materials, equipment or contractual services except as otherwise provided herein, when the estimated cost thereof shall exceed Ten Thousand Dollars (\$10,000.00), shall be purchased from the lowest responsible bidder, after due notice inviting bids, unless competitive bidding is waived by a vote of two-thirds (2/3) of the Trustees then holding office.

(C) **Notice Inviting Bids.** Notice inviting bids shall be published at least once in a newspaper with general circulation within the Village. The Village shall also advertise all pending work or purchases by posting a notice on the public bulletin board in the Village Hall.

(D) **Scope of Notice.** The newspaper notice required herein shall include a general description of the work to be performed or the articles to be purchased, shall state where specifications may be secured, and the time and place for opening bids.

(E) **Bid Deposits.** When deemed necessary by the Board of Trustees, bid deposits shall be prescribed in the public notices inviting bids. Unsuccessful bidders shall be entitled to the return of their bid deposits upon the award of the contract by the Board of Trustees. A successful bidder shall forfeit any bid deposit required by the Board of Trustees upon failure on his part to enter into a contract within ten (10) days after the award.

### (F) **Bid Opening Procedure.**

(1) **Sealed.** Bids shall be submitted sealed to the Village and shall be identified as bids on the envelope.

(2) **Opening.** Bids shall be opened in public at the time and place stated in the public notice.

(3) **Tabulation.** A tabulation of all bids received shall be made by the Board

of Trustees or by a Village employee, in which event, a tabulation of the bids shall be furnished to the Board of Trustees at its next regular meeting.

(G) **Rejection of Bids.** The Village shall have the authority to reject all bids or parts of all bids when the public interest will be served thereby.

(H) **Bidders in Default to Village.** The Village shall not accept the bid of a contractor who is in default on the payment of taxes, licenses or other monies due the Village.

(I) **Award of Contract.**

(1) **Authority in Village.** The Board of Trustees shall have the authority to award contracts within the purview of this section.

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

(a) The ability, capacity and skill of the bidder to perform the contract to provide the service required;

(b) Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;

(c) The character, integrity, reputation, judgment, experience and efficiency of the bidder;

(d) The quality of the performance of previous contracts or services;

(e) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;

(f) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;

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

(h) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;

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

(3) **Performance Bonds.** The Board of Trustees shall have the authority to require a performance bond, before entering into a contract, in such amounts as it shall find reasonably necessary to protect the best interests of the Village.

(J) **Open Market Procedure.** All work and purchases of supplies, materials and services of less than the estimated value of Ten Thousand Dollars (\$10,000.00) shall be made in the open market, without newspaper advertisement and without observing the procedure prescribed by this section for the award of formal contracts.

(K) **Professional Services Exempt From Bidding Requirements.** All contracts for professional services, including, but not limited to, attorneys, engineers, real estate appraisers and architects and any other profession whose ethical code involved prohibits or discourages involvement in normal bidding procedures, may be entered into by the Village without observing the bidding procedures prescribed by this section for the award of formal contracts.

(L) **Emergency Purchases.** In case of an apparent emergency which requires immediate work or purchase of supplies, materials or services, the Board of Trustees shall be empowered to secure by open market procedure as herein set forth, at the lowest obtainable price, any work, supplies, materials or services regardless of the amount of the expenditure.

(M) **Cooperative Purchasing.** The Village shall have the authority to join with other units of government in cooperative purchasing plans when the best interests of the

Village would be served thereby. (See 65 ILCS Sec. 5/2-2-12, 8-9-1 and 8-9-2)

**1-2-27            PECUNIARY INTEREST IN CONTRACTS -- PROHIBITION.**

(A)            No municipal officer shall be interested, directly or indirectly, in his own name or in the name of any other person, association, trust or corporation, in any contract, work or business of the municipality, or in the sale of any article, whenever the expense, price and consideration of the contract, work, business or sale is paid either from the treasury or by any assessment levied by any statute or ordinance. No municipal officer shall be interested, directly or indirectly, in the purchase of any property which:

- (1)        belongs to the municipality, or
- (2)        is sold for taxes or assessments, or
- (3)        is sold by virtue of legal process at the suit of the municipality.

(B)            However, any elected or appointed member of the governing body and any person serving on a municipal advisory panel or commission may provide materials, merchandise, property, services or labor, if:

- (1)        the contract is with a person, firm, partnership, association, corporation or cooperative association in which such interested member of the governing body of the municipality or advisory panel or commission member has less than a seven and one-half percent (7 1/2%) share in the ownership; and
- (2)        in the case of an elected or appointed member of the governing body, such interested member publicly discloses the nature and extent of his interest prior to or during deliberations concerning the proposed award of the contract; and
- (3)        in the case of an elected or appointed member of the governing body, such interested member abstains from voting on the award of the contract, though he shall be considered present for the purposes of establishing a quorum; and
- (4)        such contract is approved by a majority vote of those members presently holding office; and
- (5)        the contract is awarded after sealed bids to the lowest responsible bidder if the amount of the contract exceeds One Thousand Five Hundred Dollars (\$1,500.00), but the contract may be awarded without bidding if the amount is less than One Thousand Five Hundred Dollars (\$1,500.00); and
- (6)        the award of the contract would not cause the aggregate amount of all such contracts so awarded to the same person, firm, association, partnership, corporation, or cooperative association in the same fiscal year to exceed Twenty-Five Thousand Dollars (\$25,000.00).

(C)            In addition to the above exemption, any elected or appointed member of the governing body and any person serving on a municipal advisory panel or commission may provide materials, merchandise, property, services or labor if:

- (1)        the award of the contract is approved by a majority vote of the governing body of the municipality provided that, in the case of an elected or appointed member of the governing body, any such interested member shall abstain from voting; and
- (2)        the amount of the contract does not exceed Two Thousand Dollars (\$2,000.00); and
- (3)        the award of the contract would not cause the aggregate amount of all such contracts so awarded to the same person, firm, association, partnership, corporation, or cooperative association in the same fiscal year to exceed

- Four Thousand Dollars (\$4,000.00); and
- (4) in the case of an elected or appointed member of the governing body, such interested member publicly discloses the nature and extent of his interest before or during deliberations concerning the proposed award of the contract; and
  - (5) in the case of an elected or appointed member of the governing body, the interested member abstains from voting on the award of the contract (though the member shall be considered present for the purposes of establishing a quorum).

(D) A contract for the procurement of public utility services by a municipality with a public utility company is not barred by this Section by one (1) or more members of the governing body being an officer or employee of the public utility company or holding interest if no more than seven and one-half percent (7 1/2%) in the public utility company, or holding an ownership interest of any if the municipality has a population of less than seven thousand five hundred (7,500) and the public utility's rates are approved by the Illinois Commerce Commission. An elected or appointed member of the governing body having such an interest shall be deemed not to have a prohibited interest under this Section.

(E) Any officer who violates this Section is guilty of a violation of this Code and in addition thereto any office held by such person so convicted shall become vacant and shall be so declared as part of the judgment of the court.

(F) Nothing contained in this Section, including the restrictions set forth in subsections (B), (C) and (D), shall preclude a contract or deposit of monies, loans or other financial services by a municipality with a local bank or local savings and loan association, regardless of whether a member or members of the governing body of the municipality are interested in such bank or savings and loan association as an officer or employee or as a holder of less than seven and one-half percent (7 1/2%) of the total ownership interest. A member or members holding such an interest in such a contract shall not be deemed to be holding a prohibited interest for purposes of this Act. Such interested member or members of the governing body must publicly state the nature and extent of their interest during deliberations concerning the proposed award of such a contract, but shall not participate in any further deliberations concerning the proposed award. Such interested member or members shall not vote on such a proposed award. Any member or members abstaining from participation in deliberations and voting under this Section may be considered present for purposes of establishing a quorum. Award of such a contract shall require approval by a majority vote of those members presently holding office. Consideration and award of any such contract in which a member or members are interested may only be made at a regularly scheduled public meeting of the governing body of the municipality. (See 65 ILCS Sec. 5/3.1-55-10)

## **1-2-28            SALARIES REGULATION.**

(A)            **Elected.** No salary or compensation of any elected municipal officer who is elected for a definite term of office shall be increased or diminished during such term.

(B)            **Appointed.** No salary or compensation of any appointed official who is appointed for a definite term of office shall be decreased during such term, but may be increased. (See 65 ILCS Sec. 5/3.1-50-5 and 5/3.1-50-6)

**EDITOR'S NOTE:** The salary of appointed officials and employees may be established in the appropriation ordinance or annual budget. The salary of elected officials must be established in an ordinance other than the appropriation ordinance at least six (6) months prior to the general municipal election in which voting is held for those offices.

