

## RESOLUTION

**A RESOLUTION APPROVING THE SECOND AMENDED AND RESTATED OPERATING AGREEMENT  
BETWEEN THE VILLAGE OF OAK PARK AND THE OAK PARK ECONOMIC DEVELOPMENT  
CORPORATION (OAK PARK EDC) AND AUTHORIZING ITS EXECUTION**

BE IT RESOLVED by the President and the Board of Trustees of the Village of Oak Park, Cook County, Illinois ("Village"), in the exercise of their home rule powers, that the Second Amended and Restated Operating Agreement ("Agreement") between the Village and the Oak Park Economic Development Corporation (Oak Park EDC) is approved and the Village Manager is authorized to execute the Agreement in substantially the form attached.

THIS RESOLUTION shall be in full force and effect from and after its adoption and approval as provided by law.

ADOPTED this 17<sup>th</sup> day of July, 2017, pursuant to a roll call vote as follows:

Voting	Aye	Nay	Abstain	Absent
President Abu-Taleb	✓			
Trustee Andrews	✓			
Trustee Boutet		✓		
Trustee Button				✓
Trustee Moroney	✓			
Trustee Taglia				✓
Trustee Tucker	✓			

APPROVED this 17<sup>th</sup> day of July, 2017.

  
Anan Abu-Taleb, Village President

ATTEST

  
Vicki Scaman, Village Clerk

**SECOND AMENDED AND RESTATED OPERATING AGREEMENT BETWEEN  
THE VILLAGE OF OAK PARK AND  
THE OAK PARK ECONOMIC DEVELOPMENT CORPORATION**

THIS SECOND AMENDED AND RESTATED OPERATING AGREEMENT ("Agreement") is entered into this 20 day of July, 2017, between the Village of Oak Park, an Illinois home rule municipal corporation ("the Village"), and the Oak Park Economic Development Corporation, an Illinois not-for-profit corporation (the "Grantee").

**RECITALS**

WHEREAS, Section 10 of Article 7 of the 1970 Constitution of the State of Illinois authorizes units of local government to contract and otherwise associated with individuals, associations, and corporations in any manner not prohibited by law or by ordinance; and

WHEREAS, units of local government entering into such agreements may use their credit, revenues, and other resources to pay costs and to service debt related to activities which involve a public purpose; and

WHEREAS, the Village previously determined it is in the public interest to assist Grantee with financing for Grantee's economic development efforts set forth in Exhibit A, attached hereto and incorporated herein by reference, on behalf of the Village; and

WHEREAS, pursuant to said determination, the Village entered into an Operating Agreement with Grantee dated February 3, 2014 and

WHEREAS, the parties entered into an Amended and Restated Operating Agreement dated November 16, 2015 ("Amended Agreement"); and

WHEREAS, the Parties have found that minor modifications are necessary to the Amended Agreement and have determined to enter into this Second Amended and Restated Operating Agreement to reflect said modifications.

**NOW, THEREFORE,** in consideration of the premises and mutual covenants contained herein, the Village and Grantee agree as follows:

#### **ARTICLE 1 - INTRODUCTION**

- 1.1. The foregoing recitals are hereby incorporated by reference as though fully set forth herein.

#### **ARTICLE 2 - GRANTEE AUTHORITY**

- 2.1 Grantee warrants that it is the real party in interest to this Agreement, that it is not acting for or on behalf of an undisclosed party, and that it possesses the legal authority to apply for the funding grants provided pursuant to this Agreement and to execute this Agreement. Any person binding Grantee shall, when required, state and/or provide written evidence of the legal authority for his or her agency. Grantee acknowledges that it has read, understood and agreed to all provisions of this Agreement.

#### **ARTICLE 3 - STATUS OF GRANTEE'S PERSONNEL OR CONTRACTED AGENTS**

- 3.1 All technical, clerical, and other personnel necessary for the performance required by this Agreement shall be Grantee's employees, or contracted agents, and shall in all respects be subject to Grantee's rules and regulations governing its employees. Neither Grantee, nor its personnel, nor its contacted agents shall be considered to be agents or employees of the Village.
- 3.2 The Village, its officials and employees, when acting pursuant to this Agreement are

acting as Village officials or employees in their official capacity and not personally or as agents of Grantee or others.

#### ARTICLE 4 - FUNDING GRANTS

- 4.1. The Village shall provide Grantee funding grants due April 1 and October 1, according to the schedule below, and the Village's financial obligation to Grantee under this Agreement shall not exceed said amounts:

Payment Date	Amount
April 1, 2014	\$259,125
October 1, 2014	\$259,125, or the lesser of balance of Grantee's expenses for the 2014 calendar year
April 1, 2015	\$360,750
October 1, 2015	\$360,750
Odd numbered months in 2016	\$120,520
Odd numbered months through April 1, 2017	\$240,500
October 1, 2017	\$240,500
Odd numbered months through August 2021	\$120,250

- 4.2. For the April 1, 2014 and October 1, 2014 payments set forth above, the funding grants are restricted to the following maximums:
- A. \$471,250 for salaries and benefits for up to four full-time employees employed by Grantee on or after the Effective Date of this Agreement as defined below and may not be expended by Grantee for employment agreements entered into prior to the Effective Date of this Agreement as defined below or salaries and benefits of employees of Grantee;
  - B. \$10,000 for employee training;
  - C. \$60,000 for marketing; and
  - D. \$77,000 for operating expenses.

- 4.3. Grantee shall contribute \$100,000 of the existing fund balance of Grantee's predecessor entity, the Oak Park Development Corporation, to Grantee, and the April 1, 2014 and October 1, 2014 funding grants set forth above shall only be limited to Grantee's prospective expenses from the Effective Date of this Agreement through December 31, 2014 ("2014 calendar year"). The Village's funding grants for the 2014 calendar year shall be limited to Grantee's actual expenses. Any excess amount over and above Grantee's actual expenses for the any given calendar year shall be refunded to the Village.
- 4.4. Payments pursuant to this Agreement are subject to availability of Village funds, and their appropriation and authorized expenditure pursuant to applicable law. The Village's obligation shall cease immediately without penalty or liability for further payment, if, in any fiscal year this Agreement is in effect, the Village or any other funding source fails to appropriate or otherwise make available sufficient funds for any or all of the funding grants set forth above.
- 4.5. Payments to Grantee under this Agreement shall be made payable in the name of the Grantee and sent to the following person and place, or directly deposited into a financial account maintained by Grantee:

Executive Director  
Oak Park Economic Development Corporation  
104 N. Oak Park Avenue, Suite 203  
Oak Park, Illinois 60302

Grantee may change the person to whom payments are sent, or the place to which payments are sent, by thirty (30) days prior written notice pursuant to Article 20 below.

- 4.6. Grantee may hold any unspent funds up to \$50,000 in a reserve account which shall be used for expenditures in special instances and shall be reported to the Village and

the expenditure of said funds shall be subject to Article 8 of this Agreement. In addition, for the 2015 calendar year, Grantee may retain up to \$60,000 excess funds for the calendar year and use said funds solely for the purpose of transferring funds to SPA, Inc. to pay the current mortgage, property taxes, maintenance expenses and sale expenses for the property located at 6049 North Avenue, Oak Park, Illinois.

