

CHAPTER 6

VILLAGE FINANCE AND REVENUE CODES

ARTICLE I: GENERAL PROVISIONS

Sec. 6-0. GENERAL - APPLICABILITY.

The provisions of this Chapter shall apply to all persons having any association with the Village of Orangeville's financial and/or revenue policies and programs, bidding and purchasing, and investment policies and programs.

Sec. 6-1. GENERAL - PURPOSE.

A. The purpose of this Chapter is to establish reasonable, comprehensive, and functional financial and revenue codes and policies for the Village regarding specific provisions, competitive bidding, purchasing, and investments.

B. It is intended that these codes shall help protect and preserve the character of the Village with a consideration toward conserving the community's public health, safety, and welfare, while providing the best possible wholesome community environment.

Sec. 6-2. GENERAL - TERMS AND DEFINITIONS.

For the purposes of this Chapter, the following definitions shall apply to the terminologies indicated whenever they are used in this Chapter, unless the context clearly indicates or requires a different meaning:

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

PUBLIC IMPROVEMENT. The term "Public Improvement," when used herein, shall mean any improvement, including construction, to or on land of a permanent nature which benefits the Village of Orangeville or its residents.

SUPPLIES. The term "Supplies," when used herein, shall mean all supplies, materials and equipment.

USING AGENCY. The term "Using Agency," when used herein, shall mean any department, agency or unit of the Village of Orangeville using supplies or procuring contractual services.

WORK. The term "Work," when used herein, shall mean labor performed or material used, or both as the corporate authorities may determine.

Sec. 6-3. SPECIFIC - SEVERABILITY.

The sections, paragraphs, sentences, clauses and phrases of this Chapter are severable, and if any phrase, clause, sentence, paragraph or section of this Chapter shall be declared unconstitutional, invalid, or unenforceable by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality, invalidity, or unenforceability shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Chapter.

Sec. 6-4 through 6-10. RESERVED.

ARTICLE II: SPECIFIC PROVISIONS

Sec. 6-11. SPECIFIC - APPROPRIATIONS.

During the first quarter of each fiscal year, as required by statute, the President and Village Board shall enact an appropriation ordinance in which shall be itemized all anticipated expenditures to be met during the coming year, other than those payable from bond issues. This Code shall be published, as required by statute, within ten (10) days after its enactment.

Sec. 6-12. SPECIFIC - TAX LEVY.

No sooner than ten days after the publication of the appropriation ordinance, a tax levy ordinance shall be enacted, as required by law, levying such taxes as may be needed to meet the anticipated expenses of the coming year, together with such taxes as may be required to meet outstanding bond issues, or for purposes payable from special taxes properly authorized. A certified copy of the tax levy ordinance shall be filed with the Stephenson County Clerk not later than the second Tuesday in December. Such ordinance shall show the total appropriated for each item, and the amount of tax levied therefore.

Sec. 6-13. SPECIFIC - INDEBTEDNESS.

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

enactment of the current appropriation ordinance, the Village may operate under the appropriation ordinance of the preceding year.

Sec. 6-14. SPECIFIC - CONTRACTS.

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

B. The Village shall not enter into any contract with any firm, organization and/or company that knowingly employs illegal alien workers to perform/fulfill said contact obligations.

Sec. 6-15. SPECIFIC - BILLS; PAYROLL.

All bills payable by the Village, other than for the payment of salaries established by the corporate authorities, shall be submitted to the President and Village Board for approval before payment.

Sec. 6-16. SPECIFIC - PAYMENT BY TREASURER.

The Treasurer shall pay out money in payment of all bills, or for salaries, or for any other purposes other than the retirement of principle or interest on bonds or tax anticipation warrants with a warrant signed by the President, Clerk, and Treasurer as provided by code. Such warrants shall designate the terms to be paid and the funds from which they are to be paid.

Sec. 6-17. SPECIFIC - AUDIT.

As soon as practicable at the close of each fiscal year, and no later than six months thereafter, there shall be an audit of all accounts of the Village made by a competent person authorized to act as an auditor under the laws of the State, to be designated by the President and Village Board. Copies of such audit reports shall be filed with the Village Clerk and with the Director of the State Department of Revenue and in such other places as may be required by law.

