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April 15, 2004

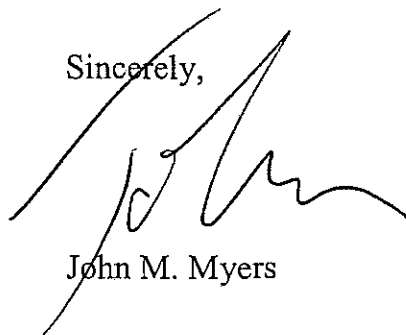
Mr. Thomas Gray, Mayor
131 Cottonwood Drive
Chatham, Illinois 62629

As you may be aware, last fall the General Assembly passed new ethics legislation, which requires all units of government to pass ethics ordinances which (1) prohibit employees from engaging in political activities on the job; and (2) prohibit certain gifts to elected and appointed officials. The ordinances are required to track certain language in the State Ethics Law. The legislation requires passage of the ordinance by May 19.

I have put together an ordinance that, in my opinion, meets the requirement of the statute. Now, the Attorney General is of the opinion that a local ethics ordinance needs to go far beyond my ordinance and impose criminal penalties—and that the village attorney or attorney for a district should be the prosecutor for criminal cases. I disagree with the Attorney General's interpretation and have told the Attorney General of my disagreement and my reasons—essentially that the law does not require criminal penalties and that such a provision runs against the grain of the Municipal Code, not to mention the numerous statutes that govern other special districts.

In any event, I enclose my ordinance for your consideration and passage, on the understanding that if a court of law ever endorses the Attorney General's interpretation, we may need to amend the ordinance.

Sincerely,



John M. Myers

cc: Pat Schad

VILLAGE OF CHATHAM, ILLINOIS

ORDINANCE NO. 04-21

**AN ORDINANCE IMPLEMENTING THE STATE OFFICIALS AND
EMPLOYEES ETHICS ACT AND AMENDING CHAPTER 37 OF THE
VILLAGE OF CHATHAM CODE OF ORDINANCES**

ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES
OF THE VILLAGE OF CHATHAM, ILLINOIS
THIS 11 DAY OF MAY, 2004

Published in pamphlet form by the authority of the President and
Board of Trustees of the Village of Chatham, Sangamon County,
Illinois, this 11 day of MAY, 2004.

Ordinance No. 04- 21

AN ORDINANCE IMPLEMENTING THE STATE OFFICIALS AND EMPLOYEES ETHICS ACT AND AMENDING CHAPTER 37 OF THE VILLAGE OF CHATHAM CODE OF ORDINANCES

WHEREAS, the Illinois General Assembly has enacted the State Officials and Employees Ethics Act, 5 ILCS 430/1-1 *et seq*; (the “Act”);

WHEREAS, Section 70-5 of the Act states that “Within 6 months after the effective date of this Act, each governmental entity shall adopt an ordinance or resolution that regulates, in a manner no less restrictive than Section 5-15 and Article 10 of this Act, (i) the political activities of officers and employees of the governmental entity and (ii) the soliciting and accepting of gifts by and the offering and making of gifts to officers and employees of the governmental entity.”

WHEREAS, Section 70-10 of the Act states that “A governmental entity may provide in the ordinance or resolution required by this Article for penalties similar to those provided in this Act for similar conduct”;

WHEREAS, the Act provides for criminal penalties and civil fines well in excess of the limits allowed for municipalities under the Illinois Municipal Code, but the corporate authorities of the Village believe that it is not appropriate for such penalties to be imposed in ordinance violation cases; criminal matters seeking such penalties should be left to the discretion of the States Attorney;

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF CHATHAM, ILLINOIS, AS FOLLOWS:

SECTION 1: The findings in the preambles hereto are adopted as the

legislative findings of the corporate authorities, and shall be considered in any interpretation of this Ordinance;

SECTION 2: Chapter 37 of the Code of Ordinances of the Village of Chatham is amended in its entirety to state as follows:

CHAPTER 37

VILLAGE OFFICIALS AND EMPLOYEE ETHICS

37.01 Definitions. As used in this Chapter, the following terms shall have the following meanings:

"Campaign for elective office" means any activity in furtherance of an effort to influence the selection, nomination, election, or appointment of any individual to any federal, State, or local public office or office in a political organization, or the selection, nomination, or election of Presidential or Vice-Presidential electors, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action, (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official duties.