#### **ARTICLE 5 - GRANTEE'S BUSINESS ORGANIZATION**

- 5.1. Prior to this Agreement's execution, Grantee shall be registered to do business in the State of Illinois with the Illinois Secretary of State, and be incorporated as an Illinois not-for-profit corporation. Grantee shall also be registered with the United States Internal Revenue Service and approved to operate as a tax exempt organization pursuant to 26 U.S.C. § 501(c)(4), commonly referred to as "501(c)(4)," as amended.
- 5.2. Grantee shall appoint or elect a properly constituted board of directors consistent with Grantee's duly adopted By-Laws, which shall be subject to prior approval by the Village.
- 5.3. Grantee shall hire and maintain a qualified and competent staff to provide all management and administrative services necessary to accomplish Grantee's mission, goals and objectives.
- 5.4. Grantee shall operate in accordance with this Agreement, Grantee's Articles of Incorporation and By-Laws, and actions of Grantee's Board of Directors.
- 5.5. At the Village's request, Grantee shall submit such written or verbal reports as reasonably deemed necessary by the Village pertaining to Grantee's performance under the terms of this Agreement.

## ARTICLE 6 - EFFECTIVE DATE, TERM AND TERMINATION

- 6.1 The effective date of this Agreement as reflected above shall be the date that the Oak Park Village Manager executes this Agreement ("Effective Date").
- 6.2 This Agreement shall remain in full force and effect after its Effective Date through August 31, 2021 unless terminated earlier pursuant to the terms of this Article 6.
- 6.3 This Agreement may be terminated by the Village for any reason upon ninety (90) days prior notice to Grantee pursuant to the provisions of Article 20 below.
- 6.4 The Village's obligations under this Agreement shall cease immediately without penalty of further payment being required if, in any fiscal year, the Village or other funding source fails to, budget, appropriate, or otherwise make available sufficient funds for this Agreement. In the event a lack of funding occurs in full or in part, the Village shall give Grantee written notice, which shall set forth the effective date of full or partial termination, or if a change in funding is required, setting forth the change in funding and changes in the approved budget.
- 6.5 If the Village terminates this Agreement, Grantee shall not incur any costs or new obligations after the effective date of the Village's termination. Grantee shall cancel as many current obligations as possible. Grantee should make every effort to reduce paid staff consistent with the termination but Grantee may continue to pay staff until the effective date of the termination. The Village shall allow full credit to Grantee for the Village's share of non-canceled obligations, if properly incurred by Grantee prior to termination.
- 6.6 If the Grantee elects to terminate this Agreement, it may do so by providing one (1) year written notice delivered by registered or certified mail to the Village as provided

in Article 20 below. If such notice is provided to the Village, the Agreement will terminate on the following anniversary date of the notice unless an earlier date is established by the Village. In the event of termination or expiration of this Agreement, the Grantee, if applicable, shall remain liable for any payments, expenses, debts, and liabilities incurred during the term of this Agreement.

#### **ARTICLE 7 - ANNUAL BUDGET**

- 7.1. Grantee shall, on or before August 15th of each year, submit its annual budget to the Village. Grantee's budget shall set forth the objects and purposes consistent with Exhibit A for which it seeks grant money from the Village. Grantee shall further provide such information as may be necessary in the opinion of the Village Manager for inclusion in the Village's annual budget report.

#### **ARTICLE 8 - FINANCIAL RECORDS**

- 8.1. At any time during the term of this Agreement, the Village shall have the right to examine Grantee's financial records with reasonable notice, and during regular business hours.
- 8.2. Grantee is accountable for all Village disbursed funds under this Grant. Grantee's financial management system shall be structured to provide for accurate, current, and complete disclosure of the expenditure of all funds provided by the Village under this Agreement. Grantee shall maintain effective control and accountability over all funds disbursed and equipment, property, or other assets acquired with Village funds. Grantee shall keep records sufficient to permit the tracing of funds to a level of expenditure adequate to insure that funds have not been unlawfully spent.



- 8.3. Grantee shall maintain, for a minimum of five (5) years following the later of the expiration or termination of this agreement, adequate books, records, and supporting documents to verify the amounts, recipients and uses of all disbursements of funds passing in conjunction with this Agreement. All books, records and supporting documents related hereto shall be available for inspection and audit by the Village, or any duly authorized representative of the Village, and Grantee agrees to cooperate fully to accomplish any such audit. Grantee shall provide full access to all relevant materials and to provide copies of same upon request of the Village or pursuant to a request filed with the Village under the Illinois Freedom of Information Act, 5 ILCS 140/1 et seq., as amended.
- 8.4. If any of the services to be performed under this Agreement are subcontracted, Grantee shall include in all subcontracts a provision that the Village, or any duly authorized representative of the Village, shall have full access to and the right to examine any pertinent books, documents, papers and records of any subcontractor involving transactions related to this Agreement for a period of five (5) years from the later of the expiration or termination of this Agreement.

#### **ARTICLE 9 - FINANCIAL DISCLOSURES**

- 9.1. Grantee shall provide the Village with a quarterly financial report within thirty (30) days after the end of each quarter, which shall include a detailed list of all revenues received and expenditures incurred by Grantee, as well as Grantee's investment activity, names of financial institutions in which Village -provided funds are deposited, and the current balance of those accounts.
- 9.2. Grantee shall provide the Village with an annual audit of its business activities and

unqualified opinion pursuant to the annual audit for each year that this Agreement is effect. The required annual audit shall be conducted by an independent audit/accounting firm, which is licensed by the State of Illinois to conduct an audit in accordance with generally accepted auditing standards. Said audit shall include all income received by Grantee, disbursements by Grantee, and all investment transactions for the prior fiscal year. Grant funds shall be included in Grantee's annual audit. A copy of the audit report and unqualified opinion shall be provided to the Village within thirty (30) days of Grantee's receipt of the audit report. An auditor's management comment letter shall be submitted to the Village Manager as part of the annual audit.

#### **ARTICLE 10 - PROCUREMENT OF CONSTRUCTION AND PROFESSIONAL SERVICES; ACQUISITION OF EQUIPMENT.**

- 10.1.** Grantee shall procure all professional services, and acquire assets and materials financed in whole or in part with grant funds provided hereunder, through written, contractual agreement(s).
- 10.2.** In the event that Grantee ceases to exist, all such assets, equipment, and materials purchased with Village funds shall become Village property to the extent permitted under the Internal Revenue Code, 26 U.S.C. § 1 et seq., as amended, and any unused payments under this Agreement shall be returned to the Village.

#### **ARTICLE 11 - UNUSED FUNDS**

- 11.1.** Any unused funds provided by the Village pursuant to this Agreement shall be maintained in a federally insured account.

## ARTICLE 12 - LEGAL COMPLIANCE

- 12.1.** In addition to complying with the statutes and regulations specifically referenced in this Agreement, Grantee is responsible for determining the applicability of, and complying with, any other laws, regulations or ordinances.
- 12.2.** All applicable federal, state and local laws, rules and regulations applicable to this Agreement shall be deemed to be included in this Agreement as though fully set forth herein. Except where expressly required by applicable laws and regulations, the Village shall not be responsible for monitoring Grantee's compliance.
- 12.3.** Grantee certifies that it shall comply with all applicable provisions of federal, state and local law in its performance of this Agreement.
- 12.4.** Grantee certifies that it shall comply with the Village's Equal Employment Opportunity (EEO) Policy in its performance of this Agreement. The Village's EEO Policy is attached hereto as Exhibit B.

