

February 19, 2025

Board of Trustees
Village of River Forest
400 Park Avenue
River Forest, Illinois 60305

Re: Citizen Complaints Concerning Economic Development Commission Actions

Dear Board of Trustees:

The Village of River Forest (“Village”) received two complaints from a resident complaining of the recent actions of the Village’s Economic Development Commission (“EDC”). The first Complaint was received on January 26, 2025, with an Addendum sent on January 31, 2025 (the “First Complaint”). The second Complaint was received on February 10, 2025 (the “Second Complaint”).

Section 1-23-7 (Ethics Advisor) of the River Forest Village Code (“VRF Code”) provides that “[t]he Village Attorney shall serve as the Village’s ethics advisor” and “shall provide guidance” to the Village concerning compliance with the Village Code’s Ethics Ordinance. On February 10, 2025, the Village Board considered the EDC’s recommendation for Broker Services, and was presented with a Memorandum from Village Administrator Walsh that discussed the EDC’s selection process and the potential conflict of interest.¹ The Village Attorney provided an opinion at the February 10, 2025 meeting, and this Memorandum serves to memorialize that opinion.

I. First Complaint Allegations

The First Complaint was addressed to Ms. Peggy Daley, the chair of the Village’s Ethics Commission. The First Complaint focuses the EDC’s consideration in reviewing recent Requests for Proposals (“RFP”) to retain real estate broker services to sale certain real property owned by the Village.

Specifically, the First Complaint takes issue with the involvement of Walter Wahlfeldt (the “Commissioner”), an EDC Commissioner, who is also a Managing Director of Jones Lang

¹ See *Regular Village Board Meeting Packet*, VILLAGE OF RIVER FOREST (Feb. 10, 2025), available at https://www.vrf.us/uploads/cms/documents/events/02-10-25_Draft_Packet.pdf.

LaSalle Chicago (“JLL”). The EDC considered JLL, among other RFP respondents, and voted to recommend JLL to the Village Board. The First Complaint alleges the Commissioner had insider knowledge of the Village’s goals, potentially had access to competitor RFP submissions, and EDC selection criteria.

The First Complaint also takes issue with a subcommittee of the EDC that met with RFP respondents and a Village staff member. The First Complaint alleges the subcommittee was improperly formed, lacked published criteria for respondent selection, violated the Open Meetings Act (“OMA”), and circumvented a required quorum of three commissioners.

Additionally, the First Complaint alleges the EDC violated OMA at its November 6, 2024 executive session when it entered closed session pursuant to 5 ILCS 120/2(c)(6), which permits closed session to discuss setting a price to sell or lease publicly owned property.

The Addendum to the First Complaint took issue with confidential consideration of the First Complaint. The Addendum also noted two specific violations of the Village’s Ethics Ordinance and cited Section 1-23-5(C) and Section 1-23-5(C)(6) as the basis for the alleged Ethics Ordinance violations.

Because the First Complaint was directed to the Ethics Commission, the Ethics Commission was bound to review it and conduct an initial review. *See VRF § 1-23-8(C)(2)(c)*. The Village Board deferred its January 27, 2025 consideration of the RFP for Broker Services recommendation to permit that initial review. Even if it was apparent to Village staff that the First Complaint did not allege violations within the purview of the Ethics Commission, the Village staff did not have authority to make that determination.

The Ethics Commission met on January 31, 2025 to consider the First Complaint. The minutes for this meeting are not yet approved, but are available online.² Pursuant to Section 1-23-8-B-1 of the VRF Code, the Ethics Commission lacks jurisdiction over complaints of Ethical Standards violations that involve conflicts of interest (“COI”). Violations of Ethical Standards are reviewed by the Village Board. *See VRF § 1-23-5(E)*.

II. Second Complaint Allegations

The Second Complaint is addressed to the Village Board. It states the resignation of the Commissioner does not eliminate the alleged COI in the EDC’s broker recommendation process.

The Second Complaint alleges the Village Board’s contemplated consideration of the EDC’s recommendation would disregard the Ethics Commission’s January 31, 2025, request to delay voting on awarding the broker contract until the Ethics Ordinance is amended to extend authority over COIs to the Ethics Commission, and resolution of the First Complaint.