"Candidate" means a person who has filed nominating papers or petitions for nomination or election to an elected office, or who has been appointed to fill a vacancy in nomination, and who remains eligible for placement on the ballot at a regular election, as defined in section 1-3 of the Election Code (10 ILCS 5/1-3).

"Collective bargaining" has the same meaning as that term is defined in Section 3 of the Illinois Public Labor Relations Act (5 ILCS 315/3).

"Compensated time" means, with respect to an employee, any time worked by or

credited to the employee that counts toward any minimum work time requirement imposed as a condition of his or her employment, but for purposes of this Ordinance, does not include any designated holidays, vacation periods, personal time, compensatory time off or any period when the employee is on a leave of absence. With respect to officers or employees whose hours are not fixed, "compensated time" includes any period of time when the officer is on premises under the control of the employer and any other time when the officer or employee is executing his or her official duties, regardless of location.

"Compensatory time off" means authorized time off earned by or awarded to an employee to compensate in whole or in part for time worked in excess of the minimum work time required of that employee as a condition of his or her employment.

"Contribution" has the same meaning as that term is defined in section 9-1.4 of the Election Code (10 ILCS 5/9-1.4).

"Employee" means a person employed by the Village, whether on a full-time or part-time basis or pursuant to a contract, whose duties are subject to the direction and control of an employer with regard to the material details of how the work is to be performed, but does not include an independent contractor.

"Employer" means the Village.

"Gift" means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of an officer or employee.

"Leave of absence" means any period during which an employee does not receive
(i) compensation for employment, (ii) service credit towards pension benefits, and
(iii) health insurance benefits paid for by the employer.

"Officer" means a person who holds, by election or appointment, an office created
by statute or ordinance, regardless of whether the officer is compensated for service in his
or her official capacity.

"Political activity" means any activity in support of or in connection with any
campaign for elective office or any political organization, but does not include activities
(i) relating to the support or opposition of any executive, legislative, or
administrative action, (ii) relating to collective bargaining, or (iii) that are otherwise in
furtherance of the person's official duties.

"Political organization" means a party, committee, association, fund, or other
organization (whether or not incorporated) that is required to file a statement of
organization with the State Board of Elections or a county clerk under Section 9-3 of the
Election Code (10 ILCS 5/9-3), but only with regard to those activities that require filing
with the State Board of Elections or a county clerk.

"Prohibited political activity" means:

(1) Preparing for, organizing, or participating in any political meeting, political
rally, political demonstration, or other political event.

(2) Soliciting contributions, including but not limited to the purchase of, selling,
distributing, or receiving payment for tickets for any political fundraiser, political
meeting, or other political event.

(3) Soliciting, planning the solicitation of, or preparing any document or report regarding anything of value intended as a campaign contribution.

(4) Planning, conducting, or participating in a public opinion poll in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.

(5) Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.

(6) Assisting at the polls on election day on behalf of any political organization or candidate for elective office or for or against any referendum question.

(7) Soliciting votes on behalf of a candidate for elective office or a political organization or for or against any referendum question or helping in an effort to get voters to the polls.

(8) Initiating for circulation, preparing, circulating, reviewing, or filing any petition on behalf of a candidate for elective office or for or against any referendum question.

(9) Making contributions on behalf of any candidate for elective office in that capacity or in connection with a campaign for elective office.

(10) Preparing or reviewing responses to candidate questionnaires.

(11) Distributing, preparing for distribution, or mailing campaign literature, campaign signs, or other campaign material on behalf of any candidate for elective office

or for or against any referendum question.

(12) Campaigning for any elective office or for or against any referendum question.

(13) Managing or working on a campaign for elective office or for or against any referendum question.

(14) Serving as a delegate, alternate, or proxy to a political party convention.

(15) Participating in any recount or challenge to the outcome of any election.

"Prohibited source" means any person or entity who:

(1) is seeking official action (i) by an officer or (ii) by an employee, or by the officer or another employee directing that employee;

(2) does business or seeks to do business (i) with the officer or (ii) with an employee, or with the officer or another employee directing that employee;

(3) conducts activities regulated (i) by the officer or (ii) by an employee, or by the officer or another employee directing that employee; or

(4) has interests that may be substantially affected by the performance or non-performance of the official duties of the officer or employee.