## ARTICLE 13 - INDEMNIFICATION AND INSURANCE

- 13.1.** Grantee shall hold harmless, indemnify and defend the Village, its elected officials, officers, employees, and agents from any and all claims, suits, actions, costs, and fees, including, but not limited to, attorneys' fees, interest and expenses, growing out of, or connected with the performance of this Agreement, or because of any act or omission, neglect, or misconduct of Grantee, its officers, employees, agents, volunteers, subrecipients, independent contractors, or subcontractors.
- 13.2.** Nothing contained herein shall be construed as prohibiting the Village, its elected officials, officers, agents, or its employees, from defending through the selection and

use of their own agents, attorneys, and experts, any claims, actions, or suits brought against them. Grantee shall be liable for the costs, fees, and expense incurred in the defense of any such claims, actions, or suits.

**13.3.** In the event that any demand or claim relating to this Agreement is known to either party, the Village and/or Grantee will notify the other party in writing in an expedient manner.

**13.4.** Grantee shall, at Grantee's expense, secure and maintain in effect throughout the duration of this Agreement, insurance of the kinds and limits set forth in this Section 13.4. Grantee shall furnish Certificates of Insurance to the Village before any Village grants are released pursuant to this Agreement. All insurance policies shall be written with insurance companies licensed to do business in the State of Illinois, which have a rating of not less than A IX, according to the latest edition of the A.M. Best Company. Such policies shall include a provision preventing cancellation of the insurance policy except upon fifteen (15) days' prior written notice to the Village. Such provision shall also be stated on each Certificate of Insurance as "Should any of the above-described policies be canceled before the expiration date, the issuing company shall mail 15 days' written notice to the certificate holder named to the left." Upon the Village's written request, Grantee shall provide copies of any or all policies of insurance to the Village. The limits of liability for the insurance required shall provide coverage for not less than the following amounts, or greater where required by law:

**(A) Commercial General Liability:**

- i. Coverage to include Premise/Operations, Products/Completed Operations, Independent Contractors, Broad Form Property Damage, Contractual and Personal Injury.
- ii. Limits:

- |                              |                 |
|------------------------------|-----------------|
| General Aggregate            | \$ 2,000,000.00 |
| Products/Completed Aggregate | \$ 1,000,000.00 |
| Each Occurrence              | \$ 1,000,000.00 |
| Personal Injury              | \$ 1,000,000.00 |
- iii. Coverage is to be written on an "occurrence" basis.
  - iv. Products/Completed Operations coverage is to remain in force for a period of two (2) years after the completion of the project.
  - v. Coverage for all claims arising out of Grantee's operations or premises, anyone directly or indirectly employed by Grantee, and Grantee's obligations under indemnification under this Agreement.

**(B) Workers' Compensation:**

- i. Workers' compensation insurance shall be in accordance with the provisions of the laws of the State of Illinois, including occupational disease provisions, for all Grantee's employees, and if case work is sublet, Grantee shall require each of its subcontractors similarly to provide Workers' Compensation insurance.

**(C) Director and Officers Liability:**

- i. Limits:  
Combined Single Limit \$2,000,000.00

**(D) Comprehensive Automobile Liability:**

- i. Coverage to include all owned, hired, non-owned vehicles, and/or trailers and other equipment required to be licensed.
- ii. Limits:  
Combined Single Limit \$1,000,000.00

**(E) Umbrella:**

- i. Limits:  
Each Occurrence/Aggregate \$2,000,000.00

**(F) The Village of Oak Park, its elected officials, officers, employees, and agents shall be named as additional insureds on all insurance policies except Workers' Compensation.**

Grantee understands and agrees that any insurance policies required pursuant to this Agreement or otherwise provided by Grantee, shall in no way limit Grantee's responsibility to indemnify, keep and save harmless, and defend the Village as herein provided.

#### **ARTICLE 14 - COVENANT NOT TO SUE.**

- 14.1.** Grantee forever releases and discharges the Village, its officials, agents or employees from all claims, demands, damages, actions or causes of action which arise out of the Village's performance of this Agreement. Grantee does not release and discharge the Village from any payments properly due and owing by the Village pursuant to Section 6.5 of this Agreement subject to Village Board appropriation.
- 14.2.** Grantee covenants not to sue or otherwise bring any action in law or equity against the Village, its officials, agents or employees for any claims, loss, damage, expense, debt or liability of any nature whatsoever which Grantee may sustain arising out of the Village's performance of this Agreement other than as set forth in Section 14.1 above.

#### **ARTICLE 15 - DEFAULT AND REMEDIES**

- 15.1.** Any failure on the part of the Village to exercise any right under this Agreement shall not be construed as a waiver of that right.
- 15.2.** In the event that Grantee ceases to exist, all unused funds provided by the Village pursuant to this Agreement shall be returned to the Village.

#### **ARTICLE 16 - NON ASSIGNMENT AND SUCCESSORS IN INTEREST**

- 16.1.** This Agreement shall not be assigned, sublet, or transferred by either party hereto.
- 16.2.** The parties each bind themselves and their successors, and assigns to the other party of this Agreement and to the successors, and assigns of such other party in respect to all covenants of this Agreement.
- 16.3.** Nothing herein shall be construed as creating any personal liability on the part of any

officer or agent of the Village or any officer or agent of the Grantee, nor shall it be construed as giving any right or benefits hereunder to anyone other than the Village and Grantee.

#### **ARTICLE 17 - MODIFICATION AND AMENDMENT**

**17.1.** This Agreement may only be amended or modified by a written instrument, signed by the parties hereto, other than modifications required by changes in federal or state law or regulations or required by Village ordinance applicable to this Agreement. No amendment or modification of this Agreement shall be valid or enforceable unless in writing and signed by the authorized representatives of the parties.

**17.2.** This Agreement is subject to such modifications as the Village determines may be required by changes in federal, state or local law or regulations. Any such required modification shall be incorporated into and be part of this Agreement as if fully set forth herein. The Village shall notify Grantee of any change in law or regulation which it has notice.

#### **ARTICLE 18 - CONFLICT OF INTEREST**

**18.1.** Grantee shall establish safeguards to prohibit its officers, directors, agents and employees from using payments under this Agreement for their own private use.

**18.2.** No Village officer or employee may be hired or paid with funds derived directly or indirectly through this Agreement.

**18.3.** The "Conflict of Interest Policy and Annual Statement," attached hereto and incorporated herein by reference as Exhibit C, shall be applicable to Grantee's At-Large Directors. The Village's Conflict of Interest and Ethics Policy as contained in

Chapter 2 ("Administration"), Article 25 ("Conflict of Interest and Ethics") of the Oak Park Village Code ("Policy"), attached hereto and incorporated herein by reference as Exhibit D, as amended, shall be applicable to Grantee's Governmental Directors. The disclosure statement required by the Village's Policy shall be filed with Grantee's Executive Director on annual basis.

#### **ARTICLE 19 - GOVERNING LAW**

**19.1.** This Agreement shall be governed and construed by the laws of the State of Illinois both as to interpretation and performance.

#### **ARTICLE 20 - REQUIRED NOTICES OR REPORTS**

**20.1.** Any notices, reports, records or documents required by the terms of this Agreement shall be deemed sufficient if made in writing and sent by first class mail or personal service to:

**FOR THE VILLAGE**

Village Manager  
Village of Oak Park  
123 Madison Street  
Oak Park, Illinois 60302

**FOR GRANTEE**

Executive Director  
Oak Park EDC  
104 N. Oak Park Ave., Suite 203  
Oak Park, Illinois 60302

**20.2.** Either party may change its address for receiving notices by giving notice thereof in compliance with the terms of Section 20.1.