The Second Complaint alleges the Ethics Ordinance was improperly altered to remove authority over COIs from the Ethics Commission. It alleges that on April 25, 2022, the Village

² *See Special Meeting of the Local Ethics Commission Agenda Packet*, VILLAGE OF RIVER FOREST (Feb. 19, 2025), available at https://www.vrf.us/uploads/cms/documents/events/2-19-25_Packet_Complete.pdf.

Board “accepted then-Village Attorney Greg Smith’s proposed revisions which told the [Ethics Commission] the language was the same in the prior existing ordinance. It was not.”

The Second Complaint further alleges violations of different provisions of the Ethics Ordinance, which are examined in turn below.

III. History of the Village’s Ethics Ordinance

The current Ethics Ordinance, codified in Title 1 (Administrative), Chapter 23 (Ethics) of the Village Code, was adopted on April 25, 2022.³ This is the date referenced in the Second Complaint where the Village Board allegedly adopted a revised version of the Ethic Ordinance that limited the scope of the Ethics Commission’s authority.

On February, 5, 2025, Village Administrator, Matt Walsh, prepared a Memorandum to the Village Board and the Local Ethics Commission, which is attached and incorporated to this Memorandum as **Appendix A**.

The Second Complaint’s allegation that the Ethics Ordinance was altered without the knowledge of the Ethics Commission is false. The language was presented to the Ethics Commission on at least two occasions prior to the Ethics Commission and Village Board’s review and approval. *See Appx. A*. Additionally, audio from the January 20, 2022 Ethics Commission meeting is available online.⁴ At the 16:50 mark of the recording, Attorney Smith discusses the change to VRF Code § 1-23-8(B), and states he added the scope of the Ethics Commission’s duties. He explicitly noted the Village Board held authority over complaints of violations of the Ethical Standards portion of the prior Ethics Ordinance. This was approved by the Ethics Commission.

Furthermore, VRF § 1-23-5(E), which states the enforcement of the Ethical Standards is within the purview of the Village Board, was altered only to state enforcement measures must be initiated within 24 months of the alleged improper conduct.⁵ This indicates it has consistently been the Village’s intent to allow the Village Board to enforce the Ethical Standards enumerated in Section 5 of the Ethics Code.

IV. Village Board’s Enforcement Powers

The Village Board has enforcement power over the Ethical Standards, assuming the alleged conduct violates federal, state, or county law, or other provisions within the VRF Code. *See VRF Code § 1-23-5(E)*. The penalties for violations of the Ethical Standards shall be in the form of a reprimand, formal censure, or removal from an advisory board or commission. *See VRF Code § 1-*

³ *See Regular Village Board Meeting Minutes*, VILLAGE OF RIVER FOREST (Apr. 25, 2022), available at https://www.vrf.us/uploads/cms/documents/events/4-25-22_River_Forest_Regular_Meeting_Minutes.pdf; *see also Regular Village Board Meeting Packet*, VILLAGE OF RIVER FOREST 1, 444-467 (Apr. 25, 2022), available at https://www.vrf.us/uploads/cms/documents/events/VBOT_PACKET_4-25-22-compressed.pdf (providing the Ordinance, as adopted).

⁴ *See Audio Recording - Ethics Commission*, VILLAGE OF RIVER FOREST (Jan. 20, 2022), <https://www.vrf.us/uploadsAudio/01-20-22%20Local%20Ethics%20Audio.mp3>.

⁵ *See Special Meeting of the Local Ethics Commission Agenda Packet*, VILLAGE OF RIVER FOREST 1, 22-23 (Feb. 19, 2025), available at https://www.vrf.us/uploads/cms/documents/events/2-19-25_Packet_Complete.pdf.

23-5(F). The Village Board may also refer the matter to the Village Prosecutor with instructions to seek monetary fines in circuit court.

However, no penalty shall be imposed without providing the covered individual or contractors with notice of the charges and an opportunity to be heard before the Village Board.

V. Alleged Violations of Section 1-23-5(C)(1) (Working for the Common Good)

The Second Complaint alleges that the involvement of the Commissioner violates VRF Code § 1-23-5(C)(1), which states:

Working For The Common Good: Recognizing that stewardship of the public interest must be their primary concern, Village covered individuals shall work for the common good of the people of the Village, shall work for the best interests of the Village and shall not work on behalf of any private or personal interest, and they shall assure fair and equal treatment of all persons, claims and transactions coming before the Village. Village covered individuals shall put forth an honest effort in the discharge of their official duties in a fiscally responsible manner.