Sec. 6-18. SPECIFIC - WARRANTS.

No warrant of the Village shall be recognized or paid unless it is signed by the Village President, the Village Clerk, and the Village Treasurer.

Sec. 6-19 through 6-25. RESERVED.

ARTICLE III: COMPETITIVE BIDDING.

Sec. 6-26. BIDDING - OUTSOURCING.

A. The Village shall have the authority to out-source the bidding process for any project it desires. If said course of action is taken, the contracted bidder shall be bound by all tenants and intent of this Article. If a contracted bidder requests exemption from the requirements of any Section, the Board, if it decides to grant the exception, shall do so in the form of an ordinance.

B. If the Village decides to exercise its authority to announce a request for bids, it shall abide by this Article in its entirety, unless it can be demonstrated that compliance will result in violation of Code.

Sec. 6-27. BIDDING - CONTRACTS NOT IN COMPLIANCE.

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

Sec. 6-28. BIDDING - COMPETITIVE REQUIREMENTS.

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

A. All work or other public improvements that are not to be paid for in whole or in part by special assessment or special taxation, except as otherwise provided herein, when the estimated cost thereof shall exceed ten-thousand dollars (\$10,000), shall be purchased from the lowest responsible bidder, after due notice inviting bids, unless competitive bidding is waived by a vote of two-thirds of the Trustees then holding office.

B. SUPPLIES, EQUIPMENT, AND CONTRACTUAL SERVICES.

1. All supplies, equipment, and contractual services, except as otherwise provided in this section, shall be purchased by formal written contract from the lowest responsible bidder after due notice inviting proposals, whenever the amount exceeds two-thousand, five-hundred dollars (\$2,500.00).

2. All purchases of supplies, equipment and contractual services with an estimated cost in excess of five-hundred dollars (\$500.00), but less than two-thousand, five-hundred dollars (\$2,500.00), shall be subject to competitive bidding at the discretion of the Purchasing Agent and approval of the Village Board. Prior to advertising for bids, specifications for each purchase shall be reviewed by the appropriate Village Board Committee. The Purchasing Agent, with the approval of the appropriate committee, may also informally solicit bids or proposals for goods and services of less than two-thousand, five-hundred dollars (\$2,500.00) whenever it is deemed reasonable and practical.

3. All purchases of supplies, materials, equipment and contractual services which have an estimated value of less than five-hundred dollars (\$500.00), may be made in open market without newspaper advertisement and without observing the procedure prescribed in this section for the award of formal contracts.

4. Where competitive bidding is not practicable, such purchases shall be conducted in such a manner as to ensure the best interests of the public by mail, telephone, facsimile transmission, or otherwise.

Sec. 6-29. BIDDING - ADVERTISEMENTS FOR BIDS.

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

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

Sec. 6-30. BIDDING - 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, state where specifications may be secured, and shall specify the time and place for opening bids.

Sec. 6-31. BIDDING - DEPOSITS.

A. When deemed necessary by the Village Board, 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 Village Board. A successful bidder shall forfeit any bid deposit required by the Village Board upon failure on his part to enter into a

contract within ten (10) days after the award; this provision not to be deemed a waiver of any other claims and remedies against a defaulting bidder.

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

Sec. 6-32. BIDDING - PROCEDURES.

Bids shall be sealed, identified as "bid" on the envelope containing the bid, and shall be opened in public at the time and place stated in the notice. A tabulation of all bids received shall be posted for public inspection and shall be furnished to the Village Board at its next regular meeting.

Sec. 6-33. BIDDING - REJECTION.

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

Sec. 6-34. BIDDING - IN DEFAULT TO VILLAGE.

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

Sec. 6-35. BIDDING - AWARD OF CONTRACT.