#### **ARTICLE 21 - ENTIRE AGREEMENT**

**21.1.** This Agreement represents the entire agreement between the parties and supersedes all previous communications or understandings, whether oral or written.



**21.2.** There are no covenants, promises, agreements, conditions or understandings between the parties, either oral or written, other than those contained in this Agreement.

#### **ARTICLE 22 - SAVINGS CLAUSE**

**22.1.** If any provision of this Agreement, or the application of such provision, shall be rendered or declared invalid by a court of competent jurisdiction, or by reason of its requiring any steps, actions or results, the remaining parts or portions of this Agreement shall remain in full force and effect.

#### **ARTICLE 23 - CAPTIONS AND SECTION HEADINGS**

**23.1.** Captions and section headings are for convenience only and are not a part of this Agreement and shall not be used in construing it.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK –  
SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the parties to this Agreement by their signatures acknowledge they have read and understand this agreement and intend to be bound by its terms as of the date first written above.

VILLAGE OF OAK PARK



By: Cara Pavlicek  
Its: Village Manager

Date: 7/20/17

OAK PARK ECONOMIC DEVELOPMENT CORPORATION



By: John Lynch  
Its: Executive Director

Date: 7.28.17

ATTEST



By: Vicki Scaman  
Its: Village Clerk

Date: 7/20/2017

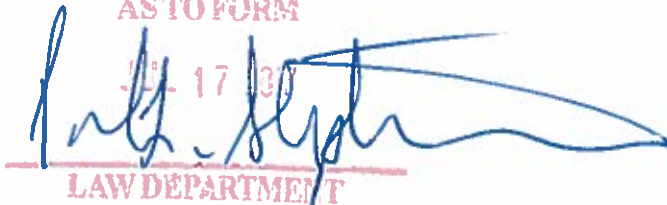
ATTEST



By: Martin J. Noll  
Its: Chairman

Date: 8.1.17

REVIEWED AND APPROVED  
ASTO FORM



JUL 17 2017  
LAW DEPARTMENT

## Exhibit A

### Mission Statement of the Oak Park Economic Development Corporation

To enhance the quality of life and economic health of Oak Park by expanding its property tax base, increasing sales tax revenue and creating and retaining jobs in the Village

Key economic development activities include:

<b>Development</b>	Maintaining a robust database of development sites and vacancies in existing properties throughout the Village
	Attracting qualified developers capable of completing projects across Oak Park's business districts that create construction and permanent jobs in the Village while enhancing its built environment
	Conducting an assessment of Oak Park's competitive advantages
<b>Marketing/Branding</b>	Identifying partners for collaboration in marketing Oak Park as a place to live, visit and do business
	Working with these partners to develop a marketing campaign
<b>Recruitment</b>	Recruiting retailers that will reduce sales tax leakage and complement existing businesses
	Attracting other commercial businesses that will expand the Village's tax base and employment options
<b>Retention</b>	Work to bring complementary businesses together for cross-selling opportunities or other collaborative activities
<b>Incentives</b>	Staying current on best practices in economic development
	Review requests for economic development incentives and make recommendations to the Village
	Demonstrating innovation and creativity in the application of incentives to stimulate economic development
	Developing assessment tools to estimate the economic costs and benefits of an investment
<b>Measurement/ Metrics</b>	Creating metrics to calculate the costs/benefits of OPEDC's economic development programs, including inputs, outputs and outcomes (e.g., jobs created, jobs retained, dollars invested, tax dollars retained or generated)
<b>Reporting</b>	Designing templates for reporting to the OPEDC Board, the Village Board and the citizens of Oak Park

Exhibit B

APPENDIX V

REAFFIRMATION STATEMENT

MARCH 31, 1997

**REAFFIRMATION OF  
EQUAL EMPLOYMENT OPPORTUNITY POLICY (EEO)  
VILLAGE OF OAK PARK**

It is the policy of the Village of Oak Park to afford equal opportunity in employment to all individuals, regardless of race, color, religion, age, sex, national origin, sexual orientation, disability, or status as a disabled veteran or Vietnam era veteran. The Village is committed to this policy because of legal requirements set forth in the Civil Rights Act of 1964 and the Equal Employment Opportunity Act of 1972, and because such principles are fundamental to Oak Park's existence as a racially and culturally diverse community. Equal Employment Opportunity within the Village government is essential if Oak Park is to effectively pursue community-wide goals of racial diversity and increased economic opportunity. EEO is, therefore, a legal, social, moral and economic necessity for the Village of Oak Park.

Chapter 13, Article III of the Code of the Village of Oak Park expressly prohibits discrimination in hiring, terms and conditions of employment, and promotions. Appeal procedures set forth in the Village Personnel Manual provide a mechanism for reporting any such practice to the Village Manager, who is empowered to hold hearings and issue decisions on such matters in behalf of the Village.

Policy statements alone are not sufficient, however, to address longstanding social barriers which have resulted in under-utilization of the skills and abilities of certain groups within our society. The Village of Oak Park, therefore, embraces a policy of affirmative recruitment, whereby specific efforts are made to attract and retain qualified female, minority, and disabled employees in the Village work force.

Responsibility for administering the Village of Oak Park's Equal Employment Opportunity/Affirmative Recruitment Plan lies with the Village Manager, who is assisted by the Human Resources Director in implementing policies which ensure Equal Employment Opportunity within the Village work force. Ultimately, however, the Village's EEO/affirmative recruitment efforts will succeed only with the cooperation of all Village employees. Each of us is responsible for creating a work environment which encourages full participation by women, minorities and the disabled. Each of us is responsible for forging a Village work force that reflects the diversity of our community and utilizes the best talent available for serving the residents of Oak Park.



Carl Swenson  
Village Manager

Updated: October 30, 2019

## Oak Park Economic Development Corporation (OPEDC)

### Scope of Service Requirements

	Completed	Notes
<b>1 Development</b>		
a Maintain a robust database of development sites within Village.	Yes	Ongoing
b Attract qualified developers capable of completing projects.	Yes	Ongoing
c Attract developers that created permanent jobs in Village.	Yes	Ongoing
d Conduct assessment of Oak Park's competitive advantages.	Yes	Conducted as part of branding effort
<b>2 Marketing/Branding</b>		
a Identify partners for collaboration in marketing Oak Park.	Yes	Identified and worked with internal partners; budget limitations have restricted conversations about engaging external partners
b Work with these partners to develop marketing campaign.	Yes	
<b>3 Recruitment</b>		
a Recruit retailers that will reduce sales tax leakage in existing businesses.	Yes	Ongoing
b Attract other commercial businesses that expand Village's tax base and employment.	Yes	Ongoing
<b>4 Retention</b>		
a Attract commercial businesses together for cross-selling/collaborative activities.	Yes	OPEDC assists businesses interested in expanding or relocating in Oak Park, but does not conduct merchant outreach programs or business-to-business connection programs (OPRF Chamber leads those efforts). OPEDC has worked to attract complimentary business and development particularly on Madison Street.
<b>5 Incentives</b>		
a Stay current on best practices in economic development.	Yes	
b Review requests for economic development incentives.	Yes	
c Make recommendations to Village board for development incentives.	Yes	
d Demonstrate innovation and creativity in application of incentives.	Yes	
<b>6 Measurement/Metrics</b>		
a Develop assessment tool to estimate the economic costs of investment.	Yes	
b Create metrics to calculate costs/benefits of OPEDC's programs.	Yes	
c Design templates for reporting to OPEDC Board, the Village Board, and citizens.	Yes	We do track impacts/benefits of our work, but we do not run specific programs any longer. We have templates for reporting to the OPEDC Board, but not for citizens or the Village Board.