The Second Complaint also cites policy sections of the Ethical Standards, which states Village constituents are entitled to “fair, ethical, and accountable local government” and that covered individuals and contractors will comply with “the letter and spirit of the laws” and “avoid even the appearance of impropriety.” *See VRF Code § 1-23-5(B)(1).*

The Second Complaint alleges the Commissioner’s frequent attendance and participation and inside knowledge of the EDC’s criteria resulted in JLL’s RFP response exceeding other prospective applicants. The allegations assume that the Commissioner utilized his role in an inappropriate manner and that the EDC’s recommendation of JLL is *de facto* evidence of this. There is no evidence that the Commissioner aided JLL in its RFP submission, but there is evidence the Commissioner abstained from the RFP process once JLL’s application was made known to him.

The conduct alleged regarding the Commissioner’s participation is directly tied to the allegations of the conflict of interest. The Commissioner’s participation in the RFP process is fully analyzed in Section VI below.

VI. Alleged Violations of Section 1-23-5(C)(6) (Conflict of Interest)

The Second Complaint alleges that the involvement of the Commissioner violates VRF Code § 1-23-5(C)(1), which states:

Conflict Of Interest: In order to assure their independence and impartiality on behalf of the common good, the Village covered individuals shall not use their official offices or positions to influence government decisions in which they currently have or are actively pursuing a financial interest or an organizational responsibility or personal relationship which may create a conflict of interest, or which give the appearance of a conflict of

interest. As may be related to matters before them, Village covered individuals shall disclose investments, interests in real property, sources of income, and gifts, including those held or received by their spouses; and they shall abstain from participating in deliberations and decision making where conflicts may exist.

A. The Commissioner's Alleged Financial Interest in JLL

The VRF Code does not define “conflict of interest” or “financial interest.” However, the Ethics Ordinance incorporates the Illinois Public Officer Prohibited Activities Act (“POPAA”) (50 ILCS 105/0.01).

Under POPAA, an elected or appointed official cannot be “financially interested” in a contract or other work upon which they may be called to act upon or vote. 50 ILCS 150/3(a). There are exemptions, including where the member publicly discloses the financial interest, abstains on the vote, or owns less than 7 ½% share in ownership of the contracting party. 50 ILCS 150/3(b)(1).

POPAA also states that:

For the purposes of this Section only, a municipal officer shall not be deemed interested if the officer is an employee of a company or owns or holds an interest of 1% or less in the municipal officer's individual name in a company, or both, that company is involved in the transaction of business with the municipality, and that company's stock is traded on a nationally recognized securities market, provided the interested member: (i) publicly discloses the fact that he or she is an employee or holds an interest of 1% or less in a company before deliberation of the proposed award of the contract; (ii) refrains from evaluating, recommending, approving, deliberating, or otherwise participating in negotiation, approval, or both, of the contract, work, or business; (iii) abstains from voting on the award of the contract though he or she shall be considered present for purposes of establishing a quorum; and (iv) the contract is approved by a majority vote of those members currently holding office.

50 ILCS 150/3(e).

The purpose of POPAA is “designed to deter public officials from placing themselves in positions where their private pecuniary interests conflict or may conflict with their official public duties.” *People ex. rel. Madigan v. Bertrand*, 2012 IL App (1st) 111419, ¶ 3.

The courts typically apply the language of Section 3(a) to determine if a conflict of interest exists and has held that it does “not consider that the statute was intended to reach situations [. . .] in which the public officer is not himself financially interested, either directly or indirectly, in the contract or the performance of the work, and in which the only benefit flowing to the officer from such action is no different from the benefits enjoyed by the public at large.” *Croissant v. Joliet Park Dist.*, 141 Ill.2d 449, 459 (1990).

The Commissioner is an employee of JLL, whose stock is traded on a nationally recognized

securities market. At this time, no information is available regarding any ownership interests in JLL.

Pursuant to the meeting minutes of the EDC, the Commissioner abstained from participating in the deliberations and did not take part in the decision-making process. The Commissioner announced his potential conflict by disclosing his employment with JLL. Furthermore, he was entitled to attend the meetings to ensure quorum was met. The EDC only voted to recommend the contract, and the ultimate question of awarding the contract is in the Village Board's discretion.