"Village" means the Village of Chatham, Illinois.

37.02 Prohibited political activities. (a) No officer or employee shall intentionally perform any prohibited political activity during any compensated time, as defined herein. No officer or employee shall intentionally use any property or resources of the Village in connection with any prohibited political activity.

(b) At no time shall any officer or employee intentionally require any other officer

or employee to perform any prohibited political activity (i) as part of that officer or employee's duties, (ii) as a condition of employment, or (iii) during any compensated time off (such as holidays, vacation or personal time off).

(c) No officer or employee shall be required at any time to participate in any prohibited political activity in consideration for that officer or employee being awarded additional compensation or any benefit, whether in the form of a salary adjustment, bonus, compensatory time off, continued employment or otherwise, nor shall any officer or employee be awarded additional compensation or any benefit in consideration for his or her participation in any prohibited political activity.

(d) Nothing in this Section prohibits activities that are permissible for an officer or employee to engage in as part of his or her official duties, or activities that are undertaken by an officer or employee on a voluntary basis which are not prohibited by this Ordinance.

(e) No person either (i) in a position that is subject to recognized merit principles of public employment or (ii) in a position the salary for which is paid in whole or in part by federal funds and that is subject to the Federal Standards for a Merit System of Personnel Administration applicable to grant-in-aid programs, shall be denied or deprived of employment or tenure solely because he or she is a member or an officer of a political committee, of a political party, or of a political organization or club.

37.03 Gift ban—General Rule. Except as permitted by this Chapter, no officer or employee, and no spouse of or immediate family member living with any officer or employee (collectively referred to herein as "recipients"), shall intentionally solicit or

accept any gift from any prohibited source, as defined herein, or which is otherwise prohibited by law or ordinance. No prohibited source shall intentionally offer or make a gift that violates this Section.

37.04 Exceptions to General Rule. Section 37.03 is not applicable to the following:

(1) Opportunities, benefits, and services that are available on the same conditions as for the general public.

(2) Anything for which the officer or employee, or his or her spouse or immediate family member, pays the fair market value.

(3) Any (i) contribution that is lawfully made under the Election Code or (ii) activities associated with a fundraising event in support of a political organization or candidate.

(4) Educational materials and missions.

(5) Travel expenses for a meeting to discuss business.

(6) A gift from a relative, meaning those people related to the individual as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, and including the father, mother, grandfather, or grandmother of the individual's spouse and the individual's fiancé or fiancée.

(7) Anything provided by an individual on the basis of a personal friendship unless

the recipient has reason to believe that, under the circumstances, the gift was provided because of the official position or employment of the recipient or his or her spouse or immediate family member and not because of the personal friendship. In determining whether a gift is provided on the basis of personal friendship, the recipient shall consider the circumstances under which the gift was offered, such as: (i) the history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between those individuals; (ii) whether to the actual knowledge of the recipient the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and (iii) whether to the actual knowledge of the recipient the individual who gave the gift also at the same time gave the same or similar gifts to other officers or employees, or their spouses or immediate family members.

(8) Food or refreshments not exceeding \$75 per person in value on a single calendar day; provided that the food or refreshments are (i) consumed on the premises from which they were purchased or prepared or (ii) catered. For the purposes of this Section, "catered" means food or refreshments that are purchased ready to consume which are delivered by any means.

(9) Food, refreshments, lodging, transportation, and other benefits resulting from outside business or employment activities (or outside activities that are not connected to the official duties of an officer or employee), if the benefits have not been offered or enhanced because of the official position or employment of the officer or employee, and are customarily provided to others in similar circumstances.

(10) Intra-governmental and inter-governmental gifts. For the purpose of this Act, "intragovernmental gift" means any gift given to an officer or employee from another officer or employee, and "inter-governmental gift" means any gift given to an officer or employee by an officer or employee of another governmental entity.

(11) Bequests, inheritances, and other transfers at death.

(12) Any item or items from any one prohibited source during any calendar year having a cumulative total value of less than \$100.