September 26, 2019

Cara Pavlicek  
Village Manager  
Village of Oak Park  
123 Madison Street  
Oak Park, IL 60302

Cc: Tammie Grossman, Director of Development Customer Services

Dear Cara,

Per the Village's request, please find attached the 2019 budget and year-to-date actual expenses for the Oak Park Economic Development Corporation (OPEDC), along with our proposed 2020 expense budget, current staff salary and benefits, and our completed 2018 audit.

In our view, the highlight of 2019 thus far has been the continued increase in activity in business districts outside of downtown Oak Park, including Roosevelt Road, North Avenue, Harrison Street, and commercial areas east of Ridgeland Avenue. OPEDC staff is dedicating significant time and attention to these areas and believes it is important to continue this effort while there is an active market. On Roosevelt Road, Turano Baking and Alcuin Montessori are constructing a new headquarters and campus building, respectively. On North Avenue, two multi-family buildings are under construction, with two more in the planning stages. And on Oak Park's eastern edge, One Lake Brewing has reported a strong start and Chicago Avenue has welcomed Destiny Dental and new Mexican restaurant Taco Bros. While smaller in scale than the projects that have gotten public attention in recent years, these projects are important indicators of renewed private-sector confidence in corridors that have long been passed over.

On Madison Street, in addition to the proposed Pete's Fresh Market and senior housing development by Paragon Real Estate, there are a number of projects in the works. The Oak Park School of Music recently opened its doors and we expect projects at 500 Lyman and 838 Madison to begin construction in the near future. We are optimistic about the project pipeline on Madison Street, as we are working with developers and/or owners on at least four other projects along the corridor that, if feasible, would provide continued construction activity into 2020-2021.

Below is a summary of our organizational accomplishments for the past year. We have also attached our 2016-2018 Performance Report, which was produced in April 2019 and is also available on our website. Key accomplishments include:

- Attraction and business development assistance for nine new businesses totaling approximately 31,500 square feet of leased space and \$3,000,000 in private investment. Tenants open or expected in 2019 or early 2020 include:
  - Cajun Boil
  - Currito
  - Daly Bagel
  - Fairgrounds Coffee
  - Flourish
  - Mulata
  - Oak Park School of Music
  - Quantum Motors
  - Varsity Club
- Assistance with promotion and identification of developers for key private redevelopment opportunities, including:
  - 6555 North Avenue development by CMV Development;
  - 6545 North Avenue development by CMV Development;
  - 6033 North Avenue development by Noah Properties;
  - 855 Lake Street rehab by The Inverbrass Funds;
  - 809 S. Oak Park Avenue reuse by Varsity Club;
  - 130 Chicago Avenue reuse by Pioneer Properties;
  - 1033 South Boulevard reuse by CrossFunction;
  - 845 Madison Street redevelopment – Existing Town and Country Auto;
  - 835 Lake Street redevelopment – Existing US Bank;
  - 915 S. Maple Avenue redevelopment – Former Mohr Concrete facility.
- Ongoing rollout of the Village-wide marketing/branding effort (completed in fall 2018) in conjunction with the Village's partner agencies and local stakeholders.

OPEDC's key indicators (actual and anticipated) for 2019:

- Private Investment: \$18,850,000
- New Full-Time Equivalent Employees: 70
- New Development Square Feet: 82,000
- New Business Square Feet: 31,500

We thank you for your past and continued support of OPEDC. Please do not hesitate to contact us if we may provide any additional information in advance of our budget review meeting. We continue to believe that the active engagement of our group, working in close conjunction with the Village, is a recipe for success in driving economic investment in Oak Park. We look forward to continuing that effort for the remainder of 2019 and into 2020 and beyond.

Sincerely,

OPEDC



John Lynch  
Executive Director



## 2019 Budget (Approved and YTD Actual) and 2020 Proposed Budget as of September 24, 2019

	2019	2019 YTD Actual	2020
REVENUE	APPROVED BUDGET	as of 8/31/19	PROPOSED BUDGET
General Fund Admin Support	571,500.00	381,000.00	TBD
Other Revenue	-	1,946.67	-
<b>TOTAL REVENUE</b>	571,500.00	382,946.67	TBD
EXPENSES			
Auto/Parking	5,000.00	3,391.57	5,000.00
Business Expenses	2,000.00	531.60	2,500.00
Depreciation	2,500.00	515.95	1,000.00
Dues & Subscriptions	6,500.00	8,999.32	14,000.00
Corporate Insurance	9,000.00	6,979.52	9,000.00
Employee Insurance	20,500.00	14,044.09	16,500.00
Marketing/Advertising	-	5,450.00	5,000.00
Software	4,000.00	1,343.30	3,500.00
Equipment	3,000.00	2,572.75	3,500.00
Supplies	2,500.00	251.51	1,000.00
Payroll & Taxes	465,000.00	262,600.68	430,000.00
Professional Fees / Audit	9,000.00	7,000.00	10,000.00
Professional Fees / Accounting	8,000.00	2,773.41	8,000.00
Professional Fees / Consulting	-	-	
Professional Fees / IT	1,500.00	275.00	1,500.00
Professional Fees / Legal	5,000.00	1,056.00	2,000.00
Rent	17,500.00	13,190.40	18,200.00
Payroll & Benefits Administration	3,500.00	2,113.38	2,500.00
Telephone & Internet	5,500.00	3,663.91	5,800.00
Workshops & Conferences	1,500.00	6,173.35	10,000.00
<b>TOTAL EXPENSES</b>	571,500.00	342,925.74	549,000.00

### Existing Staff Salary & Benefit Information

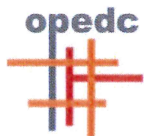
### Salary:

Executive Director	John Lynch	180,000
Economic Development Director	Viktor Schrader	92,000
Office Manager	Allison Marola	43,000

Current benefits are 4% salary match for Safe Harbor 401K, health, dental and life insurance with employee contributions.

All salaries are subject to change at any time.





August 23, 2019

Sassetti, LLC  
6611 North Avenue  
Oak Park, IL 60302

This representation letter is provided in connection with your audit of the financial statements of Oak Park Economic Development Corporation, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of August 23, 2019, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 23, 2019, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 11) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

## Information Provided

12) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.

13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

15) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:

- a) Management,
- b) Employees who have significant roles in internal control, or
- c) Others where the fraud could have a material effect on the financial statements.

16) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.

17) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

18) We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.

19) We have disclosed to you the identity of the Organization's related parties and all the related-party relationships and transactions of which we are aware.

20) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

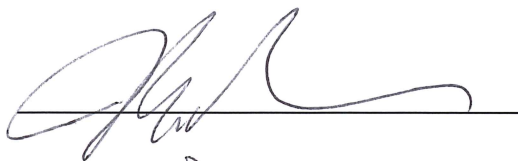
21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

22) Oak Park Economic Development Corporation is an exempt organization under Section 501(c)4 of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

23) In regard to the financial statement preparation and tax preparation services performed by you, we have—

- Assumed all management responsibilities.
- Designated John, Lynch, who has suitable skill, knowledge, or experience to oversee the services.
- Evaluated the adequacy and results of the services performed.
- Accepted responsibility for the results of the services.

Signature: \_\_\_\_\_



Title: \_\_\_\_\_

*Executive Director*



# **Oak Park Economic Development Corporation**

Financial Statements  
Years Ended December 31, 2018 and 2017



**Sassetti**

CERTIFIED PUBLIC ACCOUNTANTS



OAK PARK ECONOMIC DEVELOPMENT CORPORATION  
FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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Board of Directors  
Oak Park Economic Development Corporation  
Oak Park, Illinois

## Independent Auditors' Report

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Oak Park Economic Development Corporation (a not-for-profit organization) which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oak Park Economic Development Corporation at December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads 'Sassetti LLC'. The signature is written in a cursive, flowing style.

Oak Park, Illinois  
August 23, 2019

OAK PARK ECONOMIC DEVELOPMENT CORPORATION  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2018 AND 2017

	2018	2017
<b>ASSETS</b>		
Cash and cash equivalents	\$ 123,463	\$ 174,356
Restricted cash	-	50,000
Prepaid expenses	7,975	7,988
Property and equipment, net	12,072	13,247
	<hr/>	<hr/>
Total Assets	<u>\$ 143,510</u>	<u>\$ 245,591</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 56,709	\$ 48,468
Deferred revenue and advances	-	50,714
	<hr/>	<hr/>
Total Liabilities	<hr/> 56,709	<hr/> 99,182
<b>NET ASSETS</b>		
Without donor restrictions	<hr/> 86,801	<hr/> 146,409
	<hr/>	<hr/>
Total Net Assets	<hr/> 86,801	<hr/> 146,409
	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 143,510</u>	<u>\$ 245,591</u>

The accompanying notes are an integral part of the financial statements.



OAK PARK ECONOMIC DEVELOPMENT CORPORATION  
 STATEMENTS OF ACTIVITIES  
 YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
<b>REVENUES AND OTHER SUPPORT</b>		
Village of Oak Park	\$ 721,500	\$ 670,787
In-kind donations	21,925	24,172
Interest income	19	31
Other income	-	11,047
Total Revenue and Other Support	<u>743,444</u>	<u>706,037</u>
<b>EXPENSES</b>		
Program services	704,660	557,616
Management and general	<u>98,392</u>	<u>140,327</u>
Total Expenses	<u>803,052</u>	<u>697,943</u>
<b>CHANGE IN NET ASSETS</b>	(59,608)	8,094
<b>NET ASSETS -</b>		
Beginning of year	<u>146,409</u>	<u>138,315</u>
End of year	<u><u>\$ 86,801</u></u>	<u><u>\$ 146,409</u></u>

The accompanying notes are an integral part of the financial statements.



OAK PARK ECONOMIC DEVELOPMENT CORPORATION  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Salaries and benefits	\$ 442,162	\$ 49,129	\$ 491,291	\$ 396,572	\$ 44,064	\$ 440,636
Payroll taxes	28,059	3,118	31,177	26,051	2,894	28,945
Rent	24,300	2,700	27,000	24,300	2,700	27,000
Utilities	6,750	750	7,500	6,750	750	7,500
Insurance	8,163	907	9,070	7,636	849	8,485
Telephone	5,672	630	6,302	4,666	519	5,185
Professional fees	4,126	23,381	27,507	12,007	68,038	80,045
Supplies	-	2,860	2,860	-	4,174	4,174
Postage and delivery	-	29	29	-	55	55
Service contracts	-	2,916	2,916	-	4,100	4,100
Marketing and advertising	166,160	-	166,160	60,174	-	60,174
Auto	276	5,235	5,511	291	5,523	5,814
Dues and subscriptions	12,442	794	13,236	13,233	845	14,078
Depreciation	-	1,175	1,175	-	1,300	1,300
Workshops and conferences	6,550	1,156	7,706	5,936	1,048	6,984
Miscellaneous	-	3,612	3,612	-	3,468	3,468
	<u>\$ 704,660</u>	<u>\$ 98,392</u>	<u>\$ 803,052</u>	<u>\$ 557,616</u>	<u>\$ 140,327</u>	<u>\$ 697,943</u>

The accompanying notes are an integral part of the financial statements.

OAK PARK ECONOMIC DEVELOPMENT CORPORATION  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (59,608)	\$ 8,094
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities -		
Depreciation	1,175	1,300
(Increase) decrease in assets		
Prepaid expenses	13	(879)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	8,241	6,748
Deferred revenue and advances	(50,714)	(12,816)
Net Cash (Used in) Provided by Operating Activities	(100,893)	2,447
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(100,893)	2,447
<b>CASH AND CASH EQUIVALENTS -</b>		
Beginning of year	224,356	221,909
End of year	\$ 123,463	\$ 224,356
<b>SUPPLEMENTAL DATA:</b>		
Interest paid	\$ -	\$ -
Income taxes	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

OAK PARK ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - The Oak Park Economic Development Corporation (the "Organization"), an Illinois not-for-profit corporation, was organized in 1974 to serve and function as a civic league for the economic development and betterment of the Village of Oak Park ("VOP"). The Organization is funded by a grant from the Village of Oak Park.

During 1999, the Organization formed a subsidiary corporation, S.P.A., Inc. (the "Subsidiary") for the purpose of assembling and redeveloping property. The Organization was the sole shareholder of all 1,000 shares of \$1 par value stock that were authorized, issued and outstanding. In prior years, the financial results of the Subsidiary were included in the Organization's financial statements. The Subsidiary generated rental income. As of December 31, 2017, the Subsidiary has dissolved and all assets have been transferred to the Organization. For the year ended December 31, 2017, other income totaling \$11,047 was recognized as a result of this transaction.

Classification of Net Assets - Net assets of the Organization are classified as with or without donor restrictions depending on the presence and characteristics of donor-imposed restrictions limiting the Organization's ability to use or dispose of contributed assets or the economic benefits embodied in those assets.

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time, the Board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. The Organization has no board designated funds at December 31, 2018 and 2017.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports gifts of cash or other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, the net assets are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. At December 31, 2018 and 2017, there were no net assets with donor restrictions.

OAK PARK ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

Use of Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Services and Commodities - Contributed services, totaling \$21,925 and 24,172 are reflected as revenue and expense in the Statements of Activities for the years ended December 31, 2018 and 2017, respectively. For December 31, 2018, the total consisted of \$9,925 for rent, \$7,500 for utilities, and \$4,500 for professional services. For December 31, 2017, the total consisted of \$10,422 for rent, \$7,500 for utilities, and \$6,250 for professional services. These amounts are recorded at estimated fair value on the date of receipt of service.

Cash and Cash Equivalents - For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Restricted Cash - The operating agreement between the Organization and the Village of Oak Park states that the Organization may hold up to \$50,000 of unspent funds in a reserve account which shall be used for expenditures in special instances and shall be reported to the Village. During the year ended December 31, 2018, \$50,000 of previously unspent funds were spent to meet the operating requirements of the Organization. The Organization has no restricted cash at December 31, 2018. The Organization had \$50,000 of restricted cash at December 31, 2017.