**1-2-29            CLAIMS.**

(A)            **Presentation.** All claims against the Village for goods purchased, damaged, or originating in any other way, except for claims for salaries and other allowances that are fixed by ordinance shall be presented on or before the last Monday of each month to the Village Clerk. All such claims must be in writing and items shall be specified.

(B)            **Exception.** This does not prohibit the Village Board from passing on any claims not previously presented to the Village Clerk if, in the opinion of the Board, justice to the claimant requires it.

**1-2-30            MUNICIPAL YEAR.** The municipal year shall commence on May 1st and shall end on the following April 30th. No appointments shall be made during the last month of the municipal year in the year of a mayoral election.

**1-2-31            EXPENSES - REIMBURSEMENT.** Each member of the corporate authorities may receive reimbursement from the municipality for expenses incurred by the member in attending committee meetings of the corporate authorities or for other expenses incurred by the member in the course of performing official duties. (See 65 ILCS Sec. 5/3.1-50-15(B))

**1-2-32            OFFICIAL RECORDS.** All official records, including the Corporate Seal, shall be kept in the Village Hall.

**1-2-33            FEDERAL OLD AGE AND SURVIVOR'S INSURANCE SYSTEM.**

(A)            Eligible employees shall mean all employees of the Village, eligible under the Federal Act, except persons elected to office by popular election and also the Village Treasurer and Village Attorney.

(B)            Withholdings from salaries or wages of employees for the purpose provided in sections hereof are hereby authorized to be made in the amounts and at such times as may be required by applicable State or Federal laws or regulations, and shall be paid quarterly.

**1-2-34            ILLINOIS MUNICIPAL RETIREMENT FUND.**

(A)            The Village does hereby elect to participate in the Illinois Municipal Retirement Fund.

(B)            Special Tax. The Village includes in its levy and appropriation ordinance provision for the levying of a special tax to pay the Village's cost of participating in the Retirement Fund and appropriate therefrom funds to pay the cost of participation.

(C)            Coverage. To be eligible to be included in the IMRF a person shall have to work a minimum of one thousand (1,000) hours per year.  
(Ord. No. 09-19-77)

**1-2-35 - 1-2-39            RESERVED.**

## **DIVISION V - MAYOR**

**1-2-40**            **ELECTION.** The Mayor shall be elected for a **four (4) year** term and shall serve until his successor is elected and has qualified. (See 65 ILCS Sec. 5/3.1-15-5 and 5/3.1-25-15)

**1-2-41**            **MAYOR PRO-TEM; TEMPORARY CHAIRMAN.**

(A)                If the Mayor is temporarily absent because of an incapacity to perform official duties, but the incapacity does not create a vacancy in the office, the corporate authorities shall elect one of their members to act as Mayor pro tem. The Mayor pro tem, during this absence or disability, shall perform the duties and possess all the rights and powers of the Mayor but shall not be entitled to vote both as Mayor pro tem and as a trustee.

(B)                In the absence of the Mayor, or Mayor pro tem, the corporate authorities may elect one of their members to act as a temporary Chairman. The temporary Chairman shall have only the powers of a presiding officer and a right to vote only in the capacity as trustee on any ordinance, resolution, or motion. (See 65 ILCS Sec. 5/3.1-35-35)

**1-2-42**            **VACANCY.** If a vacancy occurs in the office of the Mayor and there remains an unexpired portion of the term of at least twenty-eight (28) months and the vacancy occurs at least one hundred thirty (130) days before the general municipal election next scheduled under the general election law, the vacancy shall be filled at that general municipal election. The Village Board shall elect one of its members as "Acting Mayor" who shall perform the duties and shall possess all the rights and powers of the Mayor until a successor to fill the vacancy has been elected and has qualified. (See 65 ILCS Sec. 5/3.1-10-50)

**1-2-43**            **CHIEF EXECUTIVE OFFICER.** The Mayor shall be the chief executive officer of the Village and he shall see to the enforcement of all laws and ordinances. He shall preside over the meetings of the Board of Trustees and perform such duties as may be required of him by statute or law. He shall have supervision over all of the executive officers and Village employees; provided, however, his control is subject to the power of the Village Board to prescribe the duties of various officers and employees. He shall have the power and authority at any reasonable time to inspect all books, papers and records pertaining to Village affairs and kept by any officer of the Village. (See 65 ILCS Sec. 5/3.1-15-10 and 3.1-35-20)

**1-2-44**            **RESERVED.**

**1-2-45**            **MAYOR'S SIGNATURE.** The Mayor shall sign all Village warrants, commissions, permits and licenses granted by authority of the Village Board, except as otherwise provided, and such other acts and deeds as law or ordinance may require his official signature.

The Mayor may designate another to affix his signature to any written instrument that requires the Mayor's signature. The Mayor must send written notice of this designation to the Village Board stating: (1) the name of the person whom he has selected, and (2) what instrument the person will have authority to sign.

A written signature of the Mayor executed by the person so designated with the signature underneath the signature of the person so designated shall be attached to the notice. The notice with the signature attached shall be recorded in the journal of the Village Board and then filed with the Village Clerk. When the signature of the Mayor is placed on a written instrument at the direction of the Mayor in the specified manner, the instrument, in all respects, shall be as binding on the Village as if signed by the Mayor in person. (See 65 ILCS Sec. 5/3.1-35-30)

**1-2-46**            **APPOINTMENT OF OFFICERS.**

(A)            **Appointed.** At the first annual meeting in May, the Mayor shall appoint, by and with the advice and consent of the Village Board, all officers of the Village whose election or appointment is not otherwise provided for, and said officers shall hold their offices for the ensuing month or year, and until their respective successors are appointed and qualified. Any vacancy occurring in an appointive office shall be filled in the same manner. The Mayor shall issue a commission or certificate of appointment to all persons appointed to office in the municipality. (See 65 ILCS Secs. 5/3.1-30-5)

(B)            **Filling Vacancies.** The Mayor shall appoint, by and with the advice and consent of the Village Board, all officers of the Village whose appointment will not otherwise be provided for by law; and whenever a vacancy shall occur in any office, which by law or ordinance the Mayor is empowered and required to fill, the Mayor shall, at the next regular meeting of the Village Board, communicate to it the name of the appointee to such office and pending the concurrence of the Village Board in such appointment, the Mayor may designate some suitable person to discharge the functions of such office. (See 50 ILCS Sec. 105/2)

**1-2-47**            **SUPERVISE CONDUCT OF OFFICERS; REMOVAL OF OFFICERS.** The Mayor shall supervise the conduct of all officers of the Village and see that they faithfully and efficiently discharge the duties of their respective offices. Except where otherwise provided by statute, the Mayor may remove any officer appointed by the Mayor under this Code, on any written charge, whenever the Mayor is of the opinion that the interests of the municipality demand removal. The Mayor shall report the reasons for the removal to the corporate authorities at a meeting to be held not less than five (5) days nor more than ten (10) days after the removal. If the Mayor fails or refuses to report to the corporate authorities the reasons for the removal, or if the corporate authorities by a two-thirds (2/3) vote of all members authorized by law to be elected disapprove of the removal, the officer thereupon shall be restored to the office from which the officer was removed. The vote shall be by yeas and nays, which shall be entered upon the journal of the corporate authorities. Upon restoration, the officer shall give a new bond and take a new oath of office. No officer shall be removed a second time for the same offense. (See 65 ILCS Sec. 5/3.1-35-10)

**1-2-48**            **DESIGNATION OF OFFICERS' DUTIES.** Whenever there is a dispute as to the respective duties or powers of any appointed officer of the Village, this dispute shall be settled by the Mayor, after consultation with the Village Attorney; and the Mayor shall have the power to delegate to any appointive officer, any duty which is to be performed when no specific officer has been directed to perform that duty.

**1-2-49**            **FORMAL OCCASIONS.** The Mayor shall act for and on behalf of the Village on formal occasions and receptions, but in his absence or inability to attend any such function, the Mayor may select any other Village officer to so act.

**1-2-50**            **GENERAL DUTIES.** The Mayor shall perform all the duties which are prescribed by law and shall take care that the laws and ordinances are faithfully executed.