Under the statutory parameters of POPAA, the Commissioner does not have a "financial interest" in JLL that would constitute a conflict of interest. 50 ILCS 150/3(e).

B. The Commissioner's Alleged Improper Participation in the RFP Process.

The Second Complaint alleges the RFP selection process was unfair due to the Commissioner's participation in the RFP process. To address this, the EDC's timeline is considered.

On September 18, 2023, the EDC met and requested Village staff develop an RFP for broker services.⁶ The Commissioner was absent from this meeting.

On October 4, 2023, the EDC met and decided to develop an RFP for broker services relevant to Madison Street and other vacant properties.⁷ The Commissioner was present for this meeting.

On January 10, 2024, the EDC met, and Village Administrator Walsh gave updates regarding draft RFPs for development.⁸ The Commissioner was absent from this meeting.

On February 7, 2024, the EDC met, and Commissioners Brangle and Lowes offered to assist Village staff on drafting RFPs for Madison Street development.⁹ The Commissioner was absent from this meeting.

On March 6, 2024, the EDC met and discussed the draft RFP for broker services.¹⁰ The Commissioner took part in this discussion. The Second Complaint highlights certain comments made by the Commissioner. However, at this time, no application was received from JLL and the Commissioner had no duty to recuse himself from the discussion. Furthermore, the Commissioner was under a duty to, *inter alia*, "encourage and support development within the Village" and

⁶ See *Minutes of the Economic Development Commission Meeting*, VILLAGE OF RIVER FOREST (Sept. 18, 2023), available at https://www.vrf.us/uploads/cms/documents/events/9.18.23_ED_Minutes_Signed.pdf.

⁷ See *Minutes of the Economic Development Commission Meeting*, VILLAGE OF RIVER FOREST (Oct. 4, 2023), available at https://www.vrf.us/uploads/cms/documents/events/10.4.23_Minutes_Signed.pdf.

⁸ See *Minutes of the Economic Development Commission Meeting*, VILLAGE OF RIVER FOREST (Jan. 10, 2024), available at https://www.vrf.us/uploads/cms/documents/events/1.10.24_EDC_Minutes_FINAL.pdf.

⁹ See *Minutes of the Economic Development Commission Meeting*, VILLAGE OF RIVER FOREST (Jan. 10, 2024), available at https://www.vrf.us/uploads/cms/documents/events/02-07-24_EDC_Minutes_Signed.pdf.

¹⁰ See *Minutes of the Economic Development Commission Meeting*, VILLAGE OF RIVER FOREST (Feb. 7, 2024), available at https://www.vrf.us/uploads/cms/documents/events/03.06.24_EDC_Minutes_Signed.pdf.

“investigate and recommend incentives to facilitate economic growth.” *See VRF Code § 2-9-5*. It should be noted that this was not a closed executive session and both the minutes and audio recording are publicly available online. The Commissioner heard no information that was not openly, equally available to any interested party.

On March 25, 2024, the RFP for Broker Services was published on the Village’s website.

On July 10, 2024, the EDC Chairman announced 5 RFP responses were received, and 3 selected as finalists.¹¹ Chairman Brown asked the Commissioner to leave the table, due to the potential COI. The Commissioner remained in the room while Assistant Administrator Spencer discussed the next steps in the selection process, which was in line with legal advice regarding handling a potential COI. The Commissioner rejoined the table after the discussion on the RFPs ended.

The Second Complaint and public comment during the January 31, 2025 Ethics Commission meeting took issue with the Commissioner remaining in the room during the July 10, 2024 meeting. It should be noted that this was not a closed executive session and both the minutes and audio recording¹² are publicly available online. The Commissioner heard no information that was not openly, equally available to any interested party.

Pursuant to VRF Code § 1-23-5(B)(6), a COI can be addressed by abstaining from participating in deliberations where conflicts may exist. The Commissioner abstained from the deliberations, and abstention does not require leaving the room, nor does it require automatic, *de facto*, resignation of a member. The Commissioner took the appropriate steps to distance himself from the deliberations process when he became aware of JLL’s application. He did not participate in the deliberations process, nor did he vote on the final recommendation.