Subsequent Event - The Organization has evaluated subsequent events through August 23, 2019, the date of the financial statements.

Income Tax Status - The Organization is exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(c)(4). However, organizations which are exempt may be subject to unrelated business income taxes when an organization generates revenues from activities which are unrelated to the exempt purpose of the organization. The Organization's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they were filed.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

OAK PARK ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

Change In Accounting Principle - In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities. The major changes include: (a) requiring the presentation of only two classes of net assets now titled “net assets without donor restrictions” and “net assets with donor restrictions,” (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes, and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. In addition, ASU 2016-14 removes the requirement that non-profit entities that chose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method). The new standard was adopted for the Organization's December 31, 2018 financial statements and was applied retrospectively.

Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the periods presented. The Organization's net assets previously reported as temporarily and permanently restricted are now reported as net assets with donor restrictions. Likewise, the Organization's net assets previously reported as unrestricted are now reported as net assets without donor restrictions.

Contributions - Contributions received are recorded as with donor restriction or without donor restriction support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in without donor restricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in donor restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), with donor restricted net assets is reclassified to without donor restricted net assets and reported in the statements of activities as net assets released from restrictions.

OAK PARK ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

Property and Equipment - The Organization capitalizes asset additions greater than \$500. Property and equipment are being depreciated over their estimated useful lives, from their date of acquisition, using the straight line method. Useful lives are estimated to be 39 years for building and building improvements, 5 years for computer equipment and between 5 and 7 years for furniture and equipment. Depreciation expense totaled \$1,175 and \$1,300 for the years ended December 31, 2018 and 2017, respectively.

Balances of major classes of depreciable assets are as follows (at cost) as of December 31:

	2018	2017
Furniture and equipment	\$ 33,030	\$ 33,030
Less accumulated depreciation	<u>(20,958)</u>	<u>(19,783)</u>
	<u>\$ 12,072</u>	<u>\$ 13,247</u>

## 2. CONCENTRATIONS

The Organization maintains its cash balances at various financial institutions. The balances of all accounts may, at times, exceed federally insured credit limits.

During the years ended December 31, 2018 and 2017, grants from the Organization's largest donor amounted to approximately ninety-seven and ninety-five percent, respectively, of total revenues and support.

## 3. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2018 and 2017, the Organization's Board of Directors included a trustee for the Village of Oak Park, the Village President of the Village of Oak Park, and the Village Manager of the Village of Oak Park. Revenues from the Village of Oak Park totaled \$721,500 and \$670,787 for the years ended December 31, 2018 and 2017, respectively.

## 4. RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with

OAK PARK ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

classification affecting the pattern of expense recognition in the income statement. The new standard will be effective for the Organization's December 31, 2020 financial statements.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The new guidance provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. It also provides additional guidance on how to determine if a contribution is conditional. The new standard will be effective for transactions that occur during the Organization's fiscal year ended December 31, 2019. Early adoption is permitted. The Organization is currently evaluating the impact of the adoption of the above standard on its financial statements.

#### 5. RETIREMENT PLAN

The Organization maintains a 401(k) retirement plan. The plan covers full-time employees who, if they elect to participate, are eligible to participate in employer contributions after attaining 21 years of age and six months of service. Employees may make contributions to the plan equal to the maximum amount allowed by the Internal Revenue Code. The Organization matches up to 4% of gross salaries for qualified employees. For the years ended December 31, 2018 and 2017, the Organization contributed \$16,338 and \$15,152, respectively, to the plan.

#### 6. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the statements of financial position date for general expenditure are as follows for December 31:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 123,463	\$ 174,356
Total financial assets available to management for general expenditure within one year	<u>\$ 123,463</u>	<u>\$ 174,356</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and obligations become due.



## 2019 Approved Budget and 2020 Proposed Budget

	2019	2019	2020
REVENUE	APPROVED BUDGET	EOY Projection	PROPOSED BUDGET
General Fund Admin Support	571,500.00	571,500.00	571,500.00
<b>TOTAL REVENUE</b>	571,500.00	571,500.00	571,500.00
EXPENSES			
Auto/Parking	5,000.00	4,998.00	5,000.00
Business Expenses	2,000.00	1,381.00	2,500.00
Depreciation	2,500.00	2,500.00	1,000.00
Dues & Subscriptions	6,500.00	13,331.64	14,000.00
Corporate Insurance	9,000.00	8,857.99	9,000.00
Employee Insurance	20,500.00	17,573.52	16,500.00
Marketing/Advertising	-	5,450.00	5,000.00
Software	4,000.00	3,006.03	3,500.00
Equipment	3,000.00	3,713.60	3,500.00
Supplies	2,500.00	500.00	1,000.00
Payroll & Taxes	465,000.00	431,299.40	430,000.00
Professional Fees / Audit	9,000.00	8,500.00	10,000.00
Professional Fees / Accounting	8,000.00	7,000.00	8,000.00
Professional Fees / IT	1,500.00	1,500.00	1,500.00
Professional Fees / Legal	5,000.00	4,000.00	2,000.00
Rent	17,500.00	17,587.20	18,200.00
Payroll & Benefits Administration	3,500.00	2,941.47	2,500.00
Telephone & Internet	5,500.00	5,820.62	5,800.00
Workshops & Conferences	1,500.00	7,392.61	10,000.00
<b>TOTAL EXPENSES</b>	571,500.00	547,353.08	549,000.00



OPEDC  
Forecasted Employer Payroll & Payroll Tax Expense  
2018

Employee	Gross Payroll Expense						Retirement Fund Expense	Payroll Tax Expense						Total Payroll Expense per Financials
	Annual Salary	Add'l Hours	Raise	Bonus	Total Compensation		Employer 4% Safe Harbor	Social Security (Employer)	Medicare (Employer)	FUTA (Employer) (I)	State Unemployment (Employer) (II)	Total Payroll Taxes		
JL	\$180,000				\$ 180,000		\$7,200.00	\$7,979	\$2,610	\$42	\$953	\$11,584	\$198,784	
CG	\$19,080				\$ 19,080		\$763.20	\$1,183	\$277	\$42	\$953	\$2,454	\$22,297	
VS	\$92,000				\$ 92,000		\$3,680.00	\$5,704	\$1,334	\$42	\$953	\$8,033	\$103,713	
AM	\$43,000				\$ 43,000		\$1,720.00	\$2,666	\$624	\$42	\$953	\$4,285	\$49,005	
Total Forecasted 2018	\$334,080	\$0	\$0	\$0	\$ 334,080		\$13,363	\$17,532	\$4,844	\$168	\$3,811	\$26,355	\$373,798	
Approved 2019 Budget														
Forecast vs Budget B/(W)														
													\$465,000	
													\$91,202	

(I) Tax is 6% of first \$7,000 of wages, but a credit generally reduces it to \$42 per employee.