A. The Village Board shall have the authority to award contracts according to the criteria set forth herein.

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

1. The ability, capacity, and skill of the bidder to perform the contract to provide the services required;
2. Whether the bidder can perform the contract or provide the service promptly, or within the time set forth in the bid specifications, without delay or interference;
3. The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
4. The quality of the bidder's performance of previous contracts or services;

5. The previous and existing compliance by the bidder with laws and Codes relating to the contract or service;
6. The sufficiency of the bidder's financial resources and ability to perform the contract or provide the service;
7. The quality, availability, and adaptability of the supplies or contractual services to the particular use required;
8. The ability of the bidder to provide future maintenance and service for the subject of the contract, and any warranties or guarantees provided; and
9. The number and scope of conditions attached to the bid.

Sec. 6-36. BIDDING - REVIEW OF CONTRACTS.

No contract shall be formally awarded and executed by the Village unless and until it has been reviewed by competent legal authority, in a timely manner, for compliance with all State statutes and certified as being in compliance with this Subchapter. This provision shall apply to all contracts in excess of ten-thousand dollars (\$10,000), whether or not they are competitively bid.

Sec. 6-37. BIDDING - PERFORMANCE GUARANTEE.

The Village Board 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 and to conform to the statutory requirements for such bonds.

Sec. 6-38. BIDDING - STATEMENT OF REASONS FOR NOT AWARDING CONTRACT TO LOW BIDDER.

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

Sec. 6-39. BIDDING - TIE BIDS.

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

Sec. 6-40. BIDDING - RECORD OF ORDERS AND BIDS.

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

Sec. 6-41. BIDDING - PROFESSIONAL SERVICES EXEMPT FROM BIDDING REQUIREMENTS.

A. All contracts for professional services, including, but not limited to, architects, engineers, real estate appraisers and attorneys, consultants, and any other profession whose ethical codes prohibit or discourage selection of competitive bidding, may be entered into by the Village without observing the bidding procedures prescribed by this Subchapter for the award of formal contracts.

B. Regular employment contracts of the Village, if any, shall likewise be exempt from the provisions of this article.

Sec. 6-42. BIDDING - CONFLICTS OF INTEREST, WAIVER.

Any bid in which any officer or employee of the Village has a financial interest, directly or indirectly, shall be considered a conflict of interest and void, except that before the acceptance of a bid the Village Board may waive compliance with this section when it finds such action to be in the best interests of the Village. Such waiver shall be made by explicit action of the Village Board and duly recorded in the Board's minutes.

Sec. 6-43. BIDDING - ACCEPTANCE OF REBATES, GIFTS, AND MONEY PROHIBITED.

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

Sec. 6-44. BIDDING - DISCRIMINATION IN CONTRACTS.

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

condition of employment; or to penalize any employee or discriminate in the selection of personnel for training, solely on the basis of the same reasons.

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

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

D. In the event that any contracting agency or vendor shall so discriminate, the Village shall have the right to cancel any contract or revoke any purchase order with any contractor or provider guilty of discrimination.

Sec. 6-45 through 6-50. RESERVED.

ARTICLE IV: PURCHASING

Sec. 6-51. PURCHASING - AGENT.

The President, or his designee, shall be the Village's Purchasing Agent.

Sec. 6-52. PURCHASING - POWERS AND DUTIES OF AGENT.

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

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

1. Procure for the Village the highest quality in supplies and contractual services at the least expense to the Village;
2. Discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchase and sales;
3. Prescribe and maintain such forms as he shall find reasonably necessary for the operation of this section;

4. Prepare and adopt a standard purchasing nomenclature for using agencies and suppliers;
5. Exploit the possibilities of buying "in bulk" so as to take full advantage of discounts;
6. Have the authority to declare vendors who default on their obligations and undertakings to be irresponsible bidders and to disqualify them from receiving any business from the city for a stated period of time;
7. Adopt standards and specifications regarding classification, quantity, quality, and varieties of supplies and equipment consistent with sound governmental practices; and
8. Have the authority to exempt any using agency from use of such standard supplies.

Sec. 6-53. PURCHASING - CONFLICTS OF INTEREST.

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

Sec. 6-54. PURCHASING - ACCEPTANCE OF REBATES, GIFTS, AND MONEY PROHIBITED.