VII. Impact on JLL’s Submission

The Second Complaint states that, despite the Commissioner’s resignation from the EDC, a COI remains. It alleges the EDC’s RFP process was “tainted” and that JLL “knowingly had insider information.” As such, the Second Complaint stated JLL must be removed from consideration.

As discussed above, the Village Board has the authority to review COIs. Under the Penalties section, the Village Board can remove contractors who violate the Village’s Ethics Ordinance from doing business with the Village. *See VRF Code § 1-23-9(B)*.

The Village Board was presented with a Memorandum from Village Administrator Walsh on January 27, 2025.¹³ An updated Memorandum was provided on February 10, 2025, which

¹¹ *See Minutes of the Special Meeting of the Economic Development Commission*, VILLAGE OF RIVER FOREST (July 10, 2024), available at https://www.vrf.us/uploads/cms/documents/events/07.10.24_EDC_Minutes_Signed.pdf (discussion regarding RFPs take place from approximately 16:08 to 40:24).

¹² *See Audio Recording – July 10, 2024 Economic Development Commission Meeting*, VILLAGE OF RIVER FOREST (July 10, 2024), <https://www.vrf.us/uploadsAudio/07-10-24%20EDC%20Audio.mp3>.

¹³ *See Village Board Meeting Packet*, VILLAGE OF RIVER FOREST 1, 27-53 (Jan. 27, 2025), available at https://www.vrf.us/uploads/cms/documents/events/01-27-25_Packet.pdf.

indicated the Commissioner resigned from the EDC. This Memorandum provides a detailed outline of the selection process and shares how the EDC handled the potential COI. A majority approval of the Village Board, with this information in mind, acted to certify that the EDC properly handled any potential COI.

Because the EDC addressed the potential COI in accordance with the Ethics Ordinance requirements, there is no basis for removing JLL from the selection process. In fact, to remove JLL at this stage, without evidence of actual wrongdoing, would prejudice JLL by virtue of limiting its ability to do business with the Village based on an employee's non-compensated, appointed public servant role.

While POPAA does not apply in this instance because the Commissioner is not financially interested in JLL, the last step to adhering to the POPAA exceptions would be a majority approval. 50 ILCS 150/3(e). Here, a majority of the EDC voted to recommend JLL, and a majority approval of the Village Board was also obtained.

Any remaining claims of the First Complaint and Second Complaint are without merit at this stage. Certain claims, such as OMA violations, fall outside the Ethics Ordinance and are not considered in this Memorandum.

Very truly yours,
KLEIN, THORPE & JENKINS, LTD.

Lance C. Malina, Village Attorney

cc: Catherine Adduci, Village President
Matthew Walsh, Village Administrator
Kaylee M. Hartman, Village Attorney



Village of River Forest
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MEMORANDUM

Date: February 5, 2025

To: Village Board of Trustees
Local Ethics Commission

From: Matt Walsh, Village Administrator

Subj: Ethics Commission Ordinance Revision History

Below is a timeline of the Ethics Commission's revisions to the Ethics Ordinance.

- **August 24, 2021:** The Ethics Commission convenes for the first time in several years. During the meeting Commissioners discuss their charge to revise the Village's ethics ordinance.
- **November 4, 2021:** The Commission meets to review the new draft that had been compiled by Chair Daley. The Commission directs staff to present draft to Village Attorney for review.
- **January 20, 2022:** Village Attorney Greg Smith attends Ethics Commission to present his changes to the draft.
 - The draft introduced at the January 20, 2022 meeting includes the following language;

"The Commission shall have the following powers and duties:

1. *To consider "Written Charges," as defined below, for alleged violations of duties imposed in Sections 1-23-3 and 1-23-4 of this Chapter.*

This language refers to the gift ban and prohibited political activities sections. Attorney Smith introduces this language during the January 20, 2022 meeting.

- **February 17, 2022:** The Commission continues to review the draft. The draft discussed at this meeting continues to include the language regarding the purview of the Commission.
- **March 9, 2022:** The Ethics Commission voted 2-0 to recommend approval of the Ethics Ordinance. The draft reviewed and recommended for approval at this meeting includes
 1. *"To consider complaints of alleged violations of duties imposed in Sections 1-23-3 and 1-23-4 of this Chapter."*
- **April 25, 2022:** The Village Board voted 6-0 to adopt the ordinance. The Village Board made no revisions to the ordinance.