Each of the exceptions listed in this Section is mutually exclusive and independent of every other.

37.05 Disposition of gifts. An officer or employee, his or her spouse or an immediate family member living with the officer or employee, does not violate this Chapter if the recipient promptly takes reasonable action to return a gift from a prohibited source to its source or gives the gift or an amount equal to its value to an appropriate charity that is exempt from income taxation under Section 501 (c)(3) of the Internal Revenue Code of 1986, as now or hereafter amended, renumbered, or succeeded.

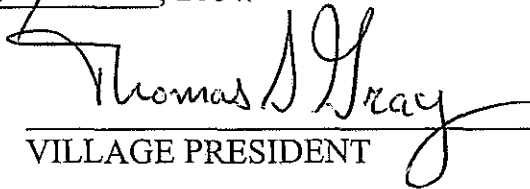
37.06 Ethics Advisor The Village Attorney shall be the ethics advisor for the Village. As such, the Village Attorney shall provide guidance to the officers and employees of the Village concerning the interpretation of and compliance with the provisions of this Ordinance and State ethics laws.

37.07 Penalties Persons violating this Chapter shall be subject to a fine of up to \$750.00 per offense. Violations shall be prosecuted by the Village Attorney at the specific request of a majority of corporate authorities upon motion made, seconded and

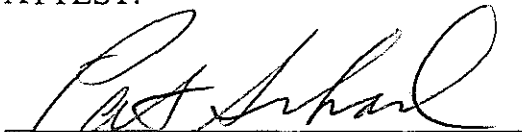
adopted. In any case where a member of the corporate authority is accused of a violation of this Ordinance, such member shall abstain from any such vote. In any case of an alleged violation of this Chapter by the Village Attorney or by a member of the corporate authorities, the Village shall obtain separate counsel to handle the prosecution. In a case where the corporate authorities believe a criminal act has occurred, they may direct the Village Attorney to refer the matter to the States Attorney for prosecution.

SECTION 3: This Ordinance shall be in effect upon its passage, approval and publication as provided by law. The Clerk shall mail a copy to every officer and employee of the Village. The Clerk shall see to inclusion of this Ordinance in the next update of the Village Code of Ordinances.

PASSED this 11 day of MAY, 2004.


VILLAGE PRESIDENT

ATTEST:


Village Clerk

AYES: 5 HERR McADAMS BOYLE McCARTHY McGRATH
NAYS: 0
PASSED: 5-11-04
APPROVED: 5-11-04
ABSENT: 1 KAVANAGH



ORDINANCE CERTIFICATE

STATE OF ILLINOIS)
) SS.
COUNTY OF SANGAMON)

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

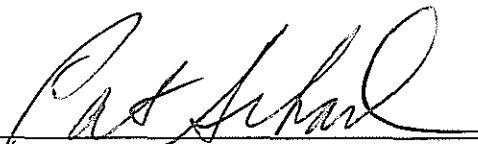
I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 04-21, adopted by the President and Board of Trustees of said Village on the 11 day of MAY, 2004, said Ordinance being entitled:

**AN ORDINANCE IMPLEMENTING THE STATE OFFICIALS AND
EMPLOYEES ETHICS ACT AND AMENDING CHAPTER 37 OF THE
VILLAGE OF CHATHAM CODE OF ORDINANCES**

I do further certify that prior to the making of this certificate, the said Ordinance was spread at length upon the permanent records of said Village, where it now appears and remains.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this 11 day of MAY, 2004.





Village Clerk

STATE OF ILLINOIS)
) ss.
COUNTY OF SANGAMON)

CERTIFICATE

I certify that I am the duly elected and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

I further certify that on MAY 11, 2004, the corporate authorities of such Village passed and approved Ordinance No. 04-21 entitled:

AN ORDINANCE IMPLEMENTING THE STATE OFFICIALS AND EMPLOYEES ETHICS ACT AND AMENDING CHAPTER 37 OF THE VILLAGE OF CHATHAM CODE OF ORDINANCES

which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. 04 21 including the Ordinance and a cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the Village Hall, commencing on MAY 11, 2004, to continue for at least ten days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the Village Clerk.

DATED at Chatham, Illinois, this 11 day of MAY, 2004.

(SEAL)





Village Clerk