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

Sec. 6-55. PURCHASING - EMERGENCIES.

In case of an apparent emergency that requires immediate work or purchase of supplies, materials, or services, the Purchasing Agent 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.

Sec. 6-56. PURCHASING - COOPERATIVE PLANS.

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

Sec. 6-57 through 6-65. RESERVED.

ARTICLE V. INVESTMENT POLICY

Sec. 6-66. INVESTMENTS - POLICY; SCOPE.

A. It is the policy of the Village to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all State and local statutes governing the investment of public funds.

B. This policy includes all funds governed by the Village Board.

Sec. 6-67. INVESTMENTS - PRUDENCE.

A. 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. 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.

Sec. 6-68. INVESTMENTS - OBJECTIVE.

A. The primary objective of all investments, in order of priority, shall be:

1. LEGALITY. Conformance with Federal, State and other legal requirements.
2. SAFETY. Preservation of capital and protection of investment principal.
3. LIQUIDITY. Maintenance of sufficient liquidity to meet operating requirements.
4. YIELD. Attainment of market rates of return.

B. The portfolio should be reviewed periodically as to its effectiveness in meeting the entity's needs for safety, liquidity, rate of return, diversification and its general performance.

Sec. 6-69. INVESTMENTS - DELEGATION OF AUTHORITY.

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

Sec. 6-70. INVESTMENTS - 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.

Sec. 6-71. INVESTMENTS - AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS.

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

Sec. 6-72. INVESTMENTS - AUTHORIZED AND SUITABLE INVESTMENTS.

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

Sec. 6-73. INVESTMENTS - COLLATERAL.

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

Sec. 6-74. INVESTMENTS - SAFEKEEPING AND CUSTODY.

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

Sec. 6-75. INVESTMENTS - DIVERSIFICATION.

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

Sec. 6-76. INVESTMENTS - MAXIMUM MATURITIES.

A. To the extent possible, the Village shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than two (2) years from the date of purchase.

B. Reserve funds may be invested in securities exceeding two (2) years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

Sec. 6-77. INVESTMENTS - INTERNAL CONTROL.

A. The Treasurer is responsible for establishing and maintaining an internal control structure designed to insure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that those objectives are met.

B. The internal controls shall address the following points:

1. Control of collusion;
2. Separation of transaction authority from accounting;
3. Custodial safekeeping; and
4. Written confirmation of telephone transactions for investments and wire transfers.

Sec. 6-78. INVESTMENTS - PERFORMANCE STANDARDS.

This investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a comparable rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to benchmarks with similar maturity, liquidity and credit quality as the portfolio.

Sec. 6-79. INVESTMENTS - REPORTING; STATEMENT OF MARKET VALUE.

A. The Treasurer shall prepare an investment report at least monthly. The report should be provided to the Village Board and available on request. The report should be in a format suitable for review by the general public. An annual report shall also be provided to the Board.

B. A statement of the market value of the portfolio shall be issued to the Village Board quarterly.

Sec. 6-80. INVESTMENT - POLICY REVIEW.

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

Sec. 6-81 through 6-98. RESERVED.

ARTICLE V. PENALTY

Sec. 6-99. PENALTY - AS INDICATED BY ARTICLE.

A. All penalties addressed to and by this Article are applicable only upon conviction of the referenced violation in the appropriate legal forum. Upon conviction, the Village shall also be entitled to reasonable fees and costs for its part in the adjudication.

B. Whenever in this Chapter an act is prohibited or is made or declared to be unlawful or a misdemeanor or a violation of this Chapter, or whenever in such Code of ordinances the doing of any act is required or the failure to do any act is declared to be unlawful or a misdemeanor or a violation therefor, the violation of any such provision of this Chapter or any statute herein shall be punishable by a fine of not less than ten-dollars (\$10.00), nor more than seven-hundred, fifty-dollars (\$750.00). Each day any violation of any provision of the Chapter continues, consecutive or not, shall constitute a separate offense. Regardless of the number of total days of violation, any person's fine shall not exceed three-thousand-dollars (\$3,000.00).