The Mayor from time to time, may and annually shall give the Village Board information relative to the affairs of the Village, and may recommend for their consideration such measures as he believes expedient. (See 65 ILCS Sec. 5/3.1-35-5)

**1-2-51**            **BUSINESS LICENSE COMMISSIONER.** The Mayor is hereby designated as License Commissioner to issue and revoke any and all business licenses as prescribed by law, with the advice and consent of the Village Board.



**1-2-52**        **LOCAL LIQUOR COMMISSIONER.** The Mayor is hereby designated as Local Liquor Commissioner with all the powers to license and/or revoke any Village liquor license according to State and Village laws. (See 235 ILCS Sec. 5/4-2)

**1-2-53**        **HEALTH COMMISSIONER.** The Mayor is hereby declared to be Health Commissioner with all powers to abate and remove all nuisances or health hazards within the jurisdictional boundaries of the Village authority as prescribed by law.

**1-2-54**        **DECIDING VOTE - MAYOR.** The Mayor shall preside at all meetings of the Village Board. He shall not vote on any ordinance, resolution or motion, except:

- (A)            Where the vote of the Trustees has resulted in a tie; or
- (B)            Where one-half (1/2) of the Trustees elected have voted in favor of an ordinance, resolution or motion, even though there is no tie; or
- (C)            Where a vote greater than a majority of the corporate authorities is required by the Illinois Compiled Statutes to adopt an ordinance, resolution or motion.

In each instance specified, the Mayor shall vote. Nothing in this Section shall deprive an Acting Mayor or Mayor Pro-tem from voting in his capacity as Trustee, but he shall not be entitled to another vote in his capacity as Acting Mayor or Mayor Pro-tem. (See 65 ILCS Sec. 5/3.1-45-5)

**1-2-55**        **RESERVED.**

#### **DIVISION VI - VILLAGE CLERK**

**1-2-56**        **ELECTED.** The Clerk shall be elected at the same election as the Mayor for a four (4) year term and shall serve until his successor is elected and has qualified. (See 65 ILCS Sec. 5/3.1-25-90 and 5/3.1-30-5)

**1-2-57**        **VACANCY.** Whenever a vacancy in the office of Village Clerk and more than twenty-eight (28) months remain in the term and the vacancy occurs not less than one hundred thirty (130) days before the general municipal election, next scheduled under the general election law, the office shall be filled for the remainder of the term at that general municipal election. During the period from the time that the vacancy occurs until the next election of Trustees, the Mayor shall appoint a qualified person to the office subject to the advice and consent of the Village Board. (See 65 ILCS Sec. 5/3.1-10-50(B))

**1-2-58**        **PUBLICATION OF ORDINANCES; BOARD MINUTES; RECORDS.**

(A)            **Ordinances.** The Village Clerk shall cause all ordinances passed by the Village Board and approved by the Mayor, imposing any fine, penalty, imprisonment or forfeiture, or making any appropriation to be published or printed in book or pamphlet form, published by authority of the corporate authorities, or be published at least once within thirty (30) days after passage, in one (1) or more newspapers published in the Village. (See 65 ILCS Sec. 5/1-2-5)

(B)            **Minutes; Records.** The Village Clerk shall attend all meetings of the Village Board and shall keep in a suitable book to be styled "The Journal of the Village Board", a full and faithful record of its proceedings. The Village Clerk shall record and properly index in a book kept for that purpose, all ordinances passed by the Village Board, and at the foot of the record of each ordinance so recorded, he shall make a memorandum of the date of the passage,

when published, and a memorandum of the publication of such ordinance. (See 65 ILCS Sec. 5/3.1-35-90)

(C) **Bonds.** He shall also record in proper books for the purpose, all official bonds and note upon each bond so recorded when the same was entered of record and the book and pages where recorded. (See 65 ILCS Sec. 5/3.1-35-110)

(D) **Issue Notices.** He shall issue and cause to be served upon all Trustees, notices of all special meetings of the Village Board; also notices to the members of the different committees of that body and all persons whose attendance may be required before any such committee, when so directed by the Chairman thereof. (See 65 ILCS Sec. 5/1-2-4, 5/1-2-5 and 5/3.1-35-90)

**1-2-59** **DELIVERY OF PAPERS TO OFFICERS.** The Clerk shall deliver to the several committees of the Village Board and to the officers of this Village, all petitions, communications, reports and resolutions, orders, claims and other papers referred to those committees or officers by the Board on demand therefor. He shall also, without delay, deliver to the Mayor, all ordinances or resolutions, orders and claims in his charge which may require to be approved or otherwise acted upon by the Mayor. (See 65 ILCS Sec. 5/3.1-35-90)

**1-2-60** **PREPARATION OF DOCUMENTS, COMMISSIONS AND LICENSES.** The Clerk shall prepare all commissions, licenses, permits and other official documents required to be issued by him under this Code and shall attest the same with the corporate seal, and he shall, in like manner, attest all deeds for the sale of real estate owned and conveyed by this Village.

**1-2-61** **REPORT OF LICENSES.** The Clerk shall report to the Village Board at its regular meeting each month and oftener if the Board so requires the data contained in his license register with respect to licenses issued during the previous month.

**1-2-62** **DELIVERY OF LICENSES.** In all cases where the Village requires a license to be obtained for the purpose of engaging in or carrying on any business or occupation, and the licensee is required to obtain plates, tags or stickers from the Clerk, it shall be the duty of the Clerk to deliver such plates, tags, or stickers to the person paying the license fee.

**1-2-63** **ADMINISTRATION OF OATHS.** The Clerk shall have the power to administer oaths or affirmations for all lawful purposes. (See 65 ILCS Sec. 5/3.1-15-20)

**1-2-64** **OUTSTANDING BONDS.** The Clerk shall keep in his office in a book or books kept expressly for that purpose a correct list of all the outstanding bonds of the Village, showing the number and amount of each, for and to whom the bonds are issued; and when the Village bonds are issued, or purchased, or paid, or cancelled, the book or books shall show that fact; [and in his annual report, the Clerk shall describe particularly the bonds sold during the year and the terms of sale with each and every item of expense thereof]. (See 65 ILCS Sec. 5/3.1-35-110)

**1-2-65** **REPORTS.** The Clerk shall, on or before the regular meeting in each month, make out and submit to the Village Board a statement or report in writing of all the moneys received and warrants drawn by him during the preceding month, showing therein from or what sources and on what account moneys were received, and for what purposes and on what account the warrants were drawn or paid.

**1-2-66**        **SUCCESSOR.** The Village Clerk shall carefully preserve in his office, all books, records, papers, maps and effects of every detail and description belonging to the Village or pertaining to his office, and not in actual use and possession of other Village officers; and upon the expiration of his official term, he shall deliver all such books, records, papers and effects to his successor in office. (See 65 ILCS Sec. 3.1-10-35)

**1-2-67**        **PAYMENTS.** The Clerk shall prepare daily an itemized list of all moneys received and shall deliver a copy of the same to the Village Treasurer and shall also pay over to the Treasurer all moneys received by him and take a receipt therefor.

**1-2-68**        **NOTIFICATION TO PERSONS APPOINTED TO OFFICE.** Within five (5) days after an appointment is made, the Clerk shall notify all persons appointed to office of their appointment. The office becomes vacant unless the person appointed qualifies within ten (10) days after such notice.

**1-2-69**        **OTHER DUTIES.** In addition to the foregoing duties, the Clerk shall perform all such other duties pertaining to his office as are or may be imposed upon him by law or resolution or ordinance of the Village Board. (See 65 ILCS Sec. 5/3.1-10-40)

**1-2-70**        **SUBMIT APPROPRIATION TO VILLAGE BOARD.** The Treasurer shall on or before the fifteenth (15th) day of May in each year, and before the annual appropriations to be made by the Village Board, submit to the Village Board a report of his estimates as nearly as may be of moneys necessary to defray the expenses of the corporation during the current fiscal year. He shall, in said report, classify the different objects and branches of expenditures, giving as nearly as may be the amount required for each; and for the purpose of making such a report, he is hereby authorized to require of all officers their statement of the condition and expenses of their respective offices or departments with any proposed improvements, and the probable expense thereof, all contracts made and unfinished and the amount of any and all unexpended appropriations of the preceding year.

He shall, in such report, show the aggregate income of the preceding fiscal year, from all sources, the amount of liabilities outstanding upon which interest is to be paid, the bonds and debts payable during the year, when due and when payable; and in such report, he shall give such other information to the Village Board as he may deem necessary to the end that the Village Board may fully understand the money exigencies and demands upon the corporation for the current year. (See 65 ILCS Sec. 5/3.1-35-115)

**1-2-71**        **DEPUTY CLERK.** The Village Clerk, when authorized by the Village Board, may appoint the Deputy Clerk who shall have the power and duty to execute all documents required by any law to be executed by the Clerk and affix the seal of the Village thereto whenever required. In signing any documents, the Deputy Clerk shall sign the name of the Village Clerk followed with the word, "By" and the Deputy Clerk's name and the words, "Deputy Clerk".

The powers and duties herein described shall be executed by such Deputy Clerk only in the absence of the Village Clerk from the Village Clerk's office in the Village Hall, and only when either written direction has been given by the Village Clerk to such Deputy Clerk to exercise such power or the Village Board has determined by resolution that the Village Clerk is temporarily or permanently incapacitated to perform such functions. (See 65 ILCS Sec. 5/3.1-30-10 and 5/3.1-10-45 and 5/3.1-35-95)

## **DIVISION VII - VILLAGE TREASURER**

**1-2-72**        **DEPARTMENT ESTABLISHED.** There is hereby established a department of the municipal government of the Village which shall be known as the "Finance Department". It shall embrace the Finance Committee and the Treasurer.

**1-2-73**        **FINANCE COMMITTEE.** The standing committee on Finance shall exercise a general supervision over the affairs of the Finance Department. It shall ascertain the condition and needs thereof; shall, from time to time, report the same to the Mayor and Village Board so that a full understanding thereof shall be had and generally, shall do all the acts necessary to promote the efficiency of the Department.

**1-2-74**        **TREASURER APPOINTED; VACANCY.** The Treasurer shall be appointed for a one (1) year term by the Mayor with the advice and consent of the Village Board and he shall serve until his successor is appointed and has qualified. If a vacancy occurs in the office, it shall be filled by the Mayor, with the advice and consent of the Village Board. The person so appointed shall hold office for the unexpired term of the officer elected. (See 65 ILCS Sec. 5/3.1-30-5)

**1-2-75**        **MONEY; WARRANTS; ACCOUNTS; PAYMENTS.** The Village Treasurer shall receive all moneys belonging to this Village and shall pay all warrants signed by the Mayor and countersigned by the Village Clerk and not otherwise; and shall keep a separate account of each fund or appropriation and the debits and credits belonging thereto. He shall give to every person paying money into the Village Treasury a receipt therefor, specifying the date of payment, and upon what account paid, and he shall file copies of such receipts with the Clerk with his monthly reports. (See 65 ILCS Sec. 5/3.1-35-40)

**1-2-76**        **WARRANT REGISTER.** The Treasurer shall keep a register of all warrants redeemed and paid by him showing the number, date, and amount of each, the fund from which paid, and the name of the person to whom and when paid; and he shall cancel all warrants as soon as redeemed by him. (See 65 ILCS Sec. 5/3.1-35-40 and 5/3.1-35-45)

**1-2-77**        **PERSONAL USE OF FUNDS.** The Municipal Treasurer shall keep all money belonging to the Municipality and in the Treasurer's custody separate and distinct from the Treasurer's own money and shall not use, either directly or indirectly, the Municipality's moneys or warrants for the personal use and benefit of the Treasurer or of any other person. Any violation of this provision shall subject the Treasurer to immediate removal from office by the corporate authorities, who may declare the Treasurer's office vacant. (See 65 ILCS Sec. 5/3.1-35-55)

**1-2-78**        **BOND.** The Treasurer shall give bond conditioned upon the faithful performance of his duties and to indemnify the Village for any loss due to neglect of duty or wrongful act on his part; and the amount of such bond shall not be less than ten percent (10%) of the highest amount of taxes and special assessments received by the Treasurer during any fiscal year in the preceding five (5) fiscal years, nor less than one and one-half times the largest amount which the Board estimates will be in his custody at any one time, nor less than three (3) times the number of residents of the Village, as determined by the last Federal Census. Such bond shall be filed with the Clerk as required by statute. (See 65 ILCS Sec. 5/3.1-10-45)

**1-2-79**            **SPECIAL ASSESSMENTS.** The Treasurer shall collect all payments on special assessments and shall see to it that the same are properly recorded and credited to the particular account entitled thereto. (See 65 ILCS Sec. 5/3.1-35-85)

**1-2-80**            **BOOKKEEPING.** The Treasurer shall keep his books and accounts in such a manner as to show with accuracy, all moneys received and disbursed by him for the Village, stating from whom and on what account received, and to whom and on what account paid out, and in such a way that the books and accounts may be readily investigated and understood, and the books and accounts and all files and papers of his office shall be, at all times, open to examination by the Mayor or the Finance Committee of the Board. (See 65 ILCS Sec. 5/3.1-35-40)

**1-2-81**            **STATEMENTS.** The Treasurer shall report to the corporate authorities at the regular monthly meeting, a full and detailed account of all receipts and expenditures of the municipality as shown by his books up to the time of the report. (See 65 ILCS Sec. 5/3.1-35-45)

**1-2-82**            **REPORT DELINQUENT OFFICERS.** It shall be the duty of the Treasurer to report to the Village Clerk any officer of the Village authorized to receive money for the use of the Village who may fail to make a return of the moneys received by the Treasurer at the time required by law or by ordinances of the Village.

**1-2-83**            **YEAR-END REPORT.** Within six (6) months after the end of each fiscal year, the Treasurer shall prepare and file annually with the Village Clerk an account of monies received and expenditures incurred during the preceding fiscal year as specified in this Section. The Treasurer shall show the following in such account:

(A)                All monies received by the Village, indicating the total amounts in the aggregate received in each account of the Village, with a general statement concerning the source of such receipts; provided, however, for the purposes of this paragraph, the term "account" shall not be construed to mean each individual taxpayer, householder, licensee, utility user, or such other persons whose payments to the Village are credited to the general account; and

(B)                Except as provided in paragraph (C) of this Section all monies paid out by the Village where the total amount paid during the fiscal year exceeds Two Thousand Five Hundred Dollars (\$2,500.00), giving the name of each person to whom paid, on what account paid, and the total amount in the aggregate paid to each person from each account; and

(C)                All monies paid out by the Village as compensation for personal services, giving the name of each person to whom paid, on what account paid, and the total amount in the aggregate paid to each person from each account; and

(D)                A summary statement of operations for all funds and account groups of the Village as excerpted from the annual financial report, as filed with the appropriate state agency of the State of Illinois.

Upon receipt of such account from the Village Treasurer, the Village Clerk shall publish the account at least once in one or more newspapers published in the Village. (See 65 ILCS Sec. 5/3.1-35-65)

[NOTE: The Treasurer shall file a copy of the report with the County Treasurer as provided in Sec. 5/3.1-35-70 of Chapter 65 of the Illinois Compiled Statutes.]

**1-2-84**            **DEPOSIT OF FUNDS.**

(A)                Designation by Board. The Treasurer is hereby required to keep all funds and moneys in his custody belonging to the Village in such places of deposit as have been

designated by Section 1-2-85(D). When requested by the Treasurer, the corporate authorities shall designate a bank or banks in which may be kept the funds and moneys of the Village in the custody of the Treasurer. When a bank or savings and loan association has been designated as a depository, it shall continue as such depository until ten (10) days have elapsed after a new depository is designated and has qualified by furnishing the statements of resources and liabilities as required by this Section. When a new depository is designated, the corporate authorities shall notify the sureties of the Municipal Treasurer of that fact in writing at least five (5) days before the transfer of funds. The Treasurer shall be discharged from responsibility for all funds or money that the Treasurer deposits in a designated bank or savings and loan association while the funds and money are so deposited.

(B) The Municipal Treasurer may require any bank or savings and loan association to deposit with the Treasurer securities or mortgages that have a market value at least equal to the amount of the funds or moneys of the municipality deposited with the bank or savings and loan association that exceeds the insurance limitation provided by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

(C) The Municipal Treasurer may enter into agreements of any definite or indefinite term regarding the deposit, redeposit, investment, reinvestment, or withdrawal of municipal funds.

(D) Each Municipal Treasurer may:

- (1) combine moneys from more than one fund of a single municipality for the purpose of investing those funds and;
- (2) join with other municipal treasurers or municipalities for the purpose of investing the municipal funds of which the Treasurer has custody.

Joint investments shall be made only in investments authorized by law for the investment of municipal funds. When moneys of more than one fund of a single municipality or moneys of more than one municipality are combined for investment purposes, the moneys combined for that purpose shall be accounted for separately in all respects and the earnings from investments shall be separately and individually computed, recorded, and credited to the fund or municipality, as the case may be, for which the investment was acquired.

(E) No bank or savings and loan association shall receive public funds as permitted by this Section unless it has complied with the requirements established by Section 6 of the Public Funds Investment Act. (See 65 ILCS Sec. 5/3.1-35-50 and 30 ILCS Sec. 235/6)

(F) The following bank(s) are herewith designated as places of deposit where the Treasurer of the Village is required to keep all funds and moneys in his custody belonging to this municipality:

- (a) 1st County Bank of New Baden, IL
- (b) 1st Federal Savings & Load, New Baden, IL
- (c) Illinois State Treasurer's Investment Pool

**1-2-85 - 1-2-87      RESERVED.**

## **DIVISION VIII - JUDICIARY**

**1-2-88**        **APPOINTMENT OF ATTORNEY.** The Attorney shall be appointed by the Mayor, by and with the advise and consent of the Village Board for the term of one (1) year, unless sooner removed for cause, and until his successor shall have been appointed and qualified. The Attorney shall have full charge of the law affairs of the Village and shall be known as the Village Attorney and shall receive an annual salary as determined by the appropriation ordinance, compensation for office services and advice, and shall receive reasonable fees for other services rendered when, in his judgment, or in the judgment of the Mayor or Village Board, the same are necessary or are for the best interests of the Village. (See 65 ILCS Sec. 5/3.1-30-5)

**1-2-89**        **DUTIES.**

(A)            **Prosecute for Village.** The Village Attorney shall prosecute or defend on behalf of the Village in all cases in which the interests of the corporation or any officer thereof are involved; and the Village Clerk shall furnish him with certified copies of any ordinance, bond or paper in his keeping necessary to be filed or used in any suit or proceedings.

(B)            **Preparation of Ordinances.** He shall, when required, advise the Village Board or any officer in all matters of law in which the interests of the corporation are involved, and he shall draw such ordinances, bonds, forms and contracts, or examine and pass upon the same, as may be required of him by the Mayor, the Village Board, or any committee thereof.

(C)            **Judgments.** He shall direct executions to be issued upon all judgments recovered in favor of the Village, and he shall direct their prompt service. He shall examine all the bills of the officers of courts, and of other officers of the law, and shall certify to their correctness and the liability of the Village therefore.

(D)            **Violations of Ordinances.** He shall institute and prosecute an action in every case of violation of a Village ordinance when instructed to do so by the Mayor or the Village Board.

(E)            **Prosecution of Suits.** He shall not be required to prosecute any suit or action arising under the ordinances of the Village when, upon investigation of the same, he shall become satisfied that the complaint was instituted maliciously, vexatiously, or without just cause; and he shall dismiss or discontinue any such suit or proceeding upon such terms as he may deem just or equitable.

(F)            **Collection of Taxes.** He is hereby authorized and instructed to enforce the collection of any and all taxes and special assessments in the collection of which the Village is interested and to attend all sales of real or personal property made to enforce the collection of such taxes or special assessments and to bid thereat on behalf of the Village.

(G)            **Commissions.** The Village Attorney shall act as the legal advisory for the Utilities Systems, for the Plan Commission, for the Zoning Board of Appeals and for all other boards and commissions hereafter established by the Village Board. He shall perform all legal services as may be required for those boards and commissions.

**1-2-90**        **PROSECUTOR'S FEE.**

(A)            For each complaint that is prosecuted on behalf of the Village to enforce the provisions of general ordinances of the Village and also to enforce provisions of State Statutes, statutes affecting the affairs of the Village, there shall be added as costs to be assessed against the defendant in each case the sum of Twenty-Five Dollars (\$25.00) to be known as the "Village Prosecutor's Fee".

(B)            Upon said defendant being found guilty of the charges as set up in the complaint that is filed on behalf of the Village in any of the two above named situations, it shall be the duty of the Court before whom such matter is heard to assess a Village Prosecutor's Fee in

the sum of Twenty-Five Dollars (\$25.00), which shall be paid directly to the Prosecutor by the Clerk of the Circuit Court, and that the fine or penalty as assessed by the Court for the violation of the complaint shall be paid to the Village Clerk.

**1-2-91 - 1-2-93      RESERVED.**

## **DIVISION IX - COMMISSIONER OF PUBLIC WORKS**

**1-2-94      ESTABLISHED.** There is hereby created the office of Commissioner of Public Works who shall be appointed by the Mayor with the advice and consent of the Board of Trustees and shall serve for a term of **one (1) year**, concurrent with the fiscal year of the Village or until a successor is appointed. (See **65 ILCS Sec. 5/3.1-30-5**) (**Ord. No. 791; 7-6-09**)

**1-2-95      DUTIES AND RESPONSIBILITIES.** The Commissioner of Public Works shall be responsible for managing the affairs of the Public Works Department of the Village and for the repair, maintenance and safety of the Village's public works assets, including but not limited to, the water system, sewer system, public buildings, streets, alleyways, sidewalks, public parks, playgrounds, recreational areas, motor vehicles, equipment and tools. In fulfilling these responsibilities, the Commissioner of Public Works ("Commissioner") shall:

- (A) Direct and assign the day-to-day operations of the Public Works Department;
- (B) Be responsible for maintaining safe working conditions for Village employees and in maintaining safe conditions for all users of public property. In doing so, the Commissioner shall ensure that each playground and item of recreational equipment is regularly inspected and shall maintain records on all such inspections;
- (C) Maintain an inventory of, and security over, all motor vehicles, equipment and tools owned by the Village;
- (D) Certify all bills or invoices for material or labor on public works and recommend approval or disapproval to the Board of Trustees;
- (E) Be the representative of the Village on all public works project. In such capacity, the Commissioner shall have the authority to demand that all such work be performed according to specifications and shall have the authority to issue a stop work order if any such work is not being performed in accordance with such specifications;
- (F) Maintain accurate records of all sewer and water lines detailing the location, depth and conditions of said lines;
- (G) Prepare an annual written report to the Village Board of Trustees detailing the operations of the Department. The annual report shall be prepared and presented prior to each fiscal year, and shall include recommendations for the upcoming year;
- (H) Prepare a proposed budget for the Public Works Department;
- (I) Within the Public Works Department, participate in new hire interviews, determine which employees should be made regular employees, require a longer probationary period, if necessary, and determine whether an employee is suited for a particular job classification or duty;
- (J) Have the authority to commence disciplinary proceedings against any employees of the Public Works Department;
- (K) Administer any Collective Bargaining Agreement (CBA) between the Village and a bargaining representative for the employees of the Public Works Department;
- (L) Conduct periodic performance appraisals of employees of the Public Works Department;



- (M) Authorize overtime, compensatory time and vacation and monitor sick leave for employees of the Public Works Department;
- (N) Review the design and installation of the streetlight system in subdivisions;
- (O) Determine location and minimum width of utility easements;
- (P) Approve individual water wells or private central water system, and determine of the size of the distribution lines;
- (Q) Approve fire hydrants;
- (R) Approve proposed sanitary sewer facilities;
- (S) Advise the Plan Commission on proposed individual disposal facilities;
- (T) Approve storm water plans and specifications;
- (U) Issue advisory reports on Preliminary Plats;
- (V) Evaluate and approve subdivision improvement plans;
- (W) Approve changes in construction plans or specifications;
- (X) Inspect public improvements under construction;
- (Y) Inspect completed public construction;
- (Z) Authorize the release of performance bonds;
- (AA) Issue advisory reports for Final Plats;
- (BB) Approve changes to Final Plats;
- (CC) Determine amount of maintenance bond for developments;
- (DD) Carry out any policies set by the Board of Trustees under the direction and control of the Mayor.
- (EE) Attend all regular meetings of the Board of Trustees. The Commissioner shall also attend any other meeting as directed by the Board of Trustees. (**Ord. No. 791, 7-6-09, Ord. 2015-04-06-A, 4/6/2015**)

**1-2-96**      **COMPENSATION.** The Commissioner of Public Works shall be compensated at such amounts as may be set from time to time by the Board of Trustees. (**Ord. No. 791; 7-6-09**)

**1-2-97**      **RESERVED.**

### **DIVISION X - VILLAGE COLLECTOR**

**1-2-98**      **OFFICE ESTABLISHED.** There is hereby established the office of Village Collector, who shall be appointed by the Mayor with the advice and consent of the Board of Trustees. (Ord. No. 428; 01-07-85)

**1-2-99**      **DUTIES.** The Village Collector shall have such duties as may be prescribed by statute and shall preserve all warrants returned to the office, and shall keep all books and accounts in the manner that the Board of Trustees may prescribe. All of the Village Collector's warrants, books, and vouchers, and all papers pertaining to the office, may be examined at any time by the Mayor, Village Clerk, or any member or committee of the Board of Trustees. Weekly, and oftener if required by the Board of Trustees, the Village Collector shall pay over to the Village Treasurer all money collected by him or her from any source whatever, taking the Village Treasurer's receipt therefor in duplicate and filing one of the receipts immediately with the Village Clerk. At that time, or on demand, the Village Clerk shall give the Village Collector a copy of any receipt so filed.

**1-2-100**      **VILLAGE CLERK AS VILLAGE COLLECTOR.** The person who holds the elective office of Village Clerk may be appointed as Village Collector. Any person serving in both capacities shall receive compensation for each of these offices.

**1-2-101**      **COMPENSATION.** The salary of the Village Collector shall be set in the annual appropriation ordinance.

**1-2-102 - 1-2-110**      **RESERVED.**

## **DIVISION XI - CHIEF BUILDING AND ZONING OFFICIAL**

**1-2-111**      **CREATION OF POSITION.** There is hereby created the position of Chief Building and Zoning Official. The Chief Zoning Official shall be appointed by the Mayor under the provisions of Section 1-2-46 of the Revised Code. (**Ord. No. 674; 7-7-03**)

**1-2-112**      **DUTIES.** The enforcement of the Zoning Code (inclusive of the Building Code, Electrical Code, and Plumbing Code), Subdivision Code, and Property Maintenance Code is hereby vested in the Chief Building and Zoning Official of the Village of New Baden, Illinois. The Chief Building and Zoning Official shall administer and enforce these Codes, and in addition thereto, and in furtherance of said authority, he shall:

- (A)            Issue all Building Permits, Electrical Permits, Plumbing Permits, and Zoning Certificates, and make and maintain records thereof.
- (B)            Issue all Certificates of Occupancy, and make and maintain records thereof.
- (C)            Issue Building and Zoning Occupancy Permits as authorized by the Zoning Code.
- (D)            Conduct inspections of buildings, structures, and land to determine compliance with the Zoning Code and to notify in writing the person responsible for any violation found, indicating the nature of the violation and ordering the action necessary to correct it.
- (E)            Order the discontinuance of illegal use of land, buildings or structures; removal of illegal buildings or structures or of illegal additions, alterations, or structural changes, discontinuances of any illegal work being done; or shall take any other action authorized by statute or by the Zoning Code to ensure compliance with or to prevent violation of the provisions.
- (F)            Prepare and cause to be published on or before **March 31st of each year**, a map showing the existing zoning uses, divisions, restrictions, regulations, and classifications in effect on the preceding **December 31st**.
- (G)            Maintain permanent and current records of the Zoning Code, including, but not limited to, all maps, plats, amendments, special-use permits, planned building developments, variances, appeals, and applications therefore.
- (H)            Provide and maintain a source of public information relative to all matters arising out of the Zoning Code.
- (I)            Receive, file, and forward to the Plan Commission, all applications for amendments and special use permits, and other matters upon which the Plan Commission is required to act under the Zoning Code.
- (J)            Receive, file, and forward to the Zoning Hearing Officer all applications for variance, appeals, and other matters upon which the Zoning Board of Appeals is required to act under the Zoning Code. Each application for variance, appeal, and other matter submitted to

the Zoning Hearing Officer shall be accompanied by a report containing the applicable code provision(s) and findings of fact.

(K) Attend all public hearings conducted by the Zoning Hearing Officer and provide the Zoning Hearing Officer with the factual background of the application, the request sought by the applicant, and the relevant sections of the Zoning Code.

(L) Keep the Mayor, Village Board and Village Administrator advised of zoning activities by written report once each month, including statements of permits and certificates issued and orders promulgated.

(M) Have the authority to enter any non-residential structure at any reasonable time for the purpose of making inspections and performing duties under the Village Code when there is sufficient exterior evidence of deterioration or neglect to warrant interior inspection.

(N) Have the authority to enter and conduct interior inspection of residential property or structures for the purpose of determining the question of condemnation only upon application to, and issuance of an order by a court of competent jurisdiction authorizing such entry.

(O) Review and coordinate further review of all preliminary plats with the Village Administrator, Commissioner of Public Works, Village Engineer, the Plan Commission, and as necessary, the Village Board.

(P) Transmit and/or coordinate all improvement plan changes in writing to the subdivider/developer from the Village Administrator, Commissioner of Public Works, Village Engineer, and Plan Commission.

(Q) Review and coordinate the review of all final plats, including changes, before Village Board review/approval.

(R) Issue stop orders as necessary, and manage those stop orders issued by the Village Administrator, Commissioner of Public Works and Village Engineer or other Village Officials when they have determined that approved improvements are being constructed in violation of the Village Code.

(S) Assist the Village Attorney in pursuing actions authorized in **Section 34-4-16** when a subdivider/developer fails to complete required improvements.

(T) The Chief Building and Zoning Official may request and shall receive so far as may be necessary in the discharge of his duties, the assistance and cooperation of the Chief of Police in enforcing orders, of the Village Attorney in prosecuting violators, and of other Village officials and officers. **(Ord. No. 674; 7-7-03; Ord. No. 849; 1-3-11)**

**1-2-113**      **COMPENSATION.** The compensation of the Chief Building and Zoning Official shall be established by contract, and may be amended from time to time by ordinance of the Village Board of Trustees. **(Ord. No. 674; 7-7-03)**

## **DIVISION XII - VILLAGE ADMINISTRATOR**

**1-2-121**      **CREATION OF POSITION.** There is hereby created the position of Village Administrator. The Village Administrator shall be appointed by the Mayor under the provisions of Section 1-2-46 of the Revised Code. (**Ord. No. 725; 8-7-06**)

**1-2-122**      **DUTIES.** The Village Administrator shall report to the Mayor or the Board of Trustees as directed. The Village Administrator is responsible for supervising the day to day operations of the Village. These responsibilities shall include, but not be limited to:

- (A)            Coordination of Village government;
- (B)            Prepare and coordinate grant applications;
- (C)            Manage the Village's budget;
- (D)            Coordinate economic and residential development, including the administration of any and all Tax Increment Finance and Business Districts within the Village;
- (E)            Supervise and coordinate all Village departments;
- (F)            Manage the day to day operations of the Village, and in the absence of a department head, manage the day to day operations of the department;
- (G)            Assist in employee hiring;
- (H)            Maintain and manage employee benefits, records and policies;
- (I)            Risk Management;
- (J)            Such other duties as directed by the Board of Trustees. (**Ord. No. 725; 8-7-06; Ord. No. 817; 2-1-10; Ord. No. 838; 7-6-10**)

**1-2-123**      **EXCLUSION.** The Village Administrator shall have no supervisory authority over any elected office of the Village. (**Ord. No. 725; 8-7-06**)

**1-2-124**      **COMPENSATION.** The Village Administrator shall be compensated as determined by the Board of Trustees. (**Ord. No. 725; 8-7-06**)

## **DIVISION XIII – BUDGET OFFICER**

**1-2-130**      **CREATION OF POSITION.** There is hereby created the position of Budget Officer. The Budget Officer shall be appointed by the Mayor under the provisions of Section 1-2-46 of the Revised Code.

**1-2-131**      **DUTIES.** The Budget Officer shall serve at the pleasure of the Mayor. The Budget Officer shall have the following powers and duties:

- (A)            Permit and encourage and establish the use of efficient planning, budgeting, auditing, reporting, accounting, and other fiscal management procedures in all municipal departments, commissions, and boards;
- (B)            Compile an annual budget in accordance with 65 ILCS 5/8-2-9.3;
- (C)            Examine all books and records of all municipal departments, commissions, and boards which relate to monies received by the municipality, municipal departments, commissions, and boards, and paid out by the municipality, municipal departments, commissions, and boards, debts and accounts receivable, amounts owed by or to the municipality, municipal departments, commissions, and boards;
- (D)            Obtain such additional information from the municipality, municipal departments, commissions, and boards as may be useful to the Budget Officer for purposes of compiling a municipal budget, such information to be furnished by the municipality, municipal

departments, commissions, and boards in the form required by the Budget Officer. Any department, commission or board which refuses to make such information as is requested of it available to the Budget Officer shall not be permitted to make expenditures under any subsequent budget for the municipality until such municipal department, commission, or board shall comply in full with the request of the Budget Officer; and

(E) Establish and maintain such procedures as shall insure that no expenditures are made by the municipality, municipal departments, commissions, or board except as authorized by the budget. (Ord. 2015-03-02-B, 3/2/2015)

### ARTICLE III - SALARIES

**1-3-1 OFFICIAL SALARIES.** The salaries of elected Village officials shall not be increased during the **six (6) months** preceding the Village election and shall be provided as follows:

(A) **President.** The President shall receive the amount of **Five Thousand Dollars (\$5,000.00)** a year as his salary. The fee for special meeting shall be **Sixty Dollars (\$60.00)** per special meeting. The President will not receive any compensation as the Local Liquor Commissioner.

(B) **Clerk.** The Village Clerk shall receive **Two Hundred Fifty Dollars (\$250.00)** per month and an additional **Sixty Dollars (\$60.00)** per special meeting that is called by the President of the Board of Trustees. (Ord. 2015-08-04-A, 8/4/2015, effective 5/1/2017)

(C) **Trustees.** Each Trustee shall receive the sum of **One Hundred Ten Dollars (\$110.00)** per month. However, a member shall not receive compensation for more than **one (1) regular meeting** per month at the above rate. All members shall be allowed **two (2) absences** in each year for which compensation will be paid.

Further, the fee for special meeting called by the President of the Board of Trustees where there is an agenda and roll call shall be **Sixty Dollars (\$60.00)** per special meeting.

(D) **Other Meetings.** For all committee meetings called by the President or another Board Trustee, Village functions, i.e. court appearances, County meetings, etc., the fee for the President, Clerk and Trustees shall be **Thirty-five Dollars (\$35.00)** per meeting, limited to a maximum of **four (4)** such meetings per month with mandatory minutes turned in to the Village Clerk for committee meeting. A roster of Board members who attend other functions will be provided to the Village Clerk.

(E) **Treasurer.** The Village Treasurer shall receive an annual salary as established in the appropriation ordinance.

(F) **Chief Building and Zoning Official.** The Chief Building and Zoning Official shall receive **Seventy-five dollars (\$75.00)** per month.

(Ord. No. 636; 10-30-00; Ord. No. 674; 7-7-03;  
Ord. No. 696; 11-1-04; Ord. No. 844; 10-4-10)

(See 65 ILCS Sec. 5/3.1-50-5; 5/3.1-50-10; 5/3.1-50-15)

[ED. NOTE: The salaries of elected officials who hold elective office for a definite term shall neither be increased nor diminished during that term and shall be fixed at least one hundred eighty (180) days before the beginning of the terms of the officers whose compensation is to be filed.

The ordinance fixing compensation for members of the corporate authorities shall specify whether those members are to be compensated (i) at an annual rate or, (ii) for each

meeting of the corporate authorities actually attended if public notice of the meeting was given.]

#### **ARTICLE IV - MANAGEMENT ASSOCIATION**

**1-4-1**        **PARTICIPATION.** The Village Board of Trustees does hereby authorize and approve membership in the Illinois Municipal League Risk Management Association and directs the Mayor and Clerk to execute an Intergovernmental Cooperation Contract with the Illinois Municipal League Risk Management Association for membership for a period of one (1) year beginning the date the Association commences providing risk coverage to its members and each year thereafter unless this ordinance is repealed.

**1-4-2**        **CONTRIBUTION.** Each member hereby agrees to contribute to the Association a sum of money to be determined by the Association at the time of application based on the needs of the Association and the loss experience of the Member, which sum shall constitute the cost of the Member's first year contribution for membership in the Association. Membership contributions for second and subsequent years shall be calculated in accordance with the loss experience of the Village, and the needs of the Association including total losses and expenditures of the Self-Insured Retention Fund of the Association.

#### **ARTICLE V – STATE GIFT BAN ACT**

**1-5-1**        **ADOPTION OF ACT.**

(A)            The State Gift Ban Act (5 ILCS Sec. 425 et seq.) is hereby adopted as required by Section 83 of the Act (5 ILCS Sec. 425/83).

(B)            The solicitation or the acceptance of gifts prohibited to be solicited or accepted under the Act is prohibited by any elected or appointed official or any employee of the Village. All non-salaried appointed or elected officials are exempted from the Act and the provisions of this Article.

**1-5-2**        **ETHICS OFFICER.** To the extent authorized by law and to the extent required by Section 35 of the Act (5 ILCS Sec. 425/35), the President is appointed to serve as the "ethics officer" of the Village. The ethics officer's duties shall be as provided in Section 35 of the Act.

**1-5-3**        **EXISTING ETHICS ORDINANCE OR GIFT BAN ACT.** This Article does not repeal or otherwise amend or modify any other Ordinance, which regulates the conduct of Village officials and employees. To the extent that any other Ordinance on the subject is less restrictive than the State Gift Ban Act and this Article, then the provisions of this Article shall prevail in accordance with the provisions of Section 95 of the Act (5 ILCS Sec. 425/95).

**1-5-4**        **FUTURE AMENDMENTS TO STATE GIFT BAN ACT.** Any amendment to the State Gift Ban Act (5 ILCS Sec. 425/1 et seq.) that becomes effective after the passage of this Article shall be incorporated into this Article by reference and shall be applicable to the solicitation and acceptance of gifts. However, any amendment that makes its provisions optional for adoption by municipalities shall not be incorporated into this Article by reference without formal action by the corporate authorities of the Village.

**1-5-5 FUTURE DECLARATION OF UNCONSTITUTIONALITY OF STATE GIFT BAN ACT.**

(A) If the Illinois Supreme Court declares the State Gift Ban Act (5 ILCS Sec. 425/1 et seq.) unconstitutional in its entirety, then this Article shall be repealed as of the date that the Supreme Court's decision becomes final and not subject to any further appeals or rehearings. The Article shall be deemed repealed without further action by the corporate authorities of the Village if the Act is found unconstitutional by the Illinois Supreme Court.

(B) If the Illinois Supreme Court declares part of the State Gift Ban Act (5 ILCS Sec. 425/1 et seq.) unconstitutional but upholds the constitutionality of the remainder of the Act or does not address the remainder of the Act, then the remainder of the Act as adopted by this Article shall remain in full force and effect; however, that part of this Article relating to the part of the Act found unconstitutional shall be deemed repealed without further action by the corporate authorities of the Village.

(Ord. No. 623; 06-07-99)

**ARTICLE VI – INVESTMENT POLICY**

**1-6-1 SCOPE.** This policy applies to the investment of short-term operating funds. Longer-term funds, including investments of employees' investment retirement funds and proceeds from certain bond issues, are covered by a separate policy.

(A) **Pooling of Funds.** Except for cash in certain restricted and special funds, the Village will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

(B) See **Appendix "A"** for glossary of terms.

**1-6-2 GENERAL OBJECTIVES.** The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

(A) **Safety.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

(1) **Credit Risk.** The Village will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

(a) Limiting investments to the safest types of securities.

(b) Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Village will do business.

(c) Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

(2) **Interest Rate Risk.** The Village will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

(a) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

(b) Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

(B) **Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by

structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portfolio also may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

(C) **Yield.** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that security be sold.

### **1-6-3 STANDARDS OF CARE.**

(A) **Prudence.** The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

(B) **Ethics and Conflicts of Interest.** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the entity.

(C) **Delegation of Authority.** Authority to manage the investment program is granted to the Village Treasurer hereinafter "Investment Officer". Responsibility for the operation of the investment program is hereby delegated to the Investment Officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.



**1-6-4                    SAFEKEEPING AND CUSTODY.**

(A)                    **Authorized Financial Dealers and Institutions.** A list will be maintained of financial institutions authorized to provide investment services. In additions, a list also will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of Ten Thousand Dollars (\$10,000.00) and at least five (5) years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements.
- Proof of National Association of Securities Dealers (NASD) certification.
- Proof of state registration.
- Completed broker/dealer questionnaire.
- Certification of having read and understood and agreeing to comply with the Village's investment policy.

An annual review of the financial condition and registration of qualified financial institutions and broker/dealers may be conducted by the Investment Officer.

The Investment Officer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to the criteria under Paragraph (A) may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law. These types of investment purchases should be approved by the appropriate legislative or governing body in advance.

(B)                    **Internal Controls.** The Investment Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met.

**1-6-5                    SUITABLE AND AUTHORIZED INVESTMENTS.**

(A)                    **Investment Types.** Consistent with State and Local Laws Concerning Investment Practices, the following investments will be permitted by this policy and are those defined by state and local law where applicable:

- (1) U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value;
- (2) Canadian government obligations (payable in local currency);
- (3) Certificates of deposit and other evidences of deposit at financial institutions, bankers' acceptances, and commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1, or D-1 or higher) by a nationally recognized rating agency;
- (4) Investment-grade obligations of state, provincial and local governments and public authorities;
- (5) Repurchase agreements whose underlying purchased securities consist of the foregoing;
- (6) Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities; and
- (7) Local government investment pools, either state-administered or through joint powers statutes and other intergovernmental agreement legislation.

Investment in derivatives of the above instruments shall require authorization by the

appropriate governing authority.

(B) Collateralization. Where allowed by state law full collateralization will be required on non-negotiable certificates of deposit.

**1-6-6 INVESTMENT PARAMETERS.**

(A) **Diversification.** The investments shall be diversified by:

- (1) limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- (2) limiting investment in securities that have higher credit risks,
- (3) investing in securities with varying maturities, and
- (4) continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

(B) **Maximum Maturities.** To the extent possible, the Village shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with state and local statutes and ordinances. The Village shall adopt weighted average maturity limitations (which often range from ninety (90) days to three (3) years), consistent with the investment objectives.

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

Because of the inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as LGIPs, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

**1-6-7 REPORTING.**

(A) **Methods.** The Investment Officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the Village to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the Investment Officer, the legislative body, and any pool participants. The report will include the following:

(A) Listing of individual securities held at the end of the reporting period.

(B) Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over **one (1) year** duration that are not intended to be held until maturity.

(C) Listing of investment by maturity date.

(D) Percentage of the total portfolio which each type of investment represents.

(B) **Performance Standards.** The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

(C) **Marking to Market.** The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly.

**1-6-8 POLICY CONSIDERATIONS.**

(A) **Exemption.** Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

(B) **Amendments.** This policy shall be reviewed on an annual basis. Any changes must be approved by the Investment Officer and any other appropriate authority, as well as the individual(s) charged with maintaining internal controls.

**ARTICLE VII – IDENTITY THEFT PREVENTION PROGRAM**

**1-7-1 ADOPTION BY REFERENCE.**

(A) The Federal Trade Commission has adopted rules - published at 16 C.F.R. Part 681, §§ 681.1 through 681.3 - that require the Village to prepare and to implement an identity theft prevention program which includes "red flag rules" (a "red flag" being a pattern, practice, or specific activity that indicates the possible existence of identity theft).

(B) The Village has prepared its Identity Theft Prevention Program to comply with the Federal Trade Commission rules.

(C) A copy of the Identity Theft Prevention Program is attached to Ordinance No. 769 as Exhibit A and is incorporated herein by reference.

(D) The Identity Theft Prevention Program, attached to Ordinance No. 769 as Exhibit A, is hereby adopted and shall be implemented on November 1, 2008. (**Ord. No. 769; 10-20-08**)

**GLOSSARY OF TERMS**

The following is a glossary of key investing terms, many of which appear in the Investment Policy for the Village.

**Accrued Interest:** The accumulated interest due on a bond as of the last interest payment made by the issuer.

**Agency:** A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of a Federal agency is the Government National Mortgage Association (GNNIA). An example of a FSA is the Federal National Mortgage Association (FNMA).

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

**Average Life:** The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

**Basis Point:** A unit of measurement used in the valuation of fixed-income Securities equal to 1/100 of 1% of yield e.g., "1/4" of 1 percent is equal to 25 basis points.

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

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

**Callable Bond:** A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

**Call Price:** The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

**Call Risk:** The risk to a bondholder that a bond may be redeemed prior to maturity.

**Cash Sale/Purchase:** A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

**Collateralization:** Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security.

**Commercial Paper:** An unsecured short-term promissory note issued by corporations, with maturities ranging from two (2) to two hundred seventy (270) days.

**Convexity:** A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

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

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

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

**Current Yield (Current Return):** A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

**Delivery Versus Payment (DVP):** A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

**Derivative Security:** Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

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

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

**Duration:** A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

**Federal Funds (Fed Funds):** Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered immediately available funds.

**Federal Funds Rate:** Interest rate charged by one institution lending federal funds to the other.

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

**Interest Rate:** See "Coupon Rate".

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

**Internal Controls:** An internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

(A) **Control of Collusion.** Collusion is a situation where two (2) or more employees are working in conjunction to defraud their employer.

(B) **Separation of Transaction Authority from Accounting and Record Keeping.** By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.

(C) **Custodial Safekeeping.** Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.

(D) **Avoiding of Physical Delivery Securities.** Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.

(E) **Clear Delegation of Authority to Subordinate Staff Members.** Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.

(F) **Written Confirmation or Telephone Transactions for Investments and Wire Transfers.** Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.

(G) **Development of a Wire Transfer Agreement with the Lead Bank or Third Party Custodian.** The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

**Inverted Yield Curve:** A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

**Investment Company Act of 1940:** Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements and securities valuations.

**Investment Policy:** A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

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

**Liquidity:** An asset that can be converted easily and quickly into cash.

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

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

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

**Market Value:** Current market price of a security.

**Maturity:** The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity".

**Money Market Mutual Fund:** Mutual funds that invest solely in money market instruments (short-term debt instruments, such as treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

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

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

**Mutual Fund Statistical Services:** Companies that track and rate mutual funds, e.g., IBD/Donoghue, Lipper Analytical Services and Morningstar.

**National Association of Securities Dealers (NASD):** A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

**Net Asset Value:** The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the Fund's portfolio. (See below)

$$[\text{Total assets}] - [\text{Liabilities}] / [\text{Number of shares outstanding}]$$

**No Load Fund:** A mutual fund which does not levy a sales charge on the purchase of its shares.

**Nominal Yield:** The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon", "coupon rate", or "interest rate".

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

**Par:** Face value or principal value of a bond, typically One Thousand Dollars (\$1,000.00) per bond.

**Positive Yield Curve:** A chart formation that illustrates short-term securities having lower yields than long-term securities.

**Premium:** The amount by which the price paid for a security exceeds the security's par value.

**Prime Rate:** A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

**Principal:** The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

**Prospectus:** A legal document that must be provided to any prospective purchaser of a new

securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management and certain certified financial statements.

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

**Regular Way Delivery:** Securities settlement that calls for delivery and payment on the third (3rd) business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

**Reinvestment Risk:** The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

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

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

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

**Safekeeping:** Holding of assets (e.g., securities) by a financial institution.

**Serial Bond:** A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

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

**Swap:** Trading one asset for another.

**Term Bond:** Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

**Total Return:** The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period.

[Price Appreciation] + [Dividends Paid] + [Capital Gains] = Total Return

**Treasury Bills:** Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one (1) year and issued in minimum denominations of Ten Thousand Dollars



(\$10,000.00). Auctions of three (3) and six (6) month bills are weekly, while auctions of one (1) year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

**Treasury Notes:** Intermediate U.S. government debt securities with maturities of one (1) to ten (10) years and issued in denominations ranging from One Thousand Dollars (\$1,000.00) to One Million Dollars (\$1,000,000.00) or more.

**Treasury Bonds:** Long-term U.S. government debt securities with maturities often years or longer and issued in minimum denominations of One Thousand Dollars (\$1,000.00). Currently, the longest outstanding maturity for such securities is thirty (30) years.

**Uniform Net Capital Rule:** SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

**Volatility:** A degree of fluctuation in the price and valuation of securities.

**"Volatility Risk" Rating:** A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bond funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the area test stability of the returns ("aaa" by S&P; "V-1" by Fitch) to those that are highly sensitive with currently identifiable market volatility risk ("ccc" by S&P, "V-10" by Fitch).

**Weighted Average Maturity (WAM):** The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed ninety (90) days and no one security may have a maturity that exceeds three hundred ninety-seven (397) days.

**When Issued (WI):** A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

**Yield:** The current rate of return on an investment security generally expressed as a percentage of the security's current price.

**Yield-to-Call (YTC):** The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

**Yield Curve:** A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

**Yield-to-Maturity:** The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

**Zero-Coupon Securities:** Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

This glossary has been adapted from an article entitled, "Investment terms for everyday use," authorized by James E. McCullough, chief investment officer, FGIC Advisors, Inc. The article appeared in the April 5, 1996 issue of Public Investor, GFOA's subscription investment newsletter.