(II) Assumed 7.35% of first \$12,960 of wages



The Village of Oak Park  
Village Hall  
123 Madison Street  
Oak Park, Illinois 60302

708.383.6400  
Fax 708.383.6692  
village@oak-park.us  
www.oak-park.us

June 12, 2019

John Lynch  
Oak Park Economic Development Corporation  
104 N. Oak Park Ave.  
Suite 203  
Oak Park, IL 60301

Re: 2020 Village of Oak Park Budget Request

Dear John,

The Village of Oak Park would like to invite you to submit your 2020 Budget request. All budget requests must be submitted no later than 3 p.m. (CST) on August 1, 2019. It is important to note that the Village continues to navigate through a prolonged period of financial uncertainty. As a result, the impact on the last several years remains with us, as the Village continues to recover from deep dips in state and local funding resources. Also, as the State of Illinois continues to cut resources we expect that the financial burden on local municipalities will continue. As in years past, we will need the following documents when you submit your 2020 budget request:

- 2018 Audit
- 2019 Budget and YTD actuals
- 2020 agency and or program budget
- Report on 2019 accomplishments to date
- Chart of existing staff and interns detailing salary and benefits

Please contact Vanetta Logan, at 708-358-5773, to schedule an appointment with the Village Manager to review the status of your request. The meetings will be scheduled in late August, after your submittal is received and reviewed by the Village. Feel free to contact my office should you have additional questions at 708-358-5422.

Sincerely,

Tammie Grossman  
Director, Development Customer Services  
Village of Oak Park



July 24, 2019

Tammie Grossman  
Village of Oak Park  
123 Madison Street  
Oak Park, IL 60302

Dear Tammie,

Per your request, please find attached the 2019 budget and year-to-date actual expenses for the Oak Park Economic Development Corporation (OPEDC), along with our requested 2020 budget and current staff salary and benefits. Our 2018 audit is currently in progress; we expect that audit to be completed in July or August and presented to our Board of Directors at our next scheduled meeting on September 6. Once the audit is accepted as final, we will forward it to your attention.

In our view, the highlight of 2019 thus far has been the continued increase in activity in business districts outside of downtown Oak Park, including Roosevelt Road, North Avenue, Harrison Street, and commercial areas east of Ridgeland Avenue. OPEDC staff is dedicating significant time and attention to these areas and believes it is important to continue this effort while there is an active market. On Roosevelt Road, Turano Baking and Alcuin Montessori are constructing a new headquarters and campus building, respectively. On North Avenue, two multi-family buildings are under construction, with two more in the planning stages. And on Oak Park's eastern edge, One Lake Brewing has reported a strong start and Chicago Avenue has welcomed Destiny Dental and new Mexican restaurant Taco Bros. While smaller in scale than the projects that have gotten public attention in recent years, these projects are important indicators of renewed private-sector confidence in corridors that have long been passed over.

On Madison Street, in addition to the proposed Pete's Fresh Market and senior housing development by Paragon Real Estate, there a number of projects in the works. The Oak Park School of Music recently opened its doors and we expect projects at 500 Lyman and 838 Madison to begin construction in the near future. We are optimistic about the project pipeline on Madison Street, as we are working with developers and/or owners on at least four other projects along the corridor that, if feasible, would provide continued construction activity into 2020-2021.

Below is a summary of our organizational accomplishments for the past year. We have also attached our 2016-2018 Performance Report, which was produced in April 2019 is also available on our website. Key accomplishments include:

- Attraction and business development assistance for nine new businesses totaling approximately 31,500 square feet of leased space and \$3,000,000 in private investment. Tenants open or expected in 2019 or early 2020 include:
  - Cajun Boil
  - Currito
  - Daly Bagel
  - Fairgrounds Coffee
  - Flourish
  - Mulata
  - Oak Park School of Music
  - Quantum Motors
  - Varsity Club
- Assistance with promotion and identification of developers for key private redevelopment opportunities, including:
  - 6555 North Avenue development by CMV Development;
  - 6545 North Avenue development by CMV Development;
  - 6033 North Avenue development by Noah Properties;
  - 855 Lake Street rehab by The Inverbrass Funds;
  - 809 S. Oak Park Avenue reuse by Varsity Club;
  - 130 Chicago Avenue reuse by Pioneer Properties;
  - 1033 South Boulevard reuse by CrossFunction;
  - 845 Madison Street redevelopment – Existing Town and Country Auto;
  - 835 Lake Street redevelopment – Existing US Bank;
  - 915 S. Maple Avenue redevelopment – Former Mohr Concrete facility.
- Ongoing rollout of the Village-wide marketing/branding effort (completed in fall 2018) in conjunction with the Village's partner agencies and local stakeholders.

OPEDC's key indicators (actual and anticipated) for 2019:

- Private Investment: \$18,850,000
- New Full-Time Equivalent Employees: 70
- New Development Square Feet: 82,000
- New Business Square Feet: 31,500

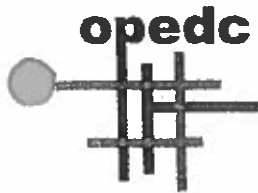
We thank you for your past and continued support of OPEDC. Please do not hesitate to contact us if we may provide any additional information in advance of our budget review meeting. We continue to believe that the active engagement of our group, working in close conjunction with the Village, is a recipe for success in driving economic investment in Oak Park. We look forward to continuing that effort for the remainder of 2019 and into 2020 and beyond.

Sincerely,

OPEDC



John Lynch  
Executive Director



## 2019 Budget (Approved and YTD Actual) and 2020 Proposed Budget as of July 24, 2019

	2019	2019 YTD Actual	2020
REVENUE	APPROVED BUDGET	as of 7/24/19	PROPOSED BUDGET
General Fund Admin Support	571,500.00	381,000.00	571,500.00
Investors			
Other Revenue	-	1,945.50	-
<b>TOTAL REVENUE</b>	<b>571,500.00</b>	<b>382,945.50</b>	<b>571,500.00</b>
EXPENSES			
Auto/Parking	5,000.00	2,734.82	5,000.00
Business Expenses	2,000.00	316.77	2,500.00
Depreciation	2,500.00	515.95	1,000.00
Dues & Subscriptions	6,500.00	7,230.10	14,000.00
Corporate Insurance	9,000.00	5,393.34	9,000.00
Employee Insurance	20,500.00	11,336.47	16,500.00
Marketing/Advertising	-	5,450.00	5,000.00
Software	4,000.00	1,327.37	3,500.00
Equipment	3,000.00	2,187.33	3,500.00
Supplies	2,500.00	118.12	1,000.00
Payroll & Taxes	465,000.00	219,529.26	430,000.00
Professional Fees / Audit	9,000.00	-	10,000.00
Professional Fees / Accounting	8,000.00	2,217.16	8,000.00
Professional Fees / Consulting	-	-	
Professional Fees / IT	1,500.00	247.50	1,500.00
Professional Fees / Legal	5,000.00	1,056.00	2,000.00
Rent	17,500.00	8,793.60	18,200.00
Payroll & Benefits Administration	3,500.00	1,825.35	2,500.00
Telephone & Internet	5,500.00	2,974.82	5,800.00
Workshops & Conferences	1,500.00	4,807.61	10,000.00
<b>TOTAL EXPENSES</b>	<b>571,500.00</b>	<b>278,061.57</b>	<b>549,000.00</b>
Reserve Replenishment*	-		22,500.00

\*OPEDC's Operating Agreement permits retention of \$50,000 in reserve funds, balance of which is zero in 2019 due to marketing/branding expenses incurred in 2017/2018.

### Existing Staff Salary & Benefit Information

### Salary:

Executive Director	John Lynch	180,000
Economic Development Director	Viktor Schrader	92,000
Office Manager	Allison Marola	43,000

Current benefits are 4% salary match for Safe Harbor 401K, health, dental and life insurance with employee contributions. All salaries are subject to change